

ALLIANCE DATA SYSTEMS CORP

Form 424B3

November 04, 2014

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Registration No. 333-199128

November 4, 2014

PROPOSED MERGER YOUR VOTE IS VERY IMPORTANT

The board of directors of each of Alliance Data Systems Corporation, or Alliance Data, and Conversant, Inc., or Conversant, has approved an agreement and plan of merger, which we refer to as the merger agreement, pursuant to which Alliance Data will acquire Conversant through the merger of Conversant with and into a newly formed, wholly-owned subsidiary of Alliance Data, with the new subsidiary surviving the merger as a wholly-owned subsidiary of Alliance Data.

In the proposed merger, Conversant stockholders will receive for each share of Conversant common stock the combination, which we refer to as the Base Consideration, of (x) 0.07037 of a share, which we refer to as the Fixed Exchange Ratio, of Alliance Data common stock and (y) an amount in cash equal to \$35.00 minus the product of the volume weighted average price per share of Alliance Data common stock on the New York Stock Exchange, or the NYSE, for the consecutive period of fifteen trading days ending on the close of trading on the second trading day immediately preceding the closing of the merger, which we refer to as the Parent Closing Trading Price, multiplied by the Fixed Exchange Ratio, which cash portion of the Base Consideration is referred to as the Per Share Cash Consideration. Notwithstanding the foregoing, the Per Share Cash Consideration will not exceed \$18.62, which we refer to as the Per Share Cash Cap, and will not be less than \$14.98, which we refer to as the Per Share Cash Minimum. In the event that the Per Share Cash Cap or Per Share Cash Minimum is reached, the Per Share Cash Consideration will be fixed at the Per Share Cash Cap or the Per Share Cash Minimum, as applicable, and the value that Conversant stockholders will receive for each share of Conversant common stock will fluctuate below or above \$35.00, as applicable. Shares of Conversant common stock (i) held in Conversant's treasury, (ii) held by Alliance Data or any of its subsidiaries, (iii) issued pursuant to Conversant restricted stock award grants that remain unvested upon closing of the merger, or (iv) as to which the holder has properly exercised appraisal rights will not receive the merger consideration (except that shares of Conversant common stock that were issued pursuant to Conversant restricted stock award grants that remain unvested upon closing of the merger shall be entitled to receive the consideration described under the heading "The Merger Treatment of Conversant Stock Options and Other Equity Awards"). For more information regarding the merger consideration provisions contained in the merger agreement, see "The Merger Consideration to be Received in the Merger."

In lieu of the Base Consideration, each Conversant stockholder will have the right to elect to receive for each share of Conversant common stock eligible to receive merger consideration (1) cash equal to \$35.00, except in the case in which the Per Share Cash Cap or Per Share Cash Minimum has been reached, in which case, cash equal to the sum of (x) the Fixed Exchange Ratio multiplied by the Parent Closing Trading Price and (y) the Per Share Cash Consideration, which election we refer to as a Cash Election, or (2) a number of shares of Alliance Data common stock equal to the sum of (x) the Fixed Exchange Ratio and (y) the quotient of the Per Share Cash Consideration divided by the Parent Closing Trading Price, which election we refer to as a Stock Election, subject, in the case of either a Cash Election or Stock Election, to proration. For more information regarding the election mechanics, see "The Merger Consideration to be Received in the Merger."

At the time they vote on the merger, Conversant stockholders will not know the cash portion of the merger consideration or, because the Parent Closing Trading Price will not be known at that time, the value of the total merger consideration. Further, if Conversant stockholders make a Stock Election or a Cash Election, they may not receive the combination of cash and/or shares elected, depending on the choices made by other Conversant stockholders. See **The Merger Consideration to be Received in the Merger**, **Risk Factors** The value of the merger consideration to be received by Conversant stockholders may fluctuate in certain circumstances based on the market price of Alliance Data common stock. Conversant stockholders cannot be sure of the value of the merger consideration that will be paid to Conversant stockholders in the merger and **Risk Factors** Conversant stockholders may receive a form of consideration different from what they elect.

Alliance Data will not issue any fractional shares of Alliance Data common stock in the merger. Instead, Conversant stockholders will receive cash in lieu of any fractional shares based on the closing price of Alliance Data common stock reported on the NYSE on the trading day immediately preceding the closing of the merger.

Alliance Data common stock is listed on the New York Stock Exchange under the symbol ADS. Conversant common stock is listed on The NASDAQ Global Select Market under the symbol CNVR. We urge you to obtain current market quotations for shares of Alliance Data common stock and Conversant common stock.

Your vote is very important. The merger cannot be completed unless Conversant stockholders adopt the merger agreement. Conversant is holding a special meeting of its stockholders to approve the proposal to adopt the merger agreement and the other Conversant proposals described in this proxy statement/prospectus. Information about the Conversant special meeting of stockholders, the merger and the other business to be considered by Conversant stockholders at this meeting is contained in this proxy statement/prospectus. Conversant stockholders are urged to read this proxy statement/prospectus carefully. No stockholder vote of Alliance Data stockholders is required in connection with the merger. **You should also carefully consider the risk factors beginning on page 29 of this proxy statement/prospectus.**

Whether or not Conversant stockholders plan to attend the special meeting of stockholders, they should submit their proxies as soon as possible to make sure that their shares are represented at that meeting.

The Conversant board of directors unanimously recommends that Conversant's stockholders vote (1) FOR the proposal to adopt the merger agreement, (2) FOR the proposal to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to Conversant's named executive officers in connection with the merger and the agreements and understandings pursuant to which such compensation may be paid or become payable, and (3) FOR the proposal to adjourn the Conversant special meeting, if necessary or appropriate, to solicit additional proxies in favor of the foregoing proposals.

Edward J. Heffernan

President and Chief Executive Officer

Alliance Data Systems Corporation

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued in connection with the merger or determined if this proxy statement/prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

John Giuliani

President and Chief Executive
Officer

Conversant, Inc.

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This proxy statement/prospectus is dated November 4, 2014, and is first being mailed to stockholders of Conversant on or about November 6, 2014.

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NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

TO BE HELD ON DECEMBER 9, 2014

To the Stockholders of Conversant, Inc.:

A special meeting of stockholders of Conversant, Inc. will be held at Conversant's corporate offices located at 30699 Russell Ranch Road, Suite 250, Westlake Village, CA 91362, on December 9, 2014 at 9:00 a.m., local time, for the following purposes:

to adopt the Agreement and Plan of Merger, dated as of September 11, 2014, as it may be amended from time to time, which we refer to as the merger agreement, by and among Alliance Data Systems Corporation, Conversant, Inc. and Amber Sub LLC;

to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to Conversant's named executive officers in connection with the merger and the agreements and understandings pursuant to which such compensation may be paid or become payable, as described in the section entitled "The Merger - Interests of Directors and Executive Officers of Conversant in the Merger - Golden Parachute Compensation";

to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies in favor of the foregoing proposals if there are insufficient votes at the time of such adjournment to approve such proposals; and

to transact such other business as may properly come before the special meeting or any adjournment or postponement thereof.

Completion of the merger is conditioned on, among other things, the adoption by Conversant's stockholders of the merger agreement.

The accompanying proxy statement/prospectus further describes the matters to be considered at the special meeting. A copy of the merger agreement has been included as Annex A to this proxy statement/prospectus.

The Conversant board of directors has set October 29, 2014 as the record date for the special meeting. Only holders of record of shares of Conversant common stock at the close of business on October 29, 2014 will be entitled to notice of the special meeting and to vote at the special meeting and any adjournments or postponements thereof. To ensure your representation at the special meeting, please complete and return the enclosed proxy card or submit your proxy by telephone or through the Internet. Please vote promptly whether or not you expect to attend the special meeting. Submitting a proxy now will not prevent you from being able to vote at the special meeting by attending in person and casting a vote.

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Under Delaware law, Conversant stockholders who do not vote in favor of the adoption of the merger agreement will have the right to seek appraisal of the fair value of their shares of Conversant common stock as determined by the Delaware Court of Chancery if the merger is completed, but only if such stockholders submit a written demand for such an appraisal prior to the vote on the merger agreement and comply fully with the procedures explained in the accompanying proxy statement/prospectus and in Section 262 of the General Corporation Law of the State of Delaware. However, if you choose to make an election with respect to the form of merger consideration you wish to receive, you will be deemed to waive your rights of appraisal.

The board of directors of Conversant unanimously recommends that you vote (1) FOR the proposal to adopt the merger agreement, (2) FOR the proposal to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to Conversant's named executive officers in connection with the merger and the agreements and understandings pursuant to which such compensation may be paid or become payable, and (3) FOR the proposal to adjourn the Conversant special meeting, if necessary or appropriate, to solicit additional proxies in favor of the foregoing proposals.

By Order of the Board of Directors,
John Giuliani
President and Chief Executive Officer

Westlake Village, California

November 4, 2014

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PLEASE VOTE YOUR SHARES PROMPTLY. YOU CAN FIND INSTRUCTIONS FOR VOTING ON THE ENCLOSED PROXY CARD. IF YOU HAVE QUESTIONS ABOUT THE PROPOSALS OR ABOUT VOTING YOUR SHARES, PLEASE CONTACT CONVERSANT'S PROXY SOLICITOR, INNISFREE M&A INCORPORATED, BY TELEPHONE AT (888) 750-5834 (TOLL FREE FOR STOCKHOLDERS) OR (212) 750-5833 (COLLECT FOR BANKS AND BROKERS).

ADDITIONAL INFORMATION

This proxy statement/prospectus incorporates by reference important business and financial information about Alliance Data and Conversant from other documents that are not included in or delivered with this proxy statement/prospectus. This information is available to you without charge upon your written or oral request. You can obtain the documents incorporated by reference into this proxy statement/prospectus through the website of the United States Securities and Exchange Commission, or the SEC, www.sec.gov, or by requesting them in writing or by telephone from the appropriate company at the following addresses and telephone numbers:

Alliance Data Systems Corporation

7500 Dallas Parkway

Suite 700

Plano, Texas 75024

Phone: (214) 494-3000

E-mail: leighann.epperson@alliancedata.com

Attention: Secretary

Conversant, Inc.

30699 Russell Ranch Road

Suite 250

Westlake Village, California 91362

Phone: (818) 575-4540

E-mail: eranderson@conversantmedia.com

Attention: VP, Investor Relations

or

Innisfree M&A Incorporated

501 Madison Avenue, 20th Floor

New York, New York 10022

Stockholders May Call Toll Free: (888) 750-5834

Banks and Brokers May Call Collect: (212) 750-5833

Investors may also consult Alliance Data's or Conversant's websites for more information concerning the merger described in this proxy statement/prospectus. Alliance Data's website is www.alliancedata.com, and Conversant's website is www.conversantmedia.com. Information included on these websites is not incorporated by reference into this proxy statement/prospectus.

In order to receive timely delivery of any documents in advance of the Conversant special meeting, your request should be received no later than December 2, 2014. In order to receive timely delivery of any

documents in advance of the election deadline for the merger, your request should be received no later than five business days prior to the election deadline.

For more information, see [Where You Can Find More Information](#) and [Information Incorporated by Reference](#).

VOTING ELECTRONICALLY OR BY TELEPHONE

Conversant stockholders of record on the close of business on October 29, 2014, the record date for the Conversant special meeting, may authorize the voting of their shares of Conversant common stock by telephone or Internet by following the instructions on their proxy card or voting form. If you have any questions regarding whether you are eligible to authorize the voting of your shares of Conversant common stock by telephone or by Internet, please contact Innisfree M&A Incorporated at the addresses or telephone numbers listed above.

