

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL	
OMB Number:	3235-0287
Estimated average burden hours per response:	0.5

1. Name and Address of Reporting Person* <u>KUBIC MICHAEL D</u>  (Last) (First) (Middle) <u>17655 WATERVIEW PARKWAY</u>  (Street) <u>DALLAS TX 75252-8012</u>  (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>ALLIANCE DATA SYSTEMS CORP [ ADS ]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) <input checked="" type="checkbox"/> Other (specify below)  <u>SVP, Interim CFO, Controller / Chief Accounting Officer</u>
	3. Date of Earliest Transaction (Month/Day/Year) <u>09/11/2009</u>	
		6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person

**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 Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	09/11/2009		M		6,611	A	\$11.25	59,584	D	
Common Stock	09/11/2009		S		6,611	D	\$58.51	52,973 <sup>(1)</sup>	D	

**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 Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)	
					(A)	(D)	Date Exercisable	Expiration Date						Title
Employee Stock Option (Right to Buy)	\$11.25	09/11/2009		M		6,611	(2)	10/28/2009	Common Stock	6,611	(2)	29,518 <sup>(3)</sup>	D	

**Explanation of Responses:**

- The total number of securities beneficially owned includes: (a) 18,635 unrestricted shares; (b) 440 unvested shares from an original award of 1,294 time-based restricted stock units granted 2/21/07; (c) 13,144 unvested shares from an original award of 19,617 performance-based restricted stock units granted 4/28/08; (d) 10,754 unvested shares from an original award of 16,050 time-based restricted stock units granted 4/28/08; and (e) 10,000 unvested performance-based restricted stock units granted 2/23/09.
- This is an employee stock option grant that is fully vested.
- The total number of derivative securities beneficially owned includes: (a) an option for 1 out of an original 12,603 shares granted 6/8/01, which is fully vested; (b) an option for 11,000 shares granted 2/2/04, which is fully vested; (c) an option for 11,000 shares granted 2/3/05, which is fully vested; (d) an option for 4,472 shares granted 2/13/06, which is fully vested; and (e) an option for 3,045 shares granted 2/21/07, of which 2,009 shares are fully vested and 1,036 shares will vest on 2/21/10.

**Remarks:**

Leigh Ann K. Epperson, 09/15/2009  
Attorney in Fact

\*\* Signature of Reporting Person Date

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

\* 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).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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 Number.