

ALLIANCE DATA SYSTEMS CORP

Form 4

February 20, 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

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(Print or Type Responses)

1. Name and Address of Reporting Person *
HEFFERNAN EDWARD 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)
02/18/2014

☐ Director ☐ 10% Owner
☒ Officer (give title below) ☐ Other (specify below)
President and CEO

(Street)
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)
			Code	V	Amount	(A) or (D)	Price
Common Stock	02/18/2014		A ⁽¹⁾		3,751	A	<u>(1)</u> 216,335
Common Stock	02/18/2014		A ⁽²⁾		15,006	A	<u>(2)</u> 231,341 ⁽³⁾

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)	8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Own Follo Repo Trans (Instr
				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
HEFFERNAN EDWARD J 7500 DALLAS PARKWAY, SUITE 700 PLANO, TX 75024	X		President and CEO	

Signatures

Cynthia L. Hageman, Attorney
in Fact 02/20/2014

__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) The new grant is for 3,751 shares of common stock represented by time-based restricted stock units. The restrictions will lapse on 1,237 units on 2/18/15, on 1,238 units on 2/18/16 and on 1,276 units on 2/21/17, subject to continued employment by the Reporting Person on the vesting dates.
- (2) The new grant is for 15,006 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 2/18/15 and 2/18/16 and with respect to 34% of such shares on 2/21/17 contingent on meeting an EBT metric for 2014 and subject to continued employment by the Reporting Person on the vesting dates.
- (3) The total number of securities beneficially owned includes: (a) 138,478 unrestricted shares; (b) 2,609 unvested units from an award of 7,672 time-based restricted stock units granted 3/21/11; (c) 15,653 unvested units from an award of 46,035 performance-based restricted stock units granted 3/21/11; (d) 4,001 unvested units from an award of 5,971 time-based restricted stock units granted 2/21/12; (e) 24,005 unvested units from an award of 35,828 performance-based restricted stock units granted 2/21/12; (f) 5,567 unvested time-based restricted stock units granted 2/21/13; (g) 22,271 unvested performance-based restricted stock units granted 2/21/13; (h) the new grant for 3,751 time-based restricted stock units; and (i) the new grant for 15,006 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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