

Pearson Bryan A  
Form 4  
February 20, 2018

# FORM 4

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

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).

## 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 \*  
Pearson Bryan A

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  
  
(Street)

3. Date of Earliest Transaction (Month/Day/Year)  
02/15/2018

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
EVP & President, LoyaltyOne

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 <sup>(1)</sup>	1,833 A <u>(1)</u>	19,869	D	
Common Stock	02/15/2018		A <sup>(2)</sup>	3,667 A <u>(2)</u>	23,536	D	
Common Stock	02/15/2018		A <sup>(3)</sup>	3,667 A <u>(3)</u>	27,203	D	
Common Stock	02/15/2018		A <sup>(4)</sup>	1,086 A <u>(4)</u>	28,289	D	
Common Stock	02/15/2018		F <sup>(5)</sup>	1,716 D \$ 243.99	25,366 <sup>(6)</sup> <sup>(7)</sup>	D	

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Common Stock 85,942 I By 2456779 Ontario Inc. (8)

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. Nu Deriv Secur Bene Own Follo Repo Trans (Instr
						Date Exercisable	Expiration Date	Title	Amount or Number of Shares
						Code	V	(A)	(D)

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Pearson Bryan A 7500 DALLAS PARKWAY, SUITE 700 PLANO, TX 75024			EVP & President, LoyaltyOne	

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 1,833 shares of common stock represented by time-based restricted stock units. The restrictions will lapse on 604 units on 2/15/19, on 605 units on 2/18/20 and on 624 units on 2/16/21, subject to continued employment by the Reporting Person on the vesting dates.

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(2) The new grant is for 3,667 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 3,667 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 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 2,172 performance-based restricted stock units granted 2/15/17 were earned, resulting in an additional 1,086 units, for a total of 3,258 units. The restrictions will lapse with respect to 1,629 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.

(6) The total number of securities beneficially owned includes: (a) 1,487 unrestricted shares; (b) 499 unvested units from an award of 1,465 time-based restricted stock units granted 2/17/15; (c) 1,994 unvested units from an award of 5,864 performance-based restricted stock units granted 2/17/15; (d) 1,226 unvested units from an award of 1,830 time-based restricted stock units granted 2/16/16; (e) 2,183 unvested units from an award of 3,259 performance-based restricted stock units granted 2/16/16; (f) 1,335 unvested units from an award of 1,992 time-based restricted stock units granted 2/15/17; (g) 1,861 unvested units from an award of 2,778 performance-based restricted stock units granted 2/15/17; (h) 3,985 unvested performance-based restricted stock units granted 2/15/17; (i) 1,629 unvested units from an award of 3,258 performance-based restricted stock units granted 2/15/17; (j) the new grant for 1,833 time-based restricted stock units;

(7) Based on the Company's EBT performance in 2017, 69.7% of the original award of 3,985 performance-based restricted stock units granted 2/15/17, or 2,778 units, were earned. The restrictions will lapse with respect to 917 units on 2/15/19 and with respect to 944 units on 2/18/20, subject to continued employment by the Reporting Person on the remaining vesting dates.

(8) The shares are held by 2456779 Ontario Inc., an Ontario, Canada corporation, of which the reporting person is the sole shareholder.

### Remarks:

(6) Continued from above: (k) the new grant for 3,667 performance-based restricted stock units; and (l) the new grant for 3,667 performance-based restricted stock units.

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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