Corley Kathryn McNamara Form 4 July 11, 2011

# FORM 4

#### **OMB APPROVAL**

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

OMB 3235-0287 Number:

Check this box if no longer subject to Section 16.

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

January 31, Expires: 2005 Estimated average

Form 4 or Form 5 obligations may continue.

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

**SECURITIES** 

burden hours per response... 0.5

See Instruction 1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person ** Corley Kathryn McNamara			2. Issuer Name <b>and</b> 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) 07/08/2011	Director 10% Owner _X_ Officer (give title Other (specify below)  EVP,General Counsel&Secretary			
(Street) RIVERWOODS, IL 60015			4. If Amendment, Date Original	6. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting Person			
			Filed(Month/Day/Year)				
(City)	(State)	(Zin)					

(City)	(State)	Table Table	e I - Non-D	erivative S	Securi	ties Acqu	iired, Disposed of	, or Beneficial	y Owned
1.Title of	2. Transaction Date		3.	4. Securit			5. Amount of	6.	7. Nature of
Security	(Month/Day/Year)	Execution Date, if	Transactio		_		Securities	Ownership	Indirect
(Instr. 3)		any	Code	(Instr. 3, 4	and 3	))	Beneficially	Form: Direct	Beneficial
		(Month/Day/Year)	(Instr. 8)				Owned	(D) or	Ownership
							Following	Indirect (I)	(Instr. 4)
					(A)		Reported	(Instr. 4)	
					or		Transaction(s)		
			Code V	Amount	(D)	Price	(Instr. 3 and 4)		
Common Stock	07/08/2011		F	10,658 (1)	D	\$ 26.55	304,664.39	D	
Common Stock							2,211.95	I	By ESOP

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

Persons who respond to the collection of SEC 1474 information contained in this form are not (9-02)required to respond unless the form displays a currently valid OMB control number.

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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		4.	5.	6. Date Exer		7. Title		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)	Under	lying	Security	Secur
(Instr. 3)	Price of		(Month/Day/Year)	(Instr. 8)	Derivative	e		Securi	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)						
									Amount		
						Date	Expiration		or		
						Exercisable	Date		Number		
						LACICISADIC			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**

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

07/11/2011

\*\*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).
- Number of shares withheld to pay the tax withholding obligation incurred in connection with the vesting of previously granted 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.

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