

ALLIANCE DATA SYSTEMS CORP  
 Form 4  
 May 14, 2009

**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 \*  
 SCULLION JOHN W

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)  
 05/12/2009

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 \_\_\_\_ Officer (give title below)  Other (specify below)  
 former officer

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                    | 05/12/2009                           |  | M                              |   | 10,000  | A  | \$ 15                             |
| Common Stock                    | 05/12/2009                           |  | S                              |   | 10,000  | D  | \$ 42.8                           |
|                                 |                                      |  |                                |   | 210,663   |  |                                   |
|                                 |                                      |  |                                |   | 200,663 <sup>(1)</sup>  |  |                                   |

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

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

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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)       | \$ 15  | 05/12/2009                           |  | M                              | 10,000  | (2) 08/31/2010   | Common Stock 10,000   |

## Reporting Owners

| Reporting Owner Name / Address                                      | Relationships |           |         |                |
|---|---------------|-----------|---------|----------------|
|   | Director      | 10% Owner | Officer | Other          |
| SCULLION JOHN W<br>17655 WATERVIEW PARKWAY<br>DALLAS, TX 75252-8012 |               |           |         | former officer |

## Signatures

Leigh Ann K. Epperson, Attorney in Fact  
Date: 05/14/2009

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).
- The total number of securities beneficially owned includes: (a) 66,153 unrestricted shares; (b) 2,641 unvested shares from an original award of 7,765 time-based restricted stock units granted 2/21/07; (c) 6,698 unvested shares from an original award of 13,395 performance-based restricted stock units granted 2/21/07; (d) 68,844 unvested shares from an original award of 102,752 performance-based restricted stock units granted 4/28/08; and (e) 56,327 unvested shares from an original award of 84,070 time-based restricted stock units granted 4/28/08.
- (1) This is an employee stock option grant that is fully vested.
  - (2) The total number of derivative securities beneficially owned includes: (a) an option for 43,334 out of an original 80,000 shares granted 9/1/00, which is fully vested; (b) an option for 35,723 shares granted 6/24/03, which is fully vested; (c) an option for 34,735 shares granted 2/2/04, which is fully vested; (d) an option for 20,872 shares granted 2/3/05, which is fully vested; (e) an option for 24,691 shares granted 2/3/05, which is fully vested; (f) an option for 30,281 shares granted 2/13/06, which is fully vested; and (g) an option for 18,268 shares granted 2/21/07, of which 12,056 shares are fully vested and 6,212 shares will vest on 2/21/10.

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.