

OMB APPROVAL	
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**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

<b>1. Name and Address of Reporting Person*</b> <u>UTAY ALAN M</u>  (Last) (First) (Middle) <u>17655 WATERVIEW PARKWAY</u>  (Street) <u>DALLAS TX 75252-8012</u>  (City) (State) (Zip)	<b>2. Issuer Name and Ticker or Trading Symbol</b> <u>ALLIANCE DATA SYSTEMS CORP [ ADS ]</u>	<b>5. Relationship of Reporting Person(s) to Issuer</b> (Check all applicable)  Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>EVP, CAO, Gen. Counsel, Secy</u>
	<b>3. Date of Earliest Transaction (Month/Day/Year)</b> <u>02/21/2008</u>	
<b>4. If Amendment, Date of Original Filed (Month/Day/Year)</b>		

**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	02/21/2008		A <sup>(1)</sup>		456	A	(1)	38,835 <sup>(2)</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)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date					

**Explanation of Responses:**

- Based on the Company's cash EPS growth as compared to the GAAP EPS growth of the S&P 500, 111% of the performance-based restricted stock unit award granted on 2/21/07 vested, resulting in an additional 456 shares, for a total of 4,597 shares.
- The total number of securities beneficially owned includes: (a) 454 shares acquired through the Company employee stock purchase plan; (b) 1,818 shares acquired by the exercising of vested employee stock options; (c) 1,691 out of an original 4,972 shares of time-based restricted stock granted 2/3/05, which are fully vested; (d) 3,765 out of an original 17,778 shares of time-based restricted stock granted 2/3/05, which are fully vested; (e) 10,210 out of an original 13,882 performance-based restricted stock units granted 2/13/06, which are fully vested; (f) 6,335 out of an original 6,941 time-based restricted stock units granted 2/13/06, of which 3,975 shares are vested; (g) 4,597 performance-based restricted stock units granted 2/21/07, which are fully vested; (h) 4,141 time-based restricted stock units granted 2/21/07, of which 1,366 shares are vested; and (i) 5,824 performance-based restricted stock units granted 2/21/07, of which 1,456 shares are vested.

**Remarks:**

Leigh Ann K. Epperson, 02/25/2008  
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.

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