FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Check this box if no longer subject to
Section 16. Form 4 or Form 5
obligations may continue. See

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

OMB APPROVAL

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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

Name and Address of Reporting Person* DENICOLA ANTHONY J					ALI	2. Issuer Name and Ticker or Trading Symbol ALLIANCE DATA SYSTEMS CORP						5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director X 10% Owner						
						ADS]							cer (give title		(specify			
(Last)	-	•	(Middle)	2 Dat								below) below)						
C/O WELSH, CARSON, ANDERSON AND STOWE						3. Date of Earliest Transaction (Month/Day/Year) 11/01/2004												
320 PARK AVENUE, SUITE 2500					4. If A	4. If Amendment, Date of Original Filed (Month/Day/Year)							Individual or Joint/Group Filing (Check Applicable					
(Street)					•								Line) X Form filed by One Reporting Person					
NEW YO	ORK N	Y	10022									Form filed by More than One Reporting Person						
(City)	(St	•	(Zip)		<u> </u>													
			le I - No	1		Securities Acq	Juirea 3.	, DIS	1						1			
1. Title of Security (Instr. 3) 2. Transact Date (Month/Day						Execution Date,		ction Instr.	4. Securities Acquired (A) of Disposed Of (D) (Instr. 3, 4 and 5)					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	Trans	action(s) . 3 and 4)		(1150.4)			
Common	Stock			11/01/	/2004		J ⁽¹⁾		1,630,000	D	(1)	16	,160,349	I	By Welsh, Carson, Anderson & Stowe VIII, L.P.			
Common	Stock			11/01	/2004		J ⁽¹⁾		1,374,942	D	(1)) 2	100,000	I	By Welsh, Carson, Anderson & Stowe VII, L.P.			
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 11/0					/2004		J ⁽¹⁾		268,398	D	(1)		0	I	By WCAS Capital Partners II, L.P. ⁽²⁾			
Common Stock 11/01/2					/2004		J ⁽¹⁾		7,191	A	(1)		80,168	D				
		Ta				curities Acqui lls, warrants,						y Owne	d					
1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	cise (Month/Day/Year) ve	Execution	n Date,	4. Transact Code (Ins 8)	ion of	6. Date Exercis Expiration Dat (Month/Day/Ye		ear) S UD D	7. Title and Amount of Securities Underlying Derivative Security (Instr. and 4)		8. Price of Derivative Security (Instr. 5)		Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)			

		Та	ble II - Deriva (e.g., p			options, ¢o		or Ben é ficial le securities)				
1. Title of	2. Conversion	3. Transaction	3A. Deemed Execution Date,	4 code V Transaction	(5A)Num(100e)r	6xDectisEblerois	SDadotke and	7itTetle aSolotares	8. Price of	9. Number of	10. Ownership	11. Nature
Esectamation	of Elespisas	e6Month/Day/Year)	l if any	Code (Instr.	Derivative	(Month/Day/Ye	ar)	Securities	Security	Securities	Form:	Beneficial
(Instr. 3) 1. Distributio	Price of ns of shares by	Welsh, Carson, And	(Month/Day/Year) erson & Stowe Vill, I	L.P., Welsh, Car	Securities son, Anderson	& Stowe VII, L.	.P., Welsh, Ca	Underlying arson, Anderson &	Stowe VI, L.F	Beneficially Owned Capital I	Direct (D)	Ownership
Capital Partne	erSecurity to th	eir respective partner	rs.		(A) or			Security (Instr. 3		. Following	or indirect (i) (instr. 4)	(instr. 4)
2. The Report	2. The Reporting Person is a managing member or general partner of the respective sole Pispose p artners of the limited partnership and A)d in Footnote (1) above. Pu Reparted Instruction (4)(b)(iv) of Form 4,											
the Reporting	the Reporting Person has elected to report as indirectly beneficially owned the entire number of securities beneficially owned by each such limited partnership. The Reposactive(s) n disclaims beneficial (listr. 4)											
ownership of	ownership of any securities, and any proceeds thereof, that exceed his pecuniary interes (Instr. 4) (Instr. 4)											
Remarks	:								1			
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				Jonathan M. Rather, Attorney- 11/03/2004								
				in-Fact ITOS 254								
							** 9	ignature of Repo	ring Person	Date		
Reminder: F	eport on a se	parate line for each	class of securities	beneficially o	vned directly	or indirectly.		or	-			
	l ·	ſ	g person, see Instr	'	1 1 1	'		Number				
	1 ′		acts constitute Fed	` ^ ′		Date # Berr Sabie 00	Expiration	of SidGe78f\$18eares				
		l	hish must be made		1 ' ' ' '			1 1				

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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