

ALLIANCE DATA SYSTEMS CORP

Form 4

March 05, 2014

**FORM 4****UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

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

## OMB APPROVAL

OMB  
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2005  
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response... 0.5

(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

3. Date of Earliest Transaction  
(Month/Day/Year)  
03/04/2014

\_\_\_\_ Director \_\_\_\_ 10% Owner  
\_\_X\_\_ Officer (give title \_\_\_\_ Other (specify  
below) below)  
EVP & President, Epsilon

(Street)  
PLANO, TX 75024

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

6. Individual or Joint/Group Filing(Check  
Applicable Line)  
\_\_X\_\_ 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)
			Code	V	Amount	(A) or (D)	Price
Common Stock	03/04/2014		M <sup>(1)</sup>		15,000	A	\$ 43.2
							130,731
Common Stock	03/04/2014		S <sup>(1)</sup>		15,000	D	\$ 283.875
							115,731 <sup>(3)</sup>

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

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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)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount or Number of Shares
Employee Stock Option (Right to Buy)	\$ 43.2	03/04/2014		M <sup>(1)</sup>	15,000	<sup>(4)</sup> 11/17/2014	Common Stock 15,000

## Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
Kennedy Bryan J 7500 DALLAS PARKWAY, SUITE 700 PLANO, TX 75024	EVP & President, Epsilon

## Signatures

Cynthia L. Hageman, Attorney in Fact 03/05/2014

\_\_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) Cashless exercise of employee stock options due to expire on November 17, 2014, ten years after such options were granted.  
The price reported in Column 4 is a weighted average price. These shares were sold in multiple transactions at prices ranging from \$283.41 to \$284.10 inclusive. The reporting person undertakes to provide to Alliance Data Systems Corporation, any security holder of Alliance Data Systems Corporation, 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 range set forth herein.
- (2) The total number of securities beneficially owned includes: (a) 89,956 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 unvested units from an award of 13,306 performance-based restricted stock units granted 2/21/13; (f) 1,501 unvested time-based restricted stock units granted 2/18/14; and (g) 6,008 unvested performance-based restricted stock units granted 2/18/14.
- (3) This is an employee stock option grant that is fully vested.
- (5) The total number of derivative securities beneficially owned includes: (a) an option for 7,724 shares granted 2/13/06, which is fully vested; and (b) an option for 4,872 shares granted 2/21/07, which is fully vested.

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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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