**Discover Financial Services** Form 4

December 14, 2010

Check this box

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

**SECURITIES** 

OMB 3235-0287

**OMB APPROVAL** 

Number:

Expires:

January 31, 2005

0.5

Estimated average burden hours per

response...

if no longer subject to Section 16. Form 4 or Form 5

obligations may continue. See Instruction

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

1(b).

Common

Stock

(Print or Type Responses)

1. Name and Address of Reporting Person * HOCHSCHILD ROGER C			<ol><li>Issuer Nar ymbol</li></ol>	me <b>and</b>	Ticker or Tr	ading	5. Relationship of Reporting Person(s) to Issuer				
		Discover Financial Services [DFS]					(Check all applicable)				
(Last)	(First) (	Middle) 3.	3. Date of Earliest Transaction								
			(Month/Day/Year)					Director		Owner	
2500 LAKE COOK ROAD			12/10/2010					X Officer (give title Other (specify below)			
							President and COO				
	4.	4. If Amendment, Date Original					6. Individual or Joint/Group Filing(Check				
	Fi	Filed(Month/Day/Year)					Applicable Line)				
								_X_ Form filed by (	1 0		
RIVERWOODS, IL 60015								Form filed by More than One Reporting Person			
(City)	(State)	(Zip)	Table I -	Non-D	erivative Se	curiti	es Acqı	uired, Disposed of	f, or Beneficial	ly Owned	
1. Title of 2. Transaction Date 2A. Dee			med 3. 4. Securities Acquired				uired	5. Amount of	7. Nature of		
Security	Execution D					` /					
(Instr. 3) any				ode	(Instr. 3, 4 and 5)			Beneficially	(D) or	Beneficial	
		(Month/Day	//Year) (In	istr. 8)				Owned Following	Indirect (I) (Instr. 4)	Ownership (Instr. 4)	
								Reported	(111341. 1)	(mou. i)	
						(A) or		Transaction(s)			
			Co	ode V	Amount	(D)	Price	(Instr. 3 and 4)			
Common	12/10/2010		,	٨	201,998	` ´	¢ 0	1 275 061	D		
Stock	12/10/2010		F	A	<u>(1)</u>	A	\$ 0	1,375,061	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.

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By ESOP

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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	2.	3. Transaction Date		4.	5.	6. Date Exer		7. Title		8. Price of	9. Nu
Derivative	Conversion	(Month/Day/Year)	Execution Date, if	Transacti	orNumber	Expiration D	ate	Amou	nt of	Derivative	Deriv
Security	or Exercise		any	Code	of	(Month/Day/	Year)	Under	lying	Security	Secur
(Instr. 3)	Price of		(Month/Day/Year)	(Instr. 8)	Derivative	e		Securi	ties	(Instr. 5)	Bene
	Derivative				Securities			(Instr.	3 and 4)		Own
	Security				Acquired						Follo
					(A) or						Repo
					Disposed						Trans
					of (D)						(Instr
					(Instr. 3,						
					4, and 5)						
									Amount		
						Date	Expiration		or		
						Exercisable	Date	Title	Number		
						Lacicisable			of		
				Code V	(A) (D)				Shares		

# **Reporting Owners**

Relationships Reporting Owner Name / Address

> Director 10% Owner Officer Other

HOCHSCHILD ROGER C 2500 LAKE COOK ROAD RIVERWOODS, IL 60015

President and COO

### **Signatures**

/s/ Simon Halfin as Attorney-in-Fact for Roger C. Hochschild

12/14/2010

\*\*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).
- Restricted stock units are convertible into shares of common stock at a ratio of 1:1.

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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