

ALLIANCE DATA SYSTEMS CORP

Form 4

February 25, 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 *
Epperson Leigh Ann K

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)
02/21/2014

____ Director ____ 10% Owner
__X__ Officer (give title ____ Other (specify
below) below)
SVP, General Counsel & Secy

(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. 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 Ownership Indirect Beneficial Ownership (Instr. 4)
Common Stock	02/21/2014		A ⁽¹⁾	894	A	17,263	D
Common Stock	02/21/2014		F ⁽²⁾	1,503	D	\$ 284.03 15,760	D
Common Stock	02/24/2014		S	1,261	D	\$ 287.639 14,499 ⁽⁴⁾	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**

SEC 1474
(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. Number of Derivative Securities Beneficially Owned Following Reported Transaction (Instr. 10)
				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
Epperson Leigh Ann K 7500 DALLAS PARKWAY, SUITE 700 PLANO, TX 75024	SVP, General Counsel & Secy

Signatures

Cynthia L. Hageman, Attorney
in Fact 02/25/2014

__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).

- Based on the Company's EBT performance in 2013, 139.5% of the original award of 2,264 performance-based restricted stock units granted 2/21/13 were earned, resulting in an additional 894 units, for a total of 3,158 units. The restrictions will lapse with respect to 1,042 units on 2/23/15 and with respect to 1,074 units on 2/21/16, subject to continued employment by the Reporting Person on the remaining vesting dates.
- (1) Shares withheld by the Company to satisfy the Reporting Person's tax withholding obligation upon the vesting of restricted stock units.
- The price reported in Column 4 is a weighted average price. These shares were sold in multiple transactions at prices ranging from \$287.47 to \$287.74, 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 range set forth herein.
- (3) The total number of securities beneficially owned includes: (a) 8,500 unrestricted shares; (b) 249 unvested units from an award of 731 time-based restricted stock units granted 2/21/12; (c) 1,493 unvested units from an award of 4,387 performance-based restricted stock units granted 2/21/12; (d) 380 unvested units from an award of 566 time-based restricted stock units granted 2/21/13; (e) 2,116 unvested

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units from an award of 3,158 performance-based restricted stock units granted 2/21/13; (f) 352 unvested time-based restricted stock units granted 2/18/14; and (g) 1,409 unvested performance-based restricted stock units granted 2/18/14.

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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