

ALLIANCE DATA SYSTEMS CORP

Form SC 13D/A

February 04, 2008

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
SCHEDULE 13D  
Under the Securities Exchange Act of 1934 (Amendment No. 2)\*  
ALLIANCE DATA SYSTEMS CORPORATION**

(Name of Issuer)

Common Stock, Par Value \$0.01 Per Share

(Title of Class of Securities)

018581108

(CUSIP Number)

Peter A. Nussbaum, Esq.  
CR Intrinsic Investors, LLC  
72 Cummings Point Road  
Stamford, CT 06902  
(203) 890-2000

(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

January 31, 2008

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box:

**Note:** Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 240.13d-7 for other parties to whom copies are to be sent.

\* 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 ( Act ) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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**SCHEDULE 13D**

**CUSIP No. 018581108**

**Page 2 of 13 Pages**

**1** NAME OF REPORTING PERSON  
I.R.S. IDENTIFICATION NO. OF ABOVE PERSON  
  
CR Intrinsic Investors, LLC

**2** CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP  
  
(a)   
(b)

**3** SEC USE ONLY

**4** SOURCE OF FUNDS  
  
AF

**5** CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS  
2(d) OR 2(e)

**6** CITIZENSHIP OR PLACE OF ORGANIZATION  
  
Delaware

**7** SOLE VOTING POWER

NUMBER OF 0

**8** SHARES BENEFICIALLY OWNED BY  
SHARED VOTING POWER  
5,150,000

EACH REPORTING PERSON      **9**      SOLE DISPOSITIVE POWER  
0

WITH      **10**      SHARED DISPOSITIVE POWER  
5,150,000

**11**      AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
5,150,000

**12**      CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)  
o

**13**      PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  
6.5%

**14**      TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)  
00

CUSIP No. 018581108

Page 3 of 13 Pages

**1** NAME OF REPORTING PERSON  
I.R.S. IDENTIFICATION NO. OF ABOVE PERSON  
  
CR Intrinsic Investments, LLC

**2** CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP  
  
(a)   
(b)

**3** SEC USE ONLY

**4** SOURCE OF FUNDS  
  
AF

**5** CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS  
2(d) OR 2(e)

**6** CITIZENSHIP OR PLACE OF ORGANIZATION  
  
Anguilla, British West Indies

**7** SOLE VOTING POWER

NUMBER OF 0

**8** SHARES BENEFICIALLY OWNED BY SHARED VOTING POWER  
5,150,000

EACH REPORTING PERSON      **9**      SOLE DISPOSITIVE POWER  
0

WITH      **10**      SHARED DISPOSITIVE POWER  
5,150,000

**11**      AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
5,150,000

**12**      CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)  
o

**13**      PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  
6.5%

**14**      TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)  
00

CUSIP No. 018581108

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**1** NAME OF REPORTING PERSON  
I.R.S. IDENTIFICATION NO. OF ABOVE PERSON  
  
Sigma Capital Management, LLC

**2** CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP  
  
(a)   
(b)

**3** SEC USE ONLY

**4** SOURCE OF FUNDS  
  
AF

**5** CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS  
2(d) OR 2(e)

**6** CITIZENSHIP OR PLACE OF ORGANIZATION  
  
Delaware

**7** SOLE VOTING POWER  
  
NUMBER OF 0

**8** SHARED VOTING POWER  
  
SHARES BENEFICIALLY OWNED BY 0

EACH REPORTING PERSON	<b>9</b>	SOLE DISPOSITIVE POWER
		0
WITH	<b>10</b>	SHARED DISPOSITIVE POWER
		0

**11** AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

0

**12** CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

0

**13** PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

0.0%

**14** TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

00



CUSIP No. 018581108

Page 5 of 13 Pages

**1** NAME OF REPORTING PERSON  
I.R.S. IDENTIFICATION NO. OF ABOVE PERSON  
  
S.A.C. Capital Advisors, LLC

**2** CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP  
  
(a)   
(b)

