

ALLIANCE DATA SYSTEMS CORP
 Form 4
 June 28, 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 *
BELTZ MICHAEL A

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)
06/24/2005

____ Director
 ____ Officer (give title below) 10% Owner
 ____ Other (specify below) former 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 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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|--|
| | | | Code | V | Amount or Price | | |
| Common Stock | 06/24/2005 | | M | | 26,515 A \$ 9.9 | 71,197 | D |
| Common Stock | 06/24/2005 | | M | | 16,668 A \$ 9.9 | 87,865 | D |
| Common Stock | 06/24/2005 | | M | | 11,789 A \$ 24.03 | 99,654 | D |
| Common Stock | 06/24/2005 | | S | | 54,972 D \$ 39.9 | 44,682 ⁽¹⁾ | 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 displays a currently valid OMB control number.

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(9-02)

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) | \$ 9.9 | 06/24/2005 | | M | 26,515 | <u>(2)</u> 11/30/2008 | Common Stock | 26,515 |
| Employee Stock Option (Right to Buy) | \$ 9.9 | 06/24/2005 | | M | 16,668 | <u>(2)</u> 05/06/2009 | Common Stock | 16,668 |
| Employee Stock Option (Right to Buy) | \$ 24.03 | 06/24/2005 | | M | 11,789 | <u>(3)</u> 06/23/2013 | Common Stock | 11,789 |

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

BELTZ MICHAEL A
17655 WATERVIEW PARKWAY
DALLAS, TX 75252-8012

former officer

Signatures

Leigh Ann K. Epperson, Attorney
in Fact

06/28/2005

**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 total number of securities beneficially owned includes: (a) 2,399 shares acquired through the Company employee stock purchase program; (b) 11,442 shares acquired by the exercising of vested employee stock options; (c) 1,000 shares purchased on the open market; (d) 277 out of an original 6,277 shares of performance-based restricted stock granted 6/24/03, which is fully vested; (e) 5,893 shares of performance-based restricted stock granted 2/3/05, of which 0 shares are vested; (f) 5,893 shares of time-based restricted stock granted 2/3/05, of which 0 shares are vested; and (g) 17,778 shares of time-based restricted stock granted 2/3/05, of which 0 shares are vested.
- (2) This is an employee stock option grant that is fully vested.
- (3) This is an employee stock option grant for 35,723 shares, of which 11,789 shares vested on each of 6/23/04 and 6/23/05 and 12,145 shares will vest on 6/23/06.
- (4) The total number of derivative securities beneficially owned includes: (a) an option for 76,999 out of an original 80,000 shares granted 9/1/00, which is fully vested; (b) an option for 22,448 out of an original 38,048 shares granted 6/8/01, which is fully vested, (c) an option for 23,934 out of an original 35,723 shares granted 6/24/03, of which 11,789 shares vested on each of 6/23/04 and 6/23/05 and 12,145 shares will vest on 6/23/06; (d) an option for 32,419 shares granted 2/2/04, of which 10,698 shares vested on 2/2/05, 10,698 shares will vest on 2/2/06 and 11,023 shares will vest on 2/2/07; and (e) an option for 16,370 shares granted 2/3/05, of which 5,402 shares will vest on each of 2/3/06 and 2/3/07 and 5,566 shares will vest on 2/3/08.

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.