

ALLIANCE DATA SYSTEMS CORP

Form 4

April 29, 2008

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

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

**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

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
Iaccarino Michael L

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

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

(Last) (First) (Middle)

17655 WATERVIEW PARKWAY

(Street)

DALLAS, TX 75252-8012

(City)

(State)

(Zip)

3. Date of Earliest Transaction
(Month/Day/Year)
04/28/2008

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

____ Director ____ 10% Owner
____X____ Officer (give title ____ Other (specify
below) below)
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 | 04/28/2008 | | A ⁽¹⁾ | | 77,064 | A | 11 |
| Common Stock | 04/28/2008 | | A ⁽²⁾ | | 63,053 | A | 2 |
| | | | | | 90,649 | | 3 |
| | | | | | 153,702 | | 4 |

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

**Persons who respond to the collection of
information contained in this form are not
required to respond unless the form
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(9-02)

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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. Price of Derivative Security (Instr. 5) | 9. Nu Deriv Secur Bene Own Follo Repor Trans (Instr |
|---|--|---|---|--------------------------------------|--|--|---|---|---|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|------------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Iaccarino Michael L 17655 WATERVIEW PARKWAY DALLAS, TX 75252-8012 | | | EVP & President, Mktg. Svcs. | |

Signatures

Leigh Ann K. Epperson, Attorney
in Fact 04/29/2008

**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 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.

(2) 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) 4,434 out of an original 9,000 shares of time-based restricted stock granted 11/17/04, which are fully vested; (b) 2,547 out of an original 3,235 shares of time-based restricted stock units granted 2/13/06, of which 1,447 shares are vested; (c) 2,339 out of an original 3,235 shares of performance-based restricted stock units granted 2/13/06, which are fully vested; (d) 1,903 out of an original 2,588 performance-based restricted stock units granted 2/21/07, which are fully vested; (e) 2,362 out of an original 2,588 time-based restricted stock units granted 2/21/07, of which 628 shares are vested; (f) the new grant for 77,064 performance-based restricted stock units; and (g) 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.

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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