**3** SEC USE ONLY

**4** SOURCE OF FUNDS  
  
AF

**5** CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS  
2(d) OR 2(e)

**6** CITIZENSHIP OR PLACE OF ORGANIZATION  
  
Delaware

**7** SOLE VOTING POWER  
NUMBER OF 0

**8** SHARED VOTING POWER  
SHARES BENEFICIALLY OWNED BY 8,700

EACH REPORTING PERSON	<b>9</b>	SOLE DISPOSITIVE POWER
		0
WITH	<b>10</b>	SHARED DISPOSITIVE POWER
		8,700

**11** AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

8,700

**12** CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

o

**13** PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

Less than 0.1%

**14** TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

00

CUSIP No. 018581108

Page 6 of 13 Pages

1 NAME OF REPORTING PERSON  
I.R.S. IDENTIFICATION NO. OF ABOVE PERSON  
  
S.A.C. Capital Management, LLC

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP  
  
(a)   
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS  
  
AF

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS  
2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION  
  
Delaware

7 SOLE VOTING POWER

NUMBER OF 0

8 SHARES BENEFICIALLY OWNED BY 8  
8,700

9 EACH SOLE DISPOSITIVE POWER

REPORTING  
PERSON WITH 0

SHARED DISPOSITIVE POWER  
10  
8,700

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
8,700

12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)  
o

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  
Less than 0.1%

14 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)  
00

CUSIP No. 018581108

Page 7 of 13 Pages

1 NAME OF REPORTING PERSON  
I.R.S. IDENTIFICATION NO. OF ABOVE PERSON  
  
Steven A. Cohen

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP  
  
(a)   
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS  
  
AF

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS  
2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION  
  
United States

7 SOLE VOTING POWER  
NUMBER OF 0

8 SHARED VOTING POWER  
SHARES BENEFICIALLY OWNED BY 5,158,700

9 SOLE DISPOSITIVE POWER  
EACH

REPORTING  
PERSON WITH 0

SHARED DISPOSITIVE POWER  
**10**  
5,158,700

**11** AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
5,158,700

**12** CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)  
o

**13** PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  
6.6%

**14** TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)  
IN

Pursuant to Rule 13d-2 promulgated under the Act, this Schedule 13D/A (this Amendment No. 2 ) amends the Schedule 13D filed on December 10, 2007 (the Original Schedule 13D ) as amended by the Schedule 13D/A filed on December 14, 2007 ( Amendment No. 1 ) (the Original Schedule 13D, Amendment No. 1 and this Amendment No. 2 are collectively referred to herein as the Schedule 13D ). This Amendment No. 2 relates to the shares of common stock, par value \$0.01 per share, of Alliance Data Systems Corporation, a Delaware corporation (the Issuer ). Unless the context otherwise requires, references herein to the Common Stock are to such common stock of the Issuer. Capitalized terms used but not defined herein shall have the meanings given them in the Original Schedule 13D.

**Item 2. Identity and Background**

Item 2 of the Schedule 13D is hereby amended and restated in its entirety as follows:

(a) This statement is filed by:

(i) CR Intrinsic Investors, LLC ( CR Intrinsic Investors ) with respect to shares of Common Stock directly beneficially owned by CR Intrinsic Investments, LLC ( CR Intrinsic Investments );

(ii) CR Intrinsic Investments with respect to shares of Common Stock directly beneficially owned by it;

(iii) Sigma Capital Management, LLC ( Sigma Capital Management ) with respect to shares of Common Stock previously directly beneficially owned by Sigma Capital Associates, LLC ( Sigma Capital Associates );\*

(iv) S.A.C. Capital Advisors, LLC ( SAC Capital Advisors ) with respect to shares of Common Stock directly beneficially owned by S.A.C. MultiQuant Fund, LLC, ( SAC MultiQuant );

(v) S.A.C. Capital Management, LLC ( SAC Capital Management ) with respect to shares of Common Stock directly beneficially owned by SAC MultiQuant;

(vi) Steven A. Cohen with respect to shares of Common Stock beneficially owned by CR Intrinsic Investors, CR Intrinsic Investments, Sigma Capital Management, Sigma Capital Associates, SAC Capital Advisors, SAC Capital Management and SAC MultiQuant.

\* Sigma Capital Management was a Reporting Person in Amendment No. 1 with respect to 55,000 shares of Common Stock directly beneficially owned by Sigma Capital Associates, LLC. Sigma Capital Associates, LLC no longer holds any shares of Common Stock.

CR Intrinsic Investors, CR Intrinsic Investments, Sigma Capital Management, SAC Capital Advisors, SAC Capital Management and Mr. Cohen (collectively, the Reporting Persons ) expressly disclaim beneficial ownership of securities directly

beneficially owned by any person or entity other than, to the extent of any pecuniary interest therein, the various accounts under the Reporting Persons management and control.

