

Epperson Leigh Ann K
 Form 3
 January 21, 2011

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL
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INITIAL STATEMENT OF 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 *		2. Date of Event Requiring Statement	3. Issuer Name and Ticker or Trading Symbol	
Epperson Leigh Ann K		(Month/Day/Year)	ALLIANCE DATA SYSTEMS CORP [ADS]	
(Last)	(First)	(Middle)	01/12/2011	
7500 DALLAS PARKWAY, SUITE 700			4. Relationship of Reporting Person(s) to Issuer	5. If Amendment, Date Original Filed(Month/Day/Year)
(Street)			(Check all applicable)	
PLANO, TX 75024			<input type="checkbox"/> Director <input type="checkbox"/> 10% Owner	6. Individual or Joint/Group Filing(Check Applicable Line)
(City)	(State)	(Zip)	<input checked="" type="checkbox"/> Officer <input type="checkbox"/> Other	<input checked="" type="checkbox"/> Form filed by One Reporting Person
			(give title below) (specify below)	<input type="checkbox"/> Form filed by More than One Reporting Person
			General Counsel and Secretary	

Table I - Non-Derivative Securities Beneficially Owned

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Stock	13,618 ⁽¹⁾	D	E

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

SEC 1473 (7-02)

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

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)	4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
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	Date Exercisable	Expiration Date		Amount or Number of Shares		or Indirect (I) (Instr. 5)	
Employee Stock Option (Right to Buy)	Â (2)	06/18/2012	Common Stock	1,000	\$ 24.725	D	Â
Employee Stock Option (Right to Buy)	Â (3)	02/13/2016	Common Stock	2,439	\$ 43.01	D	Â
Employee Stock Option (Right to Buy)	Â (4)	02/21/2017	Common Stock	2,131	\$ 63.35	D	Â

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Epperson Leigh Ann K 7500 DALLAS PARKWAY, SUITE 700 PLANO, TX 75024	Â	Â	Â General Counsel and Secretary	Â

Signatures

Leigh Ann K.
Epperson

01/21/2011

**Signature of
Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 5(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) 5,369 unrestricted shares; (b) 3,227 unvested shares from an original award of 9,489 time-based restricted stock units granted 4/28/08 which are scheduled to vest on 2/21/11; (c) 2,802 unvested shares from an award of 4,180 performance-based restricted stock units granted 2/23/09, of which 1,379 units will vest on 2/23/11 and 1,423 units will vest on 2/23/12; (d) 1,776 unvested performance-based restricted stock units granted 2/22/10, which may be adjusted up or down at the time the performance restriction lapses. The restriction may lapse with respect to 33% of such shares on each of 2/22/11 and 2/22/12 and with respect to 34% of such shares on 2/22/13 contingent on meeting a cash earnings per share growth hurdle for 2010 and subject to continued employment by the Reporting Person on the vesting dates; (continued below)
- (2) The option is for 1,000 out of an original 6,000 shares granted 6/19/02, which is fully vested.
- (3) The option is for 2,439 shares granted 2/13/06, which is fully vested.
- (4) The option is for 2,131 shares granted 2/21/07, which is fully vested.

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Remarks:

(1)Â continuedÂ fromÂ above:Â Â andÂ (e)Â 444Â unvestedÂ time-basedÂ restrictedÂ stockÂ unitsÂ grantedÂ 2/22/10,Â Â

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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