

ALLIANCE DATA SYSTEMS CORP  
 Form 3  
 February 09, 2009

**FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

OMB APPROVAL  
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**INITIAL STATEMENT OF 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 *		2. Date of Event Requiring Statement	3. Issuer Name <b>and</b> Ticker or Trading Symbol	
Â Kennedy Bryan J		(Month/Day/Year)	ALLIANCE DATA SYSTEMS CORP [ADS]	
(Last)	(First)	(Middle)	4. Relationship of Reporting Person(s) to Issuer	5. If Amendment, Date Original Filed(Month/Day/Year)
17655 WATERVIEW PARKWAY		02/02/2009	(Check all applicable)	
(Street)			<input type="checkbox"/> Director	<input type="checkbox"/> 10% Owner
DALLAS,Â TXÂ 75252			<input checked="" type="checkbox"/> Officer	<input type="checkbox"/> Other
(City)	(State)	(Zip)	(give title below)	(specify below)
			EVP & President, Mktg. Svcs.	6. Individual or Joint/Group Filing(Check Applicable Line)
				<input checked="" type="checkbox"/> Form filed by One Reporting Person
				<input type="checkbox"/> Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Beneficially Owned**

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Stock	77,662 <sup>(1)</sup>	D	Â

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly. SEC 1473 (7-02)

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

**Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)	4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
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	Date Exercisable	Expiration Date		Amount or Number of Shares		or Indirect (I) (Instr. 5)	
Employee Stock Option (Right to Buy)	Â (2)	11/17/2014	Common Stock	15,000	\$ 43.2	D	Â
Employee Stock Option (Right to Buy)	Â (3)	02/13/2016	Common Stock	7,724	\$ 43.01	D	Â
Employee Stock Option (Right to Buy)	Â (4)	02/21/2017	Common Stock	4,872	\$ 63.35	D	Â

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Kennedy Bryan J 17655 WATERVIEW PARKWAY DALLAS, TX 75252	Â	Â	Â EVP & President, Mktg. Svcs.	Â

## Signatures

Leigh Ann K. Epperson, Attorney  
in Fact 02/09/2009

\_\_Signature of Reporting Person

Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, *see* Instruction 5(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) The total number of securities beneficially owned includes: (a) 9,174 unrestricted shares; (b) 1,100 unvested shares from an original award of 3,235 time-based restricted stock units granted 2/13/06; (c) 1,388 unvested shares from an original award of 2,071 time-based restricted stock units granted 2/21/07; (d) 36,300 unvested performance-based restricted stock units granted 4/28/08; and (e) 29,700 unvested time-based restricted stock units granted 4/28/08.
- (2) The option is for 15,000 shares granted 11/17/04, which is fully vested.
- (3) The option is for 7,724 shares granted 2/13/06, of which 5,097 shares are fully vested and 2,627 shares will vest on 2/13/09.
- (4) The option is for 4,872 shares granted 2/21/07, of which 1,607 shares are fully vested, 1,608 shares will vest on 2/21/09 and 1,657 shares will vest on 2/21/10.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *See* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.