

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. )1

Alliance Data Systems Corporation

(Name of Issuer)

Common Stock, \$.01 par value

(Title of Class of Securities)

018581 10 8

(CUSIP Number)

June 7, 2001

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)

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1The 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 13 Pages

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

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

-----  
3) SEC Use Only

-----  
4) Citizenship or Place of Organization Delaware

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Number of Shares Beneficially Owned by Each Reporting Person With:  
5) Sole Voting Power 17,922,447 shares of Common Stock

6)	Shared Voting Power	-0-
-----		
7)	Sole Dispositive Power	17,922,447 shares of Common Stock
-----		
8)	Shared Dispositive Power	-0-
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9)	Aggregate Amount Beneficially Owned by Each Reporting Person	17,922,447 shares of Common Stock
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10) Check if the Aggregate Amount in Row (9) Excludes Certain Shares

11)	Percent of Class Represented by Amount in Row (9)	24.2%
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12)	Type of Reporting Person	PN
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1)	Name of Reporting Person I.R.S. Identification No. of Above Person (Entities Only)	Welsh, Carson, Anderson & Stowe VIII, L.P.	
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2)	Check the Appropriate Box if a Member of a Group	(a) [ X ] (b) [ ]	
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3)	SEC Use Only		
-----			
4)	Citizenship or Place of Organization	Delaware	
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Number of Shares Beneficially Owned by Each Reporting Person With:	5)	Sole Voting Power	17,790,349 shares of Common Stock
	6)	Shared Voting Power	-0-
	7)	Sole Disposi- tive Power	17,790,349 shares of Common Stock
	8)	Shared Dis- positive Power	-0-
-----			
9)	Aggregate Amount Beneficially Owned by Each Reporting Person		17,790,349 shares of Common Stock
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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)		24.1%
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12)	Type of Reporting Person		PN

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1) Name of Reporting Person I.R.S. Identification No. of Above Person (Entities Only)	Welsh, Carson, Anderson & Stowe VI, L.P.
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2) Check the Appropriate Box if a Member of a Group	(a) [ X ] (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 Shares Beneficially Owned by Each Reporting Person With:	5) Sole Voting 5,555,550 shares Power of Common Stock
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	6) Shared Voting Power -0-
	-----
	7) Sole Disposi- 5,555,550 shares of tive Power Common Stock
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	8) Shared Dis- positive Power -0-
-----	
9) Aggregate Amount Beneficially Owned by Each Reporting Person	5,555,550 shares of Common Stock
-----	
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)	7.5%
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12) Type of Reporting Person	PN

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1) Name of Reporting Person WCAS Capital  
I.R.S. Identification Partners III, L.P.  
No. of Above Person  
(Entities Only)

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

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3) SEC Use Only

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4) Citizenship or Place Delaware  
of Organization

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Number of 5) Sole Voting 655,555 shares  
Shares Beneficially Power of Common Stock  
Owned by Each  
Reporting Person  
With:

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6) Shared Voting  
Power -0-

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7) Sole Disposi- 655,555 shares of  
tive Power Common Stock

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8) Shared Dis-  
positive Power -0-

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9) Aggregate Amount Beneficially 655,555 shares of  
Owned by Each Reporting Person Common Stock

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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 0.9%  
Amount in Row (9)

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12) Type of Reporting  
Person PN

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1) Name of Reporting Person WCAS Capital  
I.R.S. Identification Partners II, L.P.  
No. of Above Person  
(Entities Only)

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

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3) SEC Use Only

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4) Citizenship or Place Delaware  
of Organization

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Number of 5) Sole Voting 268,398 shares  
Shares Beneficially Power of Common Stock  
Owned by Each  
Reporting Person  
With:

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6) Shared Voting  
Power -0-

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7) Sole Disposi- 268,398 shares of  
tive Power Common Stock

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8) Shared Dis-  
positive Power -0-

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9) Aggregate Amount Beneficially 268,398 shares of  
Owned by Each Reporting Person Common Stock

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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 0.4%  
Amount in Row (9)

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12) Type of Reporting  
Person PN

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1) Name of Reporting Person I.R.S. Identification No. of Above Person (Entities Only) WCAS Information Partners, L.P.

