

ALLIANCE DATA SYSTEMS CORP
 Form 4
 November 24, 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 *
 SCULLION JOHN W

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)
 11/23/2004

___ Director ___ 10% Owner
 Officer (give title below) Other (specify below)
 President-Loyalty Group / CEO-Loyalty Group

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)
				(A) or (D)	Price		
Common Stock	11/23/2004		F	25,000	A \$ 9.9	50,532	D
Common Stock	11/23/2004		S	25,000	D \$ 42.8	25,532	D
Common Stock	11/23/2004		S	6,277	D \$ 42.8	19,255 ⁽¹⁾	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)

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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)	Amount or Number of Shares
Employee Stock Option (Right to Buy)	\$ 9.9	11/23/2004		M	25,000 (2)	(2) 12/01/2008	Common Stock	25,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SCULLION JOHN W 17655 WATERVIEW PARKWAY DALLAS, TX 75252-8012			President-Loyalty Group	CEO-Loyalty Group

Signatures

Leigh Ann K. Epperson, Attorney
in Fact
Date: 11/24/2004

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 total number of securities beneficially owned includes: (a) 14,000 out of an original 35,000 shares of restricted stock granted 9/1/00, of which 0 shares are vested; and (b) 5,255 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 58,333 shares granted on 12/1/1998, which is fully vested; (b) an employee stock option for 80,000 shares granted on 9/1/00, which is fully vested; (c) an employee stock option for 74,715 shares granted on 6/8/01, which is fully vested; (d) an employee stock option for 35,723 shares granted on 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 (e) an employee stock option for 34,735 shares granted on 2/2/04, of which 11,463 shares will vest on each of 2/2/05 and 2/2/06 and 11,809 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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