

AYER WILLIAM S
Form 4
February 08, 2011

FORM 4

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

OMB APPROVAL

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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

(Print or Type Responses)

1. Name and Address of Reporting Person *
AYER WILLIAM S

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)
C/O ALASKA AIR GROUP
INC, 19300 INTERNATIONAL
BLVD

3. Date of Earliest Transaction
(Month/Day/Year)
02/07/2011

Director 10% Owner
 Officer (give title below) Other (specify below)
CHAIRMAN, PRESIDENT & CEO

(Street)
SEATTLE, WA 98188

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

6. Individual or Joint/Group Filing(Check Applicable Line)
 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 (A) 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)
			Code	V	Amount	(A) or (D)	Price
COMMON STOCK	02/07/2011		A ⁽¹⁾		10,533	A	\$ 0
COMMON STOCK ⁽³⁾	02/07/2011		A ⁽²⁾		6,700	A	\$ 0
COMMON STOCK ⁽³⁾	02/08/2011		F ⁽⁴⁾		4,147	D	\$ 61.94
COMMON STOCK ⁽⁵⁾						I	69
							ESOP TRUST

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

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(9-02)

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)
EMPLOYEE STOCK OPTION (RT TO BUY)	\$ 61.3	02/07/2011		A	12,900	02/07/2012 ⁽⁶⁾ 02/07/2021	COMMON

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
AYER WILLIAM S C/O ALASKA AIR GROUP INC 19300 INTERNATIONAL BLVD SEATTLE, WA 98188	X		CHAIRMAN, PRESIDENT & CEO	

Signatures

JEANNE E. GAMMON, ATTORNEY IN FACT FOR WILLIAM S. AYER
Date: 02/08/2011

__Signature of Reporting Person

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) SHARES ISSUED UPON VESTING OF PERFORMANCE STOCK UNITS GRANTED FEBRUARY 8, 2008 UNDER THE ISSUER'S 2004 LONG-TERM INCENTIVE EQUITY PLAN. VESTING OF THE UNITS WAS DETERMINED BASED ON THE ISSUER'S AVERAGE ADJUSTED PRE-TAX PROFIT MARGIN OVER A THREE-YEAR PERFORMANCE PERIOD.
 - (2) STOCK UNITS GRANTED UNDER THE ALASKA AIR GROUP, INC. PERFORMANCE INCENTIVE PLAN ON FEBRUARY 7, 2011. UNITS WILL CLIFF VEST ON FEBRUARY 7, 2014. AWARD NOT SUBJECT TO FORFEITURE.
 - (3) STOCK UNITS AWARDED UNDER THE 2004 LONG-TERM INCENTIVE EQUITY AND 2008 PERFORMANCE INCENTIVE PLANS; NOT YET VESTED BUT NO LONGER SUBJECT TO FORFEITURE.

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- (4) SHARES WITHHELD BY THE ISSUER TO COVER PAYROLL TAXES UPON VESTING OF STOCK UNITS AND ISSUANCE OF NET SHARES.
- (5) SHARES HELD IN AN ALASKA AIR GROUP, INC. EMPLOYEE STOCK OWNERSHIP 401(K) PLAN TRUST AS OF DECEMBER 31, 2010.
- (6) OPTIONS WILL VEST IN EQUAL INSTALLMENTS OVER FOUR YEARS BEGINNING ON THE FIRST ANNIVERSARY OF THE GRANT DATE.

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.