

ALLIANCE DATA SYSTEMS CORP
Form 4
February 17, 2017

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2015
Estimated average burden hours per response... 0.5

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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)

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

___ Director ___ 10% Owner
 Officer (give title below) ___ Other (specify below)

EVP & President, Epsilon

7500 DALLAS PARKWAY, SUITE 700

02/15/2017

(Street)

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

PLANO, TX 75024

(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)	Price			
Common Stock	02/15/2017		A ⁽¹⁾	1,926	A	(1)	118,825.177	D
Common Stock	02/15/2017		A ⁽²⁾	3,855	A	(2)	122,680.177	D
Common Stock	02/15/2017		A ⁽³⁾	3,855	A	(3)	126,535.177	D
Common Stock	02/15/2017		A ⁽⁴⁾	2,102	A	(4)	128,637.177	D
Common Stock	02/16/2017		F ⁽⁵⁾	445	D	\$	124,263.177	D
						(6) (7)	230.95	

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vesting dates.

- (2) The new grant is for 3,855 shares of common stock represented by performance-based restricted stock units, which may be adjusted up or down upon assessment of the EBT performance metric for 2017. Following any such adjustment, restrictions will lapse with respect to 33% of such shares on each of 2/15/18 and 2/15/19 and with respect to 34% of such shares on 2/18/20, subject to continued employment by the Reporting Person on the vesting dates.

- (3) The new grant is for 3,855 shares of common stock represented by performance-based restricted stock units, which may be adjusted up or down upon assessment of the relative Total Shareholder Return performance metric for 2017-2018. Following any such adjustment, restrictions will lapse with respect to 100% of such shares on 2/15/19, subject to continued employment by the Reporting Person on the vesting date.

- (4) The new grant is for 2,102 shares of common stock represented by performance-based restricted stock units, which may be adjusted up or down upon assessment of the core earnings per share performance metric for 2017. Following any such adjustment, restrictions will lapse with respect to 50% of such shares on each of 2/15/18 and 2/15/19, subject to continued employment by the Reporting Person on the vesting dates.

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

- (6) The total number of securities beneficially owned includes: (a) 101,272.177 unrestricted shares; (b) 511 unvested units from an award of 1,501 time-based restricted stock units granted 2/18/14; (c) 2,768 unvested units from an award of 8,141 performance-based restricted stock units granted 2/18/14; (d) 936 unvested units from an award of 1,396 time-based restricted stock units granted 2/17/15; (e) 3,742 unvested units from an award of 5,584 performance-based restricted stock units granted 2/17/15; (f) 1,185 unvested units from an award of 1,769 time-based restricted stock units granted 2/16/16; (g) 2,111 unvested units from an award of 3,151 performance-based restricted stock units granted 2/16/16; (h) the new grant for 1,926 time-based restricted stock units; (i) the new grant for 3,855 performance-based restricted stock units; (j) the new grant for 3,855 performance-based restricted stock units; and (k) the new grant for 2,102 performance-based restricted stock units.

- (7) The compensation committee's assessment of EBT performance for 2016 resulted in 89% payout; however, the compensation committee exercised its discretion to reduce the amount earned to 44.5% of the original award of 7,080 performance-based restricted stock units granted 2/16/16, or 3,151 units. The restrictions will lapse with respect to 1,040 units on 2/16/18 and with respect to 1,071 units on 2/19/19, subject to continued employment by the Reporting Person on the remaining vesting dates.

- (8) The shares are held in the Norma Kay Kennedy Living Trust for the benefit of the Reporting Person's mother. The Reporting Person serves as trustee.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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