

ALLIANCE DATA SYSTEMS CORP
Form 11-K
June 06, 2018

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

FORM 11-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2017

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 001-15749

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

Alliance Data Systems
401(k) and Retirement Savings Plan

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

Alliance Data Systems Corporation
7500 Dallas Parkway, Suite 700
Plano, Texas 75024

Alliance Data Systems 401(k) and Retirement Savings Plan

Financial Statements and Supplemental Information
Years Ended December 31, 2017 and 2016

Contents

<u>Report of Independent Registered Public Accounting Firm</u>	2
Financial Statements	
<u>Statements of Net Assets Available for Benefits</u>	4
<u>Statements of Changes in Net Assets Available for Benefits</u>	5
<u>Notes to Financial Statements</u>	6
Supplemental Schedule*	
<u>Schedule H, Line 4i: Schedule of Assets (Held at End of Year)</u>	16

* All other financial schedules required by Section 2520.103-10 of the U.S. Department of Labor's Annual Reporting and Disclosure Requirements under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Plan Participants and the Benefits
Operations Committee of the Alliance Data
Systems 401(k) and Retirement Savings Plan

Opinion on the Financial Statements

We have audited the accompanying statements of net assets available for benefits of Alliance Data Systems 401(k) and Retirement Savings Plan (the "Plan") as of December 31, 2017 and 2016, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes and schedule (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the net assets available for benefits of the Plan at December 31, 2017 and 2016, and the changes in its net assets available for benefits for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on the Plan's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Plan in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Supplemental Information

The accompanying supplemental information contained in the schedule of assets (held at end of year) as of December 31, 2017, has been subjected to audit procedures performed in conjunction with the audit of the Plan's financial statements. The information in the supplemental schedule is the responsibility of the Plan's management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental schedule. In forming our opinion on the information, we evaluated whether such information, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

/s/ Ary Roepcke Mulchaey, P.C.

We have served as the Plan's auditor since at least 1996, but we are unable to determine the specific year.

Columbus, Ohio

June 6, 2018

Alliance Data Systems 401(k) and Retirement Savings Plan
 Statements of Net Assets Available for Benefits
 December 31, 2017 and 2016

	2017	2016
Assets:		
Investments at fair value	\$952,866,817	\$748,299,686
Cash	39,831	107,047
Receivable for Employer contributions	1,841,442	1,982,016
Notes receivable from participants, net of allowance for defaulted loans	15,655,417	13,107,520
Due from brokers	222,023	333,426
Accrued fees	25,157	19,943
Total assets	970,650,687	763,849,638
Liabilities:		
Administrative fees payable	232,270	188,891
Due to broker	89,944	332,405
Total liabilities	322,214	521,296
Net assets available for benefits	\$970,328,473	\$763,328,342

See accompanying notes.

Alliance Data Systems 401(k) and Retirement Savings Plan
 Statements of Changes in Net Assets Available for Benefits
 For the Years Ended December 31, 2017 and 2016

	2017	2016
Additions:		
Investment income:		
Net appreciation in fair value of investments	\$ 135,561,248	\$ 42,031,681
Interest, dividends, and fee income	3,785,314	2,616,186
Total investment income	139,346,562	44,647,867
Interest on notes receivable from participants	790,960	660,114
Contributions:		
Employer	41,441,220	38,492,927
Participants	69,429,153	63,743,050
Rollovers	11,735,918	6,668,505
Total contributions	122,606,291	108,904,482
Total additions	262,743,813	154,212,463
Deductions:		
Distributions to participants	54,730,410	52,775,777
Administrative expenses	1,013,272	958,768
Total deductions	55,743,682	53,734,545
Net increase	207,000,131	100,477,918
Net assets available for benefits:		
Beginning of year	763,328,342	662,850,424
End of year	\$ 970,328,473	\$ 763,328,342

See accompanying notes.