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2) Check the Appropriate Box if a Member of a Group (a) [ X ] (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 Shares Beneficially Owned by Each Reporting Person With:

5) Sole Voting Power 148,766 shares of Common Stock

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6) Shared Voting Power -0-

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7) Sole Dispositive Power 148,766 shares of Common Stock

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8) Shared Dispositive Power -0-

-----

9) Aggregate Amount Beneficially Owned by Each Reporting Person 148,766 shares of Common Stock

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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) 0.2%

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12) Type of Reporting Person PN

## Schedule 13G

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Item 1(a) - Name of Issuer: Alliance Data Systems Corporation

Item 1(b) - Address of Issuer's Principal Executive Offices:

17655 Waterview Parkway  
Dallas, Texas 75752

Item 2(a) - Name of Person Filing:

This statement is being filed by Welsh, Carson, Anderson & Stowe VII, L.P., a Delaware limited partnership ("WCAS VII"), Welsh, Carson, Anderson & Stowe VIII, L.P., a Delaware limited partnership ("WCAS VIII"), Welsh, Carson, Anderson & Stowe VI, L.P., a Delaware limited partnership ("WCAS VI"), WCAS Capital Partners III, L.P., a Delaware limited partnership ("WCAS CP III"), WCAS Capital Partners II, L.P., a Delaware limited partnership ("WCAS CP II"), and WCAS Information Partners, L.P., a Delaware limited partnership ("WCAS IP").

Item 2(b) - Address of Principal Business Office:

320 Park Avenue, Suite 2500  
New York, New York 10022

Item 2(c) - Place of Organization:

WCAS VII: Delaware  
WCAS VIII: Delaware  
WCAS VI: Delaware  
WCAS CP III: Delaware  
WCAS CP II: Delaware  
WCAS IP: Delaware

Item 2(d) - Title of Class of Securities:

Common Stock, \$.01 par value

Item 2(e) - CUSIP Number:

018581 10 8

Item 3 - Statements Filed Pursuant to Rules 13d-1(b) or 13d-2(b):

Not applicable.

Item 4 - Ownership.

(a) Amount Beneficially Owned:



WCAS VII: 17,922,447 shares of Common Stock  
WCAS VIII: 17,790,349 shares of Common Stock  
WCAS VI: 5,555,550 shares of Common Stock  
WCAS CP III: 655,555 shares of Common Stock  
WCAS CP II: 268,398 shares of Common Stock  
WCAS IP: 148,766 shares of Common Stock

(b) Percent of Class:

WCAS VII: 24.2%  
WCAS VIII: 24.1%  
WCAS VI: 7.5%  
WCAS CP III: 0.9%  
WCAS CP II: 0.4%  
WCAS IP: 0.2%

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

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

WCAS VII: 17,922,447 shares of Common Stock  
WCAS VIII: 17,790,349 shares of Common Stock  
WCAS VI: 5,555,550 shares of Common Stock  
WCAS CP III: 655,555 shares of Common Stock  
WCAS CP II: 268,398 shares of Common Stock  
WCAS IP: 148,766 shares of Common Stock

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

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

WCAS VII: 17,922,447 shares of Common Stock  
WCAS VIII: 17,790,349 shares of Common Stock  
WCAS VI: 5,555,550 shares of Common Stock  
WCAS CP III: 655,555 shares of Common Stock  
WCAS CP II: 268,398 shares of Common Stock  
WCAS IP: 148,766 shares of Common Stock

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

Item 5 - Ownership of Five Percent or Less of a Class:

Not applicable.

Item 6 - Ownership of More than Five Percent on Behalf of Another Person:

Not applicable.

Item 7 - Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on By the Parent Company:

Not applicable.

Item 8 - Identification and Classification of Members of the Group:

See Exhibit 2.

Item 9 - Notice of Dissolution of Group:

Not applicable.

Item 10 - Certification:

Not applicable.