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ABOUT THIS PROXY STATEMENT/PROSPECTUS

This document, which forms part of a registration statement on Form S-4, as may be amended from time to time, filed with the Securities and Exchange Commission, or the SEC, by Alliance Data, is a proxy statement/prospectus, which we refer to as this proxy statement/prospectus. It constitutes a prospectus of Alliance Data under Section 5 of the Securities Act of 1933, as amended, or the Securities Act, with respect to the shares of Alliance Data common stock to be issued to Conversant stockholders pursuant to the merger. It also constitutes a proxy statement for Conversant under Section 14(a) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, because the board of directors of Conversant is soliciting proxies from its stockholders. It also constitutes a notice of meeting with respect to the special meeting of Conversant stockholders.

You should rely only on the information contained in or incorporated by reference into this proxy statement/prospectus. No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, this proxy statement/prospectus. This proxy statement/prospectus is dated November 4, 2014. You should not assume that the information contained in this proxy statement/prospectus is accurate as of any date other than November 4, 2014. You should not assume that the information incorporated by reference into this proxy statement/prospectus is accurate as of any date other than the date of the incorporated document. Neither the mailing of this proxy statement/prospectus to Conversant stockholders nor the issuance by Alliance Data of shares of Alliance Data common stock to Conversant stockholders in the merger will create any implication to the contrary.

This proxy statement/prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy, in any jurisdiction to or from any person to whom it is unlawful to make any such offer or solicitation. Information contained in this proxy statement/prospectus regarding Alliance Data has been provided by Alliance Data, and information contained in this proxy statement/prospectus regarding Conversant has been provided by Conversant.

All references in this proxy statement/prospectus to Alliance Data refer to Alliance Data Systems Corporation, a Delaware corporation, and/or its consolidated subsidiaries, unless the context requires otherwise; all references in this proxy statement/prospectus to Conversant refer to Conversant, Inc., a Delaware corporation, and/or its consolidated subsidiaries, unless the context requires otherwise; all references to the Merger Subsidiary refer to Amber Sub LLC, a Delaware limited liability company and wholly-owned subsidiary of Alliance Data, formed for the sole purpose of effecting the merger; unless otherwise indicated or as the context requires, all references in this proxy statement/prospectus to we, our and us refer to Alliance Data and Conversant, collectively; and, unless otherwise indicated or as the context requires, all references to the merger agreement refer to the Agreement and Plan of Merger, dated as of September 11, 2014, as it may be amended from time to time, by and among Alliance Data, the Merger Subsidiary and Conversant, a copy of which is included as Annex A to this proxy statement/prospectus.

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Important Notice Regarding the Availability of Proxy Materials for the Special Meeting of Conversant Stockholders to be Held on December 9, 2014

This proxy statement/prospectus is available for viewing, printing and downloading at ir.conversantmedia.com/sec.cfm.

You may request a copy of the materials relating to the Conversant Special Meeting, including this proxy statement/prospectus and form of proxy for the Conversant Special Meeting, by contacting Conversant's investor relations department by telephone at (818) 575-4540 or by e-mail at eranderson@conversantmedia.com.

A copy of the Conversant Annual Report on Form 10-K for the fiscal year ended December 31, 2013 as filed with the SEC, other than exhibits, will be furnished without charge to any stockholder upon written or oral request to:

Conversant, Inc.

30699 Russell Ranch Road, Suite 250

Westlake Village, CA 91362

Phone: (818) 575-4540

E-mail: eranderson@conversantmedia.com

Attention: VP, Investor Relations

or

Innisfree M&A Incorporated

501 Madison Avenue, 20th Floor

New York, New York 10022

Stockholders May Call Toll Free: (888) 750-5834

Banks and Brokers May Call Collect: (212) 750-5833

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QUESTIONS AND ANSWERS

The following questions and answers briefly address some commonly asked questions about the proposed merger and the other matters to be considered at the special meeting of Conversant, Inc. stockholders. They may not include all the information that is important to you. **We urge you to read carefully this entire proxy statement/prospectus, including the annexes and the other documents we refer to or incorporate by reference herein.**

Q: Why am I receiving this proxy statement/prospectus?

A: The board of directors of each of Alliance Data Systems Corporation, or Alliance Data, and Conversant, Inc., or Conversant, has approved an agreement and plan of merger, which we refer to as the merger agreement, pursuant to which Alliance Data will acquire Conversant through the merger of Conversant with and into a newly formed, wholly-owned subsidiary of Alliance Data, with the new subsidiary surviving the merger as a wholly-owned subsidiary of Alliance Data.

The merger cannot be completed unless Conversant stockholders adopt the merger agreement.

Conversant is holding a special meeting of its stockholders to approve the proposal to adopt the merger agreement and the other Conversant proposals described in this proxy statement/prospectus. Information about this meeting, the merger and the other business to be considered by stockholders is contained in this proxy statement/prospectus.

We are delivering this document to you as a proxy statement of Conversant and a prospectus of Alliance Data. It is a proxy statement because the board of directors of Conversant is soliciting proxies from its stockholders. It is a prospectus because Alliance Data will issue shares of its common stock to Conversant stockholders in the merger.

Your vote is important. We encourage you to vote as soon as possible.

Q: Why is Conversant proposing the merger?

A: In the course of reaching its decision to approve the merger agreement and the related transactions, the board of directors of Conversant considered a number of factors in their deliberations and unanimously (i) determined that the merger is fair to, and in the best interests of, Conversant and its stockholders and declared the merger agreement and the merger advisable, (ii) approved the merger agreement and the transactions contemplated thereby, including the merger, and (iii) recommended the adoption of the merger agreement to Conversant's stockholders. For a more complete discussion of the factors that the Conversant board of directors considered, see [The Merger](#) [Conversant Board of Directors](#) [Recommendation and Reasons for the Merger](#).

Q: What proposals are Conversant stockholders being asked to consider?

A: Conversant stockholders are being asked to:

adopt the merger agreement, or the Merger Proposal;

approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to Conversant's named executive officers in connection with the merger and the agreements and understandings pursuant to which such compensation may be paid or become payable, as described in the section entitled

The Merger Interests of Directors and Executive Officers of Conversant in the Merger Golden Parachute Compensation;

adjourn the special meeting, if necessary or appropriate, to solicit additional proxies in favor of the foregoing proposals if there are insufficient votes at the time of such adjournment to approve such proposal; and

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transact such other business as may properly come before the special meeting or any adjournment or postponement thereof.

Q: How does the board of directors of Conversant recommend that I vote?

A: The board of directors of Conversant has approved the merger agreement and the other transactions contemplated thereby and determined that the merger agreement and the merger are advisable and in the best interests of the Conversant stockholders.

The board of directors of Conversant unanimously recommends that Conversant stockholders vote (1) FOR the proposal to adopt the merger agreement, (2) FOR the proposal to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to Conversant's named executive officers in connection with the merger and the agreements and understandings pursuant to which such compensation may be paid or become payable, and (3) FOR the proposal to adjourn the Conversant special meeting, if necessary or appropriate, to solicit additional proxies in favor of the foregoing proposals.

Q: What will stockholders receive in the merger?

A: In the proposed merger, Conversant stockholders will receive for each share of Conversant common stock the combination, which we refer to as the Base Consideration, of (x) 0.07037 of a share, which we refer to as the Fixed Exchange Ratio, of Alliance Data common stock and (y) an amount in cash equal to \$35.00 minus the product of the volume weighted average price per share of Alliance Data common stock on the NYSE for the consecutive period of fifteen trading days ending on the close of trading on the second trading day immediately preceding the closing of the merger, which we refer to as the Parent Closing Trading Price, multiplied by the Fixed Exchange Ratio, which cash portion of the Base Consideration we refer to as the Per Share Cash Consideration. Notwithstanding the foregoing, the Per Share Cash Consideration will not exceed \$18.62, which we refer to as the Per Share Cash Cap, and will not be less than \$14.98, which we refer to as the Per Share Cash Minimum. In the event that the Per Share Cash Cap or Per Share Cash Minimum is reached, the Per Share Cash Consideration will be fixed at the Per Share Cash Cap or the Per Share Cash Minimum, as applicable, and the value that Conversant stockholders will receive for each share of Conversant common stock will fluctuate below or above \$35.00, as applicable, to the extent that the Parent Closing Trading Price is below \$232.75 or above \$284.48. Shares of Conversant common stock (i) held in Conversant's treasury, (ii) held by Alliance Data or any of its subsidiaries, (iii) issued pursuant to Conversant restricted stock award grants that remain unvested upon closing of the merger, or (iv) as to which the holder has properly exercised appraisal rights will not receive the merger consideration (except that shares of Conversant common stock that were issued pursuant to Conversant restricted stock award grants that remain unvested upon closing of the merger shall be entitled to receive the consideration described under the heading "The Merger Treatment of Conversant Stock Options and Other Equity Awards"). For more information regarding the merger consideration provisions contained in the merger agreement, see "The Merger Consideration to be Received in the Merger."

At the time they vote on the merger, Conversant stockholders will not know the cash portion of the merger consideration or, because the Parent Closing Trading Price will not be known at that time, the value of the total merger consideration. Further, if Conversant stockholders make a Stock Election or a Cash Election, they may not receive the combination of cash and/or shares elected, depending on the choices made by other Conversant stockholders. See "The Merger Consideration to be Received in the Merger," "Risk Factors" "The value of the merger

consideration to be received by Conversant stockholders may fluctuate in certain circumstances based on the market price of Alliance Data common stock. Conversant stockholders cannot be sure of the value of the merger consideration that will be paid to Conversant stockholders in the merger and Risk Factors Conversant stockholders may receive a form of consideration different from what they elect.

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Alliance Data will not issue any fractional shares of its common stock. Instead, a Conversant stockholder will be entitled to receive cash in an amount determined by multiplying (x) the closing price of Alliance Data common stock reported on the NYSE on the trading day immediately preceding the day the merger is completed by (y) the fraction of a share of Alliance Data common stock to which such stockholder otherwise would be entitled.

Q: Can I make an election to receive all cash or all shares of Alliance Data common stock as consideration for my shares of Conversant common stock?

A: In lieu of the Base Consideration, each Conversant stockholder will have the right to elect to receive for each share of Conversant common stock eligible to receive merger consideration (1) cash equal to \$35.00, except in the case in which the Per Share Cash Cap or Per Share Cash Minimum has been reached, in which case, cash equal to the sum of (x) the Fixed Exchange Ratio multiplied by the Parent Closing Trading Price and (y) the Per Share Cash Consideration, which we refer to as a Cash Election, or (2) a number of shares of Alliance Data common stock equal to the sum of (x) the Fixed Exchange Ratio and (y) the quotient of the Per Share Cash Consideration divided by the Parent Closing Trading Price, which election we refer to as a Stock Election, and which consideration we refer to as the Per Share Stock Election Consideration. The Cash Election and Stock Election are both subject to proration as described below. Regardless of whether a Cash Election or Stock Election is made and whether proration is required, all shares of Conversant common stock will receive the equivalent value as described in this proxy statement/prospectus with respect to calculation of the Base Consideration.

For more information regarding merger consideration and election mechanics, see The Merger Consideration to be Received in the Merger.

Q: When do Alliance Data and Conversant expect to complete the merger?

A: Alliance Data and Conversant expect to complete the merger after all conditions to the merger in the merger agreement are satisfied or waived, including the adoption of the merger agreement by the Conversant stockholders at the special meeting or any adjournment or postponement thereof. Alliance Data and Conversant currently expect to complete the merger in the fourth quarter of 2014. However, it is possible that factors outside of each company's control could require Alliance Data and Conversant to complete the merger at a later time or not to complete it at all.

Q: What do I need to do now?

