

ALLIANCE DATA SYSTEMS CORP  
 Form 3  
 January 25, 2017

**FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

OMB APPROVAL

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**INITIAL STATEMENT OF 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)

|  |   |  |   |   |  |
|--|---|--|---|---|--|
| <p>1. Name and Address of Reporting Person *</p> <p>ValueAct Holdings, L.P.</p> <p>(Last) (First) (Middle)</p> <p>ONE LETTERMAN<br/>                 DRIVE, BUILDING D, 4TH<br/>                 FLOOR</p> <p>(Street)</p> <p>SAN<br/>                 FRANCISCO, CA 94129</p> <p>(City) (State) (Zip)</p> | <p>2. Date of Event Requiring Statement</p> <p>(Month/Day/Year)</p> <p>01/23/2017</p> | <p>3. Issuer Name and Ticker or Trading Symbol</p> <p>ALLIANCE DATA SYSTEMS CORP [ADS]</p> | <p>4. Relationship of Reporting Person(s) to Issuer</p> <p>(Check all applicable)</p> <p><input type="checkbox"/> Director <input checked="" type="checkbox"/> 10% Owner<br/> <input type="checkbox"/> Officer <input checked="" type="checkbox"/> Other<br/>                 (give title below) (specify below)<br/>                 See Remarks</p> | <p>5. If Amendment, Date Original Filed(Month/Day/Year)</p> | <p>6. Individual or Joint/Group Filing(Check Applicable Line)</p> <p><input type="checkbox"/> Form filed by One Reporting Person<br/> <input checked="" type="checkbox"/> Form filed by More than One Reporting Person</p> |
|--|---|--|---|---|--|

**Table I - Non-Derivative Securities Beneficially Owned**

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

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

SEC 1473 (7-02)

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

| 1. Title of Derivative Security<br>(Instr. 4) | 2. Date Exercisable and Expiration Date<br>(Month/Day/Year) | 3. Title and Amount of Securities Underlying Derivative Security<br>(Instr. 4) | 4. Conversion or Exercise Price of Derivative | 5. Ownership Form of Derivative Security: | 6. Nature of Indirect Beneficial Ownership<br>(Instr. 5) |
|---|---|--|---|---|--|
|---|---|--|---|---|--|

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|                     |                    |       |                                  |          |  |
|---------------------|--------------------|-------|----------------------------------|----------|--|
| Date<br>Exercisable | Expiration<br>Date | Title | Amount or<br>Number of<br>Shares | Security | Direct (D)<br>or Indirect<br>(I)<br>(Instr. 5) |
|---------------------|--------------------|-------|----------------------------------|----------|--|

## Reporting Owners

| Reporting Owner Name / Address  | Relationships |           |         |       |                |
|---|---------------|-----------|---------|-------|----------------|
|   | Director      | 10% Owner | Officer | Other |                |
| ValueAct Holdings, L.P.<br>ONE LETTERMAN DRIVE<br>BUILDING D, 4TH FLOOR<br>SAN FRANCISCO, CA 94129            | Â             | Â X       | Â       |       | See<br>Remarks |
| ValueAct Capital Master Fund, L.P.<br>ONE LETTERMAN DRIVE<br>BUILDING D, 4TH FLOOR<br>SAN FRANCISCO, CA 94129 | Â             | Â X       | Â       |       | See<br>Remarks |
| VA Partners I, LLC<br>ONE LETTERMAN DRIVE<br>BUILDING D, 4TH FLOOR<br>SAN FRANCISCO, CA 94129                 | Â             | Â X       | Â       |       | See<br>Remarks |
| ValueAct Capital Management, L.P.<br>ONE LETTERMAN DRIVE<br>BUILDING D, 4TH FLOOR<br>SAN FRANCISCO, CA 94129  | Â             | Â X       | Â       |       | See<br>Remarks |
| ValueAct Capital Management, LLC<br>ONE LETTERMAN DRIVE<br>BUILDING D, 4TH FLOOR<br>SAN FRANCISCO, CA 94129   | Â             | Â X       | Â       |       | See<br>Remarks |
| ValueAct Holdings GP, LLC<br>ONE LETTERMAN DRIVE<br>BUILDING D, 4TH FLOOR<br>SAN FRANCISCO, CA 94129          | Â             | Â X       | Â       |       | See<br>Remarks |

## Signatures

|   |            |
|---|------------|
| VALUEACT HOLDINGS, L.P., By: VALUEACT HOLDINGS GP, LLC, its General Partner,<br>By:/s/ Bradley E. Singer                  | 01/25/2017 |
| **Signature of Reporting Person   | Date       |
| VALUEACT CAPITAL MASTER FUND, L.P., By: VA PARTNERS I, LLC, its General<br>Partner, By:/s/ Bradley E. Singer              | 01/25/2017 |
| **Signature of Reporting Person   | Date       |
| VA PARTNERS I, LLC, By:/s/ Bradley E. Singer  | 01/25/2017 |
| **Signature of Reporting Person   | Date       |
| VALUEACT CAPITAL MANAGEMENT, L.P., By: VALUEACT CAPITAL<br>MANAGEMENT, LLC, its General Partner, By:/s/ Bradley E. Singer | 01/25/2017 |

|  |            |
|--|------------|
| __Signature of Reporting Person                            | Date       |
| VALUEACT CAPITAL MANAGEMENT, LLC, By:/s/ Bradley E. Singer | 01/25/2017 |
| __Signature of Reporting Person                            | Date       |
| VALUEACT HOLDINGS GP, LLC, By:/s/ Bradley E. Singer        | 01/25/2017 |
| __Signature of Reporting Person                            | Date       |

## Explanation of Responses:

- \* 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).
- (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.

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 any securities deemed to be owned by the group that are not directly owned by such reporting person the beneficial owner of any securities not directly owned by such reporting person.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *See* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.