

HEFFERNAN EDWARD J
 Form 4
 February 20, 2018

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
 HEFFERNAN EDWARD J

2. Issuer Name and Ticker or Trading Symbol
 ALLIANCE DATA SYSTEMS CORP [ADS]

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)
 Director 10% Owner
 Officer (give title below) Other (specify below)
 President and CEO

(Last) (First) (Middle)
 7500 DALLAS PARKWAY, SUITE 700
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 02/15/2018

PLANO, TX 75024

4. If Amendment, Date Original Filed (Month/Day/Year)

6. Individual or Joint/Group Filing (Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

(City) (State) (Zip)

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 Ownership (Instr. 4)	
				Code	V	Amount				(A) or (D)
Common Stock	02/15/2018		A ⁽¹⁾		5,912	A	(1)	246,114	D	
Common Stock	02/15/2018		A ⁽²⁾		11,824	A	(2)	257,938	D	
Common Stock	02/15/2018		A ⁽³⁾		11,824	A	(3)	269,762	D	
Common Stock	02/15/2018		A ⁽⁴⁾		2,982	A	(4)	272,744	D	
Common Stock	02/15/2018		F ⁽⁵⁾		2,881	D		\$ 266,484 (6) 243.99 (7)	D	

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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.

(4) Based on the Company's EBT performance in 2017, 150% of the original award of 5,964 performance-based restricted stock units granted 2/15/17 were earned, resulting in an additional 2,982 units, for a total of 8,946 units. The restrictions will lapse with respect to 4,473 units on 2/15/19, subject to continued employment by the Reporting Person on the remaining vesting dates.

(5) 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) 196,502 unrestricted shares; (b) 1,297 unvested units from an award of 3,814 time-based restricted stock units granted 2/17/15; (c) 5,188 unvested units from an award of 15,257 performance-based restricted stock units granted 2/17/15; (d) 3,367 unvested units from an award of 5,026 time-based restricted stock units granted 2/16/16; (e) 5,994 unvested units from an award of 8,947 performance-based restricted stock units granted 2/16/16; (f) 3,738 unvested units from an award of 5,578 time-based restricted stock units granted 2/15/17; (g) 5,210 unvested units from an award of 7,776 performance-based restricted stock units granted 2/15/17; (h) 11,155 unvested performance-based restricted stock units granted 2/15/17; (i) 4,473 unvested units from an award of 8,946 performance-based restricted stock units granted 2/15/17; (j) the new grant for 5,912 time-based restricted stock units;

(6) Based on the Company's EBT performance in 2017, 69.7% of the original award of 11,155 performance-based restricted stock units granted 2/15/17, or 7,776 units, were earned. The restrictions will lapse with respect to 2,566 units on 2/15/19 and with respect to 2,644 units on 2/18/20, subject to continued employment by the Reporting Person on the remaining vesting dates.

Remarks:

(6) Continued from above: (k) the new grant for 11,824 performance-based restricted stock units; and (l) the new grant for 11,824 performance-based restricted stock units.

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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