

**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	
OMB Number:	3235-0287
Estimated average burden hours per response:	0.5

1. Name and Address of Reporting Person* <u>KUBIC MICHAEL D</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>Vice President, Controller / Chief Accounting Officer</u>
	3. Date of Earliest Transaction (Month/Day/Year) <u>03/19/2004</u>	
		6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person

**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	03/19/2004		M <sup>(1)</sup>		2,000	A	\$12	16,500	D	
Common Stock	03/19/2004		S <sup>(1)</sup>		2,000	D	\$32	14,500 <sup>(2)</sup>	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						Amount or Number of Shares
Employee Stock Option (Right to Buy)	\$12	03/19/2004		M <sup>(1)</sup>			2,000	(3)	06/08/2011	Common Stock	2,000	(3)	69,214 <sup>(4)</sup>	D	

**Explanation of Responses:**

- The exercise of employee stock options and sale reported in this Form 4 was effected pursuant to a Rule 10b5-1 trading plan adopted by the Reporting Person on November 24, 2003. The trading plan was established to sell up to 6,100 shares of the Company's common stock. Portions of the shares may be sold on specified dates or any time the stock achieves certain pre-arranged minimum prices and may take place beginning on January 5, 2004 and ending on September 30, 2004, unless sooner terminated. The Reporting Person will have no control over the timing of any sales under the plan and there can be no assurance that the shares covered by the plan actually will be sold. The Reporting Person entered into the plan for personal tax and financial planning purposes and will continue to have a significant ownership interest in the Company.
- The total number of securities beneficially owned includes: (a) 12,000 shares of restricted stock granted 11/9/00, of which 7,200 shares are vested; and (b) 2,500 shares of performance-based restricted stock granted 2/2/04, of which 0 shares are vested.
- This is an employee stock option grant that is fully vested.
- The total number of derivative securities beneficially owned includes: (a) an employee stock option for 11,111 shares granted 10/29/1999, which is fully vested; (b) an employee stock option for 26,500 shares granted 9/1/00, which is fully vested; (c) an employee stock option for 10,603 out of an original 12,603 shares granted 6/8/01, which is fully vested; (d) an employee stock option for 10,000 shares granted 6/24/03, of which 3,300 shares will vest on each of 6/23/04 and 6/23/05 and 3,400 shares will vest on 6/23/06; and (e) an employee stock option for 11,000 shares granted 2/2/04, of which 3,630 shares will vest on each of 2/2/05 and 2/2/06 and 3,740 shares will vest on 2/2/07.

**Remarks:**

Leigh Ann K. Epperson,  
Attorney in Fact 03/22/2004

\*\* 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.

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 Number.