

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):  
January 19, 2021

**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 8.01. Other Events.

### Indemnification Update

On July 1, 2019, the Company completed the sale of its Epsilon segment to Publicis Groupe S.A. (“Publicis”). As previously disclosed, under the terms of the agreement governing that transaction, Alliance Data Systems Corporation (the “Company”) agreed to indemnify Publicis and its affiliates from and against any losses arising out of or related to a United States Department of Justice (“DOJ”) investigation of Epsilon that was in process at the time the agreement was executed. The DOJ investigation related to third-party marketers who sent, or allegedly sent, deceptive mailings and the provision of data and services to those marketers by Epsilon’s data practice. Epsilon actively cooperated with the DOJ in connection with the investigation. On January 19, 2021, Epsilon and the DOJ filed with the court a deferred prosecution agreement (“DPA”) to resolve the matters that were the subject of the investigation. Pursuant to the DPA, Epsilon agreed, among other things, to pay penalties and consumer compensation in the aggregate amount of \$150 million, to be paid in two equal installments, the first in January, 2021 and the second in January, 2022. In accordance with ASC 450, the Company records a loss contingency when a loss is probable and an amount can be reasonably estimated. Based on the information then available, for the year ended December 31, 2019, the Company recorded a loss contingency of \$40 million (\$32.9 million, net of tax), which was included in loss from discontinued operations. Based on the amount of the penalties and consumer compensation Epsilon is required to pay pursuant to the terms of the DPA, for the year ended December 31, 2020 the Company recorded an additional loss contingency of \$110 million (\$81.3 million, net of tax), which was included in loss from discontinued operations.

## Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

### Exhibit

#### No.

#### Document Description

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: January 19, 2021

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

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