

ALLIANCE DATA SYSTEMS CORP
 Form 4
 February 20, 2014

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)

(Last) (First) (Middle)

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

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

7500 DALLAS PARKWAY, SUITE 700

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

(Street)
 PLANO, TX 75024

(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 (Instr. 4) |
|---------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|----------------------------------------------------------|-----------------------------------|
| | | | | (A) or (D) | Price | | |
| | | | | Code | V | Amount | |
| Common Stock | 02/18/2014 | | A ⁽¹⁾ | 352 | A | 14,960 | D |
| Common Stock | 02/18/2014 | | A ⁽²⁾ | 1,409 | A | 16,369 ⁽³⁾ | D |

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

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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 Owned Beneficially (Instr. 5) |
|--------------------------------------------|--------------------------------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-----------------------------------------------------------------------------------------|----------------------------------------------------------|---------------------------------------------------------------|--------------------------------------------|------------------------------------------------------------------|
|--------------------------------------------|--------------------------------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-----------------------------------------------------------------------------------------|----------------------------------------------------------|---------------------------------------------------------------|--------------------------------------------|------------------------------------------------------------------|

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
02/20/2014

__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).

(1) The new grant is for 352 shares of common stock represented by time-based restricted stock units. The restrictions will lapse on 116 units on each of 2/18/15 and 2/18/16 and on 120 units on 2/21/17, subject to continued employment by the Reporting Person on the vesting dates.

(2) The new grant is for 1,409 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 2/18/15 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.

(3) The total number of securities beneficially owned includes: (a) 6,800 unrestricted shares; (b) 221 unvested units from an award of 650 time-based restricted stock units granted 3/21/11; (c) 1,326 unvested units from an award of 3,900 performance-based restricted stock units granted 3/21/11; (d) 490 unvested units from an award of 731 time-based restricted stock units granted 2/21/12; (e) 2,941 unvested units from an award of 4,387 performance-based restricted stock units granted 2/21/12; (f) 566 unvested time-based restricted stock units granted 2/21/13; (g) 2,264 unvested performance-based restricted stock units granted 2/21/13; (h) the new grant for 352 time-based restricted stock units; and (i) the new grant for 1,409 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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