A: After carefully reading and considering the information contained in this proxy statement/prospectus, please (i) vote your shares as soon as possible so that your shares will be represented at Conversant's special meeting, and (ii) if you desire to make an election with respect to the form of merger consideration for some or all of your shares of Conversant common stock, fill out the form of election, which will separately be made available to Conversant stockholders on the same day as this proxy statement/prospectus. Please follow the instructions set forth on the proxy card or on the voting instruction form provided by the record holder if your shares are held in

the name of your broker or other nominee, and on the form of election.

Even if you choose not to return your proxy card, or not to attend the special meeting, you may still complete, sign and return the form of election made available to you indicating your desire to make an election with respect to the form of merger consideration to be received by you in the merger. Any Conversant stockholder that fails to submit a proper form of election on or prior to 5 p.m., New York City time, on December 8, 2014 will be deemed to have elected to receive the Base Consideration for each of such stockholder's shares of Conversant common stock eligible to receive merger consideration.

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Q: Who can vote at the special meeting of Conversant stockholders?

A: All Conversant stockholders of record at the close of business on October 29, 2014, or the record date, are entitled to vote at the special meeting of Conversant stockholders. As of the close of business on the record date, 66,857,176 shares of Conversant common stock were issued and outstanding.

Q: How many votes do I have?

A: Each share of Conversant common stock that you owned as of the close of business on the record date entitles you to one vote on each Conversant proposal.

Q: Is my vote important?

A: Your vote is important regardless of how many shares you own. Please take the time to read the instructions below and vote. Choose the method of voting that is easiest and most convenient for you, and please cast your vote as soon as possible.

Q: How do I vote?

A: You may vote before Conversant's meeting of stockholders in one of the following ways:

use the toll-free number shown on your proxy card;

visit the website shown on your proxy card to vote or authorize the voting of your shares via the Internet; or

complete, sign, date and return the enclosed proxy card in the enclosed postage-paid envelope.

You may also cast your vote in person at Conversant's meeting of stockholders.

If your shares are held in street name, through a broker, bank or other nominee, that institution will send you separate instructions describing the procedure for voting your shares. Street name stockholders who wish to vote at the meeting will need to obtain a proxy form from the institution that holds their shares.

Q: Who will count the votes?

A:

Broadridge Financial Solutions, Inc., the tabulator for the meeting, will count, tabulate and certify the votes at the special meeting of Conversant stockholders or any adjournment or postponement thereof. A representative of Broadridge Financial Solutions, Inc. will serve as the inspector of elections at the special meeting or any adjournment or postponement thereof.

Q: When and where is the special meeting of Conversant stockholders?

A: The special meeting of Conversant stockholders will be held at Conversant's corporate offices located at 30699 Russell Ranch Road, Suite 250, Westlake Village, CA 91362 at 9:00 a.m., local time, on December 9, 2014. Subject to space availability, all Conversant stockholders as of the record date, or their duly appointed proxies, may attend the meeting. Since seating is limited, admission to the meeting will be on a first-come, first-served basis. Registration and seating will begin at 8:30 a.m., local time.

Q: What happens if I transfer my shares of Conversant common stock before the Conversant special meeting?

A: The record date of the Conversant special meeting is earlier than the date of the Conversant special meeting and the date that the merger is expected to be completed. If you transfer your shares of Conversant common stock after the record date but before the Conversant special meeting, you will retain your right to vote at the

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Conversant special meeting, but you will have transferred the right to receive the merger consideration in the merger. In order to receive the merger consideration, you must hold shares of Conversant common stock at the closing of the merger.

Q: May I transfer my shares of Conversant common stock once I have made an election?

A: No. If an election has been made for any of your shares of Conversant common stock, and such election has not been properly revoked, such shares may not be transferred.

Q: What constitutes a quorum?

A: To establish a quorum to transact business at the Conversant special meeting, there must be present at the meeting, in person or by proxy, a majority of the shares of Conversant common stock issued, outstanding, and entitled to vote at the meeting. Shares of Conversant common stock represented in person or by proxy (including shares that abstain or do not vote with respect to one or more of the matters to be voted upon) will be counted for the purpose of determining whether a quorum exists. Because each of the Conversant proposals is a non-discretionary item under applicable rules, as described below, broker non-votes will not be counted for the purpose of determining whether a quorum exists at the Conversant special meeting.

Q: What vote is required to approve each of the Conversant proposals?

A: ***To adopt the merger agreement:*** If a quorum is present, the affirmative vote of a majority of the outstanding shares of Conversant common stock entitled to vote on the proposal at the special meeting is required to adopt the merger agreement.

To approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to Conversant's named executive officers in connection with the merger: If a quorum is present, the affirmative vote of the holders of a majority of the shares entitled to vote and present in person or by proxy at the special meeting is required to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to Conversant's named executive officers in connection with the merger and the agreements and understandings pursuant to which such compensation may be paid or become payable, as described in the section entitled "The Merger Interests of Directors and Executive Officers of Conversant in the Merger - Golden Parachute Compensation."

To adjourn the Conversant special meeting: Whether or not a quorum is present at the special meeting, the affirmative vote of the holders of a majority of the shares entitled to vote and present in person or by proxy at the special meeting is required to adjourn the special meeting.

Concurrently with the execution of the merger agreement, each of Conversant's directors and executive officers executed a Voting Agreement with Alliance Data that requires, among other things and subject to the terms and conditions and exceptions contained in the Voting Agreement, such Conversant directors and executive officers to (i) vote in favor of (and to grant a proxy to Alliance Data, or one of Alliance Data's designated representatives, to vote in favor of) adoption of the merger agreement, the merger and the other transactions contemplated thereby, (ii) vote against any Company Takeover Proposal (as defined in the merger agreement), or any proposal or transaction

involving Conversant, or amendment to the organizational documents of Conversant that would reasonably be expected to materially impede, interfere with, delay or adversely affect the merger or the other transactions contemplated by the merger agreement or change the voting rights of any class of capital stock of Conversant and (iii) not transfer such directors or officers' shares of Conversant common stock prior to the earliest to occur of certain events, including the closing of the merger or the termination of the merger agreement, subject to certain permitted transfers to permitted transferees who agree to become bound by the Voting Agreement. As of September 11, 2014, Conversant's directors and executive officers beneficially owned shares of, or securities convertible into or exercisable for, Conversant common stock representing approximately 6.5% of the outstanding shares of

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Conversant common stock on a fully-diluted basis. As of the record date for the Conversant special meeting, Conversant's directors and executive officers beneficially owned shares of, or securities convertible into or exercisable for, Conversant common stock representing approximately 6.5% of the outstanding shares of Conversant common stock on a fully-diluted basis. A copy of the full text of the Voting Agreement is attached as Annex B to this proxy statement/prospectus.

Q: If my shares are held in street name by a broker or other nominee, will my broker or nominee vote my shares for me?

A: Your broker cannot vote your shares without instructions from you with respect to any of the proposals, and if you do not instruct your broker how to vote your shares on those proposals, your shares will be treated as broker non-votes for those proposals. You should instruct your broker as to how to vote your Conversant common stock, following the procedures your broker provides to you. Please check the voting form used by your broker.

Q: Can I vote at the Conversant special meeting if my shares are held in street name ?

A: If your shares are held in street name, you must bring an account statement or letter from your brokerage firm or bank showing that you are the beneficial owner of shares of Conversant as of the record date in order to be admitted to the special meeting. To be able to vote your shares held in street name at the special meeting of Conversant stockholders, you will need to obtain a proxy card from the holder of record.

Q: What if I return my proxy card without indicating how to vote?

A: If you sign and return your proxy card without indicating how to vote on any particular proposal, your shares will be voted in accordance with the recommendation of the Conversant board of directors with respect to such proposal.

Q: What will happen if I fail to vote or I abstain from voting?

A: If you fail to vote, your shares will not be counted for purposes of establishing a quorum at the special meeting. It will have the same effect as a vote AGAINST the proposal to adopt the merger agreement, but it will have no effect on the adjournment proposal or, assuming a quorum is present, on the proposal to approve on an advisory (non-binding) basis, the compensation that may be paid or become payable to Conversant's named executive officers in connection with the merger. If you are present at the meeting but abstain from voting, your shares will be counted as represented at the special meeting of Conversant stockholders for purposes of determining whether a quorum is present, and it will have the same effect as a vote AGAINST the proposal to adopt the merger agreement, AGAINST the adjournment proposal and AGAINST the proposal to approve on an advisory (non-binding) basis the compensation that may be paid or become payable to Conversant's named executive officers in connection with the merger.

Q: What will happen if I fail to instruct my broker, bank or nominee how to vote?

A: If you do not instruct your broker, bank or nominee on how to vote your shares, your broker may not vote your shares at the special meeting of Conversant stockholders (referred to as a "broker non-vote"). Such shares will not be counted for purposes of establishing a quorum. Broker non-votes will have the same effect as a vote AGAINST the adoption of the merger agreement, but will have no effect on the adjournment proposal or, assuming a quorum is present, on the proposal to approve on an advisory (non-binding) basis the compensation that may be paid or become payable to Conversant's named executive officers in connection with the merger.

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Q: Can I change my vote after I have delivered my proxy or voting instruction card?

A: Yes. You can change your vote at any time before your proxy is voted at the special meeting of Conversant stockholders. If your shares are held in an account at a broker or other nominee, you should contact your broker or other nominee to change your vote. Otherwise, if you hold your shares directly and are a record holder, you can do this in one of four ways:

by sending a notice of revocation to Broadridge Financial Solutions, Inc.;

by sending a completed proxy card bearing a later date than your original proxy card;

by logging onto the Internet website specified on your proxy card in the same manner you would to submit your proxy or authorize the voting of your shares electronically or by calling the telephone number specified on your proxy card, in each case if you are eligible to do so and following the instructions on the proxy card;
or

by attending the meeting and voting in person (although your attendance alone will not revoke any proxy). If you choose any of the first three methods, the described action must be completed and your notice of revocation, completed proxy card, electronic vote or telephonic vote, as applicable, must be received by Broadridge Financial Solutions, Inc. by 11:59 p.m. Eastern Time on the day before the special meeting of Conversant stockholders.

Q: Why have I been sent a form of election?

A: If the merger is approved and consummated, each share of Conversant common stock held by you (other than shares issued pursuant to a restricted stock award grant that remains unvested upon closing of the merger and any shares as to which you properly exercise your appraisal rights) will be converted into the right to receive the Base Consideration, by default. However, you may elect to receive the Stock Election or the Cash Election with respect to each of your shares of Conversant common stock. You may also make an election to receive the Base Consideration (which is what you would receive if you do not make an election). If you make a Stock Election or a Cash Election, the number of shares of Alliance Data common stock, the amount of cash, or both, that you receive will be subject to proration among all the shares with respect to which either a Cash Election or Stock Election is made if the amount of cash or the amount of shares of Alliance Data available as merger consideration is oversubscribed. In all instances, cash will be paid in lieu of any remaining fractional interest in a share of Alliance Data common stock. The form of election is the document made available to you on the same day as this proxy statement/prospectus to select the type of consideration you wish to receive with respect to each of your shares of Conversant common stock.

Q: Will I be sent a form of election if my shares of Conversant common stock are held through a bank, broker or other nominee?

A: If you hold your shares of Conversant common stock through a bank, broker or other nominee, your bank, broker or other nominee, as applicable, will provide you with instructions on how to make an election. If you fail to comply with your bank's, broker's or nominee's instructions, your election will be disregarded and you will receive the Base Consideration.

Q: What happens if I do not send in my form of election?

A: If you do not respond on or prior to 5:00 p.m., New York City time, on December 8, 2014 and the merger is approved and consummated, you will receive the Base Consideration, unless you properly exercise appraisal rights.

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Q: What happens if I miss the election deadline?

