

Santillan Laura  
 Form 4  
 February 23, 2012

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

OMB APPROVAL

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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

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
 Santillan Laura

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)  
 7500 DALLAS PARKWAY, SUITE 700  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
 02/21/2012

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
 SVP, Chief Acctg. Officer

PLANO, TX 75024

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

6. Individual or Joint/Group Filing(Check Applicable Line)  
 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			
Common Stock	02/21/2012		A <sup>(1)</sup>		2,341	A	Ⓐ	22,174	D
Common Stock	02/21/2012		F <sup>(2)</sup>		716	D	\$ 119.7	21,458	D
Common Stock	02/21/2012		A <sup>(3)</sup>		731	A	Ⓓ	22,189	D
Common Stock	02/21/2012		A <sup>(4)</sup>		2,924	A	Ⓓ	25,113	D
Common Stock	02/22/2012		F <sup>(2)</sup>		515	D	\$ 120.51	24,598 <sup>(5)</sup>	D

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

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(9-02)

**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. Number of Derivative Securities Owned Following Reporting Transaction (Instr. 6)
				Code	V	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

## Reporting Owners

### Reporting Owner Name / Address

### Relationships

Director    10% Owner    Officer    Other

Santillan Laura  
7500 DALLAS PARKWAY, SUITE 700  
PLANO, TX 75024

SVP, Chief Acctg. Officer

## Signatures

Cynthia L. Hageman, Attorney  
in Fact

02/23/2012

\_\_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) Based on the Company's EBT performance in 2011, 150% of the original award of 4,681 performance-based restricted stock units granted 3/21/11 were earned, resulting in an additional 2,341 units, for a total of 7,022 units. The restrictions will lapse with respect to 2,318 units on 2/21/13 and with respect to 2,388 units on 2/21/14, subject to continued employment by the Reporting Person on the remaining vesting dates.

(2) Shares withheld by the Company to satisfy the Reporting Person's tax withholding obligation upon the vesting of restricted stock units.

(3) The new grant is for 731 shares of common stock represented by time-based restricted stock units. The restrictions will lapse on 241 units on each of 2/21/13 and 2/21/14 and on 249 units on 2/23/15, subject to continued employment by the Reporting Person on the vesting dates.

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(4) The new grant is for 2,924 shares of common stock represented by performance-based restricted stock units, which may be adjusted up or down at the time the performance restriction lapses. The restriction may lapse with respect to 33% of such shares on each of 2/21/13 and 2/21/14 and with respect to 34% of such shares on 2/23/15 contingent on meeting an EBT metric for 2012 and subject to continued employment by the Reporting Person on the vesting dates.

(5) The total number of securities beneficially owned includes: (a) 11,599 unrestricted shares; (b) 400 shares held in an IRA account; (c) 1,496 unvested units from an award of 4,400 performance-based restricted stock units granted 2/23/09; (d) 377 unvested units from an award of 1,108 time-based restricted stock units granted 2/22/10; (e) 1,581 unvested units from an award of 4,741 performance-based restricted stock units granted 2/22/10; (f) 784 unvested units from an award of 1,170 time-based restricted stock units granted 3/21/11; (g) 4,706 unvested units from an award of 7,022 performance-based restricted stock units granted 3/21/11; (h) the new grant for 731 time-based restricted stock units; and (i) the new grant for 2,924 performance-based restricted stock units.

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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