

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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).

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

1. Name and Address of Reporting Person* <u>Barlow Kelly J</u> _____ (Last) (First) (Middle) <u>ONE LETTERMAN DRIVE</u> <u>BUILDING D, 4TH FLOOR</u> _____ (Street) <u>SAN FRANCISCO CA 94129</u> _____ (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 10% Owner Officer (give title below) <input checked="" type="checkbox"/> Other (specify below) See Remarks
	3. Date of Earliest Transaction (Month/Day/Year) <u>06/24/2019</u>	
4. If Amendment, Date of Original Filed (Month/Day/Year)		

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	06/24/2019		A ⁽¹⁾		959	A	(1)	2,178 ⁽²⁾	D ⁽³⁾⁽⁴⁾	
Common Stock								3,707,646	I	See Footnotes ⁽⁴⁾⁽⁵⁾

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					
Series A Non-Voting Convertible Preferred Stock	(6)							(7)	(8)	Common Stock 1,500,000		150,000	I	See Footnotes ⁽⁴⁾⁽⁵⁾

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

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

 (Street)
SAN FRANCISCO CA 94129

 (City) (State) (Zip)

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

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

 (Street)
SAN FRANCISCO CA 94129

 (City) (State) (Zip)

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

 (Last) (First) (Middle)

(Last) (First) (Middle)

ONE LETTERMAN DRIVE
BUILDING D, FOURTH FLOOR

(Street)
SAN FRANCISCO CA 94129

(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

(Street)
SAN FRANCISCO CA 94129

(City) (State) (Zip)

1. Name and Address of Reporting Person*

[VA Partners I, LLC](#)

(Last) (First) (Middle)

ONE LETTERMAN DRIVE
BUILDING D, 4TH FLOOR

(Street)
SAN FRANCISCO CA 94129

(City) (State) (Zip)

1. Name and Address of Reporting Person*

[ValueAct Capital Management, L.P.](#)

(Last) (First) (Middle)

ONE LETTERMAN DRIVE
BUILDING D, 4TH FLOOR

(Street)
SAN FRANCISCO CA 94129

(City) (State) (Zip)

1. Name and Address of Reporting Person*

[ValueAct Capital Management, LLC](#)

(Last) (First) (Middle)

ONE LETTERMAN DRIVE
BUILDING D, 4TH FLOOR

(Street)
SAN FRANCISCO CA 94129

(City) (State) (Zip)

1. Name and Address of Reporting Person*

[ValueAct Holdings GP, LLC](#)

(Last) (First) (Middle)

ONE LETTERMAN DRIVE
BUILDING D, 4TH FLOOR

(Street)
SAN FRANCISCO CA 94129

(City) (State) (Zip)

Explanation of Responses:

1. The new grant is for 959 shares of common stock represented by restricted stock units. The restrictions on 100% of the shares will lapse on the earlier of (i) 6/23/29 or (ii) termination of the director's service on the Company's board of directors, but in any case not earlier than June 23, 2020.

2. The total amount of securities beneficially owned includes: (a) 564 unvested restricted stock units granted 6/26/17; (b) 655 unvested restricted stock units granted 6/25/18; and (c) the new grant for 959 restricted stock units.

3. 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 majority owner of the membership interests of VA Partners I, LLC, (v) ValueAct Holdings II, L.P. as the sole owner of the membership interests of ValueAct Capital Management, LLC and as the majority owner of the limited partnership interests of ValueAct Capital Management, L.P., and (vi) ValueAct Holdings GP, LLC as General Partner of ValueAct Holdings, L.P. and ValueAct Holdings II, L.P.

4. 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.

5. The securities reported herein are held 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 majority owner of the membership interests of VA Partners I, LLC, (v) ValueAct Holdings II, L.P. as the sole owner of the membership interests of ValueAct Capital Management, LLC and as the majority owner of the limited partnership interests of ValueAct Capital Management, L.P., and (vi) ValueAct Holdings GP, LLC as General Partner of ValueAct Holdings, L.P. and ValueAct Holdings II, L.P.

6. The Non-voting Preferred Stock is convertible into shares of Common Stock on a ten-for-one basis.

7. The Non-voting Preferred Stock is convertible into shares of Common Stock immediately upon issuance.

8. The conversion of the Non-voting Preferred Stock has no expiration date.

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 06/26/2019

VALUEACT HOLDINGS, L.P.,

By: VALUEACT HOLDINGS

GP, LLC, its General Partner,

06/26/2019

By: /s/ Bradley E. Singer, Chief

Operating Officer

VALUEACT HOLDINGS II,

L.P., By: VALUEACT

HOLDINGS GP, LLC, its

06/26/2019

General Partner, By: /s/ Bradley

E. Singer, Chief Operating

Officer

VALUEACT CAPITAL

MASTER FUND, L.P., By: VA

PARTNERS I, LLC, its General

06/26/2019

Partner, By: /s/ Bradley E.

Singer, Chief Operating Officer

VA PARTNERS I, LLC, By: /s/

Bradley E. Singer, Chief

06/26/2019

Operating Officer

VALUEACT CAPITAL

MANAGEMENT, L.P., By:

VALUEACT CAPITAL

06/26/2019

MANAGEMENT, LLC, its

General Partner, By: /s/ Bradley

E. Singer, Chief Operating

Officer

VALUEACT CAPITAL

MANAGEMENT, LLC, By: /s/

06/26/2019

Bradley E. Singer, Chief

Operating Officer

VALUEACT HOLDINGS GP,

LLC, By: /s/ Bradley E. Singer,

06/26/2019

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.