

AYER WILLIAM S  
Form 4  
May 05, 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

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

SEATTLE, WA 98188

(City) (State) (Zip)

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

3. Date of Earliest Transaction  
(Month/Day/Year)  
05/04/2011

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

\_\_\_\_ Director  
\_\_\_\_ Officer (give title below)  
\_\_\_\_ 10% Owner  
\_\_\_\_ Other (specify below)  
CHAIR, PRESIDENT AND CEO

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

**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	(D)	Price
COMMON STOCK					38,012	D	
COMMON STOCK <sup>(1)</sup>					69	I	ESOP TRUST
RESTRICTED STOCK UNIT <sup>(2)</sup>					85,413	D	
COMMON STOCK	05/04/2011		M <sup>(3)</sup>		26,400	A	\$ 27.49
COMMON STOCK	05/04/2011		S <sup>(5)</sup>		26,400	D	\$ 67

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COMMON STOCK	05/05/2011	M <sup>(6)</sup>	13,200	A	\$ 27.49	51,212	D
COMMON STOCK	05/05/2011	S <sup>(9)</sup>	13,200	D	\$ 68	38,012	D

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)			
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title
EMPLOYEE STOCK OPTION (RT TO BUY)	\$ 27.49	05/04/2011		M <sup>(4)</sup>	26,400	02/08/2009	02/08/2018	COMMON STOCK		
EMPLOYEE STOCK OPTION (RT TO BUY)	\$ 27.49	05/05/2011		M <sup>(7)</sup>	13,200	02/08/2009 <sup>(8)</sup>	02/08/2018	COMMON STOCK		

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
AYER WILLIAM S 19300 INTERNATIONAL BLVD SEATTLE, WA 98188			CHAIR, PRESIDENT AND CEO	

## Signatures

/s/ Jeanne Gammon, Attorney-in-Fact for William S. Ayer

05/05/2011

\_\_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) SHARES HELD IN THE ALASKA AIR GROUP INC. EMPLOYEE STOCK OWNERSHIP 401(K) PLAN TRUST AS OF DECEMBER 31, 2010.
- (2) STOCK UNITS AWARDED UNDER THE 2008 PERFORMANCE INCENTIVE PLAN; NO LONGER SUBJECT TO FORFEITURE.
- (3) SAME-DAY EXERCISE AND SALE OF OPTIONS EFFECTED PURSUANT TO A RULE 10b5-1 TRADING PLAN ADOPTED BY MR. AYER ON 01/26/2011.
- (4) SAME-DAY EXERCISE AND SALE OF OPTIONS EFFECTED PURSUANT TO A RULE 10b5-1 TRADING PLAN ADOPTED BY MR. AYER ON 01/26/2011.
- (5) SAME-DAY EXERCISE AND SALE OF OPTIONS EFFECTED PURSUANT TO A RULE 10b5-1 TRADING PLAN ADOPTED BY MR. AYER ON 01/26/2011.
- (6) SAME-DAY EXERCISE AND SALE OF OPTIONS EFFECTED PURSUANT TO A RULE 10b5-1 TRADING PLAN ADOPTED BY MR. AYER ON 01/26/2011.
- (7) SAME-DAY EXERCISE AND SALE OF OPTIONS EFFECTED PURSUANT TO A RULE 10b5-1 TRADING PLAN ADOPTED BY MR. AYER ON 01/26/2011.
- (8) OPTIONS VEST IN FOUR ANNUAL EQUAL INSTALLMENTS; REMAINING 13200 OPTIONS WILL VEST ON 02/08/12.
- (9) SAME-DAY EXERCISE AND SALE OF OPTIONS EFFECTED PURSUANT TO A RULE 10b5-1 TRADING PLAN ADOPTED BY MR. AYER ON 01/26/2011.

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

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