

Discover Financial Services  
Form 4  
April 25, 2016

**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 \*  
Corley Kathryn McNamara

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

5. Relationship of Reporting Person(s) to Issuer  
(Check all applicable)

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

3. Date of Earliest Transaction (Month/Day/Year)  
04/21/2016

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
EVP, GC & Secretary

RIVERWOODS, IL 60015

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 Indirect Beneficial Ownership (Instr. 4)
				(A) or (D)	Price		
Common Stock	04/21/2016		M	6,537	A \$ 26.6848	188,013.39	D
Common Stock	04/21/2016		S	6,537	D \$ 56.8504	181,476.39	D
Common Stock	04/22/2016		S	10,000	D \$ 56.4797	171,476.39	D
Common Stock						2,364.59	I By ESOP

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

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(9-02)

**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)	8. Amount or Number of Shares
Employee Stock Option (right to buy)	\$ 26.6848	04/21/2016		M	6,537	(3) 12/12/2016	Common Stock	6,537

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Corley Kathryn McNamara 2500 LAKE COOK ROAD RIVERWOODS, IL 60015			EVP, GC & Secretary	

## Signatures

/s/ Christopher Greene as Attorney-in-Fact for Kelly McNamara  
Corley 04/25/2016

\_\_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 \$56.85 to \$56.86, 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 this footnote.

(2)

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The price reported in Column 4 is a weighted average price. These shares were sold in multiple transactions at prices ranging from \$56.47 to \$56.49, 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 this footnote.

- (3) This option became fully vested on July 2, 2007.
- (4) 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 2,225 shares of common stock of Morgan Stanley at an exercise price of \$78.40.

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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