ALLIANCE DATA SYSTEMS CORP

Form 4

January 27, 2009

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB Number:

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response...

subject to Section 16. Form 4 or Form 5 obligations

Check this box

if no longer

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

may continue. 30(h) of the Investment Company Act of 1940 See Instruction

(Middle)

1(b).

(Last)

(City)

Common

Stock

(Print or Type Responses)

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

(First)

17655 WATERVIEW PARKWAY

(Street)

(State)

2. Issuer Name and Ticker or Trading Symbol

Issuer

ALLIANCE DATA SYSTEMS

(Check all applicable)

5. Relationship of Reporting Person(s) to

CORP [ADS]

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

Director 10% Owner X_ Other (specify Officer (give title

6. Individual or Joint/Group Filing(Check

01/23/2009

below) below) former officer

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

Applicable Line) _X_ Form filed by One Reporting Person

Form filed by More than One Reporting Person

DALLAS, TX 75252-8012

(Zip) Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of 2. Transaction Date 2A. Deemed Security (Month/Day/Year) Execution Date, if (Instr. 3) (Month/Day/Year)

3. 4. Securities Acquired Transaction(A) or Disposed of (D) Code (Instr. 3, 4 and 5) (Instr. 8)

5. Amount of 6. Ownership 7. Nature of Securities Form: Direct Indirect Beneficially (D) or Beneficial Owned Indirect (I) Ownership Following (Instr. 4) (Instr. 4) Reported

(A) Code V Amount (D) Price

Transaction(s) (Instr. 3 and 4)

01/23/2009 S 4,221 D 39.76

142,951 (1) D

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

Persons who respond to the collection of SEC 1474 information contained in this form are not (9-02)required to respond unless the form displays a currently valid OMB control number.

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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1. Title of	2.	3. Transaction Date	3A. Deemed	4.	5.	6. Date Exerc	cisable and	7. Title	e and	8. Price of	9. Nu
Derivative	Conversion	(Month/Day/Year)	Execution Date, if	TransactionNumber		Expiration D	ate	Amour	nt of	Derivative	Deriv
Security	or Exercise		any	Code	of	(Month/Day/	Year)	Underl	ying	Security	Secui
(Instr. 3)	Price of		(Month/Day/Year)	(Instr. 8) Derivative			Securit	ties	(Instr. 5)	Bene	
	Derivative				Securities			(Instr.	3 and 4)		Own
	Security				Acquired	Acquired					Follo
	•				(A) or						Repo
					Disposed						Trans
					of (D)						(Instr
					(Instr. 3,						
					4, and 5)						
									Amount		
								or Title Numb			
							Expiration Date				
				Code V	(A) (D)				Shares		
				Code v	(A) (D)				Shares		

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

Iaccarino Michael L 17655 WATERVIEW PARKWAY DALLAS, TX 75252-8012

former officer

Signatures

Leigh Ann K. Epperson, Attorney o1/27/2009 in Fact

**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).

The total number of securities beneficially owned includes: (a) 1,100 unvested shares from an original award of 3,235 time-based restricted stock units granted 2/13/06; (b) 1,734 unvested shares from an original award of 2,588 time-based restricted stock units granted

(1) 2/21/07; (c) 77,064 unvested performance-based restricted stock units granted 4/28/08; and (d) 63,053 unvested time-based restricted stock units granted 4/28/08. Since the date of the Reporting Person's last ownership report, he transferred 1,530 shares of ADS common stock to his ex-wife pursuant to a domestic relations order.

Remarks:

Effective as of 1/13/09, the Reporting Person is no longer subject to Section 16.

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.

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