A: Missing the election deadline is the same as not responding you will receive the Base Consideration, unless you properly exercise appraisal rights. The election deadline is 5:00 p.m., New York City time, on December 8, 2014.

Q: May I revoke or change my form of election?

A: If you have made an election pursuant to a form of election you may, at any time prior to the election deadline, change or revoke your election by submitting written notice to the exchange agent. After the election deadline, you may not change or revoke your election, unless the merger agreement is terminated. If an election is timely revoked and the merger is consummated, the shares as to which such election previously applied shall automatically receive the Base Consideration, unless a new election is made pursuant to a form of election and submitted to the exchange agent prior to the election deadline.

Q: Am I guaranteed to receive what I ask for on the form of election?

A: If you elect to receive the Base Consideration (or do not make any election), you will receive the Base Consideration, subject to the payment of cash for any fractional shares of Alliance Data common stock you would be entitled to receive. If you make a Stock Election or a Cash Election, then you are not guaranteed to receive the form of consideration you elect to receive. The aggregate amount of cash and shares of Alliance Data common stock payable by Alliance Data in the merger will not be more than the aggregate amount of cash and shares of Alliance Data common stock that would have otherwise been payable by Alliance Data if all Conversant stockholders were to receive the Base Consideration. To the extent there is not enough cash or shares of Alliance Data common stock to pay pursuant to a Cash Election or a Stock Election, the consideration payable on each such share of Conversant common stock will be adjusted on a pro rata basis (and with the difference between such pro rated amount being made up in the remaining Alliance Data common stock or cash, as applicable) among all shares with respect to which either a Cash Election or Stock Election has been made. As a result, if you make a Stock Election or a Cash Election regarding your consideration, you may not receive the combination of cash and/or shares you elected, depending on the choices made by other Conversant stockholders.

Q: What are the material U.S. federal income tax consequences of the merger?

A: The federal income tax consequences of the merger will differ depending on whether the forward merger structure or reverse merger structured is used. The reverse merger structure (i.e., Conversant will be the surviving entity in the merger) will be used if the Reverse Merger Condition is satisfied. The forward merger structure will be used (i.e., Conversant will not be the surviving entity in the merger) if the Reverse Merger Condition is not satisfied.

If the merger is structured as a forward merger, Alliance Data and Conversant intend for the merger to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, or the Code, for U.S. federal income tax purposes. Assuming the merger so qualifies, for U.S. federal income tax purposes:

Holders of Conversant common stock whose shares are exchanged in the merger for a combination of cash and Alliance Data common stock will not recognize a loss, but will generally recognize gain in an amount equal to the lesser of (i) the holder's gain realized (i.e., the excess, if any, of the sum of the amount of cash received pursuant to the merger and the fair market value, as of the effective time of the merger, of Alliance Data common stock received pursuant to the merger over the holder's adjusted tax basis in the shares of Conversant common stock surrendered) and (ii) the amount of cash received pursuant to the merger. In certain circumstances, this gain could be taxable as a dividend rather than a capital gain.

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Holders of Conversant common stock whose shares are exchanged in the merger solely for cash will be required to recognize gain, and should be permitted to recognize loss, equal to the difference between the amount of cash received pursuant to the merger and the holder's adjusted tax basis in the shares of Conversant common stock surrendered.

Holders of Conversant common stock whose shares are exchanged in the merger solely for Alliance Data common stock will not recognize any gain or loss, except for any gain or loss attributable to the receipt of cash in lieu of fractional shares.

The Reverse Merger Condition will be satisfied if, on the trading date immediately before the closing date of the merger, the aggregate value of all Alliance Data common stock to be received by all Conversant stockholders as a group in the merger would be less than 40% of the aggregate value of all consideration to be received by all Conversant stockholders as a group in, or in connection with, the merger (i.e., cash plus Alliance Data common stock). Because the structure that will ultimately be used to complete the merger will depend on the 40% test, including, in particular, the value of Alliance Data stock as of the trading date immediately before the closing date of the merger, we will not know at the time of the stockholder meeting which structure will be used. As a result, Conversant stockholders will not know which of the alternative tax consequences described in this answer will be applicable to them at the time they vote on the merger. We will issue a press release following the closing date to inform Conversant stockholders whether the merger is structured as a forward merger or a reverse merger.

If the reverse merger structure is used, the merger will not qualify as a reorganization within the meaning of Section 368(a) of the Code. In that case, holders of Conversant common stock whose shares are exchanged in the merger for merger consideration will generally recognize gain or loss in an amount equal to the difference between (i) the fair market value, as of the effective time of the merger, of Alliance Data common stock received plus any cash received and (ii) the holder's adjusted tax basis in the shares of Conversant common stock surrendered. Such gain or loss generally will be determined separately with respect to each block of Conversant shares surrendered in the merger, and generally will be long-term capital gain or loss if the holder's holding period for the Conversant common stock surrendered exceeds one year at the effective time of the merger.

We would use the reverse merger structure to avoid the substantial corporate level tax that would result if the merger were to be structured as a forward merger and were to fail to satisfy the requirements for a reorganization under Section 368(a) of the Internal Revenue Code.

The tax consequences to Conversant stockholders of the merger are described in greater detail in the section entitled Material U.S. Federal Income Tax Consequences. You are urged to consult with your own tax advisor as to the tax consequences of the merger in your particular circumstances, including the applicability and effect of the alternative minimum tax and any state, local or foreign and other tax laws and of changes in those laws.

Q: Does the merger require the approval of Alliance Data stockholders?

A: No, the merger does not require the approval of Alliance Data stockholders.

Q: Do I have appraisal rights?

- A: Subject to the closing of the merger, record holders of Conversant common stock who do not vote in favor of the Merger Proposal and otherwise comply fully with the requirements and procedures of Section 262 of the General Corporation Law of the State of Delaware, or the DGCL, are entitled to exercise their rights of appraisal, which generally entitle stockholders to receive a cash payment equal to the fair value of their Conversant common stock exclusive of any element of value arising from the accomplishment or expectation of the merger. However, if you choose to make an election with respect to the form of merger consideration you wish to receive, you will be deemed to waive your rights of appraisal. A detailed description of the appraisal rights and procedures available to Conversant stockholders is included in *The Merger Appraisal Rights*. The full text of Section 262 of the DGCL is attached as Annex C to this proxy statement/prospectus.

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Q: Should I send in my stock certificates now?

A: Yes, ONLY if you are a Conversant stockholder that is making an election with respect to the form of merger consideration to be received by you in the merger. In that case, you should send your stock certificates with your completed form of election by following the directions provided on the form of election. If you do not provide your stock certificates with your completed form of election, your form of election will be considered incomplete. If you do not provide your stock certificates now, you will receive a letter of transmittal from the exchange agent after the merger is completed, which will explain how to exchange your stock certificates for merger consideration.

No, if you are a Conversant stockholder that chooses not to make an election with respect to the form of merger consideration to be received by you in the merger. In that case, you should NOT send your stock certificates to the exchange agent until you receive a separate letter of transmittal from the exchange agent.

You should NOT send your stock certificates with your proxy card.

Q: How will the merger affect Conversant stock options?

A: Each option to purchase shares of Conversant common stock that is outstanding immediately prior to the effective time of the merger, whether vested or unvested, will be converted into an option to purchase Alliance Data common stock on the same terms and conditions as applied to the existing option immediately prior to the merger, except that (1) the number of shares of Alliance Data common stock subject to the new option, rounded down to the nearest whole share, will be determined by multiplying the number of shares of Conversant common stock subject to the existing option by the Per Share Stock Election Consideration and (2) the exercise price per share of Alliance Data common stock under the new option, rounded up to the nearest whole cent, will be equal to the exercise price per share of Conversant common stock of the existing option divided by the Per Share Stock Election Consideration.

Q: How will the merger affect Conversant restricted stock?

A: Each Conversant restricted stock award that is not vested by its terms upon or before the closing of the merger will be converted into a restricted stock award with respect to whole shares of Alliance Data common stock, on the same terms, conditions and restrictions as applied to the existing award immediately prior to the merger, except that the number of shares of Alliance Data common stock subject to the new award, rounded down to the nearest whole share, will be equal to the product of the number of unvested shares of Conversant common stock under the existing award and the Per Share Stock Election Consideration. Each Conversant restricted stock award that is vested by its terms upon or before the closing of the merger will, at the effective time of the merger, entitle the holder thereof to the merger consideration described under Consideration to be Received in the Merger. If you hold shares of Conversant restricted common stock that will be unvested as of the election deadline but will vest prior to or in connection with the closing of the merger, we will provide instructions on how to make an election with respect to those shares.

Q: Will any other business be conducted at the Conversant special meeting or will other matters be voted on?

A: Conversant is not aware of any other business to be conducted or matters to be voted upon at the special meeting of Conversant stockholders.

Q: Where can I find the voting results?

A: Conversant will report the voting results from the special meeting of Conversant stockholders in its Current Report on Form 8-K, which it expects to file with the SEC within four business days after the special meeting.

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Q: Whom should I contact if I have any questions about the merger, the election mechanics or the proxy materials?

A: If you have any questions about the merger or if you need assistance in submitting your proxy or voting your shares or need additional copies of this proxy statement/prospectus, the enclosed proxy card or form of election, which will be made available to Conversant stockholders on the same day as this proxy statement/prospectus, you should contact either of the companies listed below:

Innisfree M&A Incorporated

501 Madison Avenue, 20th Floor

New York, New York 10022

Stockholders May Call Toll Free: (888) 750-5834

Banks and Brokers May Call Collect: (212) 750-5833

Broadridge Corporate Issuer Solutions, Inc.

51 Mercedes Way

Edgewood, NY 11717

(855) 449-0990 (Toll free)

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SUMMARY

*This summary highlights selected information contained in this proxy statement/prospectus, or the annexes to this proxy statement/prospectus, and does not contain all the information that may be important to you. Alliance Data and Conversant urge you to read carefully this proxy statement/prospectus and the annexes to this proxy statement/prospectus in their entirety. Additionally, important information is also contained in the documents that we incorporate by reference into this proxy statement/prospectus. See *Where You Can Find More Information* and *Information Incorporated by Reference*. We have included page references in this summary to direct you to a more complete description of the topics presented below.*

The Parties

Alliance Data Systems Corporation (See page 100)

Alliance Data is a leading global provider of data-driven marketing and loyalty solutions serving large, consumer-based businesses in a variety of industries. Alliance Data offers a comprehensive portfolio of integrated outsourced marketing solutions, including customer loyalty programs, database marketing services, marketing strategy consulting, analytics and creative services, direct marketing services and private label and co-brand retail credit card programs. Alliance Data focuses on facilitating and managing interactions between its clients and their customers through all consumer marketing channels, including in-store, online, catalog, mail, telephone and email, and emerging channels such as mobile and social media. Alliance Data captures and analyzes data created during each customer interaction, leveraging the insight derived from that data to enable clients to identify and acquire new customers and to enhance customer loyalty. Alliance Data believes that its services are becoming increasingly valuable as businesses shift marketing resources away from traditional mass marketing toward more targeted marketing programs that provide measurable returns on marketing investments. Alliance Data's client base of more than 1,300 companies consists primarily of large consumer-based businesses, including well-known brands such as Bank of Montreal, Sobeys, Shell Canada, Procter & Gamble, AstraZeneca, Hilton, Bank of America, General Motors, FedEx, Kraft, Victoria's Secret, Lane Bryant, Pottery Barn, J. Crew and Ann Taylor. Alliance Data's client base is diversified across a broad range of end-markets, including financial services, specialty retail, grocery stores, drug stores, petroleum retail, automotive, hospitality and travel, telecommunications and pharmaceuticals. Alliance Data believes its comprehensive suite of marketing solutions offers it a significant competitive advantage, as many of its competitors offer a more limited range of services. Alliance Data believes the breadth and quality of its service offerings have enabled it to establish and maintain long-standing client relationships.

