

ALLIANCE DATA SYSTEMS CORP

Form 4

October 15, 2004

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(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

OMB APPROVAL

OMB
Number: 3235-0287
Expires: January 31,
2005
Estimated average
burden hours per
response... 0.5

(Print or Type Responses)

1. Name and Address of Reporting Person *
BELTZ MICHAEL A

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)
10/14/2004

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

(Street)

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

DALLAS, TX 75252-8012

(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 Ownership (Instr. 4)
Common Stock	10/14/2004		M ⁽¹⁾	15,600 A \$ 12	65,435	D	
Common Stock	10/14/2004		S ⁽¹⁾	15,600 D \$ 42.9	49,835 ⁽²⁾	D	

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
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SEC 1474
(9-02)

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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 Underlying Securities (Instr. 3 and 4)
Employee Stock Option (Right to Buy)	\$ 12	10/14/2004		M ⁽¹⁾	15,600	⁽³⁾ 06/08/2011	Common Stock 15,600

Reporting Owners

Reporting Owner Name / Address	Relationships
BELTZ MICHAEL A 17655 WATERVIEW PARKWAY DALLAS, TX 75252-8012	Director 10% Owner Officer Executive Vice President President Utility Services

Signatures

Leigh Ann K. Epperson, Attorney in Fact 10/15/2004

Signature of Reporting Person

Date

Explanation of Responses:

* 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 July 29, 2004. The trading plan was established to sell up to 44,537 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 August 3, 2004, and ending on December 31, 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.

(2) The total number of securities beneficially owned includes: (a) 2,212 shares acquired through the Company employee stock purchase program; (b) 20,442 shares acquired by the exercising of vested employee stock options; (c) 1,000 shares purchased on the open market; (d) 21,000 out of an original 35,000 shares of restricted stock granted 9/1/00, of which 7,000 shares are vested; (e) 277 out of an original 6,277 shares of performance-based restricted stock granted 6/24/03, which is fully vested; and (f) 4,904 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)

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The total number of derivative securities beneficially owned includes: (a) an employee stock option for 29,166 out of an original 38,888 shares granted 7/24/98, which is fully vested; (b) an employee stock option for 26,515 out of an original 27,777 shares granted 12/1/98, which is fully vested; (c) an employee stock option for 16,668 out of an original 22,222 shares granted 5/7/99, which is fully vested; (d) an employee stock option for 76,999 out of an original 80,000 shares granted 9/1/00, which is fully vested; (e) an employee stock option for 22,448 out of an original 38,048 shares granted 6/8/01, which is fully vested, (f) an employee stock option for 35,723 shares granted 6/24/03, of which 11,789 shares vested on 6/23/04, 11,789 shares will vest on 6/23/05 and 12,145 shares will vest on 6/23/06; and (g) an employee stock option for 32,419 shares granted 2/2/04, of which 10,698 shares will vest on each of 2/2/05 and 2/2/06 and 11,023 shares will vest on 2/2/07.

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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