

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

OMB
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(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)
7500 DALLAS PARKWAY, SUITE
700

3. Date of Earliest Transaction
(Month/Day/Year)
02/18/2014

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

(Street)
PLANO, TX 75024

4. If Amendment, Date Original
Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check
Applicable Line)
__X__ 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. 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 Ownership (Instr. 4)
Common Stock	02/18/2014		A ⁽¹⁾	1,501 A <u>1</u>	115,462	D	
Common Stock	02/18/2014		A ⁽²⁾	6,008 A <u>2</u>	121,470 ⁽³⁾	D	

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

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information contained in this form are not
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(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 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
Kennedy Bryan J 7500 DALLAS PARKWAY, SUITE 700 PLANO, TX 75024	EVP & President, Epsilon

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).

The new grant is for 1,501 shares of common stock represented by time-based restricted stock units. The restrictions will lapse on 495
(1) units on each of 2/18/15 and 2/18/16 and on 511 units on 2/21/17, subject to continued employment by the Reporting Person on the vesting dates.

The new grant is for 6,008 shares of common stock represented by performance-based restricted stock units, which may be adjusted up or
(2) 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.

The total number of securities beneficially owned includes: (a) 76,242 unrestricted shares; (b) 1,504 unvested units from an award of
(3) 4,421 time-based restricted stock units granted 3/21/11; (c) 9,020 unvested units from an award of 26,528 performance-based restricted stock units granted 3/21/11; (d) 2,182 unvested units from an award of 3,256 time-based restricted stock units granted 2/21/12; (e) 13,091 unvested units from an award of 19,537 performance-based restricted stock units granted 2/21/12; (f) 2,384 unvested time-based restricted stock units granted 2/21/13; (g) 9,538 unvested performance-based restricted stock units granted 2/21/13; (h) the new grant for 1,501 time-based restricted stock units; and (i) the new grant for 6,008 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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