

ALLIANCE DATA SYSTEMS CORP  
 Form 4  
 February 25, 2008

**FORM 4**

**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 Form 5 obligations may continue. See Instruction 1(b).

**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 \*  
 SCULLION JOHN W

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)  
 17655 WATERVIEW PARKWAY  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
 02/21/2008

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
 President and COO

DALLAS, TX 75252-8012

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)
				(A) or (D) Price			
Common Stock	02/21/2008		A <sup>(1)</sup>	854 A <u>(1)</u>	94,191 <u>(2)</u>	D	

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

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SEC 1474 (9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

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Table with columns: 1. Title of Derivative Security, 2. Conversion or Exercise Price of Derivative Security, 3. Transaction Date, 3A. Deemed Execution Date, 4. Transaction Code, 5. Number of Derivative Securities, 6. Date Exercisable and Expiration Date, 7. Title and Amount of Underlying Securities, 8. Price of Derivative Security, 9. Number of Derivative Securities. Includes sub-headers for Date Exercisable and Expiration Date, and Title or Number of Shares.

Reporting Owners

Table with columns: Reporting Owner Name / Address, Relationships (Director, 10% Owner, Officer, Other). Entry for SCULLION JOHN W, 17655 WATERVIEW PARKWAY, DALLAS, TX 75252-8012, President and COO.

Signatures

Leigh Ann K. Epperson, Attorney in Fact, 02/25/2008. \*\*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).
(1) Based on the Company's cash EPS growth as compared to the GAAP EPS growth of the S&P 500, 111% of the performance-based restricted stock unit award granted on 2/21/07 vested, resulting in an additional 854 shares, for a total of 8,619 shares.
The total number of securities beneficially owned includes: (a) 5,035 out of an original 7,514 shares of time-based restricted stock granted 2/3/05, which are fully vested; (b) 2,963 out of an original 8,889 shares of time-based restricted stock granted 2/3/05, which are fully vested; (c) 25,376 performance-based restricted stock units granted 2/13/06, which are fully vested; (d) 12,688 time-based restricted stock units granted 2/13/06, of which 8,374 shares are vested; (e) 8,619 performance-based restricted stock units granted 2/21/07, which are fully vested; (f) 7,765 time-based restricted stock units granted 2/21/07, of which 2,562 shares are vested; (g) 13,395 performance-based restricted stock units granted 2/21/07, of which 3,348 shares are vested; and (h) 18,350 time-based restricted stock units granted 12/21/07, of which 0 shares are vested.

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.