

**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	
OMB Number:	3235-0287
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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 X Officer (give title below) Other (specify below) <u>EVP &amp; President, Epsilon</u>
	3. Date of Earliest Transaction (Month/Day/Year) <u>02/16/2018</u>	
		6. Individual or Joint/Group Filing (Check Applicable Line)  X 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	02/16/2018		F <sup>(1)</sup>		640	D	\$243.5	124,884.177	D	
Common Stock	02/20/2018		F <sup>(1)</sup>		935	D	\$246.52	123,949.177 <sup>(2)</sup>	D	
Common Stock								600	I	By Norma Kay Kennedy Living Trust <sup>(3)</sup>

**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		Date Exercisable	Expiration Date					

**Explanation of Responses:**

- 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) 104,719.177 unrestricted shares; (b) 601 unvested units from an award of 1,769 time-based restricted stock units granted 2/16/16; (c) 1,071 unvested units from an award of 3,151 performance-based restricted stock units granted 2/16/16; (d) 1,291 unvested units from an award of 1,926 time-based restricted stock units granted 2/15/17; (e) 1,800 unvested units from an award of 2,687 performance-based restricted stock units granted 2/15/17; (f) 3,855 unvested performance-based restricted stock units granted 2/15/17; (g) 1,576 unvested units from an award of 3,153 performance-based restricted stock units granted 2/15/17; (h) 1,806 unvested time-based restricted stock units granted 2/15/18; (i) 3,615 unvested performance-based restricted stock units granted 2/15/18; and (j) 3,615 unvested performance-based restricted stock units granted 2/15/18.
- 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:**

Cynthia L. Hageman, Attorney 02/21/2018  
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.