

FORM 4 [X] Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).	UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549 STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP 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	OMB APPROVAL OMB Number: 3235-0287 Expires: December 31, 2001 Estimated average burden hours per response: 0.5	
1. Name and Address of Reporting Person* Walensky, Steven T. (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) August 2002 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 Technical Consultant 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				35,000 (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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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				Varies (2) 07/23/2008	Common - 33,333		33,333	D	
Employee Stock Option (right to buy)	\$10				Varies (3) 11/30/2008	Common - 11,111		11,111	D	
Employee Stock Option (right to buy)	\$10				Varies (4) 05/06/2009	Common - 22,222		22,222	D	
Employee Stock Option (right to buy)	\$15				Varies (5) 08/31/2010	Common - 80,000		80,000	D	
Employee Stock Option (right to buy)	\$12				Varies (6) 06/08/2011	Common - 38,048		38,048	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
Steven T. Walensky**

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FOOTNOTE Descriptions for Alliance Data Systems Corporation ADS	Form 4 - August 2002
Steven T. Walensky 17655 Waterview Parkway Dallas, TX 75252-8012	
Explanation of responses: (1) On February 7, 2002, Alliance Data Systems Corporation's Board of Directors approved the vesting of 7,000 shares of restricted performance-based shares as a result of the achievement of performance goals for fiscal year 2001. 21,000 restricted performance-based shares remain unvested and are included in the total beneficial ownership. (2) This option is fully vested. (3) This option is fully vested. (4) The option is exercisable for 5,556 shares on each of 1/31/00, and 1/31/01, and for 5,556 shares on 1/31/02, and 5,554 shares on 1/31/03, subject to performance targets. (5) The option is exercisable for 26,400 shares on each of 8/31/01, and 8/31/02, and for 27,200 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.	