(b) The address of the principal business office of (i) CR Intrinsic Investors, SAC Capital Advisors and Mr. Cohen is 72 Cummings Point Road, Stamford, Connecticut 06902, (ii) CR Intrinsic Investments is Box 174, Mitchell House, The Valley, Anguilla, British West Indies, and (iii) Sigma Capital Management and SAC Capital Management is 540 Madison Avenue, New York, New York 10022.

(c) The principal business of CR Intrinsic Investments is to serve as a private investment limited liability company. The principal business of CR Intrinsic Investors is to serve as investment manager to CR Intrinsic Investments, and to control the investing and trading in securities by this private investment fund. The principal business of Sigma Capital Management is to serve as investment manager to Sigma Capital Associates. The principal business of each of SAC Capital Advisors and SAC Capital Management is to serve as investment manager to a variety of private investment funds, including SAC MultiQuant, and to control the investing and trading in securities by these private investment funds. The principal business of Mr. Cohen is to serve as a principal of CR Intrinsic Investors, Sigma Capital Management, SAC Capital Advisors and SAC Capital Management located at his address set forth above, and of certain other affiliated entities.

(d) None of the Reporting Persons has, during the last five years, been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

(e) None of the Reporting Persons has, during the last five years, been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

(f) SAC Capital Advisors, SAC Capital Management, CR Intrinsic Investors and Sigma Capital Management are Delaware limited liability companies. CR Intrinsic Investments is an Anguillan limited liability company. Mr. Cohen is a United States citizen.

**Item 3. Source and Amount of Funds or Other Consideration.**

Item 3 of the Schedule 13D is hereby amended and restated in its entirety as follows:

The Reporting Persons expended an aggregate of approximately \$396,808,187 of their investment capital to purchase the 5,158,700 shares of Common Stock. Such transactions were effected in open market purchases and acquired in the ordinary course of business and are held by CR Intrinsic Investments and SAC MultiQuant in commingled margin accounts, maintained at Goldman Sachs & Co. and Morgan Stanley & Co., which may extend margin credit to the Reporting Persons as and when required to open or carry positions in the margin accounts, subject to applicable federal margin regulations, stock exchange rules and credit policies. In such instances, the positions held in the margin accounts are pledged as collateral security for the repayment of debit



balances in the account. The margin accounts may from time to time have debit balances. Since other securities are held in the margin accounts, it is not possible to determine the amounts, if any, of margin used to purchase the shares of Common Stock reported herein.

**Item 5. Interest in Securities of the Issuer.**

Item 5 of the Schedule 13D is hereby amended and restated in its entirety as follows:

(a) As of the close of business on February 1, 2008, the Reporting Persons beneficially own an aggregate of 5,158,700 shares of Common Stock, representing approximately 6.6% of the shares of Common Stock outstanding. The percentages used herein are based upon the 78,740,781 shares of Common Stock reported to be outstanding as of November 2, 2007 by the Issuer in its Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on November 6, 2007.

CR Intrinsic Investors, Sigma Capital Management, SAC Capital Advisors, SAC Capital Management, and Mr. Cohen own directly no shares of Common Stock. Pursuant to an investment management agreement, CR Intrinsic Investors holds all investment and voting power with respect to securities held by CR Intrinsic Investments. Pursuant to an investment management agreement, Sigma Capital Management holds all investment and voting power with respect to securities held by Sigma Capital Associates. Pursuant to investment management agreements, each of SAC Capital Advisors and SAC Capital Management hold all investment and voting power with respect to securities held by SAC MultiQuant. Mr. Cohen, through one or more intermediary holding companies, controls CR Intrinsic Investments, Sigma Capital Associates, SAC Capital Advisors, and SAC Capital Management. By reason of the provisions of Rule 13d-3 of the Act, as amended, each of CR Intrinsic Investors and Mr. Cohen may be deemed to own beneficially 5,150,000 shares of Common Stock (constituting approximately 6.5% of the shares of Common Stock outstanding). Each of SAC Capital Advisors, SAC Capital Management, and Mr. Cohen may be deemed to own beneficially 8,700 shares of Common Stock (constituting less than 0.1% of the shares of Common Stock outstanding).

(b) None of the Reporting Persons has sole power to vote or direct the vote or sole power to dispose or direct the disposition of shares of Common Stock.

