

Santillan Laura  
Form 4  
February 24, 2011

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
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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 \*  
Santillan Laura

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  
  
(Street)

3. Date of Earliest Transaction (Month/Day/Year)  
02/22/2011

\_\_\_\_ Director  
 Officer (give title below) \_\_\_\_\_ 10% Owner  
\_\_\_\_\_ Other (specify below)  
SVP, Chief Acctg. Officer

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)	Price		
Common Stock	02/22/2011		A <sup>(1)</sup>	309	A <u>11</u>	16,157	D
Common Stock	02/22/2011		F <sup>(2)</sup>	967	D \$ 77.2	15,190	D
Common Stock	02/23/2011		F <sup>(2)</sup>	385	D \$ 76.05	14,805 <sup>(3)</sup>	D

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

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SEC 1474 (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)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Owned Beneficially (Instr. 5)
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## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Santillan Laura 7500 DALLAS PARKWAY, SUITE 700 PLANO, TX 75024			SVP, Chief Acctg. Officer	

## Signatures

Cynthia L. Hageman, Attorney  
in Fact  
02/24/2011

\*\*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) Based on the Company's cash EPS growth in 2010, 107% of the original award of 4,432 performance-based restricted stock units granted 2/22/10 were earned, resulting in an additional 309 units, for a total of 4,741 units. The restrictions will lapse with respect to 1,580 units on 2/22/12 and with respect to 1,581 units on 2/22/13, subject to continued employment by the Reporting Person on the remaining vesting dates.

(2) Shares withheld by the Company to satisfy the Reporting Person's tax withholding obligation upon the vesting of restricted stock units.

(3) The total number of securities beneficially owned includes: (a) 9,005 unrestricted shares; (b) 400 shares held in an IRA account; (c) 1,496 unvested units from an award of 4,400 performance-based restricted stock units granted 2/23/09; (d) 743 unvested units from an award of 1,108 time-based restricted stock units granted 2/22/10; and (e) 3,161 unvested units from an award of 4,741 performance-based restricted stock units granted 2/22/10.

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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