ALLIANCE DATA SYSTEMS CORP

Form 4

July 22, 2014

FORM 4

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

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

OMB APPROVAL	
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(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)	3. Date of Earliest Transaction (Month/Day/Year) 07/21/2014	__X__ Director _____ 10% Owner __X__ Officer (give title _____ Other (specify below) below) President and CEO

7500 DALLAS PARKWAY, SUITE 700

(Street)

PLANO, TX 75024

4. If Amendment, Date Original Filed(Month/Day/Year)	6. Individual or Joint/Group Filing(Check Applicable Line) _X_ 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)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	07/21/2014		M[(1)]		19,337	A	$ 41.32	240,954	D	
Common Stock	07/21/2014		S[(1)]		4,863	D	$ 266.057 [(2)]	236,091	D	
Common Stock	07/21/2014		S[(1)]		6,578	D	$ 267.348 [(3)]	229,513	D	
Common Stock	07/21/2014		S[(1)]		6,596	D	$ 268.042	222,917	D	

				(4) $ 269.301 (5)			
Common Stock	07/21/2014		S[(1)]	1,300	D	221,617 [(6)]	D

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)

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)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option (Right to Buy)	$ 41.32	07/21/2014		M[(1)]		19,337		[(7)]	02/03/2015	Common Stock	19,337

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	07/22/2014
**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).

(1) Cashless exercise of employee stock options due to expire on February 3, 2015, ten years after such options were granted.

(2) The price reported in Column 4 is a weighted average price. These shares were sold in multiple transactions at prices ranging from $265.71 to $266.58, inclusive. The reporting person undertakes to provide to Alliance Data Systems Corporation, any security holder of Alliance Data Systems Corporation, or the staff of the Securities and Exchange Commission, upon request, full information regarding the number of shares sold at each separate price within the ranges set forth in footnotes (2), (3), (4) and (5) to this Form 4.

(3) The price reported in Column 4 is a weighted average price. These shares were sold in multiple transactions at prices ranging from $266.72 to $267.71, inclusive.

(4) The price reported in Column 4 is a weighted average price. These shares were sold in multiple transactions at prices ranging from $267.74 to $268.51, inclusive.

(5) The price reported in Column 4 is a weighted average price. These shares were sold in multiple transactions at prices ranging from $268.78 to $269.67 inclusive.

(6) 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.

(7) This is an employee stock option grant that is fully vested.

(8) The total number of derivative securities beneficially owned includes: (a) an option for 21,482 shares granted 2/13/06, which is fully vested; and (b) an option for 15,223 shares granted 2/21/07, which is fully vested.

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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Explanation of Responses: 3