

ALLIANCE DATA SYSTEMS CORP
Form 8-K
February 20, 2014

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported):
February 18, 2014

ALLIANCE DATA SYSTEMS CORPORATION
(Exact Name of Registrant as Specified in Charter)

DELAWARE
(State or Other Jurisdiction
of Incorporation)

001-15749
(Commission
File Number)

31-1429215
(IRS Employer
Identification No.)

7500 DALLAS PARKWAY, SUITE 700
PLANO, TEXAS 75024
(Address and Zip Code of Principal Executive Offices)

(214) 494-3000
(Registrant's Telephone Number, including Area Code)

NOT APPLICABLE
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the Registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act

- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act
-

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On February 3, 2014, the Compensation Committee of the Board of Directors and the Board of Directors of Alliance Data Systems Corporation (the "Company") approved long-term equity incentive compensation awards for the Company's executives and senior leaders, and such awards were granted on February 18, 2014*. The long-term equity incentive compensation awards consist of 80% performance-based restricted stock units and 20% time-based restricted stock units and were made pursuant to the Company's 2010 Omnibus Incentive Plan. Consistent with past practice and subject to the discretion of the Compensation Committee of the Board of Directors of the Company, the performance restriction on the performance-based restricted stock unit awards will lapse provided that the Company's 2014 income before income taxes determined in accordance with GAAP ("EBT") meets or exceeds \$805 million to achieve 50% of the target award; \$894 million to achieve 100% of the target award; and \$983 million to achieve 150% of the target award, with a fixed scale between \$805 million and \$983 million. Upon achievement of the performance target, the performance restriction will lapse with respect to 33% of the award on February 18, 2015, with respect to an additional 33% of the award on February 18, 2016 and with respect to the final 34% of the award on February 21, 2017 (each such date a "Vesting Date") provided that the participant is employed by the Company on each such Vesting Date. The same percentages and Vesting Dates apply to the time-based restricted stock unit awards.

The total target number of time-based restricted stock units ("TBR SU") and performance-based restricted stock units ("PBR SU"), which may be adjusted up or down based on the Company's performance as described, granted to the Company's chief executive officer, chief financial officer and named executive officers are as follows:

Edward J. Heffernan, President and Chief Executive Officer: 15,006 (PBR SU); 3,751 (TBR SU)

Charles L. Horn, EVP and Chief Financial Officer: 4,270 (PBR SU); 1,067 (TBR SU)

Bryan J. Kennedy, EVP and President, Epsilon: 6,008 (PBR SU); 1,501 (TBR SU)

Melisa A. Miller, EVP and President, Retail Credit Services: 5,053 (PBR SU); 1,263 (TBR SU)

Bryan A. Pearson, EVP and President, LoyaltyOne: 6,101 (PBR SU); 1,525 (TBR SU)

*Consistent with the Company's practice of granting equity-based awards for new hires, promotions and associates that have joined the Company as a result of a merger or acquisition on a date certain each month (currently the 15th and formerly the 21st of each month), beginning in 2014, long-term equity incentive compensation awards for executive officers will be made on February 15 (or if February 15 falls on a weekend or holiday, the next business day) of each year, or such other pre-determined date following release of the Company's earnings for the prior fiscal year as is appropriate.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No. Document Description

- | | |
|------|---|
| 10.1 | Form of Time-Based Restricted Stock Unit Award Agreement under the Alliance Data Systems Corporation 2010 Long Term Incentive Plan (2014 grant). |
| 10.2 | Form of Performance-Based Restricted Stock Unit Award Agreement under the Alliance Data Systems Corporation 2010 Long Term Incentive Plan (2014 grant). |
-

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Alliance Data Systems Corporation

Date: February 20, 2014

By: /s/ Charles L. Horn
Charles L. Horn
Executive Vice President
and
Chief Financial Officer

EXHIBIT INDEX

Exhibit No. Document Description

- | | |
|------|---|
| 10.1 | Form of Time-Based Restricted Stock Unit Award Agreement under the Alliance Data Systems Corporation 2010 Long Term Incentive Plan (2014 grant). |
| 10.2 | Form of Performance-Based Restricted Stock Unit Award Agreement under the Alliance Data Systems Corporation 2010 Long Term Incentive Plan (2014 grant). |
-