Alliance Data was incorporated under the laws of the State of Delaware on February 23, 1995. Its corporate headquarters are located at 7500 Dallas Parkway, Suite 700, Plano, Texas 75024 and its telephone number at that address is 214-494-3000. Alliance Data's website address is www.alliancedata.com. Information contained on Alliance Data's website is not incorporated by reference and does not constitute a part of this proxy statement/prospectus.

Conversant, Inc. (See page 100)

Conversant offers a comprehensive range of digital marketing services across its affiliate marketing and media segments. Conversant believes the unique combination of its scale and breadth of services; vast amounts of proprietary data spanning online and offline channels; cross-device capabilities; and industry leading approach to personalized communication positions Conversant to be the digital marketing services provider of choice for major marketers and the advertising agencies that service them. Conversant's services help marketers achieve a variety of strategic objectives, including customer relationship management, new customer acquisition and branding. In the first quarter of 2014, the company changed its corporate name from ValueClick, Inc. to Conversant, Inc.

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Conversant was incorporated under the laws of the State of Delaware on October 9, 1998. Its corporate headquarters are located at 30699 Russell Ranch Road, Suite 250, Westlake Village, California 91362, and its telephone number at that address is (818) 575-4500. Conversant's website address is www.conversantmedia.com. Information contained on Conversant's website is not incorporated by reference and does not constitute a part of this proxy statement/prospectus.

The Merger Subsidiary (See page 101)

Amber Sub LLC, or the Merger Subsidiary, is a wholly-owned subsidiary of Alliance Data and was formed as a limited liability company under the laws of the State of Delaware on September 5, 2014 for the purpose of effecting the merger. Subject to the terms and conditions of the merger agreement and upon closing of the merger, Conversant will merge with and into the Merger Subsidiary, which will survive as a wholly-owned subsidiary of Alliance Data. At the effective time of the merger, the name of the Merger Subsidiary will change to Conversant LLC. However, if the Reverse Merger Condition described below is satisfied, Conversant will be the surviving entity in the merger. See Material U.S. Federal Income Tax Consequences.

The Merger Subsidiary has not conducted any activities other than those incidental to its formation and the matters contemplated by the merger agreement, including the preparation of applicable regulatory filings in connection with the merger.

Risk Factors (See page 29)

Before voting at the Conversant special meeting, Conversant's stockholders should carefully consider all of the information contained in or incorporated by reference into this proxy statement/prospectus, as well as the specific factors under the heading "Risk Factors," including the risks that:

The merger may not be completed on a timely basis or at all. The failure to complete the merger would eliminate, or any delay in the completion of the merger may significantly reduce, the benefits expected to be obtained from the merger and could adversely affect the market price of Alliance Data or Conversant common stock or their future business and financial results.

The value of the merger consideration to be received by Conversant stockholders may fluctuate in certain circumstances based on the market price of Alliance Data common stock. Conversant stockholders cannot be sure of the value of the merger consideration that will be paid to Conversant stockholders in the merger.

Conversant stockholders may receive a form of consideration different from what they elect.

Uncertainties associated with the merger may cause a loss of management personnel and other key employees that could adversely affect the future business, operations and financial results of Alliance Data following the merger.

Lawsuits have been filed against Conversant, Conversant's directors, Alliance Data and the Merger Subsidiary challenging the merger, and an adverse ruling may prevent the merger from being completed.

Conversant stockholders will not know the federal income tax consequences to them of the merger at the time that they make an election as to the form of the consideration or at the time they vote. See Material U.S. Federal Income Tax Consequences.

Current Alliance Data stockholders and Conversant stockholders will have a reduced ownership and voting interest after the merger and will exercise less influence over management.

Alliance Data may be unable to integrate successfully the businesses of Conversant and realize the anticipated benefits of the merger or do so within the intended timeframe.

Sales of substantial amounts of Alliance Data common stock in the open market, by former Conversant stockholders or otherwise, could depress Alliance Data's stock price.

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The Merger

The Merger Agreement (See page 83)

Alliance Data and Conversant have entered into the merger agreement attached as Annex A to this proxy statement/prospectus. We encourage you to read the entire merger agreement carefully because it is the principal document governing the merger.

Effect of the Merger (See page 40)

Subject to the terms and conditions of the merger agreement, at the effective time of the merger, Conversant will merge with and into the Merger Subsidiary, with the Merger Subsidiary surviving the merger as a wholly-owned subsidiary of Alliance Data. However, if the Reverse Merger Condition described below is satisfied, Conversant will be the surviving entity in the merger. See Material U.S. Federal Income Tax Consequences. We expect that, on a fully-diluted basis, the existing stockholders of Alliance Data and the former stockholders of Conversant will own approximately 93% and 7%, respectively, of the outstanding Alliance Data common stock following the merger.

Consideration to be Received in the Merger (See page 84)

In the proposed merger, Conversant stockholders will receive for each share of Conversant common stock (other than shares (i) held by Alliance Data or any of its subsidiaries, (ii) issued pursuant to a Conversant restricted stock award grant that remains unvested upon closing of the merger, (iii) as to which the holder has properly exercised appraisal rights or (iv) as to which a valid Cash Election or Stock Election has been made) the combination, which we refer to as the Base Consideration, of (x) 0.07037 of a share, which we refer to as the Fixed Exchange Ratio, of Alliance Data common stock and (y) an amount in cash equal to \$35.00 minus the product of the volume weighted average price per share of Alliance Data common stock on the New York Stock Exchange, or the NYSE, for the consecutive period of fifteen trading days ending on the close of trading on the second trading day immediately preceding the closing of the merger, which we refer to as the Parent Closing Trading Price, multiplied by the Fixed Exchange Ratio, which cash portion of the Base Consideration we refer to as the Per Share Cash Consideration. Notwithstanding the foregoing, the Per Share Cash Consideration will not exceed \$18.62, which we refer to as the Per Share Cash Cap, and will not be less than \$14.98, which we refer to as the Per Share Cash Minimum. In the event that the Per Share Cash Cap or Per Share Cash Minimum is reached, the Per Share Cash Consideration will be fixed at the Per Share Cash Cap or the Per Share Cash Minimum, as applicable, and the value that Conversant stockholders will receive for each share of Conversant common stock will fluctuate below or above \$35.00, as applicable, to the extent that the Parent Closing Trading Price is below \$232.75 or above \$284.48. For more information regarding the merger consideration provisions contained in the merger agreement, see The Merger Consideration to be Received in the Merger.

In lieu of the Base Consideration described above, each Conversant stockholder will have the right to elect to receive for each share of Conversant common stock eligible to receive merger consideration (1) cash equal to \$35.00, except in the case in which (i) the Per Share Cash Cap or Per Share Cash Minimum has been reached, in which case, cash equal to the sum of (x) the Fixed Exchange Ratio multiplied by the Parent Closing Trading Price and (y) the Per Share Cash Consideration, which we refer to as the Cash Election, or (2) a number of shares of Alliance Data common stock equal to the sum of (x) the Fixed Exchange Ratio and (y) the quotient of the Per Share Cash Consideration divided by the Parent Closing Trading Price, which election we refer to as a Stock Election, and which consideration we refer to as the Per Share Stock Election Consideration, and, in the case of either a Cash or Stock Election, both are subject to proration as described below.

The Base Consideration otherwise payable on each share of Conversant common stock as to which either a Cash Election or Stock Election has been made, will be pooled and reallocated among all such shares of Conversant common stock as to which a Cash Election or Stock Election has been made. This pooling and reallocation means that each such share gets, to the greatest extent possible, all cash or all Alliance Data common

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stock, but with the consideration payable on each such share of Conversant common stock pro rated to the extent there is not enough cash or enough Alliance Data common stock to pay pursuant to each such election (and with the difference between such pro rated amount being made up in the remaining Alliance Data common stock or cash, as applicable). The aggregate amount of cash and shares of Alliance Data common stock payable by Alliance Data in the merger shall equal the aggregate amount of cash and shares of Alliance Data common stock that would have otherwise been payable by Alliance Data if no election had been made by Conversant stockholders, and all such stockholders were to receive the Base Consideration. Shares of Conversant common stock (i) held in Conversant's treasury, (ii) held by Alliance Data or any of its subsidiaries, (iii) issued pursuant to Conversant restricted stock award grants that remain unvested upon closing of the merger, or (iv) as to which the holder has properly exercised appraisal rights will not receive the merger consideration (except that shares of Conversant common stock that were issued pursuant to Conversant restricted stock award grants that remain unvested upon closing of the merger shall be entitled to receive the consideration described under the heading "The Merger Treatment of Conversant Stock Options and Other Equity Awards").

The following table illustrates the value of the Base Consideration per share of Conversant common stock for different hypothetical Parent Closing Trading Prices (with the shaded lines defining the lower and upper boundaries of the collar).

Parent Closing Trading Price (a)	Fixed Exchange Ratio	Approx. Value of Per Share Stock Consideration (b)	Approx. Per Share Cash Consideration	Approx. Total Value of
				Per Share Merger Consideration
\$220.00	0.07037	\$ 15.48	\$ 18.62	\$ 34.10
\$225.00	0.07037	\$ 15.83	\$ 18.62	\$ 34.45
\$230.00	0.07037	\$ 16.19	\$ 18.62	\$ 34.81
\$232.00	0.07037	\$ 16.33	\$ 18.62	\$ 34.95
\$232.75(c)	0.07037	\$ 16.38	\$ 18.62	\$ 35.00
\$233.00	0.07037	\$ 16.40	\$ 18.60	\$ 35.00
\$235.00	0.07037	\$ 16.54	\$ 18.46	\$ 35.00
\$240.00	0.07037	\$ 16.89	\$ 18.11	\$ 35.00
\$245.00	0.07037	\$ 17.24	\$ 17.76	\$ 35.00
\$255.00	0.07037	\$ 17.94	\$ 17.06	\$ 35.00
\$258.00	0.07037	\$ 18.16	\$ 16.84	\$ 35.00
\$258.61(d)	0.07037	\$ 18.20	\$ 16.80	\$ 35.00
\$259.00	0.07037	\$ 18.23	\$ 16.77	\$ 35.00
\$260.00	0.07037	\$ 18.30	\$ 16.70	\$ 35.00
\$265.00	0.07037	\$ 18.65	\$ 16.35	\$ 35.00
\$270.00	0.07037	\$ 19.00	\$ 16.00	\$ 35.00
\$275.00	0.07037	\$ 19.35	\$ 15.65	\$ 35.00
\$280.00	0.07037	\$ 19.70	\$ 15.30	\$ 35.00
\$284.00	0.07037	\$ 19.99	\$ 15.01	\$ 35.00
\$284.48(e)	0.07037	\$ 20.02	\$ 14.98	\$ 35.00
\$285.00	0.07037	\$ 20.06	\$ 14.98	\$ 35.04
\$290.00	0.07037	\$ 20.41	\$ 14.98	\$ 35.39
\$295.00	0.07037	\$ 20.76	\$ 14.98	\$ 35.74
\$300.00	0.07037	\$ 21.11	\$ 14.98	\$ 36.09

- (a) Hypothetical volume weighted average price per share of Alliance Data common stock on the NYSE for the consecutive period of fifteen trading days ending on the close of trading on the second trading day immediately preceding the closing of the merger.
- (b) Note that per the terms of the merger agreement, any fractional shares of Alliance Data common stock payable to any holder of Conversant common stock will be aggregated and paid in cash.

