

Kennedy Bryan J
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 *
Kennedy Bryan J

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)
EVP & President, Epsilon

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 (A) or (D) Price			
Common Stock	02/21/2012		A ⁽¹⁾	8,843 A (1)	109,119	D	
Common Stock	02/21/2012		F ⁽²⁾	2,888 D \$ 119.7	106,231	D	
Common Stock	02/21/2012		A ⁽³⁾	3,256 A (3)	109,487	D	
Common Stock	02/21/2012		A ⁽⁴⁾	13,024 A (4)	122,511	D	
Common Stock	02/22/2012		F ⁽²⁾	3,430 D \$ 120.51	119,081 (5)	D	

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Reporting Person on the vesting dates.

- (4) The new grant is for 13,024 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) 60,637 unrestricted shares; (b) 8,976 unvested units from an award of 26,400 performance-based restricted stock units granted 2/23/09; (c) 2,992 unvested units from an award of 8,800 performance-based restricted stock units granted 3/2/09; (d) 1,821 unvested units from an award of 5,354 time-based restricted stock units granted 2/22/10; (e) 7,638 unvested units from an award of 22,913 performance-based restricted stock units granted 2/22/10; (f) 2,963 unvested units from an award of 4,421 time-based restricted stock units granted 3/21/11; (g) 17,774 unvested units from an award of 26,528 performance-based restricted stock units granted 3/21/11; (h) the new grant for 3,256 time-based restricted stock units; and (i) the new grant for 13,024 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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