

ALLIANCE DATA SYSTEMS CORP  
 Form 4  
 October 23, 2013

**FORM 4**

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

OMB APPROVAL

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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 Ownership (Instr. 4)		
				Code	V	Amount				(A) or (D)	Price
Common Stock	10/21/2013		M <sup>(1)</sup>			34,735	A	\$ 31.38	251,989	D	
Common Stock	10/21/2013		S <sup>(1)</sup>			22,884	D	\$ 232.149	229,105	D	
Common Stock	10/21/2013		S <sup>(1)</sup>			11,851	D	\$ 232.769	217,254 <sup>(4)</sup>	D	

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)

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