Alliance Data Systems 401(k) and Retirement Savings Plan
Notes to Financial Statements
December 31, 2017 and 2016

1. Description of the plan

General

The Alliance Data Systems 401(k) and Retirement Savings Plan (the "Plan") is a defined contribution plan covering certain employees of ADS Alliance Data Systems, Inc. ("ADSI") and its affiliates (the "Employer"). Employees of the Employer that are 18 years of age, are generally eligible to participate immediately. Seasonal, temporary, and on-call employees who perform more than 1,000 hours of service within one year are also eligible.

The following description of the Plan provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA") as amended.

Amendments

Effective January 1, 2017, the Plan was amended to among other things; 1) remove the discretionary profit sharing contribution feature, 2) permit participants who are eligible for a distribution from their account to roll over all or part to a designated Roth contribution account in the Plan, 3) permit a participant to convert their vested portion of their pre-tax accounts to a Roth account, and 4) permit rollovers into the plan from a participant's IRA.

Trustee

Wells Fargo Bank, N.A. is the trustee and holds the Plan's investments and provides recordkeeping services to the Plan.

Administration

The Employer has established the Benefits Operations Committee that is responsible for the general operation and administration of the Plan.

Contributions

Employer's Contributions

Prior to the Plan being amended January 1, 2017, the Plan had a discretionary profit sharing contribution feature. The Employer elected not to make a contribution for 2016.

Alliance Data Systems 401(k) and Retirement Savings Plan
Notes to Financial Statements
December 31, 2017 and 2016

The Employer will provide a 100% matching contribution on the first 5% of a participant's voluntary contributions based on a payroll period basis for participants who have completed either 180 days of uninterrupted service with the Employer or a year of eligibility service, whichever occurs first. As of the end of the Plan year, the Employer will provide a true up matching contribution based on the above percentages, voluntary contributions, and Eligible Compensation for the Plan year. The annual Eligible Compensation of each participant taken into account under the Plan is limited to the maximum amount permitted under Section 401(a)(17) of the Code. The annual Eligible Compensation limit for the Plan years ended December 31, 2017 and 2016 was \$270,000 and \$265,000, respectively.

Participant's Voluntary Contributions

A participant may elect to make voluntary contributions of 1% to 85% of his or her annual Eligible Compensation. The participant may designate their voluntary contributions as tax-deferred, after-tax Roth, after-tax regular contributions, or any combination thereof. Tax-deferred and after-tax Roth contributions are limited to the maximum permitted under Section 402(g) of the Code adjusted annually (\$18,000 at December 31, 2017 and 2016). Regular after-tax contributions are limited by the Code based on total employee and Employer contributions to the participant. Sections 401(k)(3) and 401(m)(3) of the Code may limit the voluntary contribution.

A participant age 50 and over before the close of the Plan year may elect a catch-up voluntary tax-deferred or after-tax contribution up to \$6,000 for the Plan years ended December 31, 2017 and 2016.

A participant may also contribute amounts representing a distribution from another qualified defined benefit or defined contribution plan (rollover).

Investment options

The participant directs both their own and the Employer's contributions into the investment alternatives offered by the Plan. At any time, participants may also elect to reallocate existing account balances between investment alternatives or to change their investment elections for future contributions. The Plan currently offers fourteen common collective trusts, nine mutual funds, self-directed brokerage accounts, and the Employer's common stock ("Employer Securities") as investment alternatives. The Employer periodically reviews and may make changes to the investment alternatives available. If a participant makes no investment election, all contributions made into such participant's account are invested in the Plan's qualified default investment alternative ("QDIA"). The Plan's QDIA is the age-appropriate Vanguard Fiduciary Trust Company Target Retirement target date funds, which is selected based on the participant's date of birth.

Alliance Data Systems 401(k) and Retirement Savings Plan
 Notes to Financial Statements
 December 31, 2017 and 2016

Participant accounts

The Plan credits each participant's account with the participant's contributions and allocations of 1) the Employer's contributions, 2) investment earnings, and 3) administrative expenses. The benefit to which a participant is entitled is equal to the vested balance in the participant's account.

