AYER WILLIAM S
Form 4
May 05, 2011

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person *
AYER WILLIAM S

(Last) (First) (Middle)

19300 INTERNATIONAL BLVD

(Street)

SEATTLE, WA 98188

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
ALASKA AIR GROUP INC [ALK]

3. Date of Earliest Transaction (Month/Day/Year)
05/04/2011

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director _____ 10% Owner
_____ Officer (give title below) _____ Other (specify below)
CHAIR, PRESIDENT AND CEO

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

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								38,012	D	
COMMON STOCK (1)								69	I	ESOP TRUST
RESTRICTED STOCK UNIT (2)								85,413	D	
COMMON STOCK	05/04/2011		M(3)		26,400	A	$ 27.49	64,412	D	
COMMON STOCK	05/04/2011		S(5)		26,400	D	$ 67	38,012	D	

COMMON STOCK	05/05/2011	M[6]	13,200	A	$ 27.49	51,212	D
COMMON STOCK	05/05/2011	S[9]	13,200	D	$ 68	38,012	D

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

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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 Am Underlying Sec (Instr. 3 and 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title
EMPLOYEE STOCK OPTION (RT TO BUY)	$ 27.49	05/04/2011		M[4]			26,400	02/08/2009	02/08/2018	COMMON STOCK
EMPLOYEE STOCK OPTION (RT TO BUY)	$ 27.49	05/05/2011		M[7]			13,200	02/08/2009[8]	02/08/2018	COMMON STOCK

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
AYER WILLIAM S 19300 INTERNATIONAL BLVD SEATTLE, WA 98188			CHAIR, PRESIDENT AND CEO	

Signatures

/s/ Jeanne Gammon, Attorney-in-Fact for William S. Ayer — 05/05/2011

**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) SHARES HELD IN THE ALASKA AIR GROUP INC. EMPLOYEE STOCK OWNERSHIP 401(K) PLAN TRUST AS OF DECEMBER 31, 2010.

(2) STOCK UNITS AWARDED UNDER THE 2008 PERFORMANCE INCENTIVE PLAN; NO LONGER SUBJECT TO FORFEITURE.

(3) SAME-DAY EXERCISE AND SALE OF OPTIONS EFFECTED PURSUANT TO A RULE 10b5-1 TRADING PLAN ADOPTED BY MR. AYER ON 01/26/2011.

(4) SAME-DAY EXERCISE AND SALE OF OPTIONS EFFECTED PURSUANT TO A RULE 10b5-1 TRADING PLAN ADOPTED BY MR. AYER ON 01/26/2011.

(5) SAME-DAY EXERCISE AND SALE OF OPTIONS EFFECTED PURSUANT TO A RULE 10b5-1 TRADING PLAN ADOPTED BY MR. AYER ON 01/26/2011.

(6) SAME-DAY EXERCISE AND SALE OF OPTIONS EFFECTED PURSUANT TO A RULE 10b5-1 TRADING PLAN ADOPTED BY MR. AYER ON 01/26/2011.

(7) SAME-DAY EXERCISE AND SALE OF OPTIONS EFFECTED PURSUANT TO A RULE 10b5-1 TRADING PLAN ADOPTED BY MR. AYER ON 01/26/2011.

(8) OPTIONS VEST IN FOUR ANNUAL EQUAL INSTALLMENTS; REMAINING 13200 OPTIONS WILL VEST ON 02/08/12.

(9) SAME-DAY EXERCISE AND SALE OF OPTIONS EFFECTED PURSUANT TO A RULE 10b5-1 TRADING PLAN ADOPTED BY MR. AYER ON 01/26/2011.

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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