

ALLIANCE DATA SYSTEMS CORP
 Form 4
 April 28, 2010

FORM 4

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

OMB APPROVAL

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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

(Print or Type Responses)

1. Name and Address of Reporting Person *
 UTAY ALAN M

(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)
 04/26/2010

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)
 EVP, CAO, Gen. Counsel, Secy

6. Individual or Joint/Group Filing(Check Applicable Line)
 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)
				(A) or (D)	Price		
Common Stock	04/26/2010		M	V	29,900 A \$ 14.93	113,328	D
Common Stock	04/26/2010		M	V	13,182 A \$ 14.67	126,510	D
Common Stock	04/26/2010		S	V	43,082 D \$ 76.31	83,428 ⁽¹⁾	D

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

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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 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)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option (Right to Buy)	\$ 14.93	04/26/2010		M	29,900	(2) 08/29/2011		Common Stock	29,900
Employee Stock Option (Right to Buy)	\$ 14.67	04/26/2010		M	13,182	(2) 09/25/2012		Common Stock	13,182

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
UTAY ALAN M 17655 WATERVIEW PARKWAY DALLAS, TX 75252-8012			EVP, CAO, Gen. Counsel, Secy	

Signatures

Leigh Ann K. Epperson, Attorney
in Fact 04/28/2010

**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).

The total number of securities beneficially owned includes: (a) 38,342 unrestricted shares; (b) 16,674 unvested shares from an original award of 49,041 time-based restricted stock units granted 4/28/08; (c) 11,792 unvested shares from an award of 17,600 performance-based restricted stock units granted 2/23/09; (d) 3,324 unvested time-based restricted stock units granted 2/22/10; and (e) 13,296 unvested performance-based restricted stock units granted 2/22/10.

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

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- (3) The total number of derivative securities beneficially owned includes: (a) an option for 28,919 shares granted 6/24/03, which is fully vested; (b) an option for 29,472 shares granted 2/2/04, which is fully vested; (c) an option for 13,812 shares granted 2/3/05, which is fully vested; (d) an option for 16,565 shares granted 2/13/06, which is fully vested; and (e) an option for 9,743 shares granted 2/21/07, which is fully vested.

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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