

ALLIANCE DATA SYSTEMS CORP

Form 4

February 17, 2017

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
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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)
02/15/2017

____ 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	02/15/2017		A ⁽¹⁾	1,593 A <u>(1)</u>	27,469	D	
Common Stock	02/15/2017		A ⁽²⁾	3,186 A <u>(2)</u>	30,655	D	
Common Stock	02/15/2017		A ⁽³⁾	3,186 A <u>(3)</u>	33,841	D	
Common Stock	02/15/2017		A ⁽⁴⁾	1,702 A <u>(4)</u>	35,543	D	
Common Stock	02/16/2017		F ⁽⁵⁾	361 D \$ 230.95	31,999 ⁽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 Repo 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 02/17/2017

__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 1,593 shares of common stock represented by time-based restricted stock units. The restrictions will lapse on 525 units on 2/15/18, on 526 units on 2/15/19 and on 542 units on 2/18/20, subject to continued employment by the Reporting Person on the vesting dates.

The new grant is for 3,186 shares of common stock represented by performance-based restricted stock units, which may be adjusted up or down upon assessment of the EBT performance metric for 2017. Following any such adjustment, restrictions will lapse with respect to 33% of such shares on each of 2/15/18 and 2/15/19 and with respect to 34% of such shares on 2/18/20, subject to continued employment by the Reporting Person on the vesting dates.

The new grant is for 3,186 shares of common stock represented by performance-based restricted stock units, which may be adjusted up or down upon assessment of the relative Total Shareholder Return performance metric for 2017-2018. Following any such adjustment,

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restrictions will lapse with respect to 100% of such shares on 2/15/19, subject to continued employment by the Reporting Person on the vesting date.

(4) The new grant is for 1,702 shares of common stock represented by performance-based restricted stock units, which may be adjusted up or down upon assessment of the core earnings per share performance metric for 2017. Following any such adjustment, restrictions will lapse with respect to 50% of such shares on each of 2/15/18 and 2/15/19, subject to continued employment by the Reporting Person on the vesting dates.

(5) Shares withheld by the Company to satisfy the Reporting Person's tax withholding obligation upon the vesting of restricted stock units.

(6) The total number of securities beneficially owned includes: (a) 13,658 unrestricted shares; (b) 363 unvested units from an award of 1,067 time-based restricted stock units granted 2/18/14; (c) 1,968 unvested units from an award of 5,786 performance-based restricted stock units granted 2/18/14; (d) 734 unvested units from an award of 1,095 time-based restricted stock units granted 2/17/15; (e) 2,938 unvested units from an award of 4,384 performance-based restricted stock units granted 2/17/15; (f) 960 unvested units from an award of 1,434 time-based restricted stock units granted 2/16/16; (g) 1,711 unvested units from an award of 2,553 performance-based restricted stock units granted 2/16/16; (h) the new grant for 1,593 time-based restricted stock units; (i) the new grant for 3,186 performance-based restricted stock units; (j) the new grant for 3,186 performance-based restricted stock units; and (k) the new grant for 1,702 performance-based restricted stock units.

(7) The compensation committee's assessment of EBT performance for 2016 resulted in 89% payout; however, the compensation committee exercised its discretion to reduce the amount earned to 44.5% of the original award of 5,736 performance-based restricted stock units granted 2/16/16, or 2,553 units. The restrictions will lapse with respect to 843 units on 2/16/18 and with respect to 868 units on 2/19/19, subject to continued employment by the Reporting Person on the remaining vesting dates.

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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