

Santillan Laura
Form 4
March 23, 2011

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 *
Santillan Laura

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

3. Date of Earliest Transaction (Month/Day/Year)
03/21/2011

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
SVP, Chief Acctg. Officer

(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 Ownership (Instr. 4)
				(A) or (D) Code V Amount (D) Price			
Common Stock	03/21/2011		A ⁽¹⁾	1,170 A <u>(1)</u>	15,152	D	
Common Stock	03/21/2011		A ⁽²⁾	4,681 A <u>(2)</u>	19,833 ⁽³⁾	D	

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

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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. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Owned Following Transaction (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Santillan Laura 7500 DALLAS PARKWAY, SUITE 700 PLANO, TX 75024			SVP, Chief Acctg. Officer	

Signatures

Cynthia L. Hageman, Attorney
in Fact 03/23/2011
 __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) The new grant is for 1,170 shares of common stock represented by time-based restricted stock units. The restrictions will lapse on 386 units on each of 2/21/12 and 2/21/13 and on 398 units on 2/21/14, subject to continued employment by the Reporting Person on the vesting dates.
- (2) The new grant is for 4,681 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 2/21/12 and 2/21/13 and with respect to 34% of such shares on 2/21/14 contingent on meeting an EBT metric for 2011 and subject to continued employment by the Reporting Person on the vesting dates.
- (3) The total number of securities beneficially owned includes: (a) 8,182 unrestricted shares; (b) 400 shares held in an IRA account; (c) 1,496 unvested units from an award of 4,400 performance-based restricted stock units granted 2/23/09; (d) 743 unvested units from an award of 1,108 time-based restricted stock units granted 2/22/10; (e) 3,161 unvested units from an award of 4,741 performance-based restricted stock units granted 2/22/10; (f) the new grant for 1,170 time-based restricted stock units; and (g) the new grant for 4,681 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. 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.