

ALLIANCE DATA SYSTEMS CORP
Form SC 13G/A
January 24, 2006

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13G
(Rule 13d-102)

INFORMATION TO BE INCLUDED IN STATEMENTS FILES PURSUANT
TO RULES 13d-1(b), (c), AND (d) AND AMENDMENTS THERETO FILED
PURSUANT TO RULE 13d-2 (b)
(Amendment No. 3) (1)

Alliance Data Systems Corporation

(Name of Issuer)

Common Stock, \$.01 par value

(Title of Class of Securities)

018581 10 8

(CUSIP Number)

December 31, 2005

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)

(1)The 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.

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

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

3) SEC Use Only

4) Citizenship or Place of Organization Delaware

Number of Shares Beneficially Owned by Each Reporting Person With:

5) Sole Voting Power 12,160,349 shares of Common Stock

6) Shared Voting Power -0-

7) Sole Dispositive Power 12,160,349 shares of Common Stock

8) Shared Dispositive Power -0-

9) Aggregate Amount Beneficially Owned by Each Reporting Person 12,160,349 shares of Common Stock

10) Check if the Aggregate Amount in Row (9) Excludes Certain Shares

11) Percent of Class Represented by Amount in Row (9) 14.4%

12) Type of Reporting Person PN

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Amendment No. 3 to Schedule 13G

Reference is hereby made to the statement on Schedule 13G filed with the Securities and Exchange Commission on January 22, 2003, Amendment No. 1 thereto filed on January 21, 2004 and Amendment No. 2 thereto filed on January 13, 2005 (as so amended, the "Schedule 13G"). Terms defined in the Schedule 13G are used herein as so defined.

The following Items of the Schedule 13G are hereby amended and restated to read in their entirety as follows:

Item 4 - Ownership.

(a) Amount Beneficially Owned:

WCAS VIII: 12,160,349 shares of Common Stock

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(b) Percent of Class:

WCAS VIII: 14.4%

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

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

WCAS VIII: 12,160,349 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 VIII: 12,160,349 shares of Common Stock

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

In addition, WCAS Management Corporation, a Delaware corporation controlled by certain of the same individuals who control WCAS VIII, owns 349 shares of Common Stock, or less than 0.1% of the Common Stock outstanding.

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Signature:

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

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

By /s/ Jonathan M. Rather

Managing Member

Date: January 18, 2006