

Pearson Bryan A
Form 4
February 20, 2019

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

OMB APPROVAL

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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)

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

___ Director ___ 10% Owner
 Officer (give title below) ___ Other (specify below)

EVP & President, LoyaltyOne

7500 DALLAS PARKWAY, SUITE 700

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

PLANO, TX 75024

(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	02/15/2019		A ⁽¹⁾	2,782 A <u>(1)</u>	22,488	D	
Common Stock	02/15/2019		A ⁽²⁾	5,562 A <u>(2)</u>	28,050	D	
Common Stock	02/15/2019		A ⁽³⁾	5,562 A <u>(3)</u>	33,612	D	
Common Stock	02/15/2019		F ⁽⁴⁾	2,532 D \$ 171.22	31,080	D	
Common Stock	02/19/2019		F ⁽⁴⁾	926 D \$ 174.28	25,282 ⁽⁵⁾ ⁽⁶⁾ <u>(7)</u>	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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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

Table with 10 columns: 1. Title of Derivative Security, 2. Conversion or Exercise Price of Derivative Security, 3. Transaction Date, 3A. Deemed Execution Date, if any, 4. Transaction Code, 5. Number of Derivative Securities, 6. Date Exercisable and Expiration Date, 7. Title and Amount of Underlying Securities, 8. Price of Derivative Security, 9. Nature of Derivative Security.

Reporting Owners

Table with 2 main columns: Reporting Owner Name / Address, Relationships (Director, 10% Owner, Officer, Other). Entry: Pearson Bryan A, 7500 DALLAS PARKWAY, SUITE 700, PLANO, TX 75024, EVP & President, LoyaltyOne.

Signatures

Cynthia L. Hageman, Attorney in Fact 02/20/2019 **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).
The new grant is for 2,782 shares of common stock represented by time-based restricted stock units. The restrictions will lapse on 918 (1) units on each of 2/18/20 and 2/16/21 and on 946 units on 2/15/22, subject to continued employment by the Reporting Person on the vesting dates.

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(2) The new grant is for 5,562 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 2/18/20 and 2/16/21 and with respect to 34% of such shares on 2/15/22 contingent on meeting an EBT metric for 2019 and subject to continued employment by the Reporting Person on the vesting dates.

(3) The new grant is for 5,562 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 2/16/21 contingent on meeting a relative total shareholder return metric for 2019 and 2020 and subject to continued employment by the Reporting Person on the vesting dates.

(4) Shares withheld by the Company to satisfy the Reporting Person's tax withholding obligation upon the vesting of restricted stock units.

(5) The total number of securities beneficially owned includes: (a) 2,996 unrestricted shares; (b) 678 unvested units from an award of 1,992 time-based restricted stock units granted 2/15/17; (c) 944 unvested units from an award of 2,778 performance-based restricted stock units granted 2/15/17; (d) 1,229 unvested units from an award of 1,833 time-based restricted stock units granted 2/15/18; (e) 1,862 unvested units from an award of 2,780 performance-based restricted stock units granted 2/15/18; (f) 3,667 unvested performance-based restricted stock units granted 2/15/18; (g) the new grant for 2,782 time-based restricted stock units; (h) the new grant for 5,562 performance-based restricted stock units; and (i) the new grant for 5,562 performance-based restricted stock units.

(6) Based on the Company's EBT performance in 2018, 75.8% of the original award of 3,667 performance-based restricted stock units granted 2/15/18, or 2,780 units, were earned. The restrictions will lapse with respect to 918 units on 2/18/20 and with respect to 944 units on 2/16/21, subject to continued employment by the Reporting Person on the remaining vesting dates.

(7) The grant for 3,985 performance-based restricted stock units awarded on 2/15/17 was forfeited due to failure to meet the relative total shareholder return metric for 2017 and 2018.

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

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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