

OMB APPROVAL	
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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person* <u>SCULLION JOHN W</u> (Last) (First) (Middle) <u>17655 WATERVIEW PARKWAY</u> (Street) <u>DALLAS TX 75252-8012</u> (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>ALLIANCE DATA SYSTEMS CORP [ADS]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) <input checked="" type="checkbox"/> Other (specify below) <u>President-Loyalty Group / CEO-Loyalty Group</u>
	3. Date of Earliest Transaction (Month/Day/Year) <u>02/02/2004</u>	
4. If Amendment, Date of Original Filed (Month/Day/Year)		

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)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	02/02/2004		A		5,255 ⁽¹⁾	A	(1)	39,532 ⁽²⁾	D	

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 Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date					
Employee Stock Option (Right to Buy)	\$31.38	02/02/2004		A		34,735 ⁽³⁾		02/02/2005	02/02/2014	Common Stock 34,735	(3)	308,506 ⁽⁴⁾	D	

Explanation of Responses:

- The grant is for 5,255 shares of performance-based restricted stock. The restrictions on 100% of the shares may lapse in February 2005 if certain Company financial targets are met. If the restrictions do not lapse in February 2005, the restrictions may lapse in February 2007 if certain performance standards are met.
- The total number of securities beneficially owned includes: (a) 28,000 out of an original 35,000 shares of restricted stock granted 9/1/00, of which 14,000 shares are vested; (b) 6,277 shares of performance-based restricted stock granted 6/24/03, of which 0 shares are vested; and (c) the new grant for 5,255 shares.
- The new option is for 34,735 shares, of which 11,463 shares will vest on each of 2/2/05 and 2/2/06 and 11,809 shares will vest on 2/2/07.
- The total number of derivative securities beneficially owned includes: (a) an employee stock option for 83,333 shares granted on 12/1/1998, which is fully vested; (b) an employee stock option for 80,000 shares granted on 9/1/00, which is fully vested; (c) an employee stock option for 74,715 shares granted on 6/8/01, which is fully vested; (d) an employee stock option for 35,723 shares granted on 6/24/03, of which 11,789 shares will vest on each of 6/23/04 and 6/23/05 and 12,145 shares will vest on 6/23/06; and (e) the new option for 34,735 shares.

Remarks:

Leigh Ann K. Epperson,
Attorney in Fact

02/04/2004

** Signature of Reporting Person Date

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

* 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).

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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