

ALLIANCE DATA SYSTEMS CORP

Form 4

February 17, 2017

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

OMB
Number: 3235-0287
Expires: January 31,
2005
Estimated average
burden hours per
response... 0.5

(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)
02/15/2017

☐ 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	02/15/2017		A ⁽¹⁾		5,578	A	<u>(1)</u>	235,856	D
Common Stock	02/15/2017		A ⁽²⁾		11,155	A	<u>(2)</u>	247,011	D
Common Stock	02/15/2017		A ⁽³⁾		11,155	A	<u>(3)</u>	258,166	D
Common Stock	02/15/2017		A ⁽⁴⁾		5,964	A	<u>(4)</u>	264,130	D
Common Stock	02/16/2017		F ⁽⁵⁾		1,935	D	\$ <u>230.95</u> ⁽⁷⁾	251,038 ⁽⁶⁾	D

Edgar Filing: ALLIANCE DATA SYSTEMS CORP - Form 4

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. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Own Follo Repor 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 02/17/2017

__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 5,578 shares of common stock represented by time-based restricted stock units. The restrictions will lapse on 1,840 units on 2/15/18, on 1,841 units on 2/15/19 and on 1,897 units on 2/18/20, subject to continued employment by the Reporting Person on the vesting dates.

(2) The new grant is for 11,155 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 11,155 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,

Edgar Filing: ALLIANCE DATA SYSTEMS CORP - Form 4

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 5,964 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) 186,856 unrestricted shares; (b) 1,276 unvested units from an award of 3,751 time-based restricted stock units granted 2/18/14; (c) 6,914 unvested units from an award of 20,333 performance-based restricted stock units granted 2/18/14; (d) 2,556 unvested units from an award of 3,814 time-based restricted stock units granted 2/17/15; (e) 10,223 unvested units from an award of 15,257 performance-based restricted stock units granted 2/17/15; (f) 3,367 unvested units from an award of 5,026 time-based restricted stock units granted 2/16/16; (g) 5,994 unvested units from an award of 8,947 performance-based restricted stock units granted 2/16/16; (h) the new grant for 5,578 time-based restricted stock units; (i) the new grant for 11,155 performance-based restricted stock units; (j) the new grant for 11,155 performance-based restricted stock units; and (k) the new grant for 5,964 performance-based restricted stock units.

(7) The compensation committee's assessment of EBT performance for 2016 resulted in 89% payout; however, the board of directors exercised its discretion to reduce the amount earned to 44.5% of the original award of 20,104 performance-based restricted stock units granted 2/16/16, or 8,947 units. The restrictions will lapse with respect to 2,953 units on 2/16/18 and with respect to 3,041 units on 2/19/19, subject to continued employment by the Reporting Person on the remaining vesting dates.

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.