

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

o Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

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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(f) of the Investment Company Act of 1940

1. Name and Address of Reporting Person*			2. Issuer Name and Ticker or Trading Symbol		4. Statement for (Month/Year)		6. Relationship of Reporting Person(s) to Issuer (Check all applicable)	
Parks, J. Michael			Alliance Data Systems Corporation ADS		September 2001		<input checked="" type="checkbox"/> Director _____ 10% Owner <input checked="" type="checkbox"/> Officer _____ Other	
(Last)	(First)	(Middle)				Officer/Other Description Chairman of the Board, Chief Executive Officer		
17655 Waterview Parkway			3. I.R.S. Identification Number of Reporting Person, if an entity (voluntary)		5. If Amendment, Date of Original (Month/Year)		7. Individual or Joint/Group Filing (Check Applicable Line)	
(Street)			Chairman of the Board, Chief Executive Officer				<input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person	
Dallas, TX 75252-8012								
(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)	3. Transaction Code and Voluntary Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) Of (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned at End of Month (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Beneficial Ownership (Instr. 4)
			Code V	Amount A/D Price		
Common	9/25/2001	J		3,500(1) A \$14.00	124,500 (2)	D

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).

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)	4. Transaction Code and Voluntary (V) Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or disposed (D) Of (Instr. 3, 4 and 5)	6. Date Exercisable (DE) and Expiration Date (ED) (Month/Day/Year)
			Code V	(A) (D)	Date Exercisable Expiration Date
Employee Stock Option (right to buy)	\$9.00				Varies (3) (4) (5) 03/09/2007
Employee Stock Option (right to buy)	\$9.90				Varies (6) 05/06/2009
Employee Stock Option (right to buy)	\$15.00				Varies (7) 08/31/2010
Employee Stock Option (right to buy)	\$12.00				Varies (8) 06/08/2011

7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned at End of Month (Instr. 4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
Common 333,332		333,332	D	
Common 83,333		83,333	D	
Common 230,000		230,000	D	

Explanation of Responses:
See attached statement

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations.
See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

/s/ Kellie J. Watts

** Signature of Reporting Person

9/26/2001
Date

**Attorney-in-Fact for
J. Michael Parks**

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.

Alliance Data Systems Corporation ADS

Form 4 - September 2001

**J. Michael Parks
17655 Waterview Parkway
Dallas, TX 75252-8012**

Explanation of responses:

- (1) Purchase pursuant to SEC Release No. 44791 dated September 14, 2001, and extended with Release No. 44827 dated September 21, 2001.
- (2) Total beneficial ownership includes 96,000 unvested shares of common stock pursuant to a restricted stock grant.
- (3) The 44,444 option is exercisable for 11,111 shares on each of 1/31/98, 1/31/99, 1/31/00 and 1/31/01.
- (4) The 177,777 option is exercisable for 16,666 shares on 1/31/98, 58,333 shares on 1/31/99, 58,333 shares on 1/31/00, and 44,445 shares on 1/31/01.
- (5) The 111,111 option is exercisable on 1/31/99.
- (6) This option is exercisable for 20,833 shares on each of 1/31/00, and 1/31/01, and 1/31/02, and for 20,834 shares on 1/31/03.
- (7) This option is exercisable for 75,900 shares on each of 8/31/01, and 8/31/02, and for 78,200 shares on 8/31/03.
- (8) The option is exercisable for 33% of the underlying shares on each of 6/7/02 and 6/7/03, and for 34% on 6/7/04.