

ALLIANCE DATA SYSTEMS CORP
 Form 4
 November 17, 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 * KUBIC MICHAEL D			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)	3. Date of Earliest Transaction (Month/Day/Year) 11/17/2004	<input type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer (give title below) <input checked="" type="checkbox"/> Other (specify below) Vice President, Controller / Chief Accounting Officer
17655 WATERVIEW PARKWAY			4. If Amendment, Date Original Filed(Month/Day/Year)	6. Individual or Joint/Group Filing(Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person
(Street)	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 (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 Beneficial Ownership (Instr. 4)
				(A) or (D)	Price		
Common Stock	11/17/2004		M ⁽¹⁾	V	1,000 A \$ 15	15,500	D
Common Stock	11/17/2004		S ⁽¹⁾	D	1,000 D \$ 42.95	14,500 ⁽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)	8. Amount or Number of Shares
Employee Stock Option (Right to Buy)	\$ 15	11/17/2004		M ⁽¹⁾	1,000	⁽³⁾ 08/31/2010	Common Stock	1,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
KUBIC MICHAEL D 17655 WATERVIEW PARKWAY DALLAS, TX 75252-8012			Vice President, Controller	Chief Accounting Officer

Signatures

Leigh Ann K. Epperson, Attorney
in Fact

11/17/2004

__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).

- The sale reported in this Form 4 was effected pursuant to a Rule 10b5-1 trading plan adopted by the Reporting Person on July 30, 2004. The trading plan was established to sell up to 14,602 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 6, 2004 and ending on February 4, 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.
- (1) The total number of securities beneficially owned includes: (a) 12,000 shares of restricted stock granted 11/9/00, of which 7,200 shares are vested; and (b) 2,500 shares of performance-based restricted stock granted 2/2/04, of which 0 shares are vested.
 - (2) This is an employee stock option grant that is fully vested.
 - (3) The total number of derivative securities beneficially owned includes: (a) an employee stock option for 11,111 shares granted 10/29/1999, which is fully vested; (b) an employee stock option for 23,500 out of an original 26,500 shares granted 9/1/00, which is fully vested; (c)

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an employee stock option for 1 out of an original 12,603 shares granted 6/8/01, which is fully vested; (d) an employee stock option for 10,000 shares granted 6/24/03, of which 3,300 shares vested on 6/23/04, 3,300 shares will vest on 6/23/05 and 3,400 shares will vest on 6/23/06; and (e) an employee stock option for 11,000 shares granted 2/2/04, of which 3,630 shares will vest on each of 2/2/05 and 2/2/06 and 3,740 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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