Vesting

A participant is fully and immediately vested for voluntary, rollover, and Employer matching contributions provided after December 31, 2004, and is credited with a year of vesting service in the Employer's other contributions for each Plan year that the participant is credited with at least 500 hours of service.

A summary of vesting percentages relating to the Employer's Profit Sharing Contributions follows:

For all associates employed as of or subsequent to January 1, 2007:

<u>Years of vested service</u>	<u>Percentage</u>
Less than 3 years	0%
3 years	100

For all associates terminated prior to January 1, 2007:

<u>Years of vested service</u>	<u>Percentage</u>
Less than 5 years	0%
5 years	100

A summary of vesting percentages relating to Employer's matching contributions provided prior to December 31, 2004 follows:

<u>Years of vested service</u>	<u>Percentage</u>
Less than 1 year	0%
1 year	20
2 years	40
3 years	60
4 years	80
5 years	100

Alliance Data Systems 401(k) and Retirement Savings Plan
Notes to Financial Statements
December 31, 2017 and 2016

Payment of benefits

The full value of participants' accounts becomes payable upon retirement, disability, or death. Upon termination of employment for any other reason, participants' accounts, to the extent vested, become payable. Those participants with vested account balances greater than \$1,000 have the option of leaving their accounts invested in the Plan until age 70 1/2. Benefits can be paid as a lump sum or partial distribution. Those participants holding shares of Employer Securities will have the option of receiving such amounts in whole shares of Employer Securities and cash for any fractional shares. Participants have the option of having their benefit paid directly to an eligible retirement plan or individual retirement account specified by the participant.

In service withdrawals

A participant may elect to withdraw an amount in cash from the participant's after-tax account and their rollover account.

A participant, upon reaching age 59 1/2, may withdraw up to 100% of the participant's vested account balance.

A participant may request a hardship distribution due to an immediate and heavy financial need based on the terms of the Plan.

Participant loans

Participants are permitted to borrow from their account the lesser of \$50,000 or 50% of the vested balance of their account with repayment made from payroll deductions. All loans become due and payable in full upon a participant's termination of employment with the Employer. The borrowing is a separate earmarked investment of the participant's account. Interest on the borrowing is based on the prime interest rate as reported in the Wall Street Journal on the first business day of the month in which the loan occurs plus two percent.

Amounts allocated to participants withdrawn from the Plan

Amounts allocated, but not yet paid, to participants withdrawn from the Plan were \$178,954 and \$614,405 at December 31, 2017 and 2016, respectively.

Forfeitures

The Plan may use forfeitures to reduce Employer contributions or pay Plan expenses if so elected. The Plan used forfeitures to reduce Employer contributions by \$49,000 and \$138,459 for the years ended December 31, 2017 and 2016, respectively. There were no unused forfeitures at December 31, 2017 and 2016.

Alliance Data Systems 401(k) and Retirement Savings Plan
Notes to Financial Statements
December 31, 2017 and 2016

Fee Income

Revenue sharing and sub transfer agent fees are credited to those participants who have invested in the funds that generate the fee revenue.

Expenses

Expenses are charged to participant's accounts, excluding those paid directly by the Employer, unless paid from fee income and have been reported in the financial statements as administrative expenses. Brokerage fees, transfer taxes and other expenses incurred in connection with the investments of the Plan's assets increases the cost of investments purchased or deducted from the proceeds of investments sold.

2. Summary of accounting policies

Basis of presentation

The accompanying financial statements have been prepared on the accrual basis of accounting, including investment valuation and income recognition.

Estimates

The Plan's financial statements are prepared in conformity with U.S. generally accepted accounting principles ("GAAP"), which requires management to make estimates and assumptions that affect the reported amounts of net assets available for Plan benefits at the date of the financial statements and the changes in net assets available for Plan benefits during the reporting period and, when applicable, disclosures of contingent assets and liabilities at the date of the financial statements. Actual results could differ from these estimates.

