

SCHAEFER JOHN F JR  
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 \*  
SCHAEFER JOHN F JR

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  
(Street)

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

\_\_\_\_ Director  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
VP/FINANCE AND TREASURER

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  | (D)  | Price   |
| COMMON STOCK                    | 02/07/2011                           |  | A <sup>(1)</sup>               |   | 584   | A  | \$ 0  |
| COMMON STOCK <sup>(2)</sup>     | 02/07/2011                           |  | A <sup>(3)</sup>               |   | 1,080   | A  | \$ 0  |
| COMMON STOCK <sup>(2)</sup>     | 02/08/2011                           |  | F <sup>(4)</sup>               |   | 413   | D  | \$ 61.94  |

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**

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(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 Securities (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| EMPLOYEE STOCK OPTION (RT TO BUY)          | \$ 61.3  | 02/07/2011                           |  | A                              | 2,050   | 02/07/2012 02/07/2021                                    | COMMON 2,   |

## Reporting Owners

| Reporting Owner Name / Address  | Relationships |           |                          |       |
|---|---------------|-----------|--------------------------|-------|
|   | Director      | 10% Owner | Officer                  | Other |
| SCHAEFER JOHN F JR<br>C/O ALASKA AIR GROUP INC<br>19300 INTERNATIONAL BLVD<br>SEATTLE, WA 98188 |               |           | VP/FINANCE AND TREASURER |       |

## Signatures

JEANNE E. GAMMON, ATTORNEY IN FACT FOR JOHN F. SCHAEFER, JR.

02/08/2011

\_\_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 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 AWARDED UNDER THE 2004 LONG-TERM INCENTIVE EQUITY AND 2008 PERFORMANCE INCENTIVE PLANS; SUBJECT TO FORFEITURE.
  - (3) STOCK UNITS GRANTED UNDER THE ALASKA AIR GROUP, INC. 2008 PERFORMANCE INCENTIVE PLAN ON FEBRUARY 7, 2011. UNITS WILL CLIFF VEST ON FEBRUARY 7, 2014; SUBJECT TO FORFEITURE.
  - (4)

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SHARES WITHHELD BY THE ISSUER TO COVER PAYROLL TAXES DUE UPON VESTING OF UNITS AND AND ISSUANCE OF NET SHARES.

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.