

ALLIANCE DATA SYSTEMS CORP

Form 4

November 22, 2016

**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 \*  
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)  
11/18/2016

☐ 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	11/18/2016		M <sup>(1)(2)</sup>		15,223	A \$ 63.35	250,651 D
Common Stock	11/18/2016		S <sup>(1)(2)</sup>		3,205	D \$ 216.828	247,446 D
Common Stock	11/18/2016		S <sup>(1)(2)</sup>		12,018	D \$ 217.883	235,428 <sup>(5)</sup> 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)

**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)			
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option (Right to Buy)	\$ 63.35	11/18/2016		M <sup>(1)(2)</sup>		15,223		<sup>(6)</sup>	02/21/2017	Common Stock	15,223

## 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 11/22/2016

\*\*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) Cashless exercise of employee stock options due to expire on February 21, 2017, ten years after such options were granted.

(2) The transaction reported in this Form 4 was effected pursuant to a Rule 10b5-1 trading plan adopted by the Reporting Person on October 24, 2016.

The price reported in Column 4 is a weighted average price. These shares were sold in multiple transactions at prices ranging from \$216.54 to \$217.31, inclusive. The reporting person undertakes to provide to Alliance Data Systems Corporation, any security holder of Alliance Data Systems Corporation, or the staff of the Securities and Exchange Commission, upon request, full information regarding the number of shares sold at each separate price within the ranges set forth in footnotes (3) and (4) to this Form 4.

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- (4) The price reported in Column 4 is a weighted average price. These shares were sold in multiple transactions at prices ranging from \$217.76 to \$218.60, inclusive.

The total number of securities beneficially owned includes: (a) 189,329 unrestricted shares; (b) 1,276 unvested units from an award of 3,751 time-based restricted stock units granted 2/18/14; (c) 6,914 unvested units from an award of 20,333 performance-based restricted

- (5) stock units granted 2/18/14; (d) 2,556 unvested units from an award of 3,814 time-based restricted stock units granted 2/17/15; (e) 10,223 unvested units from an award of 15,257 performance-based restricted stock units granted 2/17/15; (f) 5,026 unvested time-based restricted stock units granted 2/16/16; and (g) 20,104 unvested performance-based restricted stock units granted 2/16/16.

- (6) This is an employee stock option grant that is fully vested.

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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