

ALLIANCE DATA SYSTEMS CORP
Form 4
February 07, 2005

FORM 4

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

OMB APPROVAL

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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

(Print or Type Responses)

1. Name and Address of Reporting Person *
PARKS J MICHAEL

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
(Street)

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

Director 10% Owner
 Officer (give title below) Other (specify below)
Chairman of the Board / CEO and President

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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | Code | V Amount (D) Price | | | |
| Common Stock | 02/03/2005 | | A ⁽¹⁾ | 21,105 A (1) | 122,654 | D | |
| Common Stock | 02/03/2005 | | A ⁽²⁾ | 21,105 A (2) | 143,759 | D | |
| Common Stock | 02/03/2005 | | A ⁽³⁾ | 22,222 A (3) | 165,981 (4) | D | |

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

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number.

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

| 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) | Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|
| Employee Stock Option (Right to Buy) | \$ 41.32 | 02/03/2005 | | A ⁽⁵⁾ | 58,626 | ⁽⁵⁾ 02/03/2015 | Common Stock | 58,626 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|-----------------------|-------------------|
| | Director | 10% Owner | Officer | Other |
| PARKS J MICHAEL 17655 WATERVIEW PARKWAY DALLAS, TX 75252-8012 | X | | Chairman of the Board | CEO and President |

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 21,105 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 21,105 shares of time-based restricted stock. The restrictions will lapse on 6,964 shares on each of 2/3/06 and 2/3/07, and on 7,177 shares on 2/3/08.
 - (3) The new grant is for 22,222 shares of time-based restricted stock. The restrictions on 11,111 shares will lapse on each of 12/9/05 and 12/9/06.
 - (4) The total number of securities beneficially owned includes: (a) 7,432 out of an original 120,000 shares of restricted stock granted 9/1/00, which is fully vested; (b) 4,500 shares purchased in the open market; (c) 18,661 shares of performance-based restricted stock granted 6/24/03, which is fully vested; (d) less 2,640 shares given as a gift; (e) 37,856 shares acquired by the exercising of vested employee stock options; (f) 35,740 shares of performance-based restricted stock granted 2/2/04, of which 0 shares are vested; (g) the new grant for 21,105 shares of performance-based restricted stock; (h) the new grant for 21,105 shares of time-based restricted stock; and (i) the new grant for

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22,222 shares of time-based restricted stock.

- (5) The new option is for 58,626 shares, of which 19,346 shares will vest on each of 2/3/06 and 2/3/07 and 19,934 shares will vest on 2/3/08.

The total number of derivative securities beneficially owned includes: (a) an option for 6,588 out of an original 44,444 shares granted 3/10/97, which is fully vested; (b) an option for 177,777 shares granted 3/10/97, which is fully vested; (c) an option for 111,111 shares granted 3/10/97, which is fully vested; (d) an option for 83,333 shares granted 5/7/99, which is fully vested; (e) an option for 230,000

- (6) shares granted 9/1/00, which is fully vested; (f) an option for 109,388 shares granted 6/8/01, which is fully vested; (g) an option for 106,203 shares granted 6/24/03, of which 35,047 shares vested on 6/23/04, 35,047 shares will vest on 6/23/05 and 36,109 shares will vest on 6/23/06; (h) an option for 129,291 shares granted 2/2/04, of which 42,666 shares vested on 2/2/05, 42,666 shares will vest on 2/2/06 and 43,959 shares will vest on 2/2/07; and (i) the new option for 58,626 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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