

ALLIANCE DATA SYSTEMS CORP
 Form 4
 February 11, 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)
 ___ Director ___ 10% Owner
X Officer (give title below) ___ Other (specify below)
 EVP & President, Epsilon

(Last) (First) (Middle)
 7500 DALLAS PARKWAY, SUITE 700
 (Street)
 PLANO, TX 75024
 (City) (State) (Zip)

3. Date of Earliest Transaction (Month/Day/Year)
 02/09/2016
 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

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	02/09/2016		M ⁽¹⁾	7,724	A	\$ 43.01	126,078	D
Common Stock	02/09/2016		S ⁽¹⁾	7,724	D	\$ 179	118,354 ⁽²⁾	D
Common Stock							600	I

By Norma Kay Kennedy Living Trust ⁽³⁾

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. Amount or Number of Shares
Employee Stock Option (Right to Buy)	\$ 43.01	02/09/2016		M ⁽¹⁾	7,724	⁽⁴⁾ 02/13/2016	Common Stock	7,724

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 02/11/2016

__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) Cashless exercise of employee stock options due to expire on February 13, 2016, ten years after such options were granted.

The total number of securities beneficially owned includes: (a) 99,577 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

(2) units granted 2/21/13; (d) 1,006 unvested units from an award of 1,501 time-based restricted stock units granted 2/18/14; (e) 5,455 unvested units from an award of 8,141 performance-based restricted stock units granted 2/18/14; (f) 1,396 unvested time-based restricted stock units granted 2/17/15; and (g) 5,584 unvested performance-based restricted stock units granted 2/17/15.

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- (3) 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.
- (4) This is an employee stock option grant that is fully vested.
- (5) The total number of derivative securities beneficially owned includes an option for 4,872 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. 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.