

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 \*  
SZEFTTEL IVAN M2. 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 7003. 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(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 Indirect Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|--|
| 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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(9-02)

**displays a currently valid OMB control number.**

**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)       | \$ 24.03   | 03/15/2011                           |  | M                              |   | 42,528   |     | <u>(2)</u>  | 06/23/2013      | Common Stock | 42,528                     |

## Reporting Owners

### Reporting Owner Name / Address

### Relationships

Director 10% Owner Officer Other

SZEFTTEL 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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