SEC Form 4

FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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*	2. Issuer Name **and** Ticker or Trading Symbol	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)
Iaccarino Michael L	ALLIANCE DATA SYSTEMS CORP [ADS]	Director / 10% Owner / **X** Officer (give title below) / Other (specify below)

(Last)	(First)	(Middle)

17655 WATERVIEW PARKWAY

(Street)

DALLAS	TX	75252-8012

(City)	(State)	(Zip)

3. Date of Earliest Transaction (Month/Day/Year)
07/31/2008

4. If Amendment, Date of Original Filed (Month/Day/Year)

EVP & President, Mktg. Svcs.

6. Individual or Joint/Group Filing (Check Applicable Line)

X Form filed by One Reporting Person

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	07/31/2008		S		5,000	D	$64.4976	148,702	D	
Common Stock	08/01/2008		M		4,000	A	$43.2	152,702	D	
Common Stock	08/01/2008		S		4,000	D	$63.6	148,702	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	Amount or Number of Shares				
Employee Stock Option (Right to Buy)	$43.2	08/01/2008		M			4,000	(1)	11/17/2014	Common Stock	4,000	(1)	16,613(2)	D	

Explanation of Responses:

1. This is an employee stock option grant that is fully vested.

2. The total number of derivative securities beneficially owned includes: (a) an option for 2,800 out of an original 20,000 shares granted 11/17/04, which are fully vested; (b) an option for 7,724 shares granted 2/13/06, of which 5,097 shares are fully vested and 2,627 shares will vest on 2/13/09; and (c) an option for 6,089 shares granted 2/21/07, of which 2,009 shares vested on 2/21/08, 2,009 shares will vest on 2/21/09 and 2,071 shares will vest on 2/21/10.

Remarks:

Leigh Ann K. Epperson, Attorney in Fact	08/04/2008
** 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.