

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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

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(f) of the Investment Company Act of 1940

1. Name and Address of Reporting Person*			2. Issuer Name and Ticker or Trading Symbol		4. Statement for (Month/Year)		6. Relationship of Reporting Person(s) to Issuer (Check all applicable)	
SzefTEL, Ivan M.			Alliance Data Systems Corporation ADS		September 2001		<input checked="" type="checkbox"/> Director _____ 10% Owner _____ Officer _____ Other	
(Last)	(First)	(Middle)				Officer/Other Description Executive Vice President		
17655 Waterview Parkway			3. I.R.S. Identification Number of Reporting Person, if an entity (voluntary)		5. If Amendment, Date of Original (Month/Year)		7. Individual or Joint/Group Filing (Check Applicable Line)	
(Street)							___ Form filed by More than One Reporting Person <input checked="" type="checkbox"/> Form filed by One Reporting Person	
Dallas, TX 75252-8012								
(City)	(State)	(Zip)						

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 of (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 Beneficial Ownership (Instr. 4)
		Code V	Amount A/D Price			
Common	9/26/2001	J	1,000(1) A \$14.65	36,000 (2)	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).

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 isposed (D) Of (Instr. 3, 4 and 5)	6. Date Exercisable(DE) and Expiration Date(ED) (Month/Day/Year)
			Code V	(A) (D)	Date Exercisable Expiration Date
Employee Stock Option (right to buy)	\$9.00				Varies (3) 07/24/2008
Employee Stock Option (right to buy)	\$9.90				Varies (4) 05/06/2009
Employee Stock Option (right to buy)	\$15.00				Varies (5) 08/31/2010
Employee Stock Option (right to buy)	\$12.00				Varies (6) 06/08/2011

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)
Common 111,111		111,111	D	
Common 22,222		22,222	D	

Common 80,000

80,000

D

Common 38,048

38,048

D

Explanation of Responses:
See attached statement

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

/s/ Kellie J. Watts

** Signature of Reporting Person

Date

Attorney-in-Fact for
Ivan M. Szeftel

9/26/2001

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.

Alliance Data Systems Corporation ADS

Form 4 - September 2001

Szeftel, Ivan M.
17655 Waterview Parkway
Dallas, TX 75252-8012

Explanation of responses:

- (1) Purchase pursuant to SEC Release No. 44791 dated September 14, 2001, and extended with Release No. 44827 dated September 21, 2001.
- (2) Total beneficial ownership includes 28,000 unvested shares of common stock pursuant to a restricted stock grant.
- (3) The option is exercisable for 27,778 shares on each of 1/31/99 and 1/31/00 and 1/31/01, and for 27,777 shares on 1/31/02.
- (4) The option is exercisable for 5,555 shares on 1/31/00, 5,556 shares on 1/31/01, 5,555 shares on 1/31/02, and 5,556 shares on 1/31/03.
- (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 6/7/02 and 6/7/03, and for 34% on 6/7/04.