

ALLIANCE DATA SYSTEMS CORP
Form 4
February 19, 2015

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 *
Kennedy Bryan 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)
02/17/2015

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
EVP & President, Epsilon

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 Indirect Beneficial Ownership (Instr. 4)
				(A) or (D) Code V Amount (D) Price			
Common Stock	02/17/2015		A ⁽¹⁾	1,396 A <u>(1)</u>	117,127	D	
Common Stock	02/17/2015		A ⁽²⁾	5,584 A <u>(2)</u>	122,711	D	
Common Stock	02/18/2015		A ⁽³⁾	2,133 A <u>(3)</u>	124,844	D	
Common Stock	02/18/2015		F ⁽⁴⁾	1,063 D \$ 283.85	123,781 ⁽⁵⁾	D	

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. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Transaction (Instr. 5)
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

Reporting Owners

Reporting Owner Name / Address

Kennedy Bryan J
7500 DALLAS PARKWAY, SUITE 700
PLANO, TX 75024

Relationships

Director 10% Owner Officer Other

EVP &
President,
Epsilon

Signatures

Cynthia L. Hageman, Attorney
in Fact

02/19/2015

**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 new grant is for 1,396 shares of common stock represented by time-based restricted stock units. The restrictions will lapse on 460 units on 2/17/16, on 461 units on 2/17/17 and on 475 units on 2/20/18, subject to continued employment by the Reporting Person on the vesting dates.

(2) The new grant is for 5,584 shares of common stock represented by performance-based restricted stock units, which may be adjusted up or down at the time the performance restriction lapses. The restriction may lapse with respect to 33% of such shares on each of 2/17/16 and 2/17/17 and with respect to 34% of such shares on 2/20/18 contingent on meeting an EBT metric for 2015 and subject to continued employment by the Reporting Person on the vesting dates.

(3) Based on the Company's EBT performance in 2014, 135.5% of the original award of 6,008 performance-based restricted stock units granted 2/18/14 were earned, resulting in an additional 2,133 units, for a total of 8,141 units. The restrictions will lapse with respect to 2,687 units on 2/18/16 and with respect to 2,768 units on 2/21/17, subject to continued employment by the Reporting Person on the

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remaining vesting dates.

- (4) Shares withheld by the Company to satisfy the Reporting Person's tax withholding obligation upon the vesting of restricted stock units.

The total number of securities beneficially owned includes: (a) 92,074 unrestricted shares; (b) 1,108 unvested units from an award of 3,256 time-based restricted stock units granted 2/21/12; (c) 6,644 unvested units from an award of 19,537 performance-based restricted stock units granted 2/21/12; (d) 1,598 unvested units from an award of 2,384 time-based restricted stock units granted 2/21/13; (e) 8,916

- (5) unvested units from an award of 13,306 performance-based restricted stock units granted 2/21/13; (f) 1,006 unvested units from an award of 1,501 time-based restricted stock units granted 2/18/14; (g) 5,455 unvested units from an award of 8,141 performance-based restricted stock units granted 2/18/14; (h) the new grant for 1,396 time-based restricted stock units; and (i) the new grant for 5,584 performance-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.

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