ALLIANCE DATA SYSTEMS CORP
Form 4
September 15, 2009

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

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

(Print or Type Responses)

1. Name and Address of Reporting Person *
KUBIC MICHAEL D

(Last) (First) (Middle)
17655 WATERVIEW PARKWAY

(Street)
DALLAS, TX 75252-8012

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
ALLIANCE DATA SYSTEMS CORP [ADS]

3. Date of Earliest Transaction (Month/Day/Year)
09/11/2009

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

5. Relationship of Reporting Person(s) to Issuer
(Check all applicable)
_____ Director _____ 10% Owner
__X__ Officer (give title below) __X__ Other (specify below)
SVP, Interim CFO, Controller / Chief Accounting Officer

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	09/11/2009		M		6,611	A	$ 11.25	59,584	D	
Common Stock	09/11/2009		S		6,611	D	$ 58.51	52,973 (1)	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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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 Underlying Securities (Instr. 3 and 4)		8 D S (I
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Employee Stock Option (Right to Buy)	$ 11.25	09/11/2009		M			6,611	(2)	10/28/2009	Common Stock	6,611	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
KUBIC MICHAEL D 17655 WATERVIEW PARKWAY DALLAS, TX 75252-8012			SVP, Interim CFO, Controller	Chief Accounting Officer

Signatures

Leigh Ann K. Epperson, Attorney in Fact	09/15/2009
**Signature of Reporting Person	Date

Explanation of Responses:

***** 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).

(1) The total number of securities beneficially owned includes: (a) 18,635 unrestricted shares; (b) 440 unvested shares from an original award of 1,294 time-based restricted stock units granted 2/21/07; (c) 13,144 unvested shares from an original award of 19,617 performance-based restricted stock units granted 4/28/08; (d) 10,754 unvested shares from an original award of 16,050 time-based restricted stock units granted 4/28/08; and (e) 10,000 unvested performance-based restricted stock units granted 2/23/09.

(2) This is an employee stock option grant that is fully vested.

(3) The total number of derivative securities beneficially owned includes: (a) an option for 1 out of an original 12,603 shares granted 6/8/01, which is fully vested; (b) an option for 11,000 shares granted 2/2/04, which is fully vested; (c) an option for 11,000 shares granted 2/3/05, which is fully vested; (d) an option for 4,472 shares granted 2/13/06, which is fully vested; and (e) an option for 3,045 shares granted 2/21/07, of which 2,009 shares are fully vested and 1,036 shares will vest on 2/21/10.

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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