(i) CR Intrinsic Investors has shared power to vote or direct the vote and shared power to dispose or direct the disposition of 5,150,000 shares of Common Stock, constituting approximately 6.5% of such class of securities;

(ii) CR Intrinsic Investments has shared power to vote or direct the vote and shared power to dispose or direct the disposition of 5,150,000 shares of Common Stock, constituting approximately 6.5% of such class of securities;

(iii) Sigma Capital Management has shared power to vote or direct the vote and shared power to dispose or direct the disposition of 0 shares of Common Stock, constituting 0.0% of such class of securities; and

(iv) SAC Capital Advisors has shared power to vote or direct the vote and shared power to dispose or direct the disposition of 8,700 shares of Common Stock, constituting less than 0.1% of such class of securities;

(v) SAC Capital Management has shared power to vote or direct the vote and shared power to dispose or direct the disposition of 8,700 shares of Common Stock, constituting less than 0.1% of such class of securities;

(vi) Steven A. Cohen has shared power to vote or direct the vote and shared power to dispose or direct the disposition of 5,158,700 shares of Common Stock, constituting approximately 6.6% of such class of securities.

(c) Information concerning transactions in the shares of Common Stock effected by the Reporting Persons since the filing of Amendment No.1 is set forth in Schedule A hereto and is incorporated herein by reference. All of such transactions were effected in open market purchases through various brokerage entities on the New York Stock Exchange.

(d) No person other than CR Intrinsic Investors, CR Intrinsic Investments, SAC Capital Advisors, SAC Capital Management, and Steven A. Cohen is known to have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the shares of Common Stock directly beneficially owned by CR Intrinsic Investments and SAC MultiQuant.

(e) Not applicable.

**Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.**

Item 6 of the Schedule 13D is hereby amended and restated in its entirety as follows:

Other than as described herein, there are no contracts, arrangements, understandings or relationships (legal or otherwise) between the Reporting Persons and any other person with respect to the securities of the Issuer.

The Reporting Persons may, from time to time, enter into and dispose of cash-settled equity swaps or other similar derivative transactions with one or more counterparties that are based upon the value of shares of Common Stock, which transactions may be significant in amount. The profit, loss and/or return on such contracts may be wholly or partially dependent on the market value of the shares of Common Stock, the relative value of shares of Common Stock in comparison to one or more other financial instruments, indexes or securities, a basket or group of securities in which shares of Common Stock may be included, or a combination of any of the foregoing. In addition to the shares of Common Stock reported herein by the Reporting Persons, SAC MultiQuant currently has long economic exposure to 8,600 shares of Common Stock through such contracts, and currently has short economic exposure to 400 shares of Common Stock through such contracts, and another affiliate of the Reporting Persons, S.A.C. Capital Associates, LLC, currently has long economic exposure to an additional 5,900

shares of Common Stock through such contracts. These contracts do not give the Reporting Persons direct or indirect voting, investment or dispositive control over any securities of the Issuer and do not require the counterparties thereto to acquire, hold, vote or dispose of any securities of the Issuer. Accordingly, the Reporting Persons disclaim any beneficial ownership in any securities that may be referenced in such contracts or that may be held from time to time by any counterparties to such contracts.

**Item 7. Material to be filed as Exhibits.**

1. Schedule A Trading History
2. Exhibit 99.1 Joint Filing Agreement

**SIGNATURES**

After reasonable inquiry and to the best of each of the undersigned's knowledge and belief, each of the undersigned, severally and not jointly, certifies that the information set forth in this statement is true, complete and correct.

Dated: February 4, 2008

CR INTRINSIC INVESTORS, LLC

By: /s/ Peter Nussbaum  
Name: Peter Nussbaum  
Title: Authorized Person

CR INTRINSIC INVESTMENTS, LLC

By: /s/ Peter Nussbaum  
Name: Peter Nussbaum  
Title: Authorized Person

SIGMA CAPITAL MANAGEMENT, LLC

By: /s/ Peter Nussbaum  
Name: Peter Nussbaum  
Title: Authorized Person

S.A.C. CAPITAL ADVISORS, LLC

By: /s/ Peter Nussbaum  
Name: Peter Nussbaum  
Title: Authorized Person

S.A.C. CAPITAL MANAGEMENT, LLC

By: /s/ Peter Nussbaum  
Name: Peter Nussbaum  
Title: Authorized Person

STEVEN A. COHEN

By: /s/ Peter Nussbaum  
Name: Peter Nussbaum  
Title: Authorized Person