

ALLIANCE DATA SYSTEMS CORP

Form 4

April 25, 2005

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

OMB Number: 3235-0287

Expires: January 31, 2005

Estimated average burden hours per response... 0.5

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

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF
SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
Section 17(a) of the Public Utility Holding Company Act of 1935 or Section
30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
HEFFERNAN EDWARD J

2. Issuer Name **and** Ticker or Trading
Symbol
**ALLIANCE DATA SYSTEMS
CORP [ADS]**

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

(Last) (First) (Middle)
17655 WATERVIEW PARKWAY

3. Date of Earliest Transaction
(Month/Day/Year)
04/21/2005

____ Director ____ 10% Owner
☒ Officer (give title below) ☒ Other (specify below)
Executive Vice President / Chief Financial Officer

(Street)
DALLAS, TX 75252-8012

4. If Amendment, Date Original
Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check
Applicable Line)
☒ Form filed by One Reporting Person
☐ Form filed by More than One Reporting
Person

(City) (State) (Zip)

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 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	04/21/2005		M ⁽¹⁾		24,358	A	\$ 15 88,662
Common Stock	04/21/2005		S ⁽¹⁾		24,358	D	\$ 42.5 64,304
Common Stock	04/21/2005		S ⁽¹⁾		5,255	D	\$ 42.5 59,049 ⁽²⁾

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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information contained in this form are not
required to respond unless the form**

SEC 1474
(9-02)

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 Underlying Securities (Instr. 3 and 4)			
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option (Right to Buy)	\$ 15	04/21/2005		M ⁽¹⁾		24,358		⁽³⁾	08/31/2010	Common Stock	24,358

Reporting Owner Name / Address

Director 10% Owner Officer Other

Executive Vice President Chief Financial Officer

Leigh Ann K. Epperson, Attorney
in Fact

04/25/2005

****Signature of Reporting Person**

Date _____

* 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).

(1) The sale reported in this Form 4 was effected pursuant to a Rule 10b5-1 trading plan adopted by the Reporting Person on February 14, 2005. The trading plan was established to sell up to 29,613 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 February 28, 2005 and ending on May 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 number of securities beneficially owned includes: (a) 64 out of an original 23,000 shares of restricted stock granted 10/9/00, which is fully vested; (b) 27,285 shares acquired by the exercising of vested employee stock options; (c) 6,961 shares of performance-based restricted stock granted 2/3/05, of which 0 shares are vested; (d) 6,961 shares of time-based restricted stock granted 2/3/05, of which 0 shares are vested; and (e) 17,778 shares of time-based restricted stock granted 2/3/05, of which 0 shares are vested.

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- (3) This is an employee stock option grant that is fully vested.

The total number of derivative securities beneficially owned includes: (a) an option for 2,018 from an original 40,000 shares granted 9/1/00 which is fully vested; (b) an option for 28,557 from an original 40,557 shares granted 10/9/00, which is fully vested; (c) an option for 1 from an original 38,313 shares granted on 6/8/01, which is fully vested; (d) an option for 63,282 shares granted 9/26/02, of which 16,382 shares vested on 9/25/03, 23,100 shares vested on 9/25/04 and 23,800 shares will vest on 9/25/05; (e) an option for 34,022 shares granted 6/24/03, of which 11,227 shares vested on 6/23/04, 11,227 shares will vest on 6/23/05 and 11,568 shares will vest on 6/23/06; (f) an option for 34,735 shares granted 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 (g) an option for 19,337 shares granted 2/3/05, of which 6,381 shares will vest on each of 2/3/06 and 2/3/07 and 6,575 shares will vest on 2/3/08.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.