Corley Kathryn McNamara Form 4 February 16, 2010

FORM 4

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

OMB 3235-0287

Check this box if no longer

Number: January 31, 2005

OMB APPROVAL

if no longer subject to Section 16. Form 4 or

Estimated average burden hours per response... 0.5

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Form 5 obligations may continue. See Instruction

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

1(b).

(Print or Type Responses)

02/12/2010

Stock

Stock

Common

1. Name and Address of Reporting Person * Corley Kathryn McNamara			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									
2500 LAKE COOK ROAD			(Month/Day/Year) 02/12/2010					Director 10% OwnerX Officer (give title Other (specify below) EVP,General Counsel&Secretary				
	4. If Amendment, Date Original					6. Individual or Joint/Group Filing(Check						
RIVERWOO	DDS, IL 60015		Filed(Mont	th/Day/Year)				Applicable Line) _X_ Form filed by Form filed by Person	One Reporting Po			
(City)	(State)	(Zip)	Table	e I - Non-D	erivative S	Securi	ties Ac	quired, Disposed	of, or Beneficia	lly Owned		
1.Title of	2. Transaction Da	ite 2A. Dec	emed	3.	4. Securi	ties		5. Amount of	6. Ownership	7. Nature of		
Security	(Month/Day/Yea	r) Executi	on Date, if					Securities	Form: Direct	Indirect		
(Instr. 3) any			Code Disposed of (D)		1	Beneficially	(D) or	Beneficial				
		(Month	/Day/Year)	(Instr. 8)	(Instr. 3,	4 and	5)	Owned Following	Indirect (I) (Instr. 4)	Ownership (Instr. 4)		
				Code V	Amount	(A) or (D)	Price	Reported Transaction(s) (Instr. 3 and 4)	(IIISU. 4)	(msu. 4)		
Common	02/12/2010			\(\Delta(1) \)	997	Δ	\$0	292 084 39	D			

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

 $A^{(1)}$

997

Α

(1)

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SEC 1474

(9-02)

292,084.39

2,205.08

D

I

By ESOP

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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	2.	3. Transaction Date	3A. Deemed	4.	5.	6. Date Exerc	cisable and	7. Title	e and	8. Price of	9. Nu
Derivative	Conversion	(Month/Day/Year)	Execution Date, if	Transacti	orNumber	Expiration D	ate	Amou	nt of	Derivative	Deriv
Security	or Exercise		any	Code	of	(Month/Day/	Year)	Underl	lying	Security	Secui
(Instr. 3)	Price of		(Month/Day/Year)	(Instr. 8)	Derivative	e		Securit	ties	(Instr. 5)	Bene
	Derivative				Securities			(Instr.	3 and 4)		Own
	Security				Acquired						Follo
	·				(A) or						Repo
					Disposed						Trans
					of (D)						(Instr
					(Instr. 3,						
					4, and 5)						
									A		
									Amount		
						Date	Expiration		or		
						Exercisable	able Date		Number		
				C 1 W	(A) (D)				of		
				Code V	(A) (D)				Shares		

Reporting Owners

Relationships Reporting Owner Name / Address

> Other Director 10% Owner Officer

Corley Kathryn McNamara 2500 LAKE COOK ROAD RIVERWOODS, IL 60015

EVP, General Counsel & Secretary

Signatures

/s/ Simon Halfin as Attorney-in-Fact for Kathryn McNamara Corley

02/16/2010

**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 shares represent a portion of the reporting person's salary, net withholdings and deductions, for the most recent pay period and were (1) issued under the Company's Amended and Restated 2007 Omnibus Incentive Plan. For more information, please see the Current Report on Form 8-K which was filed by the Company on December 11, 2009.

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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