

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 | |
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|---|--|---|
| 1. Name and Address of Reporting Person * <u>PARKS J MICHAEL</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) <input checked="" type="checkbox"/> Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>Chairman of the Board</u> |
| | 3. Date of Earliest Transaction (Month/Day/Year) <u>11/25/2009</u> | |
| | 4. If Amendment, Date of Original Filed (Month/Day/Year) | 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 | 11/19/2009 | | G | V | 48,537 | D | \$0 | 325,559 | D | |
| Common Stock | 11/25/2009 | | M | | 61,500 | A | \$12 | 387,059 | D | |
| Common Stock | 11/25/2009 | | S | | 61,500 | D | \$63.18 | 325,559 ⁽¹⁾ | 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 | | | | | | Title |
| Employee Stock Option (Right to Buy) | \$12 | 11/25/2009 | | M | | | 61,500 | (2) | 06/07/2011 | Common Stock | 61,500 | (2) | 447,988 ⁽³⁾ | D | |

Explanation of Responses:

1. The total number of securities beneficially owned includes: (a) 142,403 unrestricted shares; (b) 5,985 unvested shares from an original award of 17,601 time-based restricted stock units granted 2/21/07; (c) 68,844 unvested shares from an original award of 102,752 performance-based restricted stock units granted 4/28/08; (d) 56,327 unvested shares from an original award of 84,070 time-based restricted stock units granted 4/28/08; and (e) 52,000 unvested time-based restricted stock units granted 3/27/09.

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 47,888 out of an original 109,388 shares granted 6/8/01, which is fully vested; (b) an option for 106,203 shares granted 6/24/03, which is fully vested; (c) an option for 129,291 shares granted 2/2/04, which is fully vested; (d) an option for 58,626 shares granted 2/3/05, which is fully vested; (e) an option for 64,572 shares granted 2/13/06, which is fully vested; and (f) an option for 41,408 shares granted 2/21/07, of which 27,329 shares are fully vested and 14,079 shares will vest on 2/21/10.

Remarks:

Leigh Ann K. Epperson, 11/25/2009
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.