

ALLIANCE DATA SYSTEMS CORP
 Form 4
 June 13, 2005

FORM 4

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

OMB APPROVAL

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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 *
JENSEN KENNETH R

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)
06/10/2005

Director 10% Owner
 Officer (give title below) Other (specify below)

DALLAS, TX 75252-8012

(City) (State) (Zip)

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

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	06/10/2005		A ⁽¹⁾	V Amount 616 A <u>1</u> Price	12,328 ⁽²⁾	D	

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

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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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)	\$ 36.88	06/10/2005		A ⁽³⁾	3,547	(3) 06/10/2015	Common Stock	3,547

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
JENSEN KENNETH R 17655 WATERVIEW PARKWAY DALLAS, TX 75252-8012	X			

Signatures

Leigh Ann K. Epperson, Attorney
in Fact 06/13/2005

__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 new grant is for 616 shares of common stock, subject to a restriction on resale until one year after the director's service on the Company's board of directors terminates.

(2) The total amount of securities beneficially owned includes: (a) 10,000 shares purchased in the open market; (b) 1,091 shares of restricted stock granted 6/24/03; (c) 621 shares of restricted stock granted 7/1/04; and (d) the new grant for 616 shares.

(3) The new option is for 3,547 shares, of which 1,773 shares will vest on 6/10/06 and 1,774 shares will vest in June 2007.

(4) The total number of derivative securities beneficially owned includes: (a) an option for 42,000 shares granted 6/8/01, which is fully vested; (b) an option for 6,208 shares granted 6/24/03, which is fully vested; (c) an option for 3,724 shares granted 7/1/04, of which 1,228 shares will vest on 7/1/05, 1,229 shares will vest on 7/1/06, and 1,267 shares will vest in June 2007; and (d) the new option for 3,547 shares.

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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