

HORN CHARLES L
Form 4
February 20, 2018

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2015
Estimated average burden hours per response... 0.5

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

(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
 Officer (give title below) _____ Other (specify 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)
 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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | | (A) or (D) Code V Amount (D) Price | | | |
| Common Stock | 02/15/2018 | | A ⁽¹⁾ | 1,542 A (1) | 28,022 | D | |
| Common Stock | 02/15/2018 | | A ⁽²⁾ | 3,085 A (2) | 31,107 | D | |
| Common Stock | 02/15/2018 | | A ⁽³⁾ | 3,085 A (3) | 34,192 | D | |
| Common Stock | 02/15/2018 | | A ⁽⁴⁾ | 851 A (4) | 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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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. Number of Derivative Securities Beneficially Owned Following Reported Transaction (Instr. 6) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|---|
| | | | | 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;

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