

HORN CHARLES L
Form 4
February 20, 2018

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

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(Print or Type Responses)

1. Name and Address of Reporting Person *
HORN CHARLES L

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)
02/15/2018

____ Director ____ 10% Owner
__X__ Officer (give title ____ Other (specify
below) below)
EVP & Chief Financial Officer

(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 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)
Common Stock	02/15/2018		A ⁽¹⁾	1,542 A <u>(1)</u>	28,022	D	
Common Stock	02/15/2018		A ⁽²⁾	3,085 A <u>(2)</u>	31,107	D	
Common Stock	02/15/2018		A ⁽³⁾	3,085 A <u>(3)</u>	34,192	D	
Common Stock	02/15/2018		A ⁽⁴⁾	851 A <u>(4)</u>	35,043	D	
Common Stock	02/15/2018		F ⁽⁵⁾	706 D \$ 243.99	33,372 ⁽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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(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
HORN CHARLES L 7500 DALLAS PARKWAY, SUITE 700 PLANO, TX 75024	EVP & Chief Financial Officer

Signatures

Cynthia L. Hageman, Attorney
in Fact 02/20/2018

**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 1,542 shares of common stock represented by time-based restricted stock units. The restrictions will lapse on 508 units on 2/15/19, on 509 units on 2/18/20 and on 525 units on 2/16/21, subject to continued employment by the Reporting Person on the vesting dates.
- (2) The new grant is for 3,085 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 2/15/19 and 2/18/20 and with respect to 34% of such shares on 2/16/21 contingent on meeting an EBT metric for 2018 and subject to continued employment by the Reporting Person on the vesting dates.
- (3) The new grant is for 3,085 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 2/18/20

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contingent on meeting a relative total shareholder return metric for 2018 and 2019 and subject to continued employment by the Reporting Person on the vesting dates.

- (4) Based on the Company's EBT performance in 2017, 150% of the original award of 1,702 performance-based restricted stock units granted 2/15/17 were earned, resulting in an additional 851 units, for a total of 2,553 units. The restrictions will lapse with respect to 1,276 units on 2/15/19, subject to continued employment by the Reporting Person on the remaining vesting dates.

- (5) 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) 14,107 unrestricted shares; (b) 373 unvested units from an award of 1,095 time-based restricted stock units granted 2/17/15; (c) 1,491 unvested units from an award of 4,384 performance-based restricted stock units granted 2/17/15; (d) 960 unvested units from an award of 1,434 time-based restricted stock units granted 2/16/16; (e) 1,711

- (6) unvested units from an award of 2,553 performance-based restricted stock units granted 2/16/16; (f) 1,068 unvested units from an award of 1,593 time-based restricted stock units granted 2/15/17; (g) 1,488 unvested units from an award of 2,221 performance-based restricted stock units granted 2/15/17; (h) 3,186 unvested performance-based restricted stock units granted 2/15/17; (i) 1,276 unvested units from an award of 2,553 performance-based restricted stock units granted 2/15/17; (j) the new grant for 1,542 time-based restricted stock units;

Based on the Company's EBT performance in 2017, 69.7% of the original award of 3,186 performance-based restricted stock units

- (7) granted 2/15/17, or 2,221 units, were earned. The restrictions will lapse with respect to 733 units on 2/15/19 and with respect to 755 units on 2/18/20, subject to continued employment by the Reporting Person on the remaining vesting dates.

Remarks:

- (6) Continued from above: (k) the new grant for 3,085 performance-based restricted stock units; and (l) the new grant for 3,085

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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