

ALLIANCE DATA SYSTEMS CORP
 Form 4
 September 27, 2002
 SEC Form 4/A

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| <p align="center">FORM 4</p> <p>[] Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).</p> | <p>UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549</p> <p>STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP</p> <p>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(f) of the Investment Company Act of 1940</p> | <p align="center">OMB APPROVAL</p> <hr/> <p>OMB Number: 3235-0287 Expires: January 31, 2005 Estimated average burden hours per response: 0.5</p> |
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|---|---|---|---|
| <p>1. Name and Address of Reporting Person* Heffernan, Edward J.</p> <hr/> <p>(Last) (First) (Middle) 17655 Waterview Parkway</p> <hr/> <p>(Street) Dallas, TX 75252-8012</p> <hr/> <p>(City) (State) (Zip)</p> | <p>2. Issuer Name and Ticker or Trading Symbol Alliance Data Systems Corporation ADS</p> <hr/> <p>3. I.R.S. Identification Number of Reporting Person, if an entity (voluntary)</p> | <p>4. Statement for (Month/Year) September 27, 2002</p> <hr/> <p>5. If Amendment, Date of Original (Month/Year) 9/27/2002</p> | <p>6. Relationship of Reporting Person(s) to Issuer (Check all applicable)</p> <p>_____ Director _____</p> <p>10% Owner _____</p> <p><input checked="" type="checkbox"/> Officer _____</p> <p>Other _____</p> <p>Officer/Other Description Executive Vice President, Chief Financial Officer</p> <hr/> <p>7. Individual or Joint/Group Filing (Check Applicable Line)</p> <p><input checked="" type="checkbox"/> Individual Filing</p> <p><input type="checkbox"/> Joint/Group Filing</p> |
|---|---|---|---|

| Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned | | | | | | |
|--|--------------------------------------|---|--|---|---|---|
| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 3. Transaction Code and Voluntary Code (Instr. 8) | 4. Securities Acquired (A) or Disposed (D) Of (Instr. 3, 4, and 5) | 5. Amount of Securities Beneficially Owned at End of Month (Instr. 3 and 4) | 6. Ownership Form: Direct(D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
| | | Code V | Amount A/D Price | | | |
| Common | | | | 38,000.00 (1) | D | |
| | | | | | | |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.
 * If the form is filed by more than one reporting person, see Instruction 4(b)(v).

(over)
 SEC 1474 (3-99)

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Form 4 (continued)

| 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) | 4. Transaction Code and Voluntary Code (Instr.8) | 5. Number of Derivative Securities Acquired (A) or Disposed (D) Of (Instr. 3,4 and 5) | 6. Date Exercisable(DE) and Expiration Date(ED) (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | 8. Price of Derivative Security (Instr.5) | 9. Number of Derivative Securities Beneficially Owned at End of Month (Instr.4) | 10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) | 11. Nature of Indirect Beneficial Ownership (Instr.4) |
|--|--|--------------------------------------|--|---|--|---|---|---|---|---|
| Employee Stock Option (right to buy) | \$14.63 | 09/26/2002 | A V | (A) 70,000.00 | varies (2) 09/26/2012 (DE) (ED) | Common - 70,000.00 | \$14.63 | 70,000.00 | D | |
| Employee Stock Option (right to buy) | \$9.00 | | | | Varies (3) 05/25/2008 | Common - 16,666.00 | | 16,666.00 | D | |
| Employee Stock Option (right to buy) | \$9.90 | | | | Varies (4) 05/06/2009 | Common - 2,777.00 | | 2,777.00 | D | |
| Employee Stock Option (right to buy) | \$15.00 | | | | Varies (5) 08/31/2010 | Common - 40,000.00 | | 40,000.00 | D | |
| Employee Stock Option (right to buy) | \$15.00 | | | | Varies (6) 10/08/2010 | Common - 40,557.00 | | 40,557.00 | D | |
| Employee Stock Option (right to buy) | \$12.00 | | | | Varies (7) 06/08/2011 | Common - 38,313.00 | | 38,313.00 | D | |
| | | | | | | | | | | |

Explanation of Responses :

** Intentional misstatements or omissions of facts **By: Attorney-in-Fact for** _____ constitute Federal Criminal Violations.

See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a). ** Signature of Reporting Person
Date

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient,

Power of Attorney

See Instruction 6 for procedure.

Potential persons who are to respond to the

collection of information contained in this form
are not
required to respond unless the form displays a
currently valid OMB number.

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Form 4 (continued)

**FOOTNOTE Descriptions for Alliance Data Systems
Corporation ADS**

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Edward J. Heffernan
17655 Waterview Parkway
Dallas, TX 75252-8012

Explanation of responses:

- (1) On February 7, 2002, Alliance Data Systems Corporation's Board of Directors approved the vesting of 7,000 shares of restricted performance-based shares as a result of the achievement of performance goals for fiscal year 2001. 21,000 restricted performance-based shares remain unvested and are included in the total beneficial ownership.
- (2) The option is exercisable for 33% of the underlying shares on each of 9-26-03 and 9-26-04, and for 34% on 9-26-05.
- (3) This option is fully vested.
- (4) The option is exercisable for 694 shares on each of 1/31/00, 1/31/01, and 1/31/02, and for 695 shares on 1/31/03, subject to performance targets.
- (5) The option is exercisable for 13,200 shares on 8/31/01, and 8/31/02, and for 13,600 shares on 8/31/03.
- (6) The option is exercisable for 13,384 shares on each of 10/8/01 and 10/8/02, and for 13,789 shares on 10/8/03.
- (7) The option is exercisable for 33% of the underlying shares on each of 8/31/01 and 8/31/02, and for 34% on 8/31/03.