

OMB APPROVAL	
OMB Number:	3235-0287
Estimated average burden hours per response:	0.5

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person* <u>ANDERSON BRUCE K</u> (Last) (First) (Middle) <u>C/O WELSH, CARSON, ANDERSON AND STOWE</u> <u>320 PARK AVENUE, SUITE 2500</u> (Street) <u>NEW YORK NY 10022</u> (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>ALLIANCE DATA SYSTEMS CORP [ADS]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director <input checked="" type="checkbox"/> 10% Owner Officer (give title below) Other (specify below)
	3. Date of Earliest Transaction (Month/Day/Year) <u>11/01/2004</u>	
	4. If Amendment, Date of Original Filed (Month/Day/Year)	6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person Form filed by More than One Reporting Person

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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	11/01/2004		J ⁽¹⁾		1,630,000	D	(1)	16,160,349	I	By Welsh, Carson, Anderson & Stowe VIII, L.P. ⁽²⁾
Common Stock	11/01/2004		J ⁽¹⁾		1,374,942	D	(1)	400,000	I	By Welsh, Carson, Anderson & Stowe VII, L.P. ⁽²⁾
Common Stock	11/01/2004		J ⁽¹⁾		523,049	D	(1)	0	I	By Welsh, Carson, Anderson & Stowe VI, L.P. ⁽²⁾
Common Stock	11/01/2004		J ⁽¹⁾		655,555	D	(1)	0	I	By WCAS Capital Partners III, L.P. ⁽²⁾
Common Stock	11/01/2004		J ⁽¹⁾		268,398	D	(1)	0	I	By WCAS Capital Partners II, L.P. ⁽²⁾
Common Stock	11/01/2004		J ⁽¹⁾		104	A	(1)	104	I	By WCAS Management Corporation ⁽³⁾
Common Stock	11/01/2004		J ⁽¹⁾		34,879	A	(1)	696,877	D	

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)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V		(A)	(D)					

Explanation of Responses:

1. Distributions of shares by Welsh, Carson, Anderson & Stowe VIII, L.P., Welsh, Carson, Anderson & Stowe VII, L.P., Welsh, Carson, Anderson & Stowe VI, L.P., WCAS Capital Partners III, L.P. and WCAS

