

ALLIANCE DATA SYSTEMS CORP
 Form 4
 February 19, 2016

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 *
 Kennedy Bryan 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)
 02/17/2016

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
 EVP & President, Epsilon

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 Ownership (Instr. 4)
				(A) or (D) Code V Amount (D) Price			
Common Stock	02/17/2016		F ⁽¹⁾	966 D \$ 191.1	126,237	D	
Common Stock	02/18/2016		F ⁽¹⁾	1,336 D \$ 198.32	124,901 ⁽²⁾ ⁽³⁾	D	
Common Stock					600	I	By Norma Kay Kennedy Living Trust ⁽⁴⁾

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

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(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 Transaction (Instr. 3 and 4)
				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
Kennedy Bryan J 7500 DALLAS PARKWAY, SUITE 700 PLANO, TX 75024			EVP & President, Epsilon	

Signatures

Cynthia L. Hageman, Attorney
in Fact 02/19/2016

**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) 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) 102,759 unrestricted shares; (b) 811 unvested units from an award of 2,384 time-based restricted stock units granted 2/21/13; (c) 4,525 unvested units from an award of 13,306 performance-based restricted stock units granted 2/21/13; (d) 511 unvested units from an award of 1,501 time-based restricted stock units granted 2/18/14; (e) 2,768
- (2) unvested units from an award of 8,141 performance-based restricted stock units granted 2/18/14; (f) 936 unvested units from an award of 1,396 time-based restricted stock units granted 2/17/15; (g) 3,742 unvested units from an award of 5,584 performance-based restricted stock units granted 2/17/15; (h) 1,769 unvested time-based restricted stock units granted 2/16/16; and (i) 7,080 unvested performance-based restricted stock units granted 2/16/16.
- (3) Based on the Company's EBT performance in 2015, 100% of the original award of 5,584 performance-based restricted stock units granted 2/17/15 were earned. The restrictions will lapse with respect to 1,843 units on 2/17/17 and with respect to 1,899 units on 2/20/18, subject

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to continued employment by the Reporting Person on the remaining vesting dates.

- (4) The shares are held in the Norma Kay Kennedy Living Trust for the benefit of the Reporting Person's mother. The Reporting Person serves as trustee.

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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