

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  
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response... 0.5

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
SZEFTTEL IVAN M

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  
\_\_\_\_X\_\_\_\_ Officer (give title below) \_\_\_\_X\_\_\_\_ Other (specify below)  
Executive Vice President / President Retail  
Credit Svcs.

(Street)  
DALLAS, TX 75252-8012

4. If Amendment, Date Original  
Filed(Month/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  
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 <sup>(1)</sup>	9,761 A <u>(1)</u>	63,602	D	
Common Stock	02/03/2005		A <sup>(2)</sup>	9,761 A <u>(2)</u>	73,363	D	
Common Stock	02/03/2005		A <sup>(3)</sup>	17,778 A <u>(3)</u>	91,141 <sup>(4)</sup>	D	

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

**Persons who respond to the collection of  
information contained in this form are not  
required to respond unless the form**

SEC 1474  
(9-02)

**displays a currently valid OMB control 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
				Code V (A) (D)		Date Exercisable Expiration Date	Title	
Employee Stock Option (Right to Buy)	\$ 41.32	02/03/2005		A <sup>(5)</sup>	27,113	<sup>(5)</sup> 02/03/2015	Common Stock	27,113

## Reporting Owners

### Reporting Owner Name / Address

### Relationships

Director 10% Owner Officer Other

SZEFTEL IVAN M  
17655 WATERVIEW PARKWAY  
DALLAS, TX 75252-8012

Executive Vice President President Retail Credit Svcs.

## 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 9,761 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 9,761 shares of time-based restricted stock. The restrictions will lapse on 3,221 shares on each of 2/3/06 and 2/3/07, and on 3,319 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) 14,000 out of an original 35,000 shares of restricted stock granted 6/7/01, which is fully vested; (b) 1,000 shares purchased on the open market; (c) 472 shares of performance-based

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restricted stock granted 6/24/03, which is fully vested; (d) 32,000 shares acquired by the exercising of vested employee stock options; (e) 6,369 shares of performance-based restricted stock granted 2/2/04, of which 0 shares are vested; (f) the new grant for 9,761 shares of performance-based restricted stock; (g) the new grant for 9,761 shares of time-based restricted stock; and (h) the new grant for 17,778 shares of time-based restricted stock.

(5) The new option is for 27,113 shares, of which 8,947 shares will vest on each of 2/3/06 and 2/3/07 and 9,219 shares will vest on 2/3/08.

(6) The total number of derivative securities beneficially owned includes: (a) an option for 26,667 out of an original 111,111 shares granted 7/25/98, which is fully vested; (b) an option for 20,253 out of an original 22,222 shares granted 5/7/99, which is fully vested; (c) an option for 80,000 shares granted 9/1/00, which is fully vested; (d) an option for 38,048 shares granted 6/8/01, which is fully vested; (e) an option for 42,528 shares granted 6/24/03, of which 14,034 shares vested on 6/23/04, 14,034 shares will vest on 6/23/05 and 14,460 shares will vest on 6/23/06; (f) an option for 42,103 shares granted 2/2/04, of which 13,894 shares vested on 2/2/05, 13,894 shares will vest on 2/2/06 and 14,315 shares will vest on 2/2/07; and (g) the new option for 27,113 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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