

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SCHEDULE 13G  
(Rule 13d-102)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT  
TO RULES 13d-1(b), (c), AND (d) AND AMENDMENTS THERETO FILED  
PURSUANT TO RULE 13d-2(b)  
(Amendment No. 4)(1)

Alliance Data Systems Corporation

-----  
(Name of Issuer)

Common Stock, \$.01 par value

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(Title of Class of Securities)

018581 10 8

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(CUSIP Number)

December 31, 2006

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Date of Event Which Requires Filing of this Statement

Check the appropriate box to designate the rule pursuant to which this Schedule  
is Filed:

- Rule 13d-1(b)  
 Rule 13d-1(c)  
 Rule 13d-1(d)

-----  
(1)The remainder of this cover page shall be filled out for a reporting  
person's initial filing on this form with respect to the subject class of  
securities, and for any subsequent amendment containing information which would  
alter disclosures provided in a prior cover page. The information required on  
the remainder of this cover page shall not be deemed to be "filed" for the  
purpose of Section 18 of the Securities Exchange Act of 1934 or otherwise  
subject to the liabilities of that section of the Act but shall be subject to  
all other provisions of the Act.

CUSIP No. 018581 10 8

Page 2 of 4 Pages

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1) Name of Reporting Person Welsh, Carson,  
I.R.S. Identification Anderson & Stowe  
No. of Above Person VIII, L.P.  
(Entities Only)

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2) Check the Appropriate Box (a)   
if a Member of a Group (b)

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3) SEC Use Only

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4) Citizenship or Place of Organization Delaware

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Number of 5) Sole Voting -0-  
Shares Beneficially Power  
Owned by Each  
Reporting Person

-----  
6) Shared Voting -0-  
Power

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7) Sole Disposi- -0-  
tive Power

-----  
8) Shared Dis- -0-  
positive Power

9) Aggregate Amount Beneficially Owned by Each Reporting Person -0-

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10) Check if the Aggregate Amount in Row (9) Excludes Certain Shares  
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11) Percent of Class Represented by Amount in Row (9) -0-

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12) Type of Reporting Person PN

Amendment No. 4 to Schedule 13G (Final Amendment)  
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Reference is hereby made to the statement on Schedule 13G filed with the Securities and Exchange Commission on January 22, 2003, Amendment No. 1 thereto filed on January 21, 2004, Amendment No. 2 thereto filed on January 13, 2005 and Amendment No. 3 thereto filed on January 24, 2006 (as so amended, the "Schedule 13G"). Terms defined in the Schedule 13G are used herein as so defined.

The following Items of the Schedule 13G are hereby amended and restated to read in their entirety as follows:

Item 4 - Ownership.

(a) Amount Beneficially Owned:

WCAS VIII: no shares of Common Stock

(b) Percent of Class:

WCAS VIII: -0-

(c) Number of shares as to which such person has:

(i) sole power to vote or to direct the vote: -0-

(ii) shared power to vote or to direct the vote: -0-

(iii) sole power to dispose or to direct the disposition of: -0-

(iv) shared power to dispose or to direct the disposition of: -0-

Item 5 - Ownership Of Five Percent Or Less Of A Class.

If this statement is being filed to report the fact that as of the date hereof the Reporting Person has ceased to be the beneficial owner of more than five percent of the Common Stock, check the following: [X]

Signature:

After reasonable inquiry and to the best of their knowledge and belief, the undersigned certify that the information set forth in this statement is true, complete and correct.

WELSH, CARSON, ANDERSON & STOWE VIII, L.P.  
By: WCAS VIII Associates, L.L.C., General Partner

By /s/ Jonathan M. Rather  
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Managing Member

Date: February 7, 2007