

ALLIANCE DATA SYSTEMS CORP
Form 4
August 06, 2014

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 *
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
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
08/04/2014

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

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 (D) Price | | | |
| Common Stock | 08/04/2014 | | M ⁽¹⁾ | 7,000 A \$ 41.32 | 115,490 | D | |
| Common Stock | 08/04/2014 | | S ⁽¹⁾ | 6,090 D \$ 260.116 | 109,400 | D | |
| Common Stock | 08/04/2014 | | S ⁽¹⁾ | 910 D \$ 261.045 | 108,490 | D | |
| Common Stock | 08/05/2014 | | M ⁽¹⁾ | 4,500 A \$ 41.32 | 112,990 | D | |

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| | | | | | | | | | |
|-----------------|------------|--|-------------------------|-------|---|---------------|---------|------------|---|
| Common Stock | 08/05/2014 | | <u>S</u> ⁽¹⁾ | 4,500 | D | \$ 261.565 | 108,490 | <u>(5)</u> | D |
|-----------------|------------|--|-------------------------|-------|---|---------------|---------|------------|---|

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474
(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) | \$ 41.32 | 08/04/2014 | | <u>M</u> ⁽¹⁾ | 7,000 | <u>(6)</u> 02/03/2015 | Common Stock | 7,000 |
| Employee Stock Option (Right to Buy) | \$ 41.32 | 08/05/2014 | | <u>M</u> ⁽¹⁾ | 4,500 | <u>(6)</u> 02/03/2015 | Common Stock | 4,500 |

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

08/06/2014

__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 February 3, 2015, 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

(2) \$259.59 to \$260.52, 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 ranges set forth in footnotes (2), (3) and (4) to this Form 4.

(3) The price reported in Column 4 is a weighted average price. These shares were sold in multiple transactions at prices ranging from \$260.76 to \$261.20, inclusive.

(4) The price reported in Column 4 is a weighted average price. These shares were sold in multiple transactions at prices ranging from \$261.50 to \$261.84, inclusive.

The total number of securities beneficially owned includes: (a) 82,777 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

(5) 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) 1,525 unvested time-based restricted stock units granted 2/18/14; and (g) 6,101 unvested performance-based restricted stock units granted 2/18/14.

(6) This is an employee stock option grant that is fully vested.

The total number of derivative securities beneficially owned includes: (a) an option for 15,500 out of an original 20,000 shares granted

(7) 2/3/05, which is fully vested; (b) an option for 7,724 shares granted 2/13/06, which is fully vested; and (c) an option for 4,628 shares granted 2/21/07, which is fully vested.

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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