

ALLIANCE DATA SYSTEMS CORP

Form 4

February 19, 2015

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

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(Print or Type Responses)

1. Name and Address of Reporting Person *
Pearson Bryan A

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)
02/17/2015

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

(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 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)
Common Stock	02/17/2015		A ⁽¹⁾	1,465 A <u>(1)</u>	109,955	D	
Common Stock	02/17/2015		A ⁽²⁾	5,864 A <u>(2)</u>	115,819	D	
Common Stock	02/18/2015		A ⁽³⁾	2,166 A <u>(3)</u>	117,985	D	
Common Stock	02/18/2015		F ⁽⁴⁾	1,602 D \$ 283.85	116,383 ⁽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. 10)
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

Reporting Owners

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

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).

The new grant is for 1,465 shares of common stock represented by time-based restricted stock units. The restrictions will lapse on 483 units on each of 2/17/16 and 2/17/17 and on 499 units on 2/20/18, subject to continued employment by the Reporting Person on the vesting dates.

The new grant is for 5,864 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 6,101 performance-based restricted stock units granted 2/18/14 were earned, resulting in an additional 2,166 units, for a total of 8,267 units. The restrictions will lapse with respect to 2,728 units on 2/18/16 and with respect to 2,811 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) 84,406 unrestricted shares; (b) 1,082 unvested units from an award of 3,181 time-based restricted stock units granted 2/21/12; (c) 6,491 unvested units from an award of 19,089 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) 1,022 unvested units from an award of 1,525 time-based restricted stock units granted 2/18/14; (g) 5,539 unvested units from an award of 8,267 performance-based restricted stock units granted 2/18/14; (h) the new grant for 1,465 time-based restricted stock units; and (i) the new grant for 5,864 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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