STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

ALLIANCE DATA SYSTEMS CORP

Form 4

December 26, 2007

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

SECURITIES Form 5 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

Symbol

may continue. See Instruction

30(h) of the Investment Company Act of 1940 1(b).

(Print or Type Responses)

(Last)

(City)

Common

Stock

1. Name and Address of Reporting Person *

Iaccarino Michael L

(First) (Middle)

17655 WATERVIEW PARKWAY

(Street)

(State)

12/21/2007

ALLIANCE DATA SYSTEMS

2. Issuer Name and Ticker or Trading

CORP [ADS]

3. Date of Earliest Transaction (Month/Day/Year) 12/21/2007

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to

Issuer

(Check all applicable)

Director 10% Owner X_ Officer (give title Other (specify below)

EVP & President, Mktg. Svcs.

6. Individual or Joint/Group Filing(Check Applicable Line)

X Form filed by One Reporting Person Form filed by More than One Reporting

Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

DALLAS, TX 75252-8012

1.Title of 2. Transaction Date 2A. Deemed Security (Month/Day/Year) Execution Date, if (Instr. 3)

(Zip)

(Month/Day/Year)

3. 4. Securities Acquired Transaction(A) or Disposed of Code (D) (Instr. 8) (Instr. 3, 4 and 5)

5. Amount of Securities

Beneficially Owned Following Reported

(D) or Indirect (I) (Instr. 4)

D

6. Ownership 7. Nature of Form: Direct Indirect Beneficial Ownership (Instr. 4)

Transaction(s) (Instr. 3 and 4)

Code V Amount (D) Price $A^{(1)}$ 12,235 Α <u>(1)</u> $27,080^{(2)}$

(A)

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.

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	Transacti	onNumber	Expiration D	ate	Amoun	t of	Derivative	Deriv
Security	or Exercise		any	Code	of	(Month/Day/	Year)	Underly	ying	Security	Secui
(Instr. 3)	Price of		(Month/Day/Year)	(Instr. 8)	Derivativ	e		Securit	ies	(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		
									or		
							Expiration Date		Number		
									of		
				Code V	(A) (D)				Shares		

Reporting Owners

Reporting Owner Name / Address	Relationships						
. 5	Director	10% Owner	Officer	Other			
Iaccarino Michael L			EVP &				
17655 WATERVIEW PARKWAY			President,				
DALLAS, TX 75252-8012			Mktg. Svcs.				

Signatures

Leigh Ann K. Epperson, Attorney 12/26/2007 in Fact

> **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 new grant is for 12,235 shares of common stock represented by time-based restricted stock units. The restrictions on 100% of the **(1)** shares will lapse on 12/21/10.

The total number of securities beneficially owned includes: (a) 4,434 out of an original 9,000 shares of time-based restricted stock granted 11/17/04, which are fully vested; (b) 2,896 out of an original 3,235 shares of time-based restricted stock units granted 2/13/06, of which

(2) 728 shares are vested; (c) 2,339 out of an original 3,235 shares of performance-based restricted stock units granted 2/13/06, which are fully vested; (d) 2,588 performance-based restricted stock units granted 2/21/07, of which 0 shares are vested; (e) 2,588 time-based restricted stock units granted 2/21/07, of which 0 shares are vested; and (f) the new grant for 12,235 time-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.

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