

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	
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1. Name and Address of Reporting Person* <u>Pearson Bryan A</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, LoyaltyOne</u>
	3. Date of Earliest Transaction (Month/Day/Year) <u>02/18/2014</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	02/18/2014		A ⁽¹⁾		1,525	A	(1)	108,211	D	
Common Stock	02/18/2014		A ⁽²⁾		6,101	A	(2)	114,312	D	
Common Stock	02/19/2014		M ⁽³⁾		5,346	A	\$41.32	119,658	D	
Common Stock	02/19/2014		s ⁽³⁾		1,546	D	\$280.434 ⁽⁴⁾	118,112	D	
Common Stock	02/19/2014		s ⁽³⁾		2,500	D	\$281.477 ⁽⁵⁾	115,612	D	
Common Stock	02/19/2014		s ⁽³⁾		800	D	\$282.507 ⁽⁶⁾	114,812	D	
Common Stock	02/19/2014		s ⁽³⁾		500	D	\$283.076 ⁽⁷⁾	114,312 ⁽⁸⁾	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)	\$41.32	02/19/2014		M ⁽³⁾			5,346	(9)	02/03/2015	Common Stock	5,346	(9)	39,352 ⁽¹⁰⁾	D	

Explanation of Responses:

- The new grant is for 1,525 shares of common stock represented by time-based restricted stock units. The restrictions will lapse on 503 units on each of 2/18/15 and 2/18/16 and on 519 units on 2/21/17, subject to continued employment by the Reporting Person on the vesting dates
- The new grant is for 6,101 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 2/18/15 and 2/18/16 and with respect to 34% of such shares on 2/21/17 contingent on meeting an EBT metric for 2014 and subject to continued employment by the Reporting Person on the vesting dates.
- Cashless exercise of employee stock options due to expire on February 3, 2015, ten years after such options were granted.
- The price reported in Column 4 is a weighted average price. These shares were sold in multiple transactions at prices ranging from \$279.98 to \$280.98, inclusive. The reporting person undertakes to provide to Alliance Data Systems Corporation, any security holder of Alliance Data Systems Corporation, or the staff of the Securities and Exchange Commission, upon request, full information regarding the number of shares sold at each separate price within the ranges set forth in footnotes (4), (5), (6) and (7) to this Form 4.
- The price reported in Column 4 is a weighted average price. These shares were sold in multiple transactions at prices ranging from \$281.02 to \$282.01, inclusive.
- The price reported in Column 4 is a weighted average price. These shares were sold in multiple transactions at prices ranging from \$282.05 to \$283.04, inclusive.
- The price reported in Column 4 is a weighted average price. These shares were sold in multiple transactions at prices ranging from \$283.05 to \$283.16 inclusive.
- The total number of securities beneficially owned includes: (a) 69,627 unrestricted shares; (b) 1,459 unvested units from an award of 4,291 time-based restricted stock units granted 3/21/11; (c) 8,756 unvested units from an award of 25,748 performance-based restricted stock units granted 3/21/11; (d) 2,132 unvested units from an award of 3,181 time-based restricted stock units granted 2/21/12; (e) 12,790 unvested units from an award of 19,089 performance-based restricted stock units granted 2/21/12; (f) 2,384 unvested time-based restricted stock units granted 2/21/13; (g) 9,538 unvested performance-based restricted stock units granted 2/21/13; (h) the new grant for 1,525 time-based restricted stock units; and (i) the new grant for 6,101 performance-based restricted stock units.
- This is an employee stock option grant that is fully vested.
- The total number of derivative securities beneficially owned includes: (a) an option for 20,000 shares granted 2/3/05, which is fully vested; (b) an option for 7,000 out of an original 12,346 shares granted 2/3/05, which is fully vested; (c) an option for 7,724 shares granted 2/13/06, which is fully vested; and (d) an option for 4,628 shares granted 2/21/07, which is fully vested.

Remarks:

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.