

ALLIANCE DATA SYSTEMS CORP

Form 4

July 14, 2005

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

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(Print or Type Responses)

1. Name and Address of Reporting Person *
PARKS J MICHAEL

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
(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
07/12/2005

☐ Director ☐ 10% Owner
☒ Officer (give title below) ☒ Other (specify
below)
Chairman of the Board / CEO and President

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 (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 Ownership (Instr. 4)
Common Stock	07/12/2005		M ⁽¹⁾	50,000 A	\$ 9 198,707	D	
Common Stock	07/12/2005		S ⁽¹⁾	50,000 D	\$ 42.4 148,707 ⁽²⁾	D	

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

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(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)	\$ 9	07/12/2005		M ⁽¹⁾	50,000	⁽³⁾ 03/09/2007	Common Stock 50,000

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
PARKS J MICHAEL 17655 WATERVIEW PARKWAY DALLAS, TX 75252-8012	X Chairman of the Board CEO and President

Signatures

Leigh Ann K. Epperson, Attorney
in Fact 07/13/2005

**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 May 3, 2005. The trading plan was established to sell up to 150,000 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 May 4, 2005 and ending on October 28, 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) 868 out of an original 120,000 shares of restricted stock granted 9/1/00, which is fully vested; (b) 4,500 shares purchased in the open market; (c) 18,661 shares of performance-based restricted stock granted 6/24/03, which is fully vested; (d) less 2,640 shares given as a gift; (e) 57,146 shares acquired by the exercising of vested employee stock options; (f) 5,740 out of an original 35,740 shares of performance-based restricted stock granted 2/2/04, which is fully vested; (g) 21,105 shares of performance-based restricted stock granted 2/3/05, of which 0 shares are vested; (h) 21,105 shares of time-based restricted stock granted 2/3/05, of which 0 shares are vested; and (i) 22,222 shares of time-based restricted stock granted 2/3/05, of which 0 shares are vested.

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

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The total number of derivative securities beneficially owned includes: (a) an option for 127,777 out of an original 177,777 shares granted 3/10/97, which is fully vested; (b) an option for 111,111 shares granted 3/10/97, which is fully vested; (c) an option for 63,131 out of an original 83,333 shares granted 5/7/99, which is fully vested; (d) an option for 230,000 shares granted 9/1/00, which is fully vested; (e) an option for 109,388 shares granted 6/8/01, which is fully vested; (f) an option for 106,203 shares granted 6/24/03, of which 35,047 shares vested on each of 6/23/04 and 6/23/05 and 36,109 shares will vest on 6/23/06; (g) an option for 129,291 shares granted 2/2/04, of which 42,666 shares vested on 2/2/05, 42,666 shares will vest on 2/2/06 and 43,959 shares will vest on 2/2/07; and (h) an option for 58,626 shares granted 2/3/05, of which 19,346 shares will vest on each of 2/3/06 and 2/3/07 and 19,934 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.

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