

ALLIANCE DATA SYSTEMS CORP
 Form 4
 October 23, 2013

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0287
 Expires: January 31, 2015
 Estimated average burden hours per response... 0.5

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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 *
 HEFFERNAN EDWARD 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)
 10/21/2013

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

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	10/21/2013		M ⁽¹⁾		34,735	A	\$ 31.38
							251,989
Common Stock	10/21/2013		S ⁽¹⁾		22,884	D	\$ 232.149
							229,105
Common Stock	10/21/2013		S ⁽¹⁾		11,851	D	\$ 232.769
							217,254 ⁽⁴⁾

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

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- The total number of securities beneficially owned includes: (a) 143,148 unrestricted shares; (b) 2,609 unvested units from an award of 7,672 time-based restricted stock units granted 3/21/11; (c) 15,653 unvested units from an award of 46,035 performance-based restricted stock units granted 3/21/11; (d) 4,001 unvested units from an award of 5,971 time-based restricted stock units granted 2/21/12; (e) 24,005 unvested units from an award of 35,828 performance-based restricted stock units granted 2/21/12; (f) 5,567 unvested time-based restricted stock units granted 2/21/13; and (g) 22,271 unvested performance-based restricted stock units granted 2/21/13.
- (4) This is an employee stock option grant that is fully vested.

- The total number of derivative securities beneficially owned includes: (a) an option for 19,337 shares granted 2/3/05 which is fully vested; (b) an option for 21,482 shares granted 2/13/06, which is fully vested; and (c) an option for 15,223 shares granted 2/21/07, which is fully vested.
- (6)

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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