Zaeske Mark Alan Form 4 January 06, 2010

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Check this box if no longer subject to Section 16. Form 4 or Form 5

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, obligations Section 17(a) of the Public Utility Holding Company Act of 1935 or Section may continue. 30(h) of the Investment Company Act of 1940 See Instruction

1(b).

(Print or Type Responses)

1. Name and Address of Rep Zaeske Mark Alan	orting Person *	2. Issuer Name and Ticker or Trading Symbol	5. Relationship of Reporting Person(s) to Issuer				
		Discover Financial Services [DFS]	(Check all applicable)				
(Last) (First)	(Middle)	3. Date of Earliest Transaction					
		(Month/Day/Year)	Director 10% Owner				
2500 LAKE COOK ROAD		01/04/2010	_X_ Officer (give title Other (specification) below)				
			SVP & Chief Accounting Officer				
(Street)		4. If Amendment, Date Original	6. Individual or Joint/Group Filing(Check				
		Filed(Month/Day/Year)	Applicable Line)				
RIVERWOODS, IL 60	015		_X_ Form filed by One Reporting Person Form filed by More than One Reporting Person				

KIVEKWOODS, IE 00013				Person								
	(City)	(State)	(Zip) Tabl	e I - Non-D	Perivative Securities Acqu	ired, Disposed of,	or Beneficiall	y Owned				
	1.Title of	2. Transaction Date	2A. Deemed	3.	4. Securities Acquired	5. Amount of	6.	7. Nature of				
	Security	(Month/Day/Year)	Execution Date, if	Transactio	on(A) or Disposed of (D)	Securities	Ownership	Indirect				
	(Instr. 3)		any	Code	(Instr. 3, 4 and 5)	Beneficially	Form: Direct	Beneficial				
			(Month/Day/Year)	(Instr. 8)		Owned	(D) or	Ownership				
						Following	Indirect (I)	(Instr. 4)				
					(A)	Reported	(Instr. 4)					
					(A)	Transaction(s)						

		Code	V	Amount	or (D)	Price \$	Transaction(s) (Instr. 3 and 4)	
Common Stock	01/04/2010	S		35,000	D	14.62 (1)	130,412	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)

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1. Title of	2.	3. Transaction Date	3A. Deemed	4.	5.	6. Date Exer	cisable and	7. Title	and	8. Price of	9. Nu
Derivative	Conversion	(Month/Day/Year)	Execution Date, if	Transaction	orNumber	Expiration D	ate	Amour	nt of	Derivative	Deriv
Security	or Exercise		any	Code	of	(Month/Day/	Year)	Underl	ying	Security	Secui
(Instr. 3)	Price of		(Month/Day/Year)	(Instr. 8)	Derivative	e		Securit	ies	(Instr. 5)	Bene
	Derivative				Securities			(Instr. :	3 and 4)		Owne
	Security				Acquired						Follo
	·				(A) or						Repo
					Disposed						Trans
					of (D)						(Instr
					(Instr. 3,						
					4, and 5)						
									A		
									Amount		
						Date	Expiration		or		
						Exercisable	Date		Number		
				~					of		
				Code V	(A) (D)				Shares		

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

Zaeske Mark Alan 2500 LAKE COOK ROAD RIVERWOODS, IL 60015

SVP & Chief Accounting Officer

Signatures

Simon Halfin as Attorney-in-Fact for Mark A. Zaeske

01/06/2010

**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 price reported in Column 4 is a weighted average price. These shares were sold in multiple transactions at prices ranging from \$14.61 to \$14.64, 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 footnote 1 to this Form 4.

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.

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