#### ALLIANCE DATA SYSTEMS CORP

Form 4

February 17, 2017

# FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

**SECURITIES** 

OMB Number:

3235-0287

Expires:

January 31, 2005

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**OMB APPROVAL** 

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obligations

Check this box

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

may continue. 30(h) of the Investment Company Act of 1940 See Instruction

(Middle)

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person \*

Kennedy Bryan J

(Last)

2. Issuer Name and Ticker or Trading

Symbol

ALLIANCE DATA SYSTEMS

CORP [ADS]

3. Date of Earliest Transaction

(Month/Day/Year)

7500 DALLAS PARKWAY, SUITE 02/15/2017

(Street)

(First)

700

4. If Amendment, Date Original

Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to

Issuer

(Check all applicable)

Director 10% Owner \_X\_\_ Officer (give title Other (specify

below)

6. Individual or Joint/Group Filing(Check

EVP & President, Epsilon

Applicable Line)

\_X\_ Form filed by One Reporting Person Form filed by More than One Reporting

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. Transactic Code (Instr. 8)	4. Secur or(A) or D (Instr. 3,	(A)	ed of (D)	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	02/15/2017		A(1)	1,926	A	<u>(1)</u>	118,825.177	D	
Common Stock	02/15/2017		A(2)	3,855	A	<u>(2)</u>	122,680.177	D	
Common Stock	02/15/2017		A(3)	3,855	A	<u>(3)</u>	126,535.177	D	
Common Stock	02/15/2017		A(4)	2,102	A	<u>(4)</u>	128,637.177	D	
Common Stock	02/16/2017		F(5)	445	D	\$ 230.95	124,263.177 (6) (7)	D	

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By Norma Kay Common I Kennedy 600 Stock Living Trust (8)

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

Persons who respond to the collection of SEC 1474 information contained in this form are not (9-02)required to respond unless the form displays a currently valid OMB control number.

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. Transac Code (Instr. 8	5. tionNumber of Derivativ Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	5	ate	7. Titl Amou Under Securi (Instr.	nt of lying	8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Owne Follo Repo Trans (Instr
				Code V	/ (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares		

Relationships

# **Reporting Owners**

Reporting Owner Name / Address			•	
	Director	10% Owner	Officer	Other

EVP & Kennedy Bryan J 7500 DALLAS PARKWAY, SUITE 700 President, PLANO, TX 75024 **Epsilon** 

### **Signatures**

Cynthia L. Hageman, Attorney 02/17/2017 in Fact

\*\*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 1,926 shares of common stock represented by time-based restricted stock units. The restrictions will lapse on 635 units on 2/15/18, on 636 units on 2/15/19 and on 655 units on 2/18/20, subject to continued employment by the Reporting Person on the

Reporting Owners 2

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vesting dates.

- 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.
- 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.
- 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.
  - 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; and (k) the new grant for 2,102 performance-based restricted stock units.
- 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.