

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) <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) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>EVP & President, Loyalty Svcs.</u> |
| | 3. Date of Earliest Transaction (Month/Day/Year) <u>04/28/2008</u> | |
| | | 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 | 04/28/2008 | | A ⁽¹⁾ | | 77,064 | A | (1) | 95,112 | D | |
| Common Stock | 04/28/2008 | | A ⁽²⁾ | | 63,053 | A | (2) | 158,165 ⁽³⁾ | 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 | | | | | |

Explanation of Responses:

- The new grant is for 77,064 shares of common stock represented by performance-based restricted stock units. The restrictions may lapse on 25,431 shares in each of February 2009 and February 2010, and on 26,202 shares in February 2011 contingent on meeting a corporate operating cash flow target for each of the 2008, 2009 and 2010 performance periods. The restrictions may lapse on any unvested units in February 2011 based on a cumulative three-period corporate operating cash flow target.
- The new grant is for 63,053 shares of common stock represented by time-based restricted stock units. The restrictions will lapse on 20,807 shares in each of February 2009 and February 2010, and on 21,439 shares in February 2011.
- The total number of securities beneficially owned includes: (a) 3,200 out of an original 4,000 shares of performance-based restricted stock granted 2/3/05, which are fully vested; (b) 4,444 shares of time-based restricted stock granted 2/3/05, which are fully vested; (c) 3,235 shares of time-based restricted stock units granted 2/13/06, of which 2,135 shares are vested; (d) 3,235 shares of performance-based restricted stock units granted 2/13/06, which are fully vested; (e) 1,967 performance-based restricted stock units granted 2/21/07, which are fully vested; (f) 1,967 time-based restricted stock units granted 2/21/07, of which 649 shares are vested; (g) the new grant for 77,064 performance-based restricted stock units; and (h) the new grant for 63,053 time-based restricted stock units. The grant for 12,235 time-based restricted stock units awarded on 12/21/07 was cancelled on 4/28/08 for no value.

Remarks:

Leigh Ann K. Epperson, 04/29/2008
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.

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