

ALLIANCE DATA SYSTEMS CORP

Form 4

February 07, 2005

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

Check this box
if no longer
subject to
Section 16.
Form 4 or
Form 5
obligations
may continue.
See Instruction
1(b).

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

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

OMB APPROVAL

OMB
Number: 3235-0287
Expires: January 31,
2005
Estimated average
burden hours per
response... 0.5

(Print or Type Responses)

1. Name and Address of Reporting Person *
HEFFERNAN EDWARD J

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) (First) (Middle)
17655 WATERVIEW PARKWAY

3. Date of Earliest Transaction
(Month/Day/Year)
02/03/2005

____ Director ____ 10% Owner
____ Officer (give title ____ Other (specify
below) below)
Executive Vice President / Chief Financial
Officer

(Street)
DALLAS, TX 75252-8012

4. If Amendment, Date Original
Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check
Applicable Line)
____ Form filed by One Reporting Person
____ Form filed by More than One Reporting
Person

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	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 Stock	02/03/2005		A ⁽¹⁾	6,961 A <u>(1)</u>	33,998	D	
Common Stock	02/03/2005		A ⁽²⁾	6,961 A <u>(2)</u>	40,959	D	
Common Stock	02/03/2005		A ⁽³⁾	17,778 A <u>(3)</u>	58,737 <u>(4)</u>	D	

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

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information contained in this form are not
required to respond unless the form**

SEC 1474
(9-02)

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. Transaction Code (Instr. 8)	5. Number of 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 ⁽⁵⁾		19,337		⁽⁵⁾	02/03/2015	Common Stock	19,337

Reporting Owner Name / Address

Director 10% Owner Officer Other

Executive Vice President Chief Financial Officer

Leigh Ann K. Epperson, Attorney
in Fact

02/07/2005

****Signature of Reporting Person**

Date _____

* 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 6,961 shares of performance-based restricted stock, which may be adjusted up or down at the time the restrictions lapse. The restrictions may lapse based on the performance of the Company relative to the S&P 500 measured as of 12/31/05.
- (2) The new grant is for 6,961 shares of time-based restricted stock. The restrictions will lapse on 2,297 shares on each of 2/3/06 and 2/3/07, and on 2,367 shares on 2/3/08.
- (3) The new grant is for 17,778 shares of time-based restricted stock. The restrictions on 5,926 shares will lapse on each of 12/9/05, 12/9/06, and 12/9/07.
- (4) The total number of securities beneficially owned includes: (a) 64 out of an original 23,000 shares of restricted stock granted 10/9/00, which is fully vested; (b) 21,718 shares acquired by the exercising of vested employee stock options; (c) 5,255 shares of performance-based restricted stock granted 2/2/04, of which 0 shares are vested; (d) the new grant for 6,961 shares of performance-based restricted stock; (e) the new grant for 6,961 shares of time-based restricted stock; and (f) the new grant for 17,778 shares of time-based

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restricted stock.

- (5) The new option is for 19,337 shares, of which 6,381 shares will vest on each of 2/3/06 and 2/3/07 and 6,575 shares will vest on 2/3/08.

The total number of derivative securities beneficially owned includes: (a) an option for 35,203 out of an original 40,000 shares granted 9/1/00, which is fully vested; (b) an option for 28,557 out of an original 40,557 shares granted 10/9/00, which is fully vested; (c) an option for 1 out of an original 38,313 shares granted on 6/8/01, which is fully vested; (d) an option for 63,282 shares granted 9/26/02, of

- (6) which 16,382 shares vested on 9/25/03, 23,100 shares vested on 9/25/04 and 23,800 shares will vest on 9/25/05; (e) an option for 34,022 shares granted 6/24/03, of which 11,227 shares vested on 6/23/04, 11,227 shares will vest on 6/23/05 and 11,568 shares will vest on 6/23/06; (f) an option for 34,735 shares granted 2/2/04, of which 11,463 shares vested on 2/2/05, 11,463 shares will vest on 2/2/06 and 11,809 shares will vest on 2/2/07; and (g) the new option for 19,337 shares.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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