

Notice of Change in Control

by

Blackstone Capital Partners V and Certain Affiliated Persons

of the Intention to Indirectly Acquire

World Financial Network National Bank

Volume I: Notice of Change in Control and
Interagency Notice of Change in Control

Notice of Change in Control

by

Blackstone Capital Partners V and Certain Affiliated Persons

of the Intention to Indirectly Acquire

World Financial Network National Bank

June 28, 2007

Table of Contents

	Page
I. INTRODUCTION.....	3
II. PARTIES TO THE TRANSACTION.....	4
A. Alliance Data	4
B. World Financial Network National Bank.....	5
C. Holdco and Merger Sub	7
D. The Blackstone Group.....	7
E. Blackstone Capital Partners V.....	9
F. The Blackstone Group's Founding Members.....	12
III. THE PROPOSED TRANSACTION.....	13
A. Structure and Terms	13
B. Financing for the Transaction.....	14
C. The Limited Guarantee.....	15
D. Regulatory Approvals	15
E. Impact of the Transaction on the Bank	16

Exhibits

Tab

Publication Notice	Exhibit A
Alliance Data Systems Corporation, Annual Report (Form 10-K) (Feb. 26, 2007)	Exhibit B
Operating Agreement between World Financial Network National Bank and the Office of the Comptroller of the Currency	Exhibit C
Capital Adequacy and Liquidity Maintenance Agreement	Exhibit D
Agreement and Plan of Merger, dated May 17, 2007	Exhibit E
The Blackstone Group, Prospectus (June 21, 2007)	Exhibit F
Blackstone's Businesses and Investments	Confidential Exhibit G
Blackstone Capital Partners V's Investments	Confidential Exhibit H
Alliance Data Systems Corporation, Preliminary Proxy Statement (Schedule 14A) (June 18, 2007)	Exhibit I
Alliance Data Systems Corporation, <i>Pro Forma</i> Balance Sheet	Confidential Exhibit J
Equity Commitment Letter between Aladdin Holdco, Inc. and Blackstone Capital Partners V L.P., dated May 17, 2007	Confidential Exhibit K
Debt Commitment Letter between Credit Suisse Securities (USA) LLC, Credit Suisse Cayman Islands Branch and Aladdin Merger Sub, Inc., dated May 17, 2007	Confidential Exhibit L
Limited Guarantee by Blackstone Capital Partners V L.P., dated May 17, 2007	Confidential Exhibit M
World Financial Network National Bank, Three-Year Business Plan	Confidential Exhibit N

Notice of Change in Control

by

Blackstone Capital Partners V and Certain Affiliated Persons

of the Intention to Indirectly Acquire

World Financial Network National Bank

Blackstone Capital Partners V, comprising of Blackstone Capital Partners V L.P. (“BCP V L.P.”), BCP V-S L.P. (“BCP V-S”), and BCP V Co-Investors L.P. (“BCP V Co-Investors,” collectively with BCP V L.P. and BCP V-S, “BCP V”),¹ Aladdin Holdco, Inc. (“Holdco”), Aladdin Merger Sub, Inc. (“Merger Sub”), Blackstone Management Associates V L.L.C., BMA V L.L.C., Blackstone Holdings III L.P., Blackstone Holdings III GP L.L.C., The Blackstone Group L.P., Blackstone Partners L.L.C., Blackstone Group Management L.L.C., and Stephen A. Schwarzman (all such persons collectively, the “Notificants”), hereby provide notice (the “Notice”) to the Office of the Comptroller of the Currency (“OCC”) pursuant to the Change in Bank Control Act, 12 U.S.C. § 1817(j) (the “CBCA”), of the intention to indirectly acquire -- in connection with the acquisition by a wholly-owned subsidiary of BCP V of all the outstanding shares of Alliance Data Systems Corporation (“Alliance Data”) -- all the outstanding shares of World Financial Network National Bank (the “Bank”), a credit card bank wholly-owned by

¹ Blackstone Capital Partners V also includes Blackstone Capital Partners V-AC L.P., Blackstone Family Investment Partnership V L.P., Blackstone Family Investment Partnership V-A L.P., and Blackstone Participation Partnership V L.P. These limited partnerships are not included as notificants in this notice because none of them will own or control 10% or more of Alliance Data Systems Corporation. Blackstone Capital Partners V also includes additional capital vehicles and co-investment vehicles, none of which are investing in Alliance Data Systems Corporation.

