

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):  
December 3, 2020

**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.)

3075 LOYALTY CIRCLE  
COLUMBUS, OH 43219  
(Address and Zip Code of Principal Executive Offices)

(614) 729-4000  
(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 (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading symbol</u>	<u>Name of each exchange on which registered</u>
Common stock, par value \$0.01 per share	ADS	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. [ ]

### Item 3.02. Unregistered Sales of Equity Securities.

The information included in Item 8.01 below is incorporated herein by reference.

### Item 8.01. Other Events.

On December 3, 2020, Alliance Data Systems Corporation (“*Alliance Data*”) completed its acquisition of Lon Inc. (“*Lon*”), a technology-driven digital payments company operating under the trademark Bread® (the “*Merger*”), under the terms of the previously announced Agreement and Plan of Merger, dated as of October 28, 2020, by and among Alliance Data, Rise Merger Sub, Inc., Lon and Fortis Advisors LLC, as the equityholders’ representative (the “*Merger Agreement*”). Lon provides technology solutions for merchants to provide digital purchase financing options to customers in the form of installment credit as well as credit and debit multi-pay solutions. Alliance Data’s aggregate consideration in the Merger, valued at approximately \$450 million at the time of the execution of the Merger Agreement, consisted of cash and approximately 1.9 million shares of Alliance Data common stock (the “*Shares*”), with a portion of the cash consideration deferred for a period of one year.

The Shares were issued in a private placement made only to “accredited investors,” as defined in Rule 501(a) of Regulation D under the Securities Act of 1933, as amended (the “*Securities Act*”), pursuant to an exemption from registration provided by Regulation D under the Securities Act. In the Merger, those equityholders of Lon that did not qualify as accredited investors received solely cash merger consideration, all in accordance with the terms and conditions of the Merger Agreement.

Under the Merger Agreement, Alliance Data agreed, subject to certain exceptions, to file with the Securities and Exchange Commission a shelf registration statement, relating to the resale of the Shares received by the qualifying stockholders of Lon in the Merger (the “Selling Stockholders”) and keep the registration statement continuously effective until the earlier of (i) December 3, 2021 and (ii) the date on which all of the shares (a) have been disposed pursuant to the registration statement, (b) are eligible for transfer pursuant to Rule 144 or Rule 145 under the Securities Act or (c) cease to be outstanding. Alliance Data will bear the expenses relating to the registration of the Shares for resale by the Selling Stockholders under the Securities Act, and the Selling Stockholders will bear all broker and similar fees, discounts and commissions, and any transfer taxes, relating to any sale of their Shares, and all fees and expenses of their counsel.

On December 4, 2020, Alliance Data issued a press release announcing the completion of the acquisition of Lon in the Merger, which press release is attached to this Current Report on Form 8-K as Exhibit 99.1

### Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

#### **Exhibit**

#### **No.**

#### **Document Description**

[99.1](#)

Press Release dated December 4, 2020.

104

Cover Page Interactive Data File (embedded within the Inline XBRL document).

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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: December 7, 2020

By: /s/ Joseph L. Motes III  
Joseph L. Motes III  
Executive Vice President, Chief  
Administrative Officer, General  
Counsel and Secretary

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## Alliance Data Completes Acquisition of Bread®

- *Alliance Data successfully closes transaction; underscores commitment to investing in digital offerings including installment and buy now, pay later products*
- *Company welcomes approximately 200 Bread employees and its more than 400 existing clients*

**COLUMBUS, Ohio, Dec. 4, 2020** – Alliance Data Systems Corporation (NYSE: ADS), a leading provider of data-driven marketing, loyalty and payment solutions, today announced it has completed the acquisition of Lon Inc., a technology-driven digital payments company operating under the trademark Bread, offering an omnichannel solution for retailers and platform capabilities to bank partners. The acquisition was completed under the terms of the previously announced definitive agreement entered into on October 28, 2020. Alliance Data's aggregate consideration for this acquisition, valued at approximately \$450 million at signing and subject to customary closing purchase price adjustments, consisted of cash and approximately 1.9 million shares of Alliance Data common stock, with a portion of the cash consideration deferred for a period of one year.

Alliance Data gains Bread's flexible technology platform and will soon offer to its brand partners installment and buy now, pay later solutions at the point-of-sale. Able to seamlessly integrate with online, mobile and brick and mortar shopping environments, Bread's platform gives Alliance Data's brand partners the tools to drive increased spend and loyalty as customers increasingly adopt digital payments.

