## FORM 4

## UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

STATEMENT	OF CHANGES	IN BENEFICIAL	OWNERSHIP

	OMB APPROVAL							
	OMB Number:	3235-0287						
	Estimated average burde	en						
l	hours per response:	0.5						

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

1. Name and Address of Reporting Person* <u>Kennedy Bryan J</u>				<u>AI</u>	2. Issuer Name and Ticker or Trading Symbol ALLIANCE DATA SYSTEMS CORP ADS									theck all ap Dire	nip of Reporting Per oplicable) ector cer (give title		erson(s) to Issuer  10% Owner Other (specify		
(Last) (First) (Middle) 17655 WATERVIEW PARKWAY					3. Date of Earliest Transaction (Month/Day/Year) 03/02/2009									A belo					
(Street)  DALLAS  (City)			75252 Zip)		4. If	Ame	endmen	, Date o	of Original	Filed	(Month/Da	ay/Yeai	)		ne) X Fori	or Joint/Group in filed by One in filed by Mo son	e Reportir	ng Pers	on
Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned																			
1. Title of Security (Instr. 3)  2. Transac Date (Month/Da					Execution Date,		3. Transaction Disposed Of (D) (Instr. 3, 4) (5) (8)				nd Secui Benet	icially d Following	6. Owner Form: Di (D) or Ind (I) (Instr.	rect direct	7. Nature of Indirect Beneficial Ownership (Instr. 4)				
									Code	v	Amount (A) or (D)		Price	Trans	action(s) 3 and 4)			(111501.4)	
Common Stock 03/02/					/2009		A <sup>(1)</sup>		10,000 A		(1)	133,679 <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)	ivative Conversion Date Execution Date, urity or Exercise (Month/Day/Year) if any		4. Transa Code ( 8)		str. Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)  Date Expiration Exercisable Date		7. Title and Amount of Securities Underlying Derivative Security (Instr. and 4)  Amoun or Numbe of		ount ober	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction (Instr. 4)	Own Form Direc or In (I) (Ir		11. Nature of Indirect Beneficial Ownership (Instr. 4)			

## Explanation of Responses:

1. The new grant is for a total of 10,000 shares of common stock represented by performance-based restricted stock units, which may be adjusted down at the time the performance restriction lapses. The restriction may lapse with respect to 3,300 shares on each of 2/23/10 and 2/23/11 and with respect to 3,400 shares on 2/23/12 contingent on meeting a cash earnings per share growth hurdle for 2009. The award has a 10% cash EPS growth threshold to achieve 50% of the target award, with 100% of the target award obtained by achieving 17% cash EPS growth in 2009.

## Remarks:

<u>Leigh Ann K. Epperson,</u> <u>Attorney in Fact</u>

03/02/2009

\*\* 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.

<sup>2.</sup> The total number of securities beneficially owned includes: (a) 26,407 unrestricted shares; (b) 705 unvested shares from an original award of 2,071 time-based restricted stock units granted 2/21/07; (c) 24,321 unvested shares from an original award of 36,300 performance-based restricted stock units granted 4/28/08; (d) 19,899 unvested shares from an original award of 29,700 time-based restricted stock units granted 4/28/08; (e) 22,347 unvested time-based restricted stock units granted 2/23/09; (f) 30,000 unvested performance-based restricted stock units granted 2/23/09; and (f) the new grant for 10,000 performance-based restricted stock units.