

ALLIANCE DATA SYSTEMS CORP
 Form 4
 November 10, 2004

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

OMB APPROVAL
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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 *
 UTAY ALAN M

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)
 11/08/2004

____ Director
 Officer (give title below) _____ 10% Owner
 Other (specify below)
 Executive Vice President & CAO / General Counsel, Secretary

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 Indirect Ownership (Instr. 4)
				(A) or (D)	Price		
Common Stock	11/08/2004		F	D	\$ 4,705 (1) 41.92	24,199	D
Common Stock	11/08/2004		M	A	\$ 13,211 (1) 14.93	37,410 (2)	D

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

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SEC 1474 (9-02)

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)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount or Number of Shares
Employee Stock Option (Right to Buy)	\$ 14.93	11/08/2004		M	13,211 (1)	(3) 08/29/2011	Common Stock 13,211

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
UTAY ALAN M 17655 WATERVIEW PARKWAY DALLAS, TX 75252-8012			Executive Vice President & CAO	General Counsel, Secretary

Signatures

Leigh Ann K. Epperson, Attorney
in Fact 11/09/2004

__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) 4,705 shares and \$6.63 have been delivered to the Company in payment of the exercise price of 13,211 employee stock options.

The total number of securities beneficially owned includes: (a) 756 shares acquired through the Company employee stock purchase plan; (b) 16,800 out of an original 28,000 shares of restricted stock granted 8/31/01, of which 0 shares are vested; (c) 15,395 shares acquired by the exercising of vested employee stock options; and (d) 4,459 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.

The total number of derivative securities beneficially owned includes: (a) an employee stock option for 29,900 out of an original 50,000 shares granted 8/30/01, which is fully vested; (b) an employee stock option for 30,000 out of an original 50,000 shares granted 9/26/02, of which 16,500 shares vested on each of 9/25/03 and 9/25/04 and 17,000 shares will vest on 9/25/05; (c) an employee stock option for 28,919 shares granted 6/24/03, of which 9,543 shares vested on 6/23/04, 9,543 shares will vest on 6/23/05 and 9,833 shares will vest on 6/23/06; and (d) an employee stock option for 29,472 shares granted 2/2/04, of which 9,726 shares will vest on each of 2/2/05 and 2/2/06 and 10,020 shares will vest on 2/2/07.

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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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