

ALLIANCE DATA SYSTEMS CORP

Form 4

February 15, 2006

**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  
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response... 0.5

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
**KUBIC MICHAEL D**

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)  
**02/13/2006**

\_\_\_\_ Director \_\_\_\_ 10% Owner  
☒ Officer (give title below) ☒ Other (specify below)  
SVP, Controller / Chief Accounting Officer

**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<br>Security<br>(Instr. 3) | 2. Transaction Date<br>(Month/Day/Year) | 2A. Deemed<br>Execution Date, if<br>any<br>(Month/Day/Year) | 3. Transaction<br>Code<br>(Instr. 8) | 4. Securities Acquired<br>(A) or Disposed of (D)<br>(Instr. 3, 4 and 5) | 5. Amount of<br>Securities<br>Beneficially<br>Owned<br>Following<br>Reported<br>Transaction(s)<br>(Instr. 3 and 4) | 6. Ownership<br>Form: Direct<br>(D) or<br>Indirect (I)<br>(Instr. 4) | 7. Nature of<br>Ownership<br>(Instr. 4) |
|---------------------------------------|---|---|--------------------------------------|---|--|--|---|
| Common<br>Stock                       | 02/13/2006                              |   | A <sup>(1)</sup>                     | 1,873 A   | 22,625   | D  |   |
| Common<br>Stock                       | 02/13/2006                              |   | A <sup>(2)</sup>                     | 1,873 A   | 24,498   | D  |   |
| Common<br>Stock                       | 02/13/2006                              |   | F <sup>(3)</sup>                     | 757 D   | \$ 23,741 <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  
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SEC 1474  
(9-02)

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 (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) | 8. Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|--|--|---|-------------------------------|
| Employee Stock Option (Right to Buy)       | \$ 43.01   | 02/13/2006                           |  | A <sup>(5)</sup>               | 4,472  | <sup>(5)</sup> 02/13/2016                                | Common Stock  | 4,472                         |

## Reporting Owners

| Reporting Owner Name / Address                                      | Relationships |           |                 |                          |
|---|---------------|-----------|-----------------|--------------------------|
|   | Director      | 10% Owner | Officer         | Other                    |
| KUBIC MICHAEL D<br>17655 WATERVIEW PARKWAY<br>DALLAS, TX 75252-8012 |               |           | SVP, Controller | Chief Accounting Officer |

## Signatures

Leigh Ann K. Epperson, Attorney  
in Fact 02/15/2006

\*\*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).
- The new grant is for 1,873 shares of common stock represented by performance-based restricted stock units. The restrictions on 100% of the shares may lapse in February 2007 if certain Company financial targets are met.
  - The new grant is for 1,873 shares of common stock represented by time-based restricted stock units. The restrictions will lapse on 618 shares on each of 2/13/07 and 2/13/08, and on 637 shares on 2/13/09.
  - 757 shares were withheld by the Company to satisfy the Reporting Person's tax withholding obligation upon the vesting of restricted stock.
  - The total number of securities beneficially owned includes: (a) 7,200 out of an original 12,000 shares of restricted stock granted 11/9/00, which is fully vested; (b) 2,500 shares of performance-based restricted stock granted 2/2/04, which is fully vested; (c) 4,500 shares acquired by the exercising of vested employee stock options; (d) 1,743 out of an original 2,500 shares of performance-based restricted

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stock granted 2/3/05, which is fully vested; (e) 4,052 out of an original 4,444 shares of time-based restricted stock granted 2/3/05, of which 1,089 shares are vested; (f) the new grant for 1,873 performance-based restricted stock units; and (g) the new grant for 1,873 time-based restricted stock units.

- (5) The new option is for 4,472 shares, of which 1,475 shares will vest on 2/13/07, 1,476 shares will vest on 2/13/08 and 1,521 shares will vest on 2/13/09.

- (6) The total number of derivative securities beneficially owned includes: (a) an option for 6,611 out of an original 11,111 shares granted 10/29/1999, which is fully vested; (b) an option for 13,749 out of an original 26,500 shares granted 9/1/00, which is fully vested; (c) an option for 1 out of an original 12,603 shares granted 6/8/01, which is fully vested; (d) an option for 10,000 shares granted 6/24/03, of which 6,600 shares are fully vested and 3,400 shares will vest on 6/23/06; (e) an option for 11,000 shares granted 2/2/04, of which 7,260 shares are fully vested and 3,740 shares will vest on 2/2/07; (f) an option for 11,000 shares granted 2/3/05, of which 3,630 shares vested on 2/3/06, 3,630 shares will vest on 2/3/07 and 3,740 shares will vest on 2/3/08; and (g) the new option for 4,472 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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