Risks

The Plan provides for the various investment options as described in Note 1. Any investment is exposed to various risks, such as interest rate, market, and credit risks. These risks could result in a material effect on participants' account balances and the amounts reported in the statements of net assets available for benefits and the statements of changes in net assets available for benefits.

Net appreciation in fair value of investments

Net realized and unrealized appreciation is presented in the accompanying statements of changes in net assets available for benefits as net appreciation in fair value of investments.

Alliance Data Systems 401(k) and Retirement Savings Plan
Notes to Financial Statements
December 31, 2017 and 2016

Benefit payments

Benefits are recorded when paid.

Notes receivable from participants

Notes receivable from participants represent participant loans that are recorded at their unpaid principal balance plus any accrued but unpaid interest. Interest income on notes receivable from participants is recorded when it is earned. Related fees are recorded as administrative expenses and are expensed when they are incurred. An allowance for defaulted loans of \$3,387 and \$17,704 has been recorded for December 31, 2017 and 2016, respectively, with the change recorded under distributions.

Investment valuation and income recognition

Investments held by the Plan are stated at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). See Note 3 for further discussion and disclosures related to fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis using fair value. Dividends are recorded on the ex-dividend date. Interest is recorded on the accrual basis.

3. Fair value measurements

ASC 820 establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 Inputs to the valuation methodology include

- quoted prices for similar assets and liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability; or
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Alliance Data Systems 401(k) and Retirement Savings Plan
Notes to Financial Statements
December 31, 2017 and 2016

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the techniques and inputs used for each major class of assets measured at fair value. There have been no changes in the methodologies used at December 31, 2017 and 2016.

Common stocks: Valued at the closing price reported on the active market on which the individual securities are traded and are classified within Level 1 of the valuation hierarchy.

Mutual funds: Valued at the closing price reported on the active market on which the individual securities are traded and are classified within Level 1 of the valuation hierarchy.

Self-managed brokerage accounts: Accounts primarily consist of mutual funds and common stocks that are value on the basis of readily determinable market prices and are classified within Level 1 of the valuation hierarchy.

Common collective trusts: Valued at their respective Net Asset Value ("NAV") as reported by such trust. The NAV is used as a practical expedient to estimate fair value. This practical expedient would not be used if it is determined to be probable that the fund will sell the investment for an amount different from the reported NAV. Participant transaction (purchases and sales) may occur daily. If the Plan initiates a full redemption of the Wells Fargo Stable Return Fund, one of the collective funds invested in, the trustee of the fund may impose, in its sole discretion, a prior notice period of up to 12 months for any Employer initiated withdrawal of assets from the fund. At December 31, 2017, no prior period notice has been imposed. The Plan does not have any contractual obligations to further invest in these trusts. These investments are not classified within the valuation hierarchy, but presented for reconciliation purposes only.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values.

Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Alliance Data Systems 401(k) and Retirement Savings Plan
Notes to Financial Statements
December 31, 2017 and 2016

The following tables set forth by level, within the fair value hierarchy, the Plan's investment assets at fair value as of December 31, 2017 and 2016:

	Assets at fair value as of December 31, 2017			
	Level 1	Level 2	Level 3	Total
Mutual funds	\$224,203,420	\$ -	\$ -	\$224,203,420
Employer common stock	45,217,790	-	-	45,217,790
Self-managed brokerage	12,573,791	-	-	12,573,791
	\$281,995,001	\$ -	\$ -	281,995,001
Common collective trust funds measured at net asset value				
Target dated (a)				621,632,955
Stable value (b)				28,158,319
Large growth (c)				21,080,542
				\$952,866,817

	Assets at fair value as of December 31, 2016			
	Level 1	Level 2	Level 3	Total
Mutual funds	\$152,732,265	\$ -	\$ -	\$152,732,265
Employer common stock	43,410,887	-	-	43,410,887
Self-managed brokerage	10,697,412	-	-	10,697,412
	\$206,840,564	\$ -	\$ -	206,840,564
Common collective trust funds measured at net asset value				
Target dated (a)				498,470,951
Stable value (b)				26,615,366
Large growth (c)				16,372,805
				\$748,299,686

The trusts are target dated trusts based on estimated retirement dates, which seek current income and some capital (a) appreciation for the most current retirement date and move more to capital appreciation and some current income as the retirement dates become later. The trusts invest primarily in mutual funds.

