

OMB APPROVAL	
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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

1. Name and Address of Reporting Person* <u>Kennedy Bryan J</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 & President, Epsilon</u>
	3. Date of Earliest Transaction (Month/Day/Year) 02/15/2018	
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	02/15/2018		A ⁽¹⁾		1,806	A	(1)	119,493.177	D	
Common Stock	02/15/2018		A ⁽²⁾		3,615	A	(2)	123,108.177	D	
Common Stock	02/15/2018		A ⁽³⁾		3,615	A	(3)	126,723.177	D	
Common Stock	02/15/2018		A ⁽⁴⁾		1,051	A	(4)	127,774.177	D	
Common Stock	02/15/2018		F ⁽⁵⁾		1,082	D	\$243.99	125,524.177 ⁽⁶⁾⁽⁷⁾	D	
Common Stock								600	I	By Norma Kay Kennedy Living Trust ⁽⁸⁾

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					

Explanation of Responses:

- The new grant is for 1,806 shares of common stock represented by time-based restricted stock units. The restrictions will lapse on 595 units on 2/15/19, on 596 units on 2/18/20 and on 615 units on 2/16/21, subject to continued employment by the Reporting Person on the vesting dates.
- The new grant is for 3,615 shares of common stock represented by performance-based restricted stock units, which may be adjusted up or down at the time the performance restriction lapses. The restriction may lapse with respect to 33% of such shares on each of 2/15/19 and 2/18/20 and with respect to 34% of such shares on 2/16/21 contingent on meeting an EBT metric for 2018 and subject to continued employment by the Reporting Person on the vesting dates.
- The new grant is for 3,615 shares of common stock represented by performance-based restricted stock units, which may be adjusted up or down at the time the performance restriction lapses. The restriction may lapse with respect to 100% of such shares on 2/18/20 contingent on meeting a relative total shareholder return metric for 2018 and 2019 and subject to continued employment by the Reporting Person on the vesting dates.
- Based on the Company's EBT performance in 2017, 150% of the original award of 2,102 performance-based restricted stock units granted 2/15/17 were earned, resulting in an additional 1,051 units, for a total of 3,153 units. The restrictions will lapse with respect to 1,576 units on 2/15/19, subject to continued employment by the Reporting Person on the remaining vesting dates.
- Shares withheld by the Company to satisfy the Reporting Person's tax withholding obligation upon the vesting of restricted stock units.
- The total number of securities beneficially owned includes: (a) 102,296.177 unrestricted shares; (b) 475 unvested units from an award of 1,396 time-based restricted stock units granted 2/17/15; (c) 1,899 unvested units from an award of 5,584 performance-based restricted stock units granted 2/17/15; (d) 1,185 unvested units from an award of 1,769 time-based restricted stock units granted 2/16/16; (e) 2,111 unvested units from an award of 3,151 performance-based restricted stock units granted 2/16/16; (f) 1,291 unvested units from an award of 1,926 time-based restricted stock units granted 2/15/17; (g) 1,800 unvested units from an award of 2,687 performance-based restricted stock units granted 2/15/17; (h) 3,855 unvested performance-based restricted stock units granted 2/15/17; (i) 1,576 unvested units from an award of 3,153 performance-based restricted stock units granted 2/15/17; (j) the new grant for 1,806 time-based restricted stock units;
- Based on the Company's EBT performance in 2017, 69.7% of the original award of 3,855 performance-based restricted stock units granted 2/15/17, or 2,687 units, were earned. The restrictions will lapse with respect to 887 units on 2/15/19 and with respect to 913 units on 2/18/20, subject to continued employment by the Reporting Person on the remaining vesting dates.
- The shares are held in the Norma Kay Kennedy Living Trust for the benefit of the Reporting Person's mother. The Reporting Person serves as trustee.

Remarks:

(6) Continued from above: (k) the new grant for 3,615 performance-based restricted stock units; and (l) the new grant for 3,615 performance-based restricted stock units.

Cynthia L. Hageman, Attorney 02/20/2018
in Fact

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.

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