

Epperson Leigh Ann K
 Form 4
 March 23, 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 *
 Epperson Leigh Ann K

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

3. Date of Earliest Transaction
 (Month/Day/Year)
 03/21/2011

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
 SVP, General Counsel & Secy

(Street)
 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 Ownership (Instr. 4)
				(A) or (D) Code V Amount (D) Price			
Common Stock	03/21/2011		A ⁽¹⁾	650 A <u>1</u>	12,920	D	
Common Stock	03/21/2011		A ⁽²⁾	2,600 A <u>2</u>	15,520 ⁽³⁾	D	

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

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 (9-02)

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)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Owned Following Reporting Transaction (Instr. 6)
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

Reporting Owners

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

Signatures

Cynthia L. Hageman, Attorney
in Fact 03/23/2011
 **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 new grant is for 650 shares of common stock represented by time-based restricted stock units. The restrictions will lapse on 214 units on 2/21/12, on 215 units on 2/21/13 and on 221 units on 2/21/14, subject to continued employment by the Reporting Person on the vesting dates.
- (2) The new grant is for 2,600 shares of common stock represented by performance-based restricted stock units, 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 2/21/12 and 2/21/13 and with respect to 34% of such shares on 2/21/14 contingent on meeting an EBT metric for 2011 and subject to continued employment by the Reporting Person on the vesting dates.
- (3) The total number of securities beneficially owned includes: (a) 9,283 unrestricted shares; (b) 1,423 unvested units from an award of 4,180 performance-based restricted stock units granted 2/23/09; (c) 298 unvested units from an award of 444 time-based restricted stock units granted 2/22/10; (d) 1,266 unvested units from an award of 1,899 performance-based restricted stock units granted 2/22/10; (e) the new grant for 650 time-based restricted stock units; and (f) the new grant for 2,600 performance-based restricted stock units.

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