

Offereins Diane E  
Form 4  
June 29, 2011

**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 \*  
Offereins Diane E

(Last) (First) (Middle)  
2500 LAKE COOK ROAD  
(Street)

RIVERWOODS, IL 60015

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
Discover Financial Services [DFS]

3. Date of Earliest Transaction  
(Month/Day/Year)  
06/27/2011

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
Executive Vice President

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

| 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                    | 06/27/2011                           |  | M                              | V   | \$ 46,367<br>19.41  | A  | 602,578 D                         |
| Common Stock                    | 06/27/2011                           |  | S                              | V   | \$ 46,367<br><u>(1)</u>   | D  | 556,211 D                         |
| Common Stock                    |                                      |  |                                |   |   |  | 857.38 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 information contained in this form are not required to respond unless the form**

SEC 1474  
(9-02)

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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 Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | Amount or Number of Shares |                            |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|----------------------------|
|  |  |                                      |  | Code                           | V (A) (D)   | Date Exercisable   | Expiration Date   | Title                      | Amount or Number of Shares |
| Employee Stock Option                      | \$ 19.41   | 06/27/2011                           |  | M                              | 46,367  | (2)  | 01/02/2012  | Common Stock               | 46,367                     |

## Reporting Owners

| Reporting Owner Name / Address                                   | Relationships  |
|--|--|
| Offereins Diane E<br>2500 LAKE COOK ROAD<br>RIVERWOODS, IL 60015 | Director 10% Owner Officer<br>Executive Vice President |

## Signatures

/s/ Simon Halfin as Attorney-in-Fact for Diane E.  
Offereins

06/29/2011

\*\*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).

(1) The price reported in Column 4 is a weighted average price. These shares were sold in multiple transactions at prices ranging from \$25.19 to \$25.23, inclusive. The reporting person undertakes to provide to Discover Financial Services, any security holder of Discover Financial Services, or the staff of the Securities and Exchange Commission, upon request, full information regarding the number of shares sold at each separate price within the ranges set forth in footnote 2 to this Form 4.

(2) This option vested on January 2, 2004.

(3) In connection with Discover Financial Services' Spin-Off from Morgan Stanley, this option was granted by Discover Financial Services in replacement of an option to purchase 15,782 shares of common stock of Morgan Stanley at an exercise price of \$57.03.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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