

Epperson Leigh Ann K
 Form 4
 February 23, 2012

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 *
 Epperson Leigh Ann K

2. Issuer Name and Ticker or Trading Symbol
 ALLIANCE DATA SYSTEMS
 CORP [ADS]

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)
 ___ Director ___ 10% Owner
 Officer (give title below) ___ Other (specify below)
 SVP, General Counsel & Secy

(Last) (First) (Middle)
 7500 DALLAS PARKWAY, SUITE 700

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

(Street)
 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 ⁽¹⁾			1,300	A	15,379	D
Common Stock	02/21/2012		F ⁽²⁾			398	D	\$ 119.7 14,981	D
Common Stock	02/21/2012		A ⁽³⁾			731	A	15,712	D
Common Stock	02/21/2012		A ⁽⁴⁾			2,924	A	18,636	D
Common Stock	02/22/2012		F ⁽²⁾			207	D	\$ 120.51 18,429 ⁽⁵⁾	D

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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) 9,518 unrestricted shares; (b) 1,423 unvested units from an award of 4,180 performance-based restricted stock units granted 2/23/09; (c) 151 unvested units from an award of 444 time-based restricted stock units granted 2/22/10; (d) 633 unvested units from an award of 1,899 performance-based restricted stock units granted 2/22/10; (e) 436 unvested units from an award of 650 time-based restricted stock units granted 3/21/11; (f) 2,613 unvested units from an award of 3,900 performance-based restricted stock units granted 3/21/11; (g) the new grant for 731 time-based restricted stock units; and (h) 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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