Additionally, Alliance Data welcomes Bread's talented group of employees, many of whom are specialized technology and product engineers. These new Alliance Data associates bolster Alliance Data's agility, fintech knowledge and skillsets to support the innovation and development of new and expanded payment solutions. Bread will maintain its Tampa, Fla., customer care center and continue supporting its 400+ existing clients from its Innovation Center in New York City.

"Bread's innovative platform and point-of-sale technologies, including installment and buy now, pay later solutions, expands our payment offerings and reinforces Alliance Data's commitment to investing in digital and technology solutions," said Ralph Andretta, president and chief executive officer, Alliance Data. "We are excited to welcome our new Bread associates, and look forward to working together to support our brand partners and their customers to drive greater value."

With Bread, Alliance Data will offer its brand partners across verticals and their customers a number of ways to finance purchases of all sizes. As retailers and e-tailers alike appeal to tech-savvy shoppers seeking convenient digital options, installment and buy now, pay later solutions empower customers to choose the payment option that meets their needs.

"With several top-Millennial brands in our client roster, the capabilities and products acquired through Bread appeal to younger, digitally native consumers," said Val Greer, chief commercial officer, Alliance Data's Card Services business. "Bread's easy, seamless integration and white labeling options give our brand partners the ability to quickly stand up these additional payment offerings, all while keeping their own branding at the forefront of the shopping experience."

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### **About Alliance Data**

Alliance Data® (NYSE: ADS) is a leading provider of data-driven marketing, loyalty and payment solutions serving large, consumer-based industries. The Company creates and deploys customized solutions that measurably change consumer behavior while driving business growth and profitability for some of today's most recognizable brands. Alliance Data helps its partners create and increase customer loyalty across multiple touch points using traditional, digital, mobile and emerging technologies. A FORTUNE 500 and S&P MidCap 400 company headquartered in Columbus, Ohio, Alliance Data consists of businesses that together employ over 8,500 associates at more than 50 locations worldwide.

Alliance Data's Card Services business is a comprehensive provider of market-leading private label, co-brand, general purpose and business credit card programs, digital payments, including Bread®, and Comenity-branded financial services. LoyaltyOne® owns and operates the AIR MILES® Reward Program, Canada's most recognized loyalty program, and Netherlands-based BrandLoyalty, a global provider of tailor-made loyalty programs for grocers. More information about Alliance Data can be found at [www.AllianceData.com](http://www.AllianceData.com).

Follow Alliance Data on Twitter, Facebook, LinkedIn, Instagram and YouTube.

### **Forward Looking Statements**

This release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements give our expectations or forecasts of future events and can generally be identified by the use of words such as “believe,” “expect,” “anticipate,” “estimate,” “intend,” “project,” “plan,” “likely,” “may,” “should” or other words or phrases of similar import. Similarly, statements that describe our business strategy, outlook, objectives, plans, intentions or goals also are forward-looking statements. Examples of forward-looking statements include, but are not limited to, statements we make regarding, and the guidance we give with respect to, our anticipated operating or financial results, initiation or completion of strategic initiatives, future dividend declarations, and future economic conditions, including, but not limited to, fluctuation in currency exchange rates, market conditions and COVID-19 impacts related to relief measures for impacted borrowers and depositors, labor shortages due to quarantine, reduction in demand from clients, supply chain disruption for our reward suppliers and disruptions in the airline or travel industries.

We believe that our expectations are based on reasonable assumptions. Forward-looking statements, however, are subject to a number of risks and uncertainties that could cause actual results to differ materially from the projections, anticipated results or other expectations expressed in this release, and no assurances can be given that our expectations will prove to have been correct. These risks and uncertainties include, but are not limited to, factors set forth in the Risk Factors section in our Annual Report on Form 10-K for the most recently ended fiscal year, which may be updated in Item 1A of, or elsewhere in, our Quarterly Reports on Form 10-Q filed for periods subsequent to such Form 10-K. Our forward-looking statements speak only as of the date made, and we undertake no obligation, other than as required by applicable law, to update or revise any forward-looking statements, whether as a result of new information, subsequent events, anticipated or unanticipated circumstances or otherwise.

### **Alliance Data**

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