ALLIANCE DATA SYSTEMS CORP

02/03/2005

Stock

Form 4

February 07, 2005

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

OMB

Estimated average

Check this box if no longer subject to

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES**

3235-0287 Number: January 31, Expires: 2005

OMB APPROVAL

Section 16. Form 4 or Form 5 obligations may continue.

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

burden hours per response... 0.5

See Instruction 1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * DRAPER E LINN JR			2. Issuer Name and Ticker or Trading Symbol ALLIANCE DATA SYSTEMS CORP [ADS]				5. Relationship of Reporting Person(s) to Issuer (Check all applicable)			
(Last) 17655 WAT	(First) (M	(Mont	3. Date of Earliest Transaction (Month/Day/Year) 02/03/2005			_X_ Director Officer (gives) below)		6 Owner er (specify		
				nendment, Date Original onth/Day/Year)				6. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting		
DALLAS, TX 75252							Form filed by More than One Reporting Person			
(City)	(State) (Z	Zip) T	ble I - Non-I	erivative S	Securi	ties Ac	quired, Disposed	of, or Beneficia	lly Owned	
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)		Code	, ,	l (A) of (D) 4 and (A) or))	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)	
Common	02/02/2005		A (1)	177	٨	(1)	177 (2)	D		

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

 $A_{\underline{-}}^{(1)}$

Persons who respond to the collection of **SEC 1474** information contained in this form are not (9-02)required to respond unless the form displays a currently valid OMB control number.

D

 $177 \frac{(2)}{2}$

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

177

Α

(1)

Edgar Filing: ALLIANCE DATA SYSTEMS CORP - Form 4

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transactic Code (Instr. 8)	5. Number proof Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)	
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option (Right to Buy)	\$ 41.32	02/03/2005		A(3)	1,146	07/01/2005	02/03/2015	Common Stock	1,146

Reporting Owners

Reporting Owner Name / Address	Relationships					
reporting owner name, names	Director	10% Owner	Officer	Other		
DRAPER E LINN JR 17655 WATERVIEW PARKWAY DALLAS, TX 75252	X					

Signatures

Leigh Ann K. Epperson, Attorney in Fact 02/07/2005

**Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) The new grant is for 177 shares of common stock, subject to a restriction on resale until one year after the director's service on the Company's board of directors terminates.
- (2) The total amount of securities beneficially owned includes the new grant for 177 shares.
- (3) The new option is for 1,146 shares which will vest on 7/1/05.
- (4) The total number of derivative securities beneficially owned includes the new option for 1,146 shares.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

Reporting Owners 2