

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

1. Name and Address of Reporting Person* <u>Kennedy Bryan J</u> (Last) (First) (Middle) 7500 DALLAS PARKWAY, SUITE 700 (Street) PLANO TX 75024 (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) Other (specify below) <u>EVP & President, Epsilon</u>
	3. Date of Earliest Transaction (Month/Day/Year) 02/21/2013	
4. If Amendment, Date of Original Filed (Month/Day/Year)		

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	02/21/2013		A ⁽¹⁾		6,513	A	(1)	117,162	D	
Common Stock	02/21/2013		F ⁽²⁾		6,483	D	\$152.33	110,679	D	
Common Stock	02/21/2013		A ⁽³⁾		2,384	A	(3)	113,063	D	
Common Stock	02/21/2013		A ⁽⁴⁾		9,538	A	(4)	122,601	D	
Common Stock	02/22/2013		F ⁽²⁾		3,969	D	\$153.07	118,632 ⁽⁵⁾	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)		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)					

Explanation of Responses:

- Based on the Company's EBT performance in 2012, 150% of the original award of 13,024 performance-based restricted stock units granted 2/21/12 were earned, resulting in an additional 6,513 units, for a total of 19,537 units. The restrictions will lapse with respect to 6,447 units on 2/21/14 and with respect to 6,644 units on 2/23/15, subject to continued employment by the Reporting Person on the remaining vesting dates.
- Shares withheld by the Company to satisfy the Reporting Person's tax withholding obligation upon the vesting of restricted stock units.
- The new grant is for 2,384 shares of common stock represented by time-based restricted stock units. The restrictions will lapse on 786 units on 2/21/14, on 787 units on 2/23/15 and on 811 units on 2/21/16, subject to continued employment by the Reporting Person on the vesting dates.
- The new grant is for 9,538 shares of common stock represented by performance-based restricted stock units, which may be adjusted up or down at the time the performance restriction lapses. The restriction may lapse with respect to 33% of such shares on each of 2/21/14 and 2/23/15 and with respect to 34% of such shares on 2/21/16 contingent on meeting an EBT metric for 2013 and subject to continued employment by the Reporting Person on the vesting dates.
- The total number of securities beneficially owned includes: (a) 80,913 unrestricted shares; (b) 1,504 unvested units from an award of 4,421 time-based restricted stock units granted 3/21/11; (c) 9,020 unvested units from an award of 26,528 performance-based restricted stock units granted 3/21/11; (d) 2,182 unvested units from an award of 3,256 time-based restricted stock units granted 2/21/12; (e) 13,091 unvested units from an award of 19,537 performance-based restricted stock units granted 2/21/12; (f) the new grant for 2,384 time-based restricted stock units; and (g) the new grant for 9,538 performance-based restricted stock units.

Remarks:

Cynthia L. Hageman, Attorney 02/25/2013
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.