

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 | |
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|--|--|---|
| 1. Name and Address of Reporting Person* <u>HORN CHARLES L</u> (Last) (First) (Middle) 7500 DALLAS PARKWAY, SUITE 700 (Street) PLANO TX 75024 (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) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>EVP & Chief Financial Officer</u> |
| | 3. Date of Earliest Transaction (Month/Day/Year) 07/24/2018 | |
| | | 6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> 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 | (A) or (D) | Price | | | |
| Common Stock | 07/24/2018 | | S | | 3,431 | D | \$231.249 ⁽¹⁾ | 28,688 | D | |
| Common Stock | 07/24/2018 | | S | | 7,286 | D | \$232.16 ⁽²⁾ | 21,402 | D | |
| Common Stock | 07/24/2018 | | S | | 2,234 | D | \$233.13 ⁽³⁾ | 19,168 | D | |
| Common Stock | 07/24/2018 | | S | | 1,500 | D | \$234.266 ⁽⁴⁾ | 17,668 | D | |
| Common Stock | 07/24/2018 | | S | | 1,584 | D | \$235.005 ⁽⁵⁾ | 16,084 ⁽⁶⁾⁽⁷⁾ | D | |

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) | | | | | |

Explanation of Responses:

- The price reported in Column 4 is a weighted average price. These shares were sold in multiple transactions at prices ranging from \$230.66 to \$231.64, inclusive. The reporting person undertakes to provide to Alliance Data Systems Corporation, any security holder of Alliance Data Systems Corporation, or the staff of the Securities and Exchange Commission, upon request, full information regarding the number of shares sold at each separate price within the ranges set forth in footnotes (1), (2), (3), (4) and (5) to this Form 4.
- The price reported in Column 4 is a weighted average price. These shares were sold in multiple transactions at prices ranging from \$231.67 to \$232.66, inclusive.
- The price reported in Column 4 is a weighted average price. These shares were sold in multiple transactions at prices ranging from \$232.71 to \$233.66, inclusive.
- The price reported in Column 4 is a weighted average price. These shares were sold in multiple transactions at prices ranging from \$233.75 to \$234.72, inclusive.
- The price reported in Column 4 is a weighted average price. These shares were sold in multiple transactions at prices ranging from \$234.77 to \$235.24, inclusive.
- Assuming a 100% threshold achievement level is reached with respect to all performance-based restricted stock unit awards whose performance will be determined in early 2019, the reporting person will, subject to the discretion of the Compensation Committee of the Board of Directors of the Company, vest an aggregate of 8,601 restricted stock units from the list in footnote (7) below in February 2019.
- The total number of securities beneficially owned includes: (a) 486 unvested units from an award of 1,434 time-based restricted stock units granted 2/16/16; (b) 868 unvested units from an award of 2,553 performance-based restricted stock units granted 2/16/16; (c) 1,068 unvested units from an award of 1,593 time-based restricted stock units granted 2/15/17; (d) 1,488 unvested units from an award of 2,221 performance-based restricted stock units granted 2/15/17; (e) 3,186 unvested performance-based restricted stock units granted 2/15/17; (f) 1,276 unvested units from an award of 2,553 performance-based restricted stock units granted 2/15/17; (g) 1,542 unvested time-based restricted stock units granted 2/15/18; (h) 3,085 unvested performance-based restricted stock units granted 2/15/18; and (i) 3,085 unvested performance-based restricted stock units granted 2/15/18.

Remarks:

Cynthia L. Hageman, Attorney 07/26/2018
in Fact

** 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.