

ALLIANCE DATA SYSTEMS CORP
Form 8-K
February 20, 2019

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported):
February 15, 2019

ALLIANCE DATA SYSTEMS CORPORATION
(Exact Name of Registrant as Specified in Charter)

DELAWARE 001-15749 31-1429215
(State or Other Jurisdiction (Commission (IRS Employer
of Incorporation) File Number) Identification No.)

7500 DALLAS PARKWAY, SUITE 700
PLANO, TEXAS 75024
(Address and Zip Code of Principal Executive Offices)

(214) 494-3000
(Registrant's Telephone Number, including Area Code)

NOT APPLICABLE
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the Registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On February 7, 2019, the Compensation Committee of the Board of Directors and the Board of Directors of Alliance Data Systems Corporation (the “Company”) approved long-term equity incentive compensation awards for the Company’s executives and senior leaders, and such awards were granted on February 15, 2019. The long-term equity incentive compensation awards, which include both performance-based restricted stock units subject to two separate performance metrics and time-based restricted stock units, were granted pursuant to the Company’s 2015 Omnibus Incentive Plan. Subject to the discretion of the Compensation Committee of the Board of Directors of the Company, with respect to the performance-based restricted stock unit awards subject to a 2019 income before income taxes determined in accordance with GAAP (“EBT”) performance metric, from 0% to 150% payout may be achieved on a fixed scale if EBT performance measures between \$1,100.0 million and \$1,424.4 million (the “PBRUSU1 Awards”). Following any such adjustment, restrictions will lapse with respect to 33% of the PBRUSU1 Awards on February 18, 2020, with respect to an additional 33% of the PBRUSU1 Awards on February 16, 2021 and with respect to the final 34% of the PBRUSU1 Awards on February 15, 2022 (each such date a “PBRUSU1 Vesting Date”) provided that the participant is employed by the Company on each such PBRUSU1 Vesting Date. The same percentages and PBRUSU1 Vesting Dates apply to the time-based restricted stock unit awards (“TBRUSU Awards”).

Subject to the discretion of the Compensation Committee of the Board of Directors of the Company, with respect to the performance-based restricted stock unit awards subject to a relative Total Shareholder Return (“rTSR”) performance metric, from 0% to 175% payout may be achieved on a fixed scale if rTSR measured against the companies within the S&P 500 as of January 1, 2019, calculated based on the average trading price of the Company and S&P 500 companies over the 30 trading days prior to January 1, 2019 and the 30 trading days preceding January 1, 2021, meets or exceeds the 25th to the 100th percentile (the “PBRUSU2 Awards”). Following any such adjustment, restrictions will lapse with respect to 100% of the PBRUSU2 Awards on February 16, 2021 (“PBRUSU2 Vesting Date”) provided that the participant is employed by the Company on such PBRUSU2 Vesting Date.

The base number of TBRUSU Awards, PBRUSU1 Awards and PBRUSU2 Awards, which may be adjusted as described above, granted to the Company’s chief executive officer, chief financial officer and named executive officers are as follows:

Edward J. Heffernan, President and Chief Executive Officer:

8,968 (TBRUSU)

17,937 (PBRUSU1)

17,937 (PBRUSU2)

Bryan J. Kennedy, EVP and President, Epsilon:

2,742 (TBRUSU)

5,483 (PBRUSU1)

5,483 (PBRUSU2)

Melisa A. Miller, EVP and President, Card Services:

2,880 (TBRUSU)

5,759 (PBRUSU1)

5,759 (PBRUSU2)

Bryan A. Pearson, EVP and President, LoyaltyOne:

2,782 (TBRUSU)

5,562 (PBRUSU1)

5,562 (PBRUSU2)

No long-term equity incentive compensation awards were granted to Charles L. Horn, EVP and Chief Financial Officer, due to his intention to retire from the Company in 2019, as announced on July 26, 2018.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Document Description</u>
<u>10.1</u>	Form of Performance-Based Restricted Stock Unit Award Agreement under the Alliance Data Systems Corporation 2015 Omnibus Incentive Plan (2019 grant EBT).
<u>10.2</u>	Form of Performance-Based Restricted Stock Unit Award Agreement under the Alliance Data Systems Corporation 2015 Omnibus Incentive Plan (2019 grant rTSR).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Alliance Data Systems
Corporation

Date: February 20, 2019 By: /s/ Charles L. Horn
Charles L. Horn
Executive Vice
President and
Chief Financial
Officer
