

DRAPER E LINN JR
Form 4
September 17, 2010

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 *
DRAPER E LINN JR

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)

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

Director 10% Owner
 Officer (give title below) Other (specify below)

7500 DALLAS PARKWAY, SUITE 700

09/15/2010

(Street)

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

PLANO, TX 75024

(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 Ownership (Instr. 4)
				(A) or (D)	Price		
			Code	V	Amount		
Common Stock	09/15/2010		M		1,146	A	\$ 41.32 10,462 D
Common Stock	09/15/2010		M		3,547	A	\$ 36.88 14,009 D
Common Stock	09/15/2010		M		2,512	A	\$ 53.54 16,521 ⁽¹⁾ D

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

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SEC 1474 (9-02)

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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 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. Amount or Number of Shares
Employee Stock Option (Right to Buy)	\$ 41.32	09/15/2010		M	1,146	<u>(2)</u> 02/03/2015	Common Stock	1,146
Employee Stock Option (Right to Buy)	\$ 36.88	09/15/2010		M	3,547	<u>(2)</u> 06/10/2015	Common Stock	3,547
Employee Stock Option (Right to Buy)	\$ 53.54	09/15/2010		M	2,512	<u>(2)</u> 06/12/2016	Common Stock	2,512

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

DRAPER E LINN JR
7500 DALLAS PARKWAY, SUITE 700
PLANO, TX 75024

X

Signatures

Leigh Ann K. Epperson, Attorney
in Fact

09/17/2010

__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 amount of securities beneficially owned includes: (a) 7,205 unrestricted shares; (b) 177 shares of restricted stock granted 2/3/05; (c) 616 shares of restricted stock granted 6/10/05; (d) 458 shares of restricted stock granted 6/12/06; (e) 2,388 unvested restricted stock units granted 7/1/08; (f) 3,333 unvested restricted stock units granted 7/1/09; and (g) 2,344 unvested restricted stock units granted 6/30/10.

(1) This is an employee stock option grant that 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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