Alliance Data Systems 401(k) and Retirement Savings Plan
Notes to Financial Statements
December 31, 2017 and 2016

- (b) The trust seeks to maintain principle value, protect against market price volatility, obtain consistent income return, and provide liquidity for benefit payments and withdrawals. The trust invests primarily in investment contracts issued by insurance companies, banks and other financial institutions.
- (c) The trust seeks long-term capital appreciation. The trust invests primarily in large cap common stocks with market capitalizations generally in the range of the companies in the Russell 1000 Growth Index.

4. Tax status

The Plan obtained its latest determination letter on March 21, 2016, in which the Internal Revenue Service ("IRS") stated that the Plan was designed in accordance with the applicable requirements of the Code. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. Although the Plan has been amended and restated since the version that the determination letter applies to, the Plan administration believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the Code.

GAAP requires management responsible for the Plan to evaluate uncertain tax positions. The financial statement effect of a tax position is recognized when the position is more likely than not, based on the financial merits, to be sustained upon examination by the IRS. The Plan's administrator has analyzed the tax positions, and has concluded that as of December 31, 2017 and 2016, there are no uncertain tax positions taken or expected to be taken. The Plan has recognized no interest or penalties related to uncertain tax positions. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

5. Plan termination

Although the Employer has not expressed any intent to do so, the Employer has the right under the Plan to discontinue its contributions at any time. The Employer has the right at any time, by action of its board of directors, to terminate the Plan subject to provisions of ERISA. Upon Plan termination or partial termination, participants will become fully vested in their accounts.

6. Parties-in-interest

The Plan, including holdings under the self-directed brokerage investment option, held \$45,217,790 and \$43,552,786 of Alliance Data Systems Corporation common shares at December 31, 2017 and 2016, respectively.

Wells Fargo Bank, N.A., trustee of the Plan, their subsidiaries and affiliates maintain and manage certain of the investments of the Plan, for which the Plan is charged investment expenses.

Alliance Data Systems 401(k) and Retirement Savings Plan
 Notes to Financial Statements
 December 31, 2017 and 2016

7. Reconciliation of financial statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to Form 5500:

	2017	2016
Net assets available for benefits per the financial statements	\$970,328,473	\$763,328,342
Amounts allocated to withdrawing participants	(178,954)	(614,405)
Net assets available for benefits per Form 5500	\$970,149,519	\$762,713,937

The following is a reconciliation of benefit payments per the financial statements to Form 5500:

	2017
Benefit payments per the financial statements	\$54,730,410
Amount allocated to withdrawing participants	
At December 31, 2017	178,954
At December 31, 2016	(614,405)
Reserves for defaulted loans	
At December 31, 2017	(3,387)
At December 31, 2016	17,704
Corrective distributions	(23,608)
Benefit payments per Form 5500	\$54,285,668

The following is a reconciliation of the net increase in net assets available for benefits per the financial statement to Form 5500:

	2017
Net increase in net assets per the financial statements	\$207,000,131
Change in amounts allocated to withdrawing participants	435,451
Net income per Form 5500	\$207,435,582

Edgar Filing: ALLIANCE DATA SYSTEMS CORP - Form 11-K

Alliance Data Systems 401(k) and Retirement Savings Plan
 EIN #13-3163498 Plan #001
 Schedule H, Line 4i - Schedule of Assets (Held at End of Year)
 December 31, 2017

