

Schneider Glenn P  
 Form 4  
 March 27, 2012

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
 Expires: January 31, 2005  
 Estimated average burden hours per response... 0.5

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 \*  
 Schneider Glenn P

2. Issuer Name and Ticker or Trading Symbol  
 Discover Financial Services [DFS]

5. Relationship of Reporting Person(s) to Issuer  
 (Check all applicable)

(Last) (First) (Middle)  
 2500 LAKE COOK ROAD  
 (Street)

3. Date of Earliest Transaction  
 (Month/Day/Year)  
 03/23/2012

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
 SVP & CIO

RIVERWOODS, IL 60015

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	03/23/2012		M		6,025	A	\$ 14.49
Common Stock	03/23/2012		S		6,025	D	\$ 32.31
Common Stock	03/23/2012		M		7,151	A	\$ 18.87
Common Stock	03/23/2012		S		7,151	D	\$ 32.31
Common Stock	03/23/2012		M		95,593	A	\$ 18.05

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Common Stock	03/23/2012	S	95,593	D	\$ 32.4 (3)	65,829	D	
Common Stock	03/23/2012	S	14,767	D	\$ 32.57 (4)	51,062	D	
Common Stock						944.97	I	By ESOP

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

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SEC 1474  
(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)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount or Number of Shares
Employee Stock Option	\$ 14.49	03/23/2012		M	6,025	(1) 01/02/2013	Common Stock 6,025
Employee Stock Option	\$ 18.87	03/23/2012		M	7,151	(5) 01/02/2014	Common Stock 7,151
Employee Stock Option	\$ 18.05	03/23/2012		M	95,593	(6) 01/02/2014	Common Stock 95,593

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Schneider Glenn P 2500 LAKE COOK ROAD RIVERWOODS, IL 60015			SVP & CIO	

## Signatures

Simon Halfin as Attorney-in-Fact for Glenn P.  
Schneider

03/27/2012

\_\_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) This option became fully vested on January 2, 2005.

(2) In connection with Discover Financial Services' spin-off from Morgan Stanley, this option was granted by Discover Financial Services in replacement of an option to purchase 2,051 shares of common stock of Morgan Stanley at an exercise price of \$42.56.

(3) The price reported in Column 4 is a weighted average price. These shares were sold in multiple transactions at prices ranging from \$32.31 to \$32.74, inclusive. The reporting person undertakes to provide to Discover Financial Services, any security holder of Discover Financial Services, or the staff of the Securities and Exchange Commission, upon request, full information regarding the number of shares sold at each separate price within the ranges set forth in this footnote.

(4) The price reported in Column 4 is a weighted average price. These shares were sold in multiple transactions at prices ranging from \$32.56 to \$32.61, inclusive. The reporting person undertakes to provide to Discover Financial Services, any security holder of Discover Financial Services, or the staff of the Securities and Exchange Commission, upon request, full information regarding the number of shares sold at each separate price within the ranges set forth in this footnote.

(5) This option became fully vested on January 2, 2007.

(6) This option became fully vested on January 2, 2009.

(7) In connection with Discover Financial Services' spin-off from Morgan Stanley, this option was granted by Discover Financial Services in replacement of an option to purchase 2,434 shares of common stock of Morgan Stanley at an exercise price of \$55.45.

(8) In connection with Discover Financial Services' spin-off from Morgan Stanley, this option was granted by Discover Financial Services in replacement of an option to purchase 32,537 shares of common stock of Morgan Stanley at an exercise price of \$53.02

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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