

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

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

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL	
OMB Number:	3235-0287
Estimated average burden hours per response:	0.5

1. Name and Address of Reporting Person* <u>Barlow Kelly J</u> <hr/> (Last) (First) (Middle) <u>ONE LETTERMAN DRIVE</u> <u>BUILDING D, 4TH FLOOR</u> <hr/> (Street) <u>SAN FRANCISCO CA 94129</u> <hr/> (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>ALLIANCE DATA SYSTEMS CORP [ ADS ]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director <input checked="" type="checkbox"/> 10% Owner Officer (give title below) <input checked="" type="checkbox"/> Other (specify below) See Remarks
	3. Date of Earliest Transaction (Month/Day/Year) <u>06/25/2018</u>	
		6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> 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	(A) or (D)	Price			
Common Stock	06/25/2018		A <sup>(1)</sup>		655	A	(1)	1,219 <sup>(2)</sup>	D <sup>(3)(4)</sup>	
Common Stock								6,082,646	I	See Footnotes <sup>(4)(5)</sup>

**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 Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date					

1. Name and Address of Reporting Person\*  
Barlow Kelly J  


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 (Last) (First) (Middle)  
ONE LETTERMAN DRIVE  
BUILDING D, 4TH FLOOR  


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 (Street)  
SAN FRANCISCO CA 94129  


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 (City) (State) (Zip)

1. Name and Address of Reporting Person\*  
ValueAct Holdings, L.P.  


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 (Last) (First) (Middle)  
ONE LETTERMAN DRIVE  
BUILDING D, 4TH FLOOR  


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 (Street)  
SAN FRANCISCO CA 94129  


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 (City) (State) (Zip)

1. Name and Address of Reporting Person\*  
ValueAct Capital Master Fund, L.P.

(Last) (First) (Middle)  
 ONE LETTERMAN DRIVE  
 BUILDING D, 4TH FLOOR

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(Street)  
 SAN FRANCISCO CA 94129

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(City) (State) (Zip)

1. Name and Address of Reporting Person\*  
[VA Partners I, LLC](#)

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(Last) (First) (Middle)  
 ONE LETTERMAN DRIVE  
 BUILDING D, 4TH FLOOR

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(Street)  
 SAN FRANCISCO CA 94129

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(City) (State) (Zip)

1. Name and Address of Reporting Person\*  
[ValueAct Capital Management, L.P.](#)

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(Last) (First) (Middle)  
 ONE LETTERMAN DRIVE  
 BUILDING D, 4TH FLOOR

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(Street)  
 SAN FRANCISCO CA 94129

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(City) (State) (Zip)

1. Name and Address of Reporting Person\*  
[ValueAct Capital Management, LLC](#)

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 ONE LETTERMAN DRIVE  
 BUILDING D, 4TH FLOOR

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(Street)  
 SAN FRANCISCO CA 94129

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(City) (State) (Zip)

1. Name and Address of Reporting Person\*  
[ValueAct Holdings GP, LLC](#)

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 SAN FRANCISCO CA 94129

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(City) (State) (Zip)

**Explanation of Responses:**

- The new grant is for 655 shares of common stock represented by restricted stock units. The restrictions on 100% of the shares will lapse on the earlier of (i) 6/24/28 or (ii) termination of the director's service on the Company's board of directors, but in any case not earlier than June 24, 2019.
- The total amount of securities beneficially owned includes: (a) 564 unvested restricted stock units granted 6/26/17; and (b) the new grant for 655 restricted stock units.
- The ValueAct entities referred to in this footnote 3 are collectively referred to herein as "ValueAct Capital." Under an agreement with ValueAct Capital, Kelly J. Barlow is deemed to hold the common stock for the benefit of the limited partners of ValueAct Capital Master Fund, L.P. and indirectly for (i) VA Partners I, LLC as General Partner of ValueAct Capital Master Fund, L.P., (ii) ValueAct Capital Management, L.P. as the manager of ValueAct Capital Master Fund, L.P., (iii) ValueAct Capital Management, LLC as General Partner of ValueAct Capital Management, L.P., (iv) ValueAct Holdings, L.P. as the sole owner of the limited partnership interests of ValueAct Capital Management, L.P. and the membership interests of ValueAct Capital Management, LLC and as the majority owner of the membership interests of VA Partners I, LLC and (v) ValueAct Holdings GP, LLC as General Partner of ValueAct Holdings, L.P.
- Each reporting person listed herein disclaims beneficial ownership of the reported securities except to the extent of its pecuniary interest therein, and this report shall not be deemed an admission that such person is the beneficial owner of the securities for purposes of Section 16 of the Securities Exchange Act of 1934, as amended, or for any other purpose.
- The securities reported herein are directly beneficially owned by ValueAct Capital Master Fund, L.P. and may be deemed to be indirectly beneficially owned by (i) VA Partners I, LLC as General Partner of ValueAct Capital Master Fund, L.P., (ii) ValueAct Capital Management, L.P. as the manager of ValueAct Capital Master Fund, L.P., (iii) ValueAct Capital Management, LLC as General Partner of ValueAct Capital Management, L.P., (iv) ValueAct Holdings, L.P. as the sole owner of the limited partnership interests of ValueAct Capital Management, L.P. and the membership interests of ValueAct Capital Management, LLC and as the majority owner of the membership interests of VA Partners I, LLC and (v) ValueAct Holdings GP, LLC as General Partner of ValueAct Holdings, L.P.

**Remarks:**

-The reporting persons herein may be deemed to be members of a "group" for purposes of the Securities Exchange Act of 1934, as amended. Each reporting person disclaims beneficial ownership of any

securities deemed to be owned by the group that are not directly owned by such reporting person. This report shall not be deemed an admission that such reporting person is a member of a group or the beneficial owner of any securities not directly owned by such reporting person. - Kelly J. Barlow, a Partner at ValueAct Capital, serves on the board of directors of the Issuer. As a result, the other reporting persons herein may be deemed directors by deputization.

/s/ Kelly J. Barlow 06/27/2018

VALUEACT HOLDINGS,  
L.P., By: VALUEACT  
HOLDINGS GP, LLC, its 06/27/2018  
General Partner, By: /s/  
Bradley E. Singer, Chief  
Operating Officer

VALUEACT CAPITAL  
MASTER FUND, L.P., By: VA  
PARTNERS I, LLC, its 06/27/2018  
General Partner, By: /s/  
Bradley E. Singer, Chief  
Operating Officer

VA PARTNERS I, LLC, By: /s/  
Bradley E. Singer, Chief 06/27/2018  
Operating Officer

VALUEACT CAPITAL  
MANAGEMENT, L.P., By:  
VALUEACT CAPITAL  
MANAGEMENT, LLC, its 06/27/2018  
General Partner, By: /s/  
Bradley E. Singer, Chief  
Operating Officer

VALUEACT CAPITAL  
MANAGEMENT, LLC, By: /s/ 06/27/2018  
Bradley E. Singer, Chief  
Operating Officer

VALUEACT HOLDINGS GP,  
LLC, By: /s/ Bradley E. Singer, 06/27/2018  
Chief Operating Officer

\*\* Signature of Reporting Person      Date

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

\* 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).

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

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.**