(a) (b)	(c)	(d) (e)
Identity of issuer, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value	(1) Current Value
Alliance Data Systems * Corporation	Common stock – 178,388 shares	\$45,217,790
Vanguard Fiduciary Trust Company Target Retirement 2035 Trust I	Common collective trust – 2,291,908 units	125,825,759
Vanguard Fiduciary Trust Company Target Retirement 2030 Trust I	Common collective trust – 1,894,681 units	101,877,002
Vanguard Fiduciary Trust Company Target Retirement 2040 Trust I	Common collective trust – 1,810,193 units	102,529,335
Vanguard Fiduciary Trust Company Target Retirement 2025 Trust I	Common collective trust – 1,378,319 units	73,560,921
Vanguard Fiduciary Trust Company Target Retirement 2045 Trust I	Common collective trust – 1,262,624 units	71,792,835
Vanguard Fiduciary Trust Company Target Retirement 2020 Trust I	Common collective trust – 743,800 units	39,458,624
Vanguard Fiduciary Trust Company Target Retirement 2050 Trust I	Common collective trust – 883,174 units	50,491,074
* Wells Fargo Stable Return Fund Delaware Large Cap Growth Trust Vanguard Fiduciary Trust Company Target Retirement 2055 Trust I	Common collective trust – 518,789 units	28,158,319
Vanguard Fiduciary Trust Company Target Retirement 2015 Trust I	Common collective trust – 672,425 units	21,080,542
Vanguard Fiduciary Trust Company Target Retirement 2015 Trust I	Common collective trust – 350,659 units	24,447,928
Vanguard Fiduciary Trust Company Target Retirement 2015 Trust I	Common collective trust – 245,866 units	12,622,771

The notes to the financial statements are an integral part of this schedule.

Edgar Filing: ALLIANCE DATA SYSTEMS CORP - Form 11-K

Alliance Data Systems 401(k) and Retirement Savings Plan
 EIN #13-3163498 Plan #001
 Schedule H, Line 4i - Schedule of Assets (Held at End of Year)
 December 31, 2017

(a) (b)	(c)	(d)	(e)
Identity of issuer, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value	(1) Cost	Current Value
Vanguard Fiduciary Trust Company Target Retirement 2065 Trust I	Common collective trust – 793 units		17,845
Vanguard Fiduciary Trust Company Target Retirement Income Trust I	Common collective trust – 232,060 units		11,897,760
Vanguard Fiduciary Trust Company Target Retirement 2060 Trust I	Common collective trust – 194,292 units		7,111,101
Vanguard Institutional Index Fund	Mutual fund – 288,139 shares		70,150,356
Dodge & Cox Stock Fund	Mutual fund – 204,527 shares		41,643,909
Columbia Small Cap Value Fund	Mutual fund – 1,168,925 shares		21,017,273
American Funds EuroPacific Growth Fund	Mutual fund – 475,742 shares		26,708,173
Metropolitan West Total Return Bond Fund	Mutual fund – 1,850,083 shares		18,556,339
* Wells Fargo Advantage Discovery Fund	Mutual fund – 533,845 shares		18,721,957
Vanguard Total Bond Market Index Admiral Fund	Mutual fund – 652,209 shares		7,011,248
Vanguard Extended Market Index Adm	Mutual fund – 104,209 shares		8,831,775
Vanguard Total Intl Stock Index Admiral Fund	Mutual fund – 94,750 shares		11,562,390
Self-Directed Brokerage Accounts	Varying maturity dates with interest rates ranging from 3.25% - 8.90%	-	12,573,791
Participant Loans			15,655,417

* Represents a party-in-interest

(1) Cost information omitted – investment is part of individual account plan that a participant or beneficiary directed with respect to assets allocated to his or her account.

The notes to the financial statements are an integral part of this schedule.

SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on their behalf by the undersigned hereunto duly authorized.

Date: June 6, 2018

ALLIANCE DATA SYSTEMS 401(k) AND
RETIREMENT SAVINGS PLAN

By: /s/ Karen Wald

Karen Wald

Senior Vice President, Chief of Staff

INDEX TO EXHIBITS

Exhibit No. Description

* 23.01 Consent of Independent Registered Public Accounting Firm

* filed herewith