Alliance Data. The information set forth below, which incorporates the Interagency Notice of Change in Control, is provided in support of this Notice.²

In its consideration of the Notice, the OCC must take into account the factors set forth in the CBCA, 12 U.S.C. § 1817(j)(7)(A)-(F) and, if the OCC does not disapprove this Notice within sixty days, or extend the period for review, the acquisition of the Bank may proceed. The CBCA authorizes the OCC to disapprove a change in control when it determines that:

- The acquisition would have an adverse competitive effect;
- The financial condition of the acquirer might jeopardize the financial stability of the Bank;
- The competence, experience, or integrity of the acquirer or of any of the proposed management personnel indicates that it would not be in the interests of the depositors or the public to permit the acquirer to control the Bank;
- The acquirer neglects, fails, or refuses to furnish the information required by the OCC; or
- The OCC determines that the transaction would have an adverse effect on the Deposit Insurance Fund (the "DIF").

The Notificants' acquisition of control of the Bank would have no adverse effect on competition in any geographic market. The acquisition would substantially enhance the financial and managerial resources available to operate the Bank. The transaction would have no negative impact on the DIF. Thus, the Notificants request that the OCC clear the Notice as soon as possible.

² A copy of the newspaper notice to be published in the *Columbus Dispatch* is included herewith in Exhibit A.

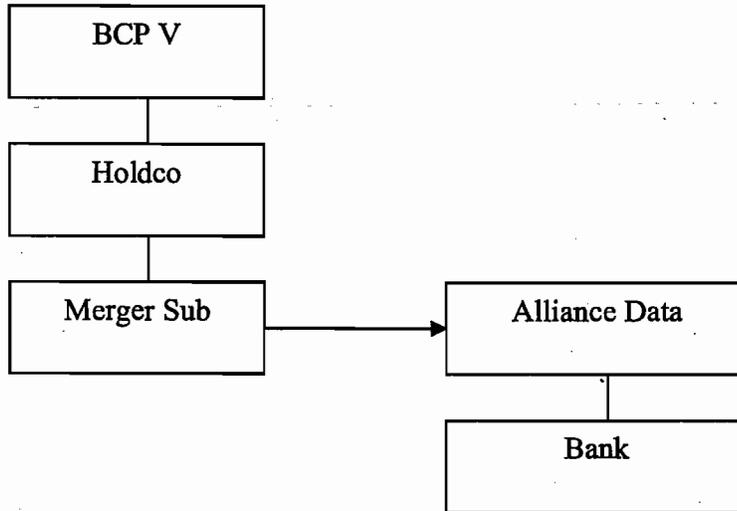
I. INTRODUCTION

On May 17, 2007, The Blackstone Group announced that BCP V L.P. and certain affiliates will acquire Alliance Data for approximately \$7.8 billion, comprised of approximately \$6.7 billion of equity and the assumption of approximately \$1.1 billion of debt (the "Transaction"). Under the terms of the Transaction, BCP V will acquire all of the outstanding common stock of Alliance Data for \$81.75 per share in cash.

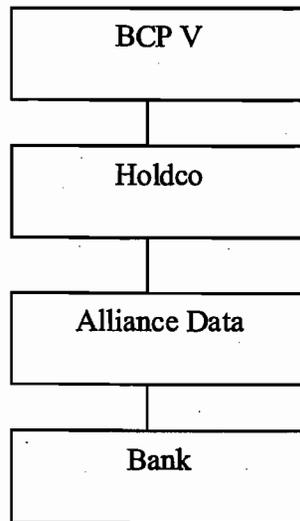
The parties to the Transaction include Holdco, its wholly owned subsidiary Merger Sub, and Alliance Data. Holdco and Merger Sub are newly formed Delaware corporations and affiliates of The Blackstone Group. Upon the completion of the Transaction, Merger Sub will be merged with and into Alliance Data. As a result of the merger, the separate corporate existence of Merger Sub shall cease and Alliance Data will continue as the surviving corporation of the merger. Alliance Data and the Bank will become controlled by Blackstone Capital Partners V.

The following is a chart of the transaction:

Merger



Resulting Structure



II. PARTIES TO THE TRANSACTION

A. Alliance Data

Alliance Data is a leading provider of marketing, loyalty, and transaction services, managing over 120 million consumer relationships for some of North America's most

recognizable companies. Using transaction-rich data, Alliance Data creates and manages customized solutions that change consumer behavior and enable its clients to create and enhance customer loyalty to build stronger, mutually beneficial relationships with their customers. Alliance Data employs over 9,000 associates at more than 60 locations worldwide. Its brands include AIR MILES®, North America's premier coalition loyalty program, and Epsilon®, a leading provider of multi-channel, data-driven technologies and marketing services.

