

HEFFERNAN EDWARD J
Form 4
February 20, 2019

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
Number: 3235-0287
Expires: January 31,
2005
Estimated average
burden hours per
response... 0.5

(Print or Type Responses)

1. Name and Address of Reporting Person *
HEFFERNAN EDWARD 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)
02/15/2019

☐ Director ☐ 10% Owner
☒ Officer (give title below) Other (specify below)
President and CEO

(Street)
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)
			Code	V	Amount	(A) or (D)	Price		
Common Stock	02/15/2019		A ⁽¹⁾		8,968	A	<u>(1)</u>	237,333	D
Common Stock	02/15/2019		A ⁽²⁾		17,937	A	<u>(2)</u>	255,270	D
Common Stock	02/15/2019		A ⁽³⁾		17,937	A	<u>(3)</u>	273,207	D
Common Stock	02/15/2019		F ⁽⁴⁾		5,428	D	\$ 171.22	267,779	D
Common Stock	02/19/2019		F ⁽⁴⁾		1,870	D	\$ 174.28	251,893 ⁽⁵⁾ _{(6) (7)}	D

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

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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. 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
HEFFERNAN EDWARD J 7500 DALLAS PARKWAY, SUITE 700 PLANO, TX 75024	X		President and CEO	

Signatures

Cynthia L. Hageman, Attorney
in Fact 02/20/2019

__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 8,968 shares of common stock represented by time-based restricted stock units. The restrictions will lapse on 2,959 units on each of 2/18/20 and 2/16/21 and on 3,050 units on 2/15/22, subject to continued employment by the Reporting Person on the vesting dates.

(2) The new grant is for 17,937 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 2/18/20 and 2/16/21 and with respect to 34% of such shares on 2/15/22 contingent on meeting an EBT metric for 2019 and subject to continued employment by the Reporting Person on the vesting dates.

(3) The new grant is for 17,937 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 100% of such shares on 2/16/21

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contingent on meeting a relative total shareholder return metric for 2019 and 2020 and subject to continued employment by the Reporting Person on the 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) 180,718 unrestricted shares; (b) 1,897 unvested units from an award of 5,578 time-based restricted stock units granted 2/15/17; (c) 2,644 unvested units from an award of 7,776 performance-based restricted stock units granted 2/15/17; (d) 3,962 unvested units from an award of 5,912 time-based restricted stock units granted 2/15/18; (e) 6,006 unvested units from an award of 8,963 performance-based restricted stock units granted 2/15/18; (f) 11,824 unvested performance-based restricted stock units granted 2/15/18; (g) the new grant for 8,968 time-based restricted stock units; (h) the new grant for 17,937 performance-based restricted stock units; and (i) the new grant for 17,937 performance-based restricted stock units.

- (5) Based on the Company's EBT performance in 2018, 75.8% of the original award of 11,824 performance-based restricted stock units granted 2/15/18, or 8,963 units, were earned. The restrictions will lapse with respect to 2,958 units on 2/18/20 and with respect to 3,048 units on 2/16/21, subject to continued employment by the Reporting Person on the remaining vesting dates.

- (6) The grant for 11,155 performance-based restricted stock units awarded on 2/15/17 was forfeited due to failure to meet the relative total shareholder return metric for 2017 and 2018.

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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