

ALLIANCE DATA SYSTEMS CORP  
 Form 4  
 March 17, 2011

**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 \*  
 SZEFTEL IVAN 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)  
 7500 DALLAS PARKWAY, SUITE 700  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
 03/15/2011

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
 EVP & Pres, Retail Credit Svcs

PLANO, TX 75024

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 Beneficial Ownership (Instr. 4)
				Code V Amount (D) Price			
Common Stock	03/15/2011		M	42,528 A \$ 24.03	171,972	D	
Common Stock	03/15/2011		S	101,596 D \$ 79.55	70,376	D	
Common Stock	03/16/2011		G	2,000 D \$ 0	68,376 <sup>(1)</sup>	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)	\$ 24.03	03/15/2011		M	42,528	(2) 06/23/2013	Common Stock	42,528

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SZEFTEL IVAN M 7500 DALLAS PARKWAY, SUITE 700 PLANO, TX 75024			EVP & Pres, Retail Credit Svcs	

## Signatures

Leigh Ann K. Epperson, Attorney  
in Fact 03/17/2011

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) 28,593 unrestricted shares; (b) 13,464 unvested units from an award of 39,600 performance-based restricted stock units granted 2/23/09; (c) 5,005 unvested units from an award of 7,470 time-based restricted stock units granted 2/22/10; and (d) 21,314 unvested units from an award of 31,971 performance-based restricted stock units granted 2/22/10.
- (2) This is an employee stock option grant that is fully vested.
- (3) The total number of derivative securities beneficially owned includes: (a) an option for 42,103 shares granted 2/2/04, which is fully vested; (b) an option for 27,113 shares granted 2/3/05, which is fully vested; (c) an option for 29,859 shares granted 2/13/06, which is fully vested; and (d) an option for 17,355 shares granted 2/21/07, which is fully vested.

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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