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- (c) Reflects a 10% reduction in the Parent Closing Trading Price compared to the Parent Signing Trading Price, which is the lower boundary of the collar and the Parent Closing Trading Price at which the Per Share Cash Cap is reached.
- (d) The 7-day volume weighted average price per share of Alliance Data common stock on the NYSE as of the close of business on September 10, 2014, the last business day prior to the date the merger agreement was executed, referred to in this proxy statement/prospectus as the Parent Signing Trading Price.
- (e) Reflects a 10% increase in the Parent Closing Trading Price compared to the Parent Signing Trading Price, which is the upper boundary of the collar and the Parent Closing Trading Price at which the Per Share Cash Minimum is reached.

For tabular illustrations of proration calculations for different hypothetical Cash Elections and Stock Elections that may be made by Conversant stockholders under the terms of the merger agreement, see Annex D to this proxy statement/prospectus.

The tables included or referenced above are for illustrative purposes only. The value of the merger consideration that a Conversant stockholder actually receives will be based on the actual Parent Closing Trading Price, and the mix of merger consideration that an electing Conversant stockholder actually receives will depend on the elections made by other Conversant stockholders.

At the time they vote on the merger, Conversant stockholders will not know the cash portion of the merger consideration or, because the Parent Closing Trading Price will not be known at that time, the value of the total merger consideration. Further, if Conversant stockholders make a Stock Election or a Cash Election, they may not receive the combination of cash and/or shares elected, depending on the choices made by other Conversant stockholders. See *The Merger Consideration to be Received in the Merger*, *Risk Factors* The value of the merger consideration to be received by Conversant stockholders may fluctuate in certain circumstances based on the market price of Alliance Data common stock. Conversant stockholders cannot be sure of the value of the merger consideration that will be paid to Conversant stockholders in the merger and *Risk Factors* Conversant stockholders may receive a form of consideration different from what they elect.

Alliance Data will not issue any fractional shares of its common stock in the merger. Instead, Conversant stockholders will receive cash in lieu of any fractional shares in an amount determined by multiplying (x) the closing price of Alliance Data common stock reported on the NYSE on the trading day immediately preceding the date of the merger's closing by (y) the fraction of a share of Alliance Data common stock to which the stockholder would otherwise be entitled.

The merger agreement provides for adjustments to the merger consideration to reflect fully the effect of any stock dividend, subdivision, reorganization, reclassification, recapitalization, stock split, reverse stock split, combination or exchange of shares, or any similar event with respect to Alliance Data common stock or Conversant common stock occurring between September 11, 2014 and the effective time of the merger.

Treatment of Conversant Stock Options and Other Equity Awards (See page 86)

Pursuant to the merger agreement, each Conversant stock option that is outstanding and unexercised immediately prior to the effective time of the merger will be converted into an option to acquire a number of shares of Alliance Data common stock, rounded down to the nearest whole share, determined by multiplying the number of shares underlying the existing Conversant stock option by the Per Share Stock Election Consideration, at an exercise price per share of Alliance Data common stock, rounded up to the nearest whole cent, equal to the per-share exercise price for the Conversant stock option immediately prior to the effective time of the merger divided by the Per Share Stock Election Consideration.

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At the effective time of the merger, each outstanding Conversant restricted stock award that is not vested by its terms upon or before the closing of the merger will, pursuant to the merger agreement, be converted into a restricted stock award with respect to whole shares of Alliance Data common stock, with the number of shares of Alliance Data common stock subject to each such converted restricted stock award, rounded down to the nearest whole share, determined by multiplying the number of shares of Conversant common stock subject to the existing restricted stock award by the Per Share Stock Election Consideration. Each Conversant restricted stock award that is vested by its terms upon the closing of the merger will, at the effective time of the merger, entitle the holder thereof to the merger consideration described under Consideration to be Received in the Merger. However, in connection with the merger, Conversant's President and Chief Executive Officer John Giuliani entered into an agreement with Alliance Data to, among other things, waive his right to acceleration of his outstanding unvested restricted stock awards. Additional information regarding this agreement and Mr. Giuliani's restricted stock awards is included under the headings The Merger Interests of Directors and Executive Officers of Conversant in the Merger Treatment of Conversant Stock Options and Other Equity Awards and The Merger Letter Agreement with John Giuliani.

Each converted stock option or restricted stock award will be issued in respect of Alliance Data common stock under the Alliance Data 2010 Omnibus Incentive Plan, subject to the same terms and conditions as the respective Conversant stock option or restricted stock award as in effect immediately prior to the effective time of the merger (taking into account the adjustments to the number of shares and exercise price). Each Conversant stock incentive plan will be terminated by the board of directors of Conversant effective as of immediately prior to the effective time of the merger.

Approval of Alliance Data's Board of Directors (See page 49)

After careful consideration, Alliance Data's board of directors and the managers of the Merger Subsidiary unanimously approved the merger agreement, and Alliance Data's board of directors unanimously approved the issuance of Alliance Data common stock in the merger. The compensation committee of Alliance Data's board of directors unanimously approved the grant of replacement equity awards to the holders of Conversant equity awards, as provided in the merger agreement. See The Merger Treatment of Conversant Stock Options and Other Equity Awards.

Recommendations of the Conversant Board of Directors (See page 49)

After careful consideration, the Conversant board of directors unanimously recommends that Conversant stockholders vote (1) FOR the proposal to adopt the merger agreement, (2) FOR the proposal to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to Conversant's named executive officers in connection with the merger and the agreements and understandings pursuant to which such compensation may be paid or become payable, and (3) FOR the proposal to adjourn the Conversant special meeting, if necessary or appropriate, to solicit additional proxies in favor of the foregoing proposals.

Opinion of Conversant's Financial Advisor (See page 52 and Annex F)

In connection with the merger, Morgan Stanley & Co. LLC, Conversant's financial advisor (which we refer to in this proxy statement/prospectus as Morgan Stanley), rendered to Conversant's board of directors its oral opinion, subsequently confirmed in writing, that as of September 10, 2014, and based upon and subject to the various assumptions, procedures, factors, qualifications and limitations set forth in the written opinion, the consideration to be received by the holders of shares of Conversant common stock pursuant to the merger agreement was fair from a financial point of view to such holders. The full text of the written opinion of Morgan Stanley, dated as of September 10, 2014, is attached as Annex F to this proxy statement/prospectus and is incorporated by reference in this proxy statement/prospectus in its entirety. The opinion sets forth, among other

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things, the assumptions made, procedures followed, matters considered and limitations on the scope of the review undertaken by Morgan Stanley in rendering its opinion. The summary of the opinion of Morgan Stanley in this proxy statement/prospectus is qualified in its entirety by reference to the full text of the opinion. **Morgan Stanley's opinion is directed to Conversant's board of directors and addresses only the fairness from a financial point of view of the consideration to be received by the holders of shares of Conversant common stock pursuant to the merger agreement as of the date of the opinion. Morgan Stanley's opinion did not in any manner address the prices at which shares of Conversant common stock or Alliance Data common stock would trade at any time in the future, or any compensation or compensation agreements arising from (or relating to) the merger which benefit any officer, director or employee of Conversant, or any class of such persons. The opinion is addressed to the Conversant board of directors and does not constitute a recommendation to any stockholder of Conversant as to how to vote at the stockholders' meeting to be held in connection with the transactions contemplated by the merger agreement, what elections to make with respect to the form of consideration to be received, or any other action with respect to the transactions contemplated by the merger agreement.**

Interests of Conversant's Directors and Executive Officers in the Merger (See page 66)

Conversant stockholders should be aware that the directors and executive officers of Conversant have interests in the proposed merger that are different from, or are in addition to, the interests of Conversant stockholders generally. These interests relate to the treatment of equity-based compensation awards held by directors and executive officers of Conversant in the merger, provision of severance benefits, and the indemnification of Conversant's directors and officers by Alliance Data.

Material U.S. Federal Income Tax Consequences of the Merger (See page 78)

The federal income tax consequences of the merger will differ depending on whether the forward merger structure or reverse merger structure is used. The reverse merger structure (i.e., Conversant will be the surviving entity in the merger) will be used if the Reverse Merger Condition is satisfied. The forward merger structure will be used (i.e., Conversant will not be the surviving entity in the merger) if the Reverse Merger Condition is not satisfied. The Reverse Merger Condition will be satisfied if on the trading date immediately before the closing date of the merger, the aggregate value of all Alliance Data common stock to be received by all Conversant stockholders as a group in the merger would be less than 40% of the aggregate value of all consideration to be received by all Conversant stockholders as a group in, or in connection with, the merger (i.e., cash plus Alliance Data common stock). Because the structure that will ultimately be used to complete the merger will depend on a variety of factors, including, in particular, the value of Alliance Data stock as of the trading date immediately before the closing date of the merger, we will not know at the time of the stockholder meeting which structure will be used. As a result, Conversant stockholders will not know which of the alternative tax consequences described below will be applicable to them at the time they vote on the merger.

If the merger is structured as a forward merger, Alliance Data and Conversant intend for the merger to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, or the Code, for U.S. federal income tax purposes. Assuming the merger so qualifies, for U.S. federal income tax purposes:

Holdings of Conversant common stock whose shares are exchanged in the merger for a combination of cash and Alliance Data common stock will not recognize a loss, but will generally recognize gain in an amount equal to the lesser of (i) the holder's gain realized (i.e., the excess, if any, of the sum of the amount of cash received pursuant to the merger and the fair market value, as of the effective time of the merger, of Alliance

Data common stock received pursuant to the merger over the holder's adjusted tax basis in the shares of Conversant common stock surrendered) and (ii) the amount of cash received pursuant to the merger. In certain circumstances, this gain could be taxable as a dividend rather than a capital gain.

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Holders of Conversant common stock whose shares are exchanged in the merger solely for cash will be required to recognize gain, and should be permitted to recognize loss, equal to the difference between the amount of cash received pursuant to the merger and the holder's adjusted tax basis in the shares of Conversant common stock surrendered.

Holders of Conversant common stock whose shares are exchanged in the merger solely for Alliance Data common stock will not recognize any gain or loss, except for any gain or loss attributable to the receipt of cash in lieu of fractional shares.

If the reverse merger structure is used, the merger will not qualify as a reorganization within the meaning of Section 368(a) of the Code. In that case, holders of Conversant common stock whose shares are exchanged in the merger for merger consideration will generally recognize gain or loss in an amount equal to the difference between (i) the fair market value, as of the effective time of the merger, of Alliance Data common stock received plus any cash received and (ii) the holder's adjusted tax basis in the shares of Conversant common stock surrendered. Such gain or loss generally will be determined separately with respect to each block of Conversant shares surrendered in the merger, and generally will be long-term capital gain or loss if the holder's holding period for the Conversant common stock surrendered exceeds one year at the effective time of the merger.

We would use the reverse merger structure to avoid the substantial corporate level tax that would result if the merger were to be structured as a forward merger and were to fail to satisfy the requirements for a reorganization under Section 368(a) of the Internal Revenue Code.

The tax consequences to Conversant stockholders of the merger are described in greater detail in the section entitled *Material U.S. Federal Income Tax Consequences*. You are urged to consult with your own tax advisor as to the tax consequences of the merger in your particular circumstances, including the applicability and effect of the alternative minimum tax and any state, local or foreign and other tax laws and of changes in those laws.

Accounting Treatment of the Merger (See page 71)

Each of Alliance Data and Conversant prepares its financial statements in accordance with United States generally accepted accounting principles, or GAAP. The merger will be accounted for using the acquisition method of accounting with Alliance Data treated as the acquirer of Conversant for accounting purposes. This means that the assets, liabilities and commitments of Conversant, the accounting acquiree, are adjusted to their estimated fair value at the acquisition date. Under the acquisition method of accounting, definite-lived intangible assets are amortized over their remaining useful lives. Goodwill and other indefinite-lived intangible assets are tested for impairment at least annually.