Signature:

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

WELSH, CARSON, ANDERSON & STOWE VII, L.P.  
By: WCAS VII Partners, L.P., General Partner

By /s/ Jonathan M. Rather

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General Partner

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

WELSH, CARSON, ANDERSON & STOWE VI, L.P.  
By: WCAS VI Partners, L.P., General Partner

By /s/ Jonathan M. Rather

-----  
Attorney-in-Fact

WCAS CAPITAL PARTNERS III, L.P.  
By: WCAS CP III Associates, L.L.C., General Partner

By /s/ Jonathan M. Rather

-----  
Managing Member

WCAS CAPITAL PARTNERS II, L.P.  
By: WCAS CP II Partners, General Partner

By /s/ Jonathan M. Rather

-----  
Attorney-in-Fact

WCAS INFORMATION PARTNERS, L.P.  
By: WCAS IP Partners, General Partner

By /s/ Jonathan M. Rather

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Attorney-in-Fact

Date: January 16, 2002

EXHIBIT 1

AGREEMENT OF WELSH, CARSON, ANDERSON & STOWE VII, L.P., WELSH, CARSON, ANDERSON & STOWE VIII, L.P., WELSH, CARSON, ANDERSON & STOWE VI, L.P., WCAS CAPITAL PARTNERS III, L.P., WCAS CAPITAL PARTNERS II, L.P. AND WCAS INFORMATION PARTNERS, L.P.

PURSUANT TO RULE 13d-1(k)

The undersigned hereby agree that the Information Statement on Schedule 13G to which this Agreement is annexed as Exhibit 1 is filed on behalf of each of them in accordance with the provisions of Rule 13d-1(k) under the Securities Exchange Act of 1934, as amended.

WELSH, CARSON, ANDERSON & STOWE VII, L.P.  
By: WCAS VII Partners, L.P., General Partner

By /s/ Jonathan M. Rather  
-----  
General Partner

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

By /s/ Jonathan M. Rather  
-----  
Managing Member

WELSH, CARSON, ANDERSON & STOWE VI, L.P.  
By: WCAS VI Partners, L.P., General Partner

By /s/ Jonathan M. Rather  
-----  
Attorney-in-Fact

WCAS CAPITAL PARTNERS III, L.P.  
By: WCAS CP III Associates, L.L.C., General Partner

By /s/ Jonathan M. Rather  
-----  
Managing Member

WCAS CAPITAL PARTNERS II, L.P.  
By: WCAS CP II Partners, General Partner

By /s/ Jonathan M. Rather  
-----  
Attorney-in-Fact

WCAS INFORMATION PARTNERS, L.P.  
By: WCAS IP Partners, General Partner

By /s/ Jonathan M. Rather  
-----  
Attorney-in-Fact

Date: January 16, 2002

EXHIBIT 2

Identification and Classification  
of Members of the Group

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Welsh, Carson, Anderson & Stowe VII, L.P., Welsh, Carson, Anderson & Stowe VIII, L.P., Welsh, Carson, Anderson & Stowe VI, L.P., WCAS Capital Partners III, L.P., WCAS Capital Partners II, L.P. and WCAS Information Partners, L.P. are filing this statement on Schedule 13G as a group.

Welsh, Carson, Anderson & Stowe VII, L.P. is a Delaware limited partnership. Its sole general partner is WCAS VII Partners, L.P., a Delaware limited partnership.

Welsh, Carson, Anderson & Stowe VIII, L.P. is a Delaware limited partnership. Its sole general partner is WCAS VIII Associates, L.L.C., a Delaware limited liability company.

WCAS Capital Partners III, L.P. is a Delaware limited partnership. Its sole general partner is WCAS CP III Associates, L.L.C., a Delaware limited liability company.

WCAS Capital Partners II, L.P. is a Delaware limited partnership. Its sole general partner is WCAS CP II Partners, a New Jersey general partnership.

WCAS Information Partners, L.P. is a Delaware limited partnership. Its sole general partner is WCAS IP Partners, a Delaware general partnership.