

ALASKA AIR GROUP, INC.

Form 4

October 21, 2016

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

Check this box
if no longer
subject to
Section 16.
Form 4 or
Form 5
obligations
may continue.
See Instruction
1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF
SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
Section 17(a) of the Public Utility Holding Company Act of 1935 or Section
30(h) of the Investment Company Act of 1940

OMB APPROVAL

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
PEDERSEN BRANDON

2. Issuer Name **and** Ticker or Trading
Symbol
ALASKA AIR GROUP, INC.
[ALK]

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

(Last) (First) (Middle)
19300 INTERNATIONAL BLVD
(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
10/20/2016

____ Director ____ 10% Owner
____ Officer (give title below) ____ Other (specify below)
EXEC VP/FINANCE & CFO

SEATTLE, WA 98188

4. If Amendment, Date Original
Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check
Applicable Line)
X Form filed by One Reporting Person
____ Form filed by More than One Reporting
Person

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
RESTRICTED STOCK UNIT (1)					13,360	D	
COMMON STOCK	10/20/2016		M(2)	2,090 A	\$ 24.4 18,995	D	
COMMON STOCK	10/20/2016		S(2)	2,090 D	\$ 74.44 16,905	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

**Persons who respond to the collection of
information contained in this form are not
required to respond unless the form**

SEC 1474
(9-02)

displays a currently valid OMB control number.

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Security (Instr. 3 and 4)	8. Date of Acquisition or Disposition (Month/Day/Year)	9. Date of Exercise (Month/Day/Year)	10. Date of Expiration (Month/Day/Year)	11. Title	12. Amount or Number of Shares
EMPLOYEE STOCK OPTION (RT TO BUY)	\$ 24.4	10/20/2016		M ⁽²⁾	2,090	02/11/2014 02/11/2023	COMMON STOCK					2,

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
PEDERSEN BRANDON 19300 INTERNATIONAL BLVD SEATTLE, WA 98188	EXEC VP/FINANCE & CFO

Signatures

/S/ JEANNE E. GAMMON, ATTORNEY IN FACT FOR BRANDON S. PEDERSEN

10/21/2016

__Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) STOCK UNITS AWARDED UNDER THE 2008 PERFORMANCE INCENTIVE PLAN; SUBJECT TO FORFEITURE.

(2) SAME-DAY EXERCISE OF OPTIONS AND SALE EFFECTED PURSUANT TO A RULE 10b5-1 TRADING PLAN ADOPTED BY MR. PEDERSEN ON 4/26/2016.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.