

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

OMB APPROVAL	
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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>BELTZ MICHAEL A</u> (Last) (First) (Middle) 17655 WATERVIEW PARKWAY (Street) DALLAS TX 75252-8012 (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 Officer (give title below) <input checked="" type="checkbox"/> Other (specify below) former officer
	3. Date of Earliest Transaction (Month/Day/Year) 06/30/2005	
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	06/30/2005		M		21,999	A	\$15	66,782	D	
Common Stock	06/30/2005		M		22,448	A	\$12	89,230	D	
Common Stock	06/30/2005		M		10,698	A	\$31.38	99,928	D	
Common Stock	06/30/2005		S		55,145	D	\$41.9	44,783 ⁽¹⁾	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						Title
Employee Stock Option (Right to Buy)	\$15	06/30/2005		M		21,999		(2)	08/31/2010	Common Stock	21,999	(2)	150,171	D	
Employee Stock Option (Right to Buy)	\$12	06/30/2005		M		22,448		(2)	06/07/2011	Common Stock	22,448	(2)	127,723	D	
Employee Stock Option (Right to Buy)	\$31.38	06/30/2005		M		10,698		(3)	02/02/2014	Common Stock	10,698	(3)	117,025 ⁽⁴⁾	D	

Explanation of Responses:

- The total number of securities beneficially owned includes: (a) 2,500 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.
- This is an employee stock option grant that is fully vested.
- This is an employee stock option grant for 32,419 shares, 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.
- The total number of derivative securities beneficially owned includes: (a) an option for 55,000 out of an original 80,000 shares granted 9/1/00, which is fully vested; (b) 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; (c) an option for 21,721 out of an original 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 (d) 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.

Remarks:

Leigh Ann K. Epperson, 07/01/2005
Attorney in Fact

** 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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