Appraisal Rights (See page 73)

Alliance Data stockholders do not have appraisal rights in connection with the merger.

Subject to the closing of the merger, record holders of Conversant common stock who do not vote in favor of the Merger Proposal and otherwise comply fully with the requirements and procedures of Section 262 of the General Corporation Law of the State of Delaware, or the DGCL, are entitled to exercise their rights of appraisal, which generally entitle stockholders to receive a cash payment equal to the fair value of their Conversant common stock exclusive of any element of value arising from the accomplishment or expectation of the merger. Notwithstanding the foregoing, holders of shares of Conversant common stock that choose to make an election with respect to the form of merger consideration they wish to receive will be deemed to waive their rights of appraisal. The full text of

Section 262 of the DGCL is attached as Annex C to this proxy statement/prospectus.

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Regulatory Approvals Required for the Merger (See page 71)

Alliance Data, Conversant and the Merger Subsidiary have each agreed to use reasonable best efforts in order to obtain all regulatory approvals required in order to complete the merger. These approvals include antitrust filings with the U.S. Department of Justice and the U.S. Federal Trade Commission and expiration or termination of the required waiting periods. Alliance Data and Conversant each filed pre-merger notification and report forms with the U.S. antitrust authorities pursuant to the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, or the HSR Act, and, in accordance with the merger agreement, requested early termination of the waiting period, which request for early termination was granted on September 24, 2014. On September 24, 2014, Alliance Data and John Giuliani, Conversant's President and Chief Executive Officer, each filed notifications pursuant to the HSR Act with respect to Mr. Giuliani's receipt of Alliance Data common stock upon closing of the merger and requested early termination of the waiting period, which early termination was granted on October 3, 2014.

Alliance Data and Conversant were also required to file with the antitrust regulators in Germany. The companies submitted their notification to the Federal Cartel Office, or the FCO, in Germany on September 29, 2014. The FCO gave its authorization for the merger on October 15, 2014.

Conditions to Closing of the Merger (See page 92)

Alliance Data and Conversant expect to complete the merger after all the conditions to the merger in the merger agreement are satisfied or waived, including receipt of the requisite stockholder approval at the Conversant special meeting and all required regulatory approvals. Alliance Data and Conversant currently expect to complete the merger in the fourth quarter of 2014. However, it is possible that factors outside of the parties' control could require that the merger be completed at a later time or not completed at all.

The obligation of each party to complete the merger is subject to the satisfaction or waiver of several conditions set forth in the merger agreement, which are summarized below:

Conversant stockholders shall have approved the Merger Proposal;

no injunction by any court or other tribunal of competent jurisdiction has been entered and continues to be in effect and no law has been adopted or is effective, in either case that prohibits or makes illegal the closing of the merger;

the registration statement of which this proxy statement/prospectus forms a part shall have been declared effective under the Securities Act and no stop order suspending the effectiveness of such registration statement shall have been issued (and not withdrawn) by the SEC and no proceedings for that purpose shall have been initiated or threatened in writing (and not withdrawn) by the SEC;

the shares of Alliance Data common stock to be issued in the merger shall have been approved for listing on the NYSE, subject to official notice of issuance; and

all waiting periods applicable to the closing of the merger under the HSR Act (which condition was satisfied on October 3, 2014), or any applicable international antitrust filing requirements (which condition was satisfied on October 15, 2014), shall have expired or been terminated.

The obligation of Conversant to complete the merger is subject to the satisfaction or waiver of the following additional conditions:

the representations and warranties of Alliance Data and the Merger Subsidiary shall be true and correct both on and as of September 11, 2014 and at the time of the merger's closing, subject to the materiality standards provided in the merger agreement;

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each of Alliance Data and the Merger Subsidiary shall have performed in all material respects all covenants, obligations and other agreements required by the merger agreement to be performed by it on or prior to the effective time of the merger;

since September 11, 2014, there shall not have been any fact, change, circumstance, occurrence, condition or development that, individually or in the aggregate, has had or would reasonably be expected to have a material adverse effect (as such term is defined in the merger agreement and described in more detail under the heading "The Merger Agreement") on Alliance Data; and

Alliance Data shall have delivered to Conversant a certificate signed by an executive officer certifying to the effect that the foregoing conditions have been satisfied.

The obligation of Alliance Data to complete the merger is subject to the satisfaction or waiver of the following additional conditions:

the representations and warranties of Conversant shall be true and correct both on and as of September 11, 2014 and at the time of the merger's closing, subject to the materiality standards provided in the merger agreement;

Conversant shall have performed in all material respects all covenants, obligations and other agreements required by the merger agreement to be performed by it on or prior to the effective time of the merger;

since September 11, 2014, there shall not have been any fact, change, circumstance, occurrence, condition or development that, individually or in the aggregate, has had or would reasonably be expected to have a material adverse effect (as such term is defined in the merger agreement and described in more detail under the heading "The Merger Agreement") on Conversant; and

Conversant shall have delivered to Alliance Data a certificate signed by its chief executive officer or another senior officer certifying to the effect that the foregoing conditions have been satisfied.

The merger agreement provides that any or all of the additional conditions described above may be waived, in whole or in part, by Alliance Data or Conversant, to the extent legally allowed. Neither Alliance Data nor Conversant currently expects to waive any material condition to the closing of the merger.

Timing of the Merger (See page 83)

The merger is expected to be completed in the fourth quarter of 2014, subject to the satisfaction or waiver of the closing conditions.

No Solicitation of Other Offers; No Change of Board Recommendation (See page 94)

The merger agreement contains no solicitation provisions that, subject to certain exceptions, require Conversant to, and to cause each of its controlled affiliates to, and use its reasonable best efforts to cause each of its and its controlled

affiliates representatives to:

cease and cause to be terminated any discussions or negotiations with any persons (other than Alliance Data and its subsidiaries) that may be ongoing with respect to a company takeover proposal with respect to Conversant or any of its subsidiaries from any person other than Alliance Data and its subsidiaries, or a Company Takeover Proposal, and which is described in more detail under the heading The Merger Agreement No Solicitation Provisions; or

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not, directly or indirectly, (1) solicit, initiate, knowingly encourage or knowingly facilitate any inquiries regarding, or the making of any proposal that could reasonably be expected to lead to, a Company Takeover Proposal, (2) engage in, continue or otherwise participate in any discussions or negotiations regarding a Company Takeover Proposal, (3) approve, recommend or enter into, or propose to approve, recommend or enter into, any agreement (whether written or oral, binding or nonbinding) with respect to a Company Takeover Proposal, (4) take any action to make the provisions of any takeover statute inapplicable to the transactions contemplated by a Company Takeover Proposal, or (5) resolve, propose or agree to do any of the foregoing.

However, prior to the approval of the Merger Proposal by Conversant stockholders, if Conversant receives an unsolicited written Company Takeover Proposal that (i) Conversant's board of directors determines in good faith to be bona fide, (ii) did not result from Conversant's or its representatives breach or violation of, or failure to perform the no solicitation provisions, and (iii) Conversant's board of directors determines in good faith constitutes or could reasonably be expected to lead to a Company Superior Proposal (as such term is defined in the merger agreement and described in more detail under the heading "The Merger Agreement") and that the failure to take such action would be inconsistent with the directors' fiduciary duties under applicable law, then Conversant and its representatives may:

furnish, pursuant to and in accordance with a confidentiality agreement in substantially the same form as the confidentiality agreement entered into between Alliance Data and Conversant, information with respect to Conversant and its subsidiaries to the person who made such Company Takeover Proposal;

engage in discussions or negotiations regarding the Company Takeover Proposal; and

grant a waiver or release to any person subject to a standstill agreement with Conversant to submit such a Company Takeover Proposal to Conversant's board of directors.

Termination of the Merger Agreement (See page 97)

Either Alliance Data or Conversant may terminate the merger agreement at any time prior to the effective time of the merger if:

the parties mutually agree in writing;

the merger is not consummated by March 31, 2015;

a governmental entity of competent jurisdiction issues a final and nonappealable order permanently restraining, enjoining or otherwise prohibiting the closing of the merger; or

the requisite vote of Conversant stockholders in favor of the Merger Proposal is not obtained after the special meeting of Conversant stockholders (as it may be adjourned or postponed) has concluded.

Alliance Data may terminate the merger agreement if:

(i) Conversant shall have failed to include its recommendation in favor of the Merger Proposal in this proxy statement/prospectus distributed to its stockholders, (ii) Conversant shall have approved, adopted or recommended to Conversant stockholders a Company Takeover Proposal, which is referred to herein as a Company Adverse Recommendation Change, (iii) a tender offer or exchange offer that constitutes a Company Takeover Proposal shall have been commenced by a person unaffiliated with Alliance Data and Conversant has not published, sent or given to its stockholders within ten business days a statement affirming its recommendation in favor of the Merger Proposal, (iv) Conversant or any of its representatives has materially breached or violated its covenants, obligations or agreements related to non-solicitation and requirements regarding this proxy statement/prospectus and calling of the special meeting of Conversant stockholders; or

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Conversant has breached, violated or failed to perform any of its respective representations, warranties, covenants, obligations or other agreements (i) if such breach, violation or failure occurred or was continuing to occur at the time immediately prior to the closing of the merger and would result in a failure of a closing condition and (ii) which is either non-curable or is not cured by the earlier of March 31, 2015 and the date that is thirty days following written notice from Alliance Data to Conversant describing such breach, violation or failure in reasonable detail.

Conversant may terminate the merger agreement if:

Alliance Data or the Merger Subsidiary has breached, violated or failed to perform any of their respective representations, warranties, covenants, obligations or other agreements (i) if such breach, violation or failure occurred or was continuing to occur at the time immediately prior to the closing of the merger and would result in a failure of a closing condition and (ii) which is either non-curable or is not cured by the earlier of March 31, 2015 and the date that is thirty days following written notice from Conversant to Alliance Data describing such breach, violation or failure in reasonable detail; or

Conversant receives a Company Superior Proposal and follows the steps required to terminate the merger agreement described under The Merger Agreement Board Recommendation Change in Recommendation or Termination of the Merger Agreement for a Company Superior Proposal.

Termination Fee (See page 98)

In the merger agreement, Conversant has agreed to pay Alliance Data a termination fee equal to \$65.0 million if the merger agreement is terminated:

by Conversant if Conversant receives a Company Superior Proposal and follows the steps required to terminate the merger agreement described under The Merger Agreement Board Recommendation Change in Recommendation or Termination of the Merger Agreement for a Company Superior Proposal ;

by Alliance Data if (i) Conversant shall have failed to include its recommendation in favor of the Merger Proposal in this proxy statement/prospectus distributed to its stockholders, (ii) Conversant shall have effected a Company Adverse Recommendation Change, (iii) a tender offer or exchange offer that constitutes a Company Takeover Proposal shall have been commenced by a person unaffiliated with Alliance Data and Conversant shall not have published, sent or given to its stockholders within ten business days a statement affirming its recommendation in favor of the Merger Proposal or (iv) Conversant or its representatives shall have materially breached or violated its covenants, obligations or agreements related to non-solicitation and requirements regarding this proxy statement/prospectus and calling of the special meeting of Conversant stockholders; or

after the occurrence of a Pre-Termination Takeover Proposal Event (as such term is defined in the merger agreement and described in more detail under the heading The Merger Agreement), if either Alliance Data or Conversant terminate for any of the following reasons and at any time on or prior to the twelve month anniversary of termination, and Conversant enters into a definitive agreement with respect to or

consummates any transaction that constitutes a Company Takeover Proposal:

if the merger has not been consummated by March 31, 2015;

the requisite vote of Conversant stockholders in favor of the Merger Proposal shall not have been obtained after the special meeting of Conversant stockholders (as it may be adjourned or postponed) has concluded; or

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if Conversant has breached, violated or failed to perform any of its respective representations, warranties, covenants, obligations or other agreements (i) if such breach, violation or failure occurred or was continuing to occur at the time immediately prior to the closing of the merger and would result in a failure of a closing condition and (ii) which is either non-curable or is not cured by the earlier of March 31, 2015 and the date that is thirty days following written notice from Alliance Data to Conversant describing such breach, violation or failure in reasonable detail.

