

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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

OMB APPROVAL

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| 1. Name and Address of Reporting Person * <u>UTAY ALAN M</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> 3. Date of Earliest Transaction (Month/Day/Year) <u>02/03/2005</u> 4. If Amendment, Date of Original Filed (Month/Day/Year) | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <div>Director 10% Owner</div> <div><input checked="" type="checkbox"/> Officer (give title below) <input checked="" type="checkbox"/> Other (specify below)</div> <div><u>Executive Vice President & CAO / General Counsel, Secretary</u></div> 6. Individual or Joint/Group Filing (Check Applicable Line) <div><input checked="" type="checkbox"/> Form filed by One Reporting Person</div> <div>Form filed by More than One Reporting Person</div> |
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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 | 02/03/2005 | | A ⁽¹⁾ | | 4,972 | A | (1) | 40,311 | D | |
| Common Stock | 02/03/2005 | | A ⁽²⁾ | | 4,972 | A | (2) | 45,283 | D | |
| Common Stock | 02/03/2005 | | A ⁽³⁾ | | 17,778 | A | (3) | 63,061 ⁽⁴⁾ | 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) | \$41.32 | 02/03/2005 | | A ⁽⁵⁾ | | 13,812 | | (5) | 02/03/2015 | Common Stock | 13,812 | (5) | 132,103 ⁽⁶⁾ | D |

Explanation of Responses:

1. The new grant is for 4,972 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 4,972 shares of time-based restricted stock. The restrictions will lapse on 1,640 shares on each of 2/3/06 and 2/3/07, and on 1,692 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) 869 shares acquired through the Company employee stock purchase plan; (b) 16,800 out of an original 28,000 shares of restricted stock granted 8/31/01, which is fully vested; (c) 13,211 shares acquired by the exercising of vested employee stock options; (d) 4,459 shares of performance-based restricted stock granted 2/2/04, of which 0 shares are vested; (e) the new grant for 4,972 shares of performance-based restricted stock; (f) the new grant for 4,972 shares of time-based restricted stock; and (g) the new grant for 17,778 shares of time-based restricted stock.
5. The new option is for 13,812 shares, of which 4,557 shares will vest on each of 2/3/06 and 2/3/07 and 4,698 shares will vest on 2/3/08.
6. The total number of derivative securities beneficially owned includes: (a) an option for 29,900 out of an original 50,000 shares granted 8/30/01, which is fully vested; (b) an option for 30,000 out of an original 50,000 shares granted 9/26/02, of which 16,500 shares vested on each of 9/25/03 and 9/25/04 and 17,000 shares will vest on 9/25/05; (c) an option for 28,919 shares granted 6/24/03, of which 9,543 shares vested on 6/23/04, 9,543 shares will vest on 6/23/05 and 9,833 shares will vest on 6/23/06; (d) an option for 29,472 shares granted 2/2/04, of which 9,726 shares vested on 2/2/05, 9,726 shares will vest on 2/2/06 and 10,020 shares will vest on 2/2/07; and (e) the new option for 13,812 shares.

Remarks:

Leigh Ann K. Epperson,
Attorney in Fact

02/07/2005
Date

** Signature of Reporting Person

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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