

ALLIANCE DATA SYSTEMS CORP  
 Form 4  
 September 14, 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 \*  
**JENSEN KENNETH R**

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)  
**09/12/2012**

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

**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

**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	09/12/2012		M	3,724	A \$ 41.77	58,098	D
Common Stock	09/12/2012		F	1,108	D \$ 140.46	56,990	D
Common Stock	09/12/2012		M	3,547	A \$ 36.88	60,537	D
Common Stock	09/12/2012		F	931	D \$ 140.53	59,606	D
Common Stock	09/12/2012		M	6,208	A \$ 24.03	65,814	D

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Common Stock 09/12/2012 F 1,062 D \$ 140.51 64,752 <sup>(1)</sup> D

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. Amount or Number of Shares
Employee Stock Option (Right to Buy)	\$ 41.77	09/12/2012		M	3,724	<sup>(2)</sup> 07/01/2014	Common Stock	3,724
Employee Stock Option (Right to Buy)	\$ 36.88	09/12/2012		M	3,547	<sup>(2)</sup> 06/10/2015	Common Stock	3,547
Employee Stock Option (Right to Buy)	\$ 24.03	09/12/2012		M	6,208	<sup>(2)</sup> 06/23/2013	Common Stock	6,208

## Reporting Owners

**Reporting Owner Name / Address**

**Relationships**

Director 10% Owner Officer Other

JENSEN KENNETH R  
7500 DALLAS PARKWAY, SUITE 700 X  
PLANO, TX 75024

## Signatures

Cynthia L. Hageman, Attorney  
in Fact

09/14/2012

\_\_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).

The total amount of securities beneficially owned includes: (a) 57,244 unrestricted shares; (b) 2,388 unvested restricted stock units

(1) granted 7/1/08; (c) 1,904 unvested restricted stock units granted 7/1/09; (d) 1,136 unvested restricted stock units granted 6/30/10; (e) 1,211 unvested restricted stock units granted 6/30/11; and (f) 869 unvested restricted stock units granted 6/29/12.

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

(3) The total number of derivative securities beneficially owned includes an option for 2,512 shares granted 6/12/06, 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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