

FORM 4	UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549	OMB APPROVAL
STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP		OMB Number: 3235-0287 Expires: December 31, 2001 Estimated average burden hours per response. . . . 0.5
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(t) of the Investment Company Act of 1940		
1. Name and Address of Reporting Person* Melvin, Carolyn S. (Last) (First) (Middle) 17655 Waterview Parkway (Street) Dallas, TX 75252-8012 (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol Alliance Data Systems Corporation ADS 3. I.R.S. Identification Number of Reporting Person, if an entity (voluntary)	4. Statement for (Month/Year) September 2001 5. If Amendment, Date of Original (Month/Year)
6. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer <input type="checkbox"/> Other Officer/Other Description Senior Vice President and Assistant General Counsel 7. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Individual Filing <input type="checkbox"/> Joint/Group Filing		

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 (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 Indirect Beneficial Ownership (Instr. 4)
		Code V	Amount A/D Price			
Common				13,000 (1)	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).

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Form 4 (continued)

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)	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)
		Code V			(DE) (ED)					
Employee Stock Option (right to buy)	\$9.00				Varies (2) 10/14/2006	Common - 11,111		11,111	D	
Employee Stock Option (right to buy)	\$9.00				Varies (3) 02/23/2007	Common - 1,111		1,111	D	
Employee Stock Option (right to buy)	\$9.90				Varies (4) 05/06/2009	Common - 10,000		10,000	D	
Employee Stock Option (right to buy)	\$15.00				Varies (5) 08/31/2010	Common - 50,000		50,000	D	
Employee Stock Option (right to buy)	\$12.00				Varies (6) 06/08/2011	Common - 23,780		23,780	D	

Explanation of Responses :

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

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.

** Signature of Reporting Person _____ Date _____

Attorney-in-Fact for Carolyn S. Melvin

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FOOTNOTE Descriptions for Alliance Data Systems Corporation ADS	Form 4 - September 2001
Carolyn S. Melvin 17655 Waterview Parkway Dallas, TX 75252-8012 Explanation of responses: (1) Includes 9,600 unvested shares of common stock pursuant to a restricted stock grant. (2) The option is exercisable for 2,500 shares on 1/31/97, 4,305 shares on 1/31/99, and 4,306 shares on 1/31/00. (3) The option is exercisable for 417 shares on each of 1/31/99 and 1/31/00, and for 277 shares on 1/31/01. (4) The option is exercisable for 2,500 shares on each of 1/31/00, 1/31/01 and 1/31/02. (5) The option is exercisable for 16,500 shares on each of 8/31/01 and 8/31/02, and for 17,000 shares on 8/31/03. (6) The option is exercisable for 33% of the underlying shares on each of 8/31/01 and 8/31/02, and for 34% on 8/31/03.	