This termination fee could discourage other companies from seeking to acquire or merge with Conversant.

Listing of Alliance Data Common Stock; Delisting and Deregistration of Conversant Common Stock (See page 76)

Prior to the closing of the merger, Alliance Data has agreed to use its reasonable best efforts to cause the shares of Alliance Data common stock to be issued in the merger to be approved for listing on the NYSE. This approval is a condition to both Conversant's and Alliance Data's obligation to complete the merger. If the merger is completed, Conversant common stock will cease to be listed on The NASDAQ Global Select Market, and its shares will be deregistered under the Exchange Act.

Comparison of Stockholders' Rights (See page 122)

Conversant stockholders, whose rights are currently governed by Conversant's second amended and restated certificate of incorporation and Conversant's amended and restated bylaws, will become stockholders of Alliance Data and their rights will be governed by the second amended and restated certificate of incorporation of Alliance Data and the fourth amended and restated bylaws of Alliance Data. These differences are described in detail under Comparison of Stockholders' Rights.

Dividends (See page 27)

Under the terms of the merger agreement, each of Alliance Data and Conversant is prohibited from paying dividends on its common stock and from repurchasing shares of its common stock during the pendency of the merger.

Litigation Related to the Merger (See page 76)

On September 12, 2014, a putative stockholder class action complaint, captioned *Palkon v. Conversant, Inc., et al.*, No. 56-2014-00457860-CU-BT-VTA (Superior Court, Ventura County), was filed against Conversant, Conversant's directors, Alliance Data and the Merger Subsidiary in the Superior Court of the State of California in Ventura County. On October 7, 2014, the plaintiff in the *Palkon* action filed a request for voluntary dismissal. The court issued an order granting the request and dismissing the action on October 21, 2014. Additionally, on September 16, 2014, a second putative stockholder class action complaint, captioned *Leinoff v. Conversant, Inc., et al.*, No. BC-557818 (Superior Court, Los Angeles County), was filed against Conversant, Conversant's directors, Alliance Data and the Merger Subsidiary in the Superior Court of the State of California in Los Angeles County. An amended complaint was filed in *Leinoff* on October 21, 2014. On September 19, 2014, a third putative stockholder class action complaint, captioned *Blaze v. Conversant, Inc., et al.*, No. BC-558100 (Superior Court, Los Angeles County), was filed against Conversant, Conversant's directors, Alliance Data and the Merger Subsidiary, also in the Superior Court of the State of California in Los Angeles County. The plaintiff in the Los Angeles County *Blaze* action filed a request for voluntary dismissal on October 17, 2014. The court issued an order granting the request and dismissing the action on October 29, 2014. On September 26, 2014, a fourth putative class action stockholder complaint, captioned *Feliciano v. Buzby, et al., C. A. No. 10174-VCN* (Chancery Court, Delaware) was filed against Conversant, Conversant's directors, Alliance Data and the Merger Subsidiary in the Court of Chancery of the State of Delaware. An amended complaint was

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filed in *Feliciano* on October 9, 2014. On September 30, 2014, a fifth putative stockholder class action complaint, captioned *Naclerio v. Conversant, Inc., et al.*, No. BC559187 (Superior Court, Los Angeles County) was filed against Conversant, Conversant's directors, Alliance Data, and the Merger Subsidiary, also in the Superior Court of the State of California in Los Angeles County. On October 3, 2014, a sixth putative stockholder class action complaint, captioned *Hoffman v. Conversant, Inc., et al.*, No. BC559660 (Superior Court, Los Angeles County) was filed against Conversant, Conversant's directors, Alliance Data, and the Merger Subsidiary, also in the Superior Court of the State of California in Los Angeles County. On October 17, 2014, a seventh putative stockholder class action complaint, captioned *Joyce v. Conversant, Inc., et al.*, C.A. No. 10254-VCN (Chancery Court, Delaware), was filed against Conversant, Conversant's directors, Alliance Data, and the Merger Subsidiary in the Court of Chancery of the State of Delaware. On October 22, 2014, the plaintiff in *Joyce* filed a motion to expedite proceedings, including expediting discovery. On October 17, 2014, an eighth putative stockholder class action complaint, captioned *Blaze v. Conversant, Inc. et al.*, C.A. No. 10253-VCN (Chancery Court, Delaware), was filed against Conversant, Conversant's directors, Alliance Data, and the Merger Subsidiary, also in the Court of Chancery of the State of Delaware.

Each lawsuit alleges that members of the Conversant board of directors breached their fiduciary duties in connection with the proposed sale of Conversant to Alliance Data. Each complaint also alleges that Conversant, Alliance Data and the Merger Subsidiary aided and abetted the alleged breach of fiduciary duty. The Delaware complaints and the amended complaint in *Leinoff* also include claims regarding alleged misrepresentations and omissions made in the Conversant's preliminary proxy statement. The complaints seek, among other things, injunctive relief and other equitable relief, in addition to unspecified fees and costs. Conversant, Conversant's directors, Alliance Data and the Merger Subsidiary believe these lawsuits are without merit and intend to defend against each of them vigorously. On October 30, 2014, an order was entered consolidating the Delaware actions into a consolidated action captioned *In re Conversant, Inc. Stockholder Litigation*, C.A. No. 10174-VCN (Chancery Court, Delaware), and appointing Plaintiffs co-lead counsel and liaison counsel for the consolidated action.

The Meeting***The Conversant Special Meeting (See page 102)***

At the Conversant special meeting, Conversant stockholders will be asked to vote on the following proposals:

to adopt the merger agreement;

to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to Conversant's named executive officers in connection with the merger and the agreements and understandings pursuant to which such compensation may be paid or become payable, as described in the section entitled "The Merger - Interests of Directors and Executive Officers of Conversant in the Merger - Golden Parachute Compensation";

to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies in favor of the foregoing proposals if there are insufficient votes at the time of such adjournment to approve such proposals; and

to transact such other business as may properly come before the special meeting or any adjournment or postponement thereof.

Closing of the merger is conditioned on, among other things, the adoption by Conversant stockholders of the merger agreement.

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The board of directors of Conversant unanimously recommends that you vote (1) FOR the proposal to adopt the merger agreement, which is necessary to effect the merger, (2) FOR the proposal to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to Conversant's named executive officers in connection with the merger and the agreements and understandings pursuant to which such compensation may be paid or become payable, and (3) FOR the proposal to adjourn the Conversant special meeting, if necessary or appropriate, to solicit additional proxies in favor of the foregoing proposals.

All Conversant stockholders of record at the close of business on the record date are entitled to vote at the special meeting of Conversant stockholders. As of the close of business on the record date, 66,857,176 shares of Conversant common stock were issued and outstanding.

If a quorum is present, the affirmative vote of a majority of the outstanding shares of Conversant common stock entitled to vote on the proposal at the special meeting is required to adopt the merger agreement. If a quorum is present, the affirmative vote of the holders of a majority of the shares entitled to vote at the special meeting and present in person or by proxy, is required to approve the proposal to approve on an advisory (non-binding) basis the compensation that may be paid or become payable to Conversant's named executive officers in connection with the merger. Whether or not a quorum is present, the affirmative vote of the holders of a majority of the shares entitled to vote at the special meeting and present in person or by proxy is required to adjourn the special meeting.

Voting by Conversant Directors and Executive Officers (See page 103)

Concurrently with the execution of the merger agreement, each of Conversant's directors and executive officers executed a Voting Agreement with Alliance Data that requires, among other things and subject to the terms and conditions and exceptions contained in the Voting Agreement, such Conversant directors and executive officers to (i) vote in favor of (and to grant a proxy to Alliance Data, or one of Alliance Data's designated representatives, to vote in favor of) adoption of the merger agreement, the merger and the other transactions contemplated thereby, (ii) vote against any Company Takeover Proposal (as defined in the merger agreement), or any proposal or transaction involving Conversant or amendments to organizational documents of Conversant that would reasonably be expected to materially impede, interfere with, delay or adversely affect the merger or the other transactions contemplated by the merger agreement or change the voting rights of any class of capital stock of Conversant and (iii) not transfer such directors' or officers' shares of Conversant common stock prior to the earliest to occur of certain events, including the closing of the merger or the termination of the merger agreement, subject to certain permitted transfers to permitted transferees who agree to become bound by the Voting Agreement. As of September 11, 2014, Conversant's directors and executive officers beneficially owned shares of, or securities convertible into or exercisable for, Conversant common stock representing approximately 6.5% of the outstanding shares of Conversant common stock on a fully-diluted basis. As of the record date for the Conversant special meeting, Conversant's directors and executive officers beneficially owned shares of, or securities convertible into or exercisable for, Conversant common stock representing approximately 6.5% of the outstanding shares of Conversant common stock on a fully-diluted basis. A copy of the full text of the Voting Agreement is attached as Annex B to this proxy statement/prospectus.

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The following table sets forth Alliance Data's selected historical consolidated financial and other data for the periods ended and as of the dates indicated. The income statement, cash flow and certain operating data for the fiscal years ended December 31, 2013, 2012 and 2011 and the balance sheet data as of December 31, 2013 and 2012 have been derived from Alliance Data's audited consolidated financial statements incorporated by reference into this proxy statement/prospectus. The income statement, cash flow and certain operating data for the fiscal years ended December 31, 2010 and 2009 and the balance sheet data as of December 31, 2011, 2010 and 2009 have been derived from Alliance Data's audited consolidated financial statements that are not incorporated by reference into this proxy statement/prospectus. The income statement, cash flow and certain operating data for the six months ended June 30, 2014 and 2013 and the balance sheet data as of June 30, 2014 have been derived from Alliance Data's unaudited condensed consolidated financial statements incorporated by reference into this proxy statement/prospectus. The balance sheet data as of June 30, 2013 has been derived from Alliance Data's unaudited condensed consolidated financial statements that are not incorporated by reference into this proxy statement/prospectus. The data presented below should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and the consolidated financial statements and the related notes contained in Alliance Data's most recent Annual Report on Form 10-K and its Quarterly Report on Form 10-Q for the six months ended June 30, 2014, incorporated by reference into this proxy statement/prospectus. See Where You Can Find More Information and Information Incorporated By Reference beginning on page 135 of this proxy statement/prospectus.

	2013	Years Ended December 31,				Six Months Ended June 30,	
		2012	2011	2010	2009 ⁽¹⁾	2014	2013
		(In thousands, except per share amounts)					
Income statement data							
Total revenue	\$ 4,319,063	\$ 3,641,390	\$ 3,173,287	\$ 2,791,421	\$ 1,964,341	\$ 2,498,058	\$ 2,081,529
Cost of operations (exclusive of amortization and depreciation disclosed separately below) ⁽²⁾	2,549,159	2,106,612	1,811,882	1,545,380	1,354,138	1,555,795	1,239,707
Provision for loan loss	345,758	285,479	300,316	387,822		167,234	124,444
General and administrative ⁽²⁾	109,115	108,059	95,256	85,773	99,823	62,329	50,547
Depreciation and other amortization	84,291	73,802	70,427	67,806	62,196	51,485	40,006
Amortization of purchased intangibles	131,828	93,074	82,726				