

ALLIANCE DATA SYSTEMS CORP
 Form 4
 February 19, 2015

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

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

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

(Last) (First) (Middle)
 7500 DALLAS PARKWAY, SUITE 700
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 02/17/2015

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)
				(A) or (D)	Price		
				Code	V	Amount	
Common Stock	02/17/2015		A ⁽¹⁾	335	A	14,834	D
Common Stock	02/17/2015		A ⁽²⁾	1,340	A	16,174	D
Common Stock	02/18/2015		A ⁽³⁾	500	A	16,674	D
Common Stock	02/18/2015		F ⁽⁴⁾	205	D	\$ 283.85	16,469 ⁽⁵⁾ 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 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. Number of Derivative Securities Beneficially Owned Following Reported Transaction (Instr. 3)
				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

02/19/2015

**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 335 shares of common stock represented by time-based restricted stock units. The restrictions will lapse on 110 units (1) on 2/17/16, on 111 units on 2/17/17 and on 114 units on 2/20/18, subject to continued employment by the Reporting Person on the vesting dates.

The new grant is for 1,340 shares of common stock represented by performance-based restricted stock units, which may be adjusted up or down at the time the performance restriction lapses. The restriction may lapse with respect to 33% of such shares on each of 2/17/16 and (2) 2/17/17 and with respect to 34% of such shares on 2/20/18 contingent on meeting an EBT metric for 2015 and subject to continued employment by the Reporting Person on the vesting dates.

(3) Based on the Company's EBT performance in 2014, 135.5% of the original award of 1,409 performance-based restricted stock units granted 2/18/14 were earned, resulting in an additional 500 units, for a total of 1,909 units. The restrictions will lapse with respect to 630 units on 2/18/16 and with respect to 650 units on 2/21/17, subject to continued employment by the Reporting Person on the remaining

Edgar Filing: ALLIANCE DATA SYSTEMS CORP - Form 4

vesting dates.

- (4) 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) 9,040 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

- (5) units from an award of 3,158 performance-based restricted stock units granted 2/21/13; (f) 236 unvested units from an award of 352 time-based restricted stock units granted 2/18/14; (g) 1,280 unvested units from an award of 1,909 performance-based restricted stock units granted 2/18/14; (h) the new grant for 335 time-based restricted stock units; and (i) the new grant for 1,340 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.

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.