

ALLIANCE DATA SYSTEMS CORP
 Form 4
 February 25, 2014

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 *
 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
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 02/21/2014

Director 10% Owner
 Officer (give title below) Other (specify below)
 President and CEO

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)	Price			
Common Stock	02/21/2014		A ⁽¹⁾	8,797	A	11	240,138	D
Common Stock	02/21/2014		F ⁽²⁾	18,521	D	\$	221,617 ⁽³⁾	D
							284.03	

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 Owned Following Transaction (Instr. 5)
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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 02/25/2014

__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).
- Based on the Company's EBT performance in 2013, 139.5% of the original award of 22,271 performance-based restricted stock units granted 2/21/13 were earned, resulting in an additional 8,797 units, for a total of 31,068 units. The restrictions will lapse with respect to
- (1) 10,252 units on 2/23/15 and with respect to 10,564 units on 2/21/16, subject to continued employment by the Reporting Person on the remaining vesting dates.
 - (2) Shares withheld by the Company to satisfy the Reporting Person's tax withholding obligation upon the vesting of restricted stock units.
 - (3) The total number of securities beneficially owned includes: (a) 164,101 unrestricted shares; (b) 2,031 unvested units from an award of 5,971 time-based restricted stock units granted 2/21/12; (c) 12,182 unvested units from an award of 35,828 performance-based restricted stock units granted 2/21/12; (d) 3,730 unvested units from an award of 5,567 time-based restricted stock units granted 2/21/13; (e) 20,816 unvested units from an award of 31,068 performance-based restricted stock units granted 2/21/13; (f) 3,751 unvested time-based restricted stock units granted 2/18/14; and (g) 15,006 unvested performance-based restricted stock units granted 2/18/14.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.