Alliance Data is incorporated in Delaware and is authorized to issue 200,000,000 shares of common stock, par value \$0.01 per share, and 20,000,000 shares of preferred stock, par value \$0.01 per share. As of April 30, 2007, there were 78,697,696 shares of common stock and no shares of preferred stock outstanding.

Alliance Data's principal executive offices are located at 17655 Waterview Parkway, Dallas, Texas 75252 and its telephone number is 972-348-5100. It is publicly traded on the New York Stock Exchange under the symbol "ADS." Additional information regarding Alliance Data can be found in its Annual Report on Form 10-K for the fiscal year ending December 31, 2006, a copy of which is included herewith in Exhibit B.

B. World Financial Network National Bank

The Bank was chartered by the OCC on May 1, 1989 as a credit card bank under the Competitive Equality Banking Act. It was acquired by Alliance Data in 1996.³ The Bank engages exclusively in credit card transactions. It does not accept demand deposits, deposits that the depositor may withdraw by check or similar means for payment to third parties or others, or

³ Alliance Data also controls World Financial Capital Bank, a Utah-chartered industrial bank. Notificants are filing a Notice of Change in Control with the Federal Deposit Insurance Corporation with respect to World Financial Capital Bank.

any savings or time deposits of less than \$100,000. It also does not engage in the business of making commercial loans.

The Bank oversees about 100 million cardholder accounts and nearly \$4 billion in receivables. Under federal guidelines, the Bank is considered well capitalized. As of December 31, 2006, the Bank's Tier 1 risk-based capital ratio (Tier 1 capital to risk-weighted assets) was 37.3%, total risk-based capital ratio was 39.1% and leverage ratio (Tier 1 capital to total assets) was 59.1%.

As part of an acquisition in 2003 by the Bank, which required approval by the OCC, the Bank entered into an operating agreement with the OCC (the "Operating Agreement") and a Capital Adequacy and Liquidity Maintenance Agreement with Alliance Data (the "CALMA"). The Operating Agreement requires the Bank to continue operating in a manner consistent with its current practices, regulatory guidelines and applicable law, including those related to affiliate transactions, maintenance of capital and corporate governance. It requires the Bank to maintain a total risk-based capital ratio of 8%. The Operating Agreement has not required any changes in the Bank's operations. A copy of the Operating Agreement is included herewith in Exhibit C.

The CALMA provides that Alliance Data will ensure that the Bank has at all times the minimum levels of capital and liquidity that are specified in the Operating Agreement. Further, Alliance Data agrees to maintain a \$100 million line of credit to the Bank. A copy of the CALMA is included herewith in Exhibit D.

The Bank is located at 800 Tech Center Drive, Gahanna, Ohio 43230. It does not maintain any branch offices.

C. Holdco and Merger Sub

Holdco and Merger Sub are vehicles organized and controlled by BCP V. Holdco is a Delaware corporation organized solely for the purpose of entering into and consummating the Transaction. Its principal executive offices are located at 345 Park Avenue, New York, New York, 10154. Holdco has not conducted any activities to date other than activities incidental to its formation and in connection with the Transaction.

Merger Sub is a Delaware corporation wholly owned by Holdco and organized solely for the purpose of entering into and consummating the Transaction. Merger Sub's principal executive offices are located at 345 Park Avenue, New York, New York 10154. Merger Sub has not conducted any activities to date other than activities incidental to its formation and in connection with the merger. Under the terms of the Merger Agreement, Merger Sub will merge with and into Alliance Data, Alliance Data will survive the merger and Merger Sub will cease to exist. A copy of the Agreement and Plan of Merger, dated May 17, 2007 (the "Merger Agreement") is included herewith in Exhibit E.

D. The Blackstone Group

The Blackstone Group L.P. (together with its affiliates, "Blackstone") is a leading global alternative asset manager and provider of financial advisory services based in New York, with offices in London, Paris, Hamburg, Mumbai, Hong Kong, Boston, Atlanta, Chicago, and Los Angeles. Blackstone's businesses, in addition to Corporate Private Equity Investing, include Real Estate Private Equity Investing, Corporate Debt Investing, Corporate Advisory Services, Restructuring and Reorganization Advisory Services, Funds of Hedge Funds, Proprietary Hedge Funds, Mutual Fund Management, and Private Placement Services to Alternative Investment Funds. A detailed description of these activities is provided in Blackstone's Prospectus that was

filed with the Securities and Exchange Commission on June 21, 2007 ("Prospectus"), included herewith in Exhibit F.

Blackstone was founded in 