Instruction 1(b)

FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

OMB APPROVAL OMB Number: Estimated average burden hours per response: 0.5

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* TUCKER DWAYNE H						2. Issuer Name and Ticker or Trading Symbol ALLIANCE DATA SYSTEMS CORP [ADS]									k all applic Directo	cable) or (give title	g Pers X	on(s) to Issu 10% Ow Other (s below)	ner	
(Last) (First) (Middle) 17655 WATERVIEW PARKWAY						3. Date of Earliest Transaction (Month/Day/Year) 01/03/2005									Executive Vice President / President Transaction Services					
(Street) DALLAS TX 75252-8012				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						
(City) (State) (Zip)						tive Securities Acquired, Disposed of, or Benefic								Person						
1. Title of Security (Instr. 3) 2. Transar Date (Month/Date)					saction	ear)	2A. Deemed Execution Date, if any (Month/Day/Year)		3. Trans Code	3. Transaction Code (Instr.		4. Securities Acquired (A) Disposed Of (D) (Instr. 3, 4		or 5. Amou Securitie Benefici Owned I		nt of es ally Following	Form: Direct (D) or Indirect (I) (Instr. 4)		7. Nature of Indirect Beneficial Ownership	
									Code	v	Amount	(A) o (D)	r Pri	ce	Reported Transact (Instr. 3 a	ion(s)		[Instr. 4)	
Common Stock 01/03/						5			M ⁽¹⁾		12,41	6 A	1	\$12	58,	,788		D		
Common Stock 01/03/					3/200	/2005					12,41	6 D \$4		44.75	46,372		D			
Common Stock 01/03/					3/200	/2005					14,000	0 D	\$4	44.75	32,3	372(2)		D		
		-	Table II -								osed of, convertil				wned					
1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deeme Execution if any (Month/Day	Date,		Transaction Code (Instr.		of		6. Date Exercisa Expiration Date (Month/Day/Year		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)		S	d. Price of Derivative Security Instr. 5)	9. Number derivative Securities Beneficiall Owned Following Reported Transactio (Instr. 4)	ly	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	Beneficial Ownership (Instr. 4)	
					Code	v	(A)	(D)	Date Exercisa		Expiration Date	Title	Amo or Num of Shar	ber						
Employee Stock Option (Right to	\$12	01/03/2005			M ⁽¹⁾			12,416	(3)		06/07/2011	Common Stock	12,4	416	(3)	181,854 ⁽	(4)	D		

Explanation of Responses:

- 1. The sale reported in this Form 4 was effected pursuant to a Rule 10b5-1 trading plan adopted by the Reporting Person on November 11, 2004. The trading plan was established to sell up to 28,607 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 3, 2005 and ending on February 15, 2005, 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.
- 2. The total amount of securities beneficially owned includes: (a) 1,266 shares acquired through the Company employee stock purchase program; (b) 1,028 out of an original 35,000 shares of restricted stock granted 9/1/00, which is fully vested; (c) 24,982 shares acquired by the exercising of vested employee stock options; and (d) 5,096 shares of performance-based restricted stock granted 2/2/04, of which 0 shares are vested.
- 3. This is an employee stock option grant that is fully vested.
- 4. The total number of derivative securities beneficially owned includes: (a) an employee stock option for 115,000 shares granted 9/1/00, which is fully vested; (b) an employee stock option for 1 out of an original 81,917 shares granted 6/8/01, which is fully vested; (c) an employee stock option for 33,171 shares granted 6/24/03, of which 10,946 shares vested on 6/23/04, 10,946 shares will vest on 6/23/05, and 11,279 shares will vest on 6/23/06; and (d) an employee stock option for 33,682 shares granted 2/2/04, of which 11,115 shares will vest on each of 2/2/05 and 2/2/06 and 11,452 shares will vest on 2/2/07.

Remarks:

Leigh Ann K. Epperson, 01/04/2005 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.

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.