

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>HEFFERNAN EDWARD 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) <input checked="" type="checkbox"/> Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>President and CEO</u>
	3. Date of Earliest Transaction (Month/Day/Year) <u>02/15/2017</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	02/15/2017		A ⁽¹⁾		5,578	A	(1)	235,856	D	
Common Stock	02/15/2017		A ⁽²⁾		11,155	A	(2)	247,011	D	
Common Stock	02/15/2017		A ⁽³⁾		11,155	A	(3)	258,166	D	
Common Stock	02/15/2017		A ⁽⁴⁾		5,964	A	(4)	264,130	D	
Common Stock	02/16/2017		F ⁽⁵⁾		1,935	D	\$230.95	251,038 ⁽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)	Date Exercisable	Expiration Date					

Explanation of Responses:

- The new grant is for 5,578 shares of common stock represented by time-based restricted stock units. The restrictions will lapse on 1,840 units on 2/15/18, on 1,841 units on 2/15/19 and on 1,897 units on 2/18/20, subject to continued employment by the Reporting Person on the vesting dates.
- The new grant is for 11,155 shares of common stock represented by performance-based restricted stock units, which may be adjusted up or down upon assessment of the EBT performance metric for 2017. Following any such adjustment, restrictions will lapse with respect to 33% of such shares on each of 2/15/18 and 2/15/19 and with respect to 34% of such shares on 2/18/20, subject to continued employment by the Reporting Person on the vesting dates.
- The new grant is for 11,155 shares of common stock represented by performance-based restricted stock units, which may be adjusted up or down upon assessment of the relative Total Shareholder Return performance metric for 2017-2018. Following any such adjustment, restrictions will lapse with respect to 100% of such shares on 2/15/19, subject to continued employment by the Reporting Person on the vesting date.
- The new grant is for 5,964 shares of common stock represented by performance-based restricted stock units, which may be adjusted up or down upon assessment of the core earnings per share performance metric for 2017. Following any such adjustment, restrictions will lapse with respect to 50% of such shares on each of 2/15/18 and 2/15/19, subject to continued employment by the Reporting Person on the 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) 186,856 unrestricted shares; (b) 1,276 unvested units from an award of 3,751 time-based restricted stock units granted 2/18/14; (c) 6,914 unvested units from an award of 20,333 performance-based restricted stock units granted 2/18/14; (d) 2,556 unvested units from an award of 3,814 time-based restricted stock units granted 2/17/15; (e) 10,223 unvested units from an award of 15,257 performance-based restricted stock units granted 2/17/15; (f) 3,367 unvested units from an award of 5,026 time-based restricted stock units granted 2/16/16; (g) 5,994 unvested units from an award of 8,947 performance-based restricted stock units granted 2/16/16; (h) the new grant for 5,578 time-based restricted stock units; (i) the new grant for 11,155 performance-based restricted stock units; (j) the new grant for 11,155 performance-based restricted stock units; and (k) the new grant for 5,964 performance-based restricted stock units.
- The compensation committee's assessment of EBT performance for 2016 resulted in 89% payout; however, the board of directors exercised its discretion to reduce the amount earned to 44.5% of the original award of 20,104 performance-based restricted stock units granted 2/16/16, or 8,947 units. The restrictions will lapse with respect to 2,953 units on 2/16/18 and with respect to 3,041 units on 2/19/19, subject to continued employment by the Reporting Person on the remaining vesting dates.

Remarks:

Cynthia L. Hageman, Attorney 02/17/2017
in Fax

** 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.

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