### FORM 4

#### UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington,	D.C.	20549

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

## 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

Name and Address of Reporting Person*     SCULLION JOHN W						2. Issuer Name and Ticker or Trading Symbol ALLIANCE DATA SYSTEMS CORP [ ADS ]										Relationship of Reporting Person(s) to Issuer (Check all applicable)     Director     Officer (give title below)     Director     Other (specify below)					
(Last) 17655 W	`	irst) V PARKWAY	(Middle)			3. Date of Earliest Transaction (Month/Day/Year) 02/03/2005										President-Loyalty Group / CEO-Loyalty Group					
(Street)  DALLAS  (City)			75252-803 (Zip)	12	4. 1	4. If Amendment, Date of Original Filed (Month/Day/Year)									6. Individual or Joint/Group Filing (Check Applicable Line)  X Form filed by One Reporting Person Form filed by More than One Reporting Person						
(=:9)				2 Doriv	vativ.	0 50	ouritio	<u> </u>	auirad	Dic	nocod c	of or B	onof	icially	, Owned	l					
Date				2. Trans	Transaction		2A. Deemed Execution Date, if any (Month/Day/Year)		3. Trans	3. 4. Secur Transaction Dispose Code (Instr. 5)		rities Acquired (A) c ed Of (D) (Instr. 3, 4			5. Amount of Securities Beneficially Owned Followin		Form (D) o	: Direct r Indirect str. 4)	7. Nature of Indirect Beneficial Ownership		
							Code	v	Amount	(A)	or	Price	Reported Transaction(s) (Instr. 3 and 4)				(Instr. 4)				
Common	Stock			02/03	3/200	)5			A <sup>(1)</sup>		7,51	4 .	A	(1)	26,769 D						
Common	Stock			02/03	3/200	)5			A <sup>(2)</sup>		7,51	4	A	(2)	34,283 D						
Common	Stock			02/03	3/200	)5			A <sup>(3)</sup>		17,77	78	A	(3) 52,061 <sup>(4)</sup> D							
		-	Table II -								osed of, onverti				Owned						
1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution I if any (Month/Day	Date, T	Transaction Code (Instr. )		of E		Expiration	6. Date Exercisa Expiration Date Month/Day/Yea		7. Title and Amo of Securities Underlying Derivative Secu (Instr. 3 and 4)		curity	3. Price of Derivative Security Instr. 5)	9. Numbe derivative Securities Beneficial Owned Following Reported Transactio (Instr. 4)	e s ally g	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)		
					Code	v	(A)	(D)	Date Exercisa		Expiration Date	Title	or Nu of	nount imber ares							
Employee Stock Option (Right to Buy)	\$41.32	02/03/2005			A <sup>(5)</sup>		20,872		(5)		02/03/2015	Commo Stock	<sup>n</sup> 20	),872	(5)	304,378	3(6)	D			

#### Explanation of Responses:

- 1. The new grant is for 7,514 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.
- $2. \ The new grant is for 7,514 shares of time-based restricted stock. The restrictions will lapse on 2,479 shares on each of 2/3/06 and 2/3/07, and on 2,556 shares on 2/3/08.$
- $3. \ The new grant is for 17,778 shares of time-based restricted stock. The restrictions on 5,926 shares will lapse on each of 12/9/05, 12/9/06, and 12/9/07.$
- 4. The total number of securities beneficially owned includes: (a) 14,000 out of an original 35,000 shares of restricted stock granted 9/1/00, which is fully vested; (b) 5,255 shares of performance-based restricted stock granted 2/2/04, of which 0 shares are vested; (c) the new grant for 7,514 shares of performance-based restricted stock; (d) the new grant for 7,514 shares of time-based restricted stock; and (e) the new grant for 17,778 shares of time-based restricted stock.
- $5. \ The new option is for 20,872 \ shares, of which 6,887 \ shares \ will \ vest on each of 2/3/06 \ and 2/3/07 \ and 7,098 \ shares \ will \ vest on 2/3/08.$
- 6. The total number of derivative securities beneficially owned includes: (a) an option for 58,333 shares granted on 12/1/1998, which is fully vested; (b) an option for 80,000 shares granted on 9/1/00, which is fully vested; (c) an option for 74,715 shares granted on 6/8/01, which is fully vested; (d) an option for 35,723 shares granted on 6/24/03, of which 11,789 shares vested on 6/23/06, (e) an option for 34,735 shares granted on 2/2/04, of which 11,463 shares vested on 2/2/05, 11,463 shares will vest on 2/2/06 and 11,809 shares will vest on 2/2/07; and (f) the new option for 20,872 shares.

# Remarks:

<u>Leigh Ann K. Epperson</u>, <u>Attorney in Fact</u>

02/07/2005

\*\* 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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