

| | |
|--|-----------|
| OMB APPROVAL | |
| OMB Number: | 3235-0287 |
| Estimated average burden hours per response: | 0.5 |

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>Carter Barry R</u> (Last) (First) (Middle) <u>17655 WATERVIEW PARKWAY</u> (Street) <u>DALLAS TX 75252</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) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>SVP, Info Technology Officer</u> |
| | 3. Date of Earliest Transaction (Month/Day/Year) <u>06/09/2009</u> | |
| 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 | 06/09/2009 | | M ⁽¹⁾ | | 7,724 | A | \$43.01 | 31,097 | D | |
| Common Stock | 06/09/2009 | | S ⁽¹⁾ | | 7,724 | D | \$45 | 23,373 ⁽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) | \$43.01 | 06/09/2009 | | M ⁽¹⁾ | | | 7,724 | (3) | 02/13/2016 | Common Stock | 7,724 | (3) | 3,958 ⁽⁴⁾ | D | |

Explanation of Responses:

- The sale reported in this Form 4 was effected pursuant to a Rule 10b5-1 trading plan adopted by the Reporting Person on April 28, 2009, as amended on June 2, 2009. The trading plan was established to sell up to 47,724 shares of the Company's common stock. Portions of the shares may be sold on specified dates or any time the stock achieves certain pre-arranged minimum prices and may take place beginning on May 5, 2009 and ending on August 31, 2009, unless sooner terminated. The Reporting Person will have no control over the timing of any sales under the plan and there can be no assurance that the shares covered by the plan actually will be sold. The Reporting Person entered into the plan for personal tax and financial planning purposes and will continue to have a significant ownership interest in the Company.
- The total number of securities beneficially owned includes: (a) 8,382 unrestricted shares; (b) 572 unvested shares from an original award of 1,682 time-based restricted stock units granted 2/21/07; (c) 5,180 unvested shares from an original award of 7,731 performance-based restricted stock units granted 4/28/08; (d) 4,239 unvested shares from an original award of 6,326 time-based restricted stock units granted 4/28/08; and (e) 5,000 unvested performance-based restricted stock units granted 2/23/09.
- This is an employee stock option grant that is fully vested.
- The total number of derivative securities beneficially owned includes an option for 3,958 shares granted 2/21/07, of which 2,612 shares are fully vested and 1,346 shares will vest on 2/21/10.

Remarks:

Leigh Ann K. Epperson, 06/11/2009
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.