

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
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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>03/23/2009</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	03/23/2009		M ⁽¹⁾		63,131	A	\$9.9	357,126	D	
Common Stock	03/23/2009		s ⁽¹⁾		35,030	D	\$33.1	322,096 ⁽²⁾	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)	\$9.9	03/23/2009		M ⁽¹⁾			63,131	(3)	05/06/2009	Common Stock	63,131	(3)	739,488 ⁽⁴⁾	D	

Explanation of Responses:

- Cashless exercise and hold transaction in employee stock options due to expire on May 6, 2009, ten years after such options were granted, including the sale of 35,030 of the underlying shares to pay the exercise price and applicable withholding taxes. None of the net 28,101 shares were sold.
- The total number of securities beneficially owned includes: (a) 190,940 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; and (d) 56,327 unvested shares from an original award of 84,070 time-based restricted stock units granted 4/28/08.
- This is an employee stock option grant that is fully vested.
- The total number of derivative securities beneficially owned includes: (a) an option for 230,000 shares granted 9/1/00, which is fully vested; (b) an option for 109,388 shares granted 6/8/01, which is fully vested; (c) an option for 106,203 shares granted 6/24/03, which is fully vested; (d) an option for 129,291 shares granted 2/2/04, which is fully vested; (e) an option for 58,626 shares granted 2/3/05, which is fully vested; (f) an option for 64,572 shares granted 2/13/06, which is fully vested; and (g) 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, 03/25/2009
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.