

ALLIANCE DATA SYSTEMS CORP
Form 4
March 25, 2009

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 *
PARKS J MICHAEL

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)
03/23/2009

Director 10% Owner
 Officer (give title below) Other (specify below)
Chairman of the Board

DALLAS, TX 75252-8012

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)
			Code	V	Amount	(A) or (D)	Price
Common Stock	03/23/2009		M ⁽¹⁾		63,131	A	\$ 9.9
Common Stock	03/23/2009		S ⁽¹⁾		35,030	D	\$ 33.1
					357,126		
					322,096		

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)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount or Number of Shares
Employee Stock Option (Right to Buy)	\$ 9.9	03/23/2009		M ⁽¹⁾	63,131	⁽³⁾ 05/06/2009	Common Stock 63,131

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
PARKS J MICHAEL 17655 WATERVIEW PARKWAY DALLAS, TX 75252-8012	X		Chairman of the Board	

Signatures

Leigh Ann K. Epperson, Attorney in Fact
03/25/2009
 __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) Cashless exercise and hold transaction in employee stock options due to expire on May 6, 2009, ten years after such options were granted, including the sale of 35,030 of the underlying shares to pay the exercise price and applicable withholding taxes. None of the net 28,101 shares were sold.
- (2) The total number of securities beneficially owned includes: (a) 190,940 unrestricted shares; (b) 5,985 unvested shares from an original award of 17,601 time-based restricted stock units granted 2/21/07; (c) 68,844 unvested shares from an original award of 102,752 performance-based restricted stock units granted 4/28/08; and (d) 56,327 unvested shares from an original award of 84,070 time-based restricted stock units granted 4/28/08.
- (3) This is an employee stock option grant that is fully vested.
- (4) The total number of derivative securities beneficially owned includes: (a) an option for 230,000 shares granted 9/1/00, which is fully vested; (b) an option for 109,388 shares granted 6/8/01, which is fully vested; (c) an option for 106,203 shares granted 6/24/03, which is fully vested; (d) an option for 129,291 shares granted 2/2/04, which is fully vested; (e) an option for 58,626 shares granted 2/3/05, which is fully vested; (f) an option for 64,572 shares granted 2/13/06, which is fully vested; and (g) an option for 41,408 shares granted 2/21/07, of which 27,329 shares are fully vested and 14,079 shares will vest on 2/21/10.

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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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