

ALLIANCE DATA SYSTEMS CORP

Form 4

August 04, 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  
Number: 3235-0287  
Expires: January 31,  
2005  
Estimated average  
burden hours per  
response... 0.5

(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)

3. Date of Earliest Transaction  
(Month/Day/Year)  
07/31/2008

\_\_\_\_ Director \_\_\_\_ 10% Owner  
\_\_\_\_X\_\_\_\_ Officer (give title below) \_\_\_\_ Other (specify below)  
EVP & President, Mktg. Svcs.

DALLAS, TX 75252-8012

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

6. Individual or Joint/Group Filing(Check  
Applicable Line)  
\_\_\_\_X\_\_\_\_ Form filed by One Reporting Person  
\_\_\_\_ Form filed by More than One Reporting  
Person

(City) (State) (Zip)

**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	07/31/2008		S		5,000	D	\$ 64.4976
Common Stock	08/01/2008		M		4,000	A	\$ 43.2
Common Stock	08/01/2008		S		4,000	D	\$ 63.6

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

**Persons who respond to the collection of  
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SEC 1474  
(9-02)

number.

**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 (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. Amount or Number of Shares
Employee Stock Option (Right to Buy)	\$ 43.2	08/01/2008		M	4,000	<sup>(1)</sup> 11/17/2014	Common Stock	4,000

## 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 08/04/2008

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

(2) The total number of derivative securities beneficially owned includes: (a) an option for 2,800 out of an original 20,000 shares granted 11/17/04, which are fully vested; (b) an option for 7,724 shares granted 2/13/06, of which 5,097 shares are fully vested and 2,627 shares will vest on 2/13/09; and (c) an option for 6,089 shares granted 2/21/07, of which 2,009 shares vested on 2/21/08, 2,009 shares will vest on 2/21/09 and 2,071 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. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.