

INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

OMB APPROVAL	
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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>ValueAct Holdings, L.P.</u> <hr/> (Last) (First) (Middle) ONE LETTERMAN DRIVE BUILDING D, 4TH FLOOR <hr/> (Street) SAN FRANCISCO CA 94129 <hr/> (City) (State) (Zip)	2. Date of Event Requiring Statement (Month/Day/Year) 01/23/2017	3. Issuer Name and Ticker or Trading Symbol <u>ALLIANCE DATA SYSTEMS CORP [ADS]</u>	
		4. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director <input checked="" type="checkbox"/> 10% Owner Officer (give title below) <input checked="" type="checkbox"/> Other (specify below) See Remarks	5. If Amendment, Date of Original Filed (Month/Day/Year) 6. Individual or Joint/Group Filing (Check Applicable Line) Form filed by One Reporting Person <input checked="" type="checkbox"/> Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Beneficially Owned

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Stock	5,780,000	I	See Footnotes ⁽¹⁾⁽²⁾

Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)		3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)		4. Conversion or Exercise Price of Derivative Security	5. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of Shares			

1. Name and Address of Reporting Person* <u>ValueAct Holdings, L.P.</u> <hr/> (Last) (First) (Middle) ONE LETTERMAN DRIVE BUILDING D, 4TH FLOOR <hr/> (Street) SAN FRANCISCO CA 94129 <hr/> (City) (State) (Zip)

1. Name and Address of Reporting Person* <u>ValueAct Capital Master Fund, L.P.</u> <hr/> (Last) (First) (Middle) ONE LETTERMAN DRIVE BUILDING D, 4TH FLOOR <hr/> (Street) SAN FRANCISCO CA 94129 <hr/> (City) (State) (Zip)
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1. Name and Address of Reporting Person* <u>VA Partners I, LLC</u> <hr/> (Last) (First) (Middle) ONE LETTERMAN DRIVE BUILDING D, 4TH FLOOR <hr/> (Street)
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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. 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.

2. The ValueAct entities referred to in this footnote 2 are collectively referred to herein as "ValueAct Capital." 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:

Explanation of Responses: - 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.

[VALUEACT HOLDINGS,
L.P., By: VALUEACT
HOLDINGS GP, LLC, its 01/25/2017
General Partner, By:/s/ Bradley
E. Singer](#)

[VALUEACT CAPITAL
MASTER FUND, L.P., By: VA
PARTNERS I, LLC, its 01/25/2017
General Partner, By:/s/ Bradley
E. Singer](#)

[VA PARTNERS I, LLC, By:/s/
Bradley E. Singer 01/25/2017](#)

[VALUEACT CAPITAL
MANAGEMENT, L.P., By:
VALUEACT CAPITAL
MANAGEMENT, LLC, its 01/25/2017
General Partner, By:/s/ Bradley
E. Singer](#)

[VALUEACT CAPITAL
MANAGEMENT, LLC, By:/s/ 01/25/2017
Bradley E. Singer](#)

[VALUEACT HOLDINGS GP, 01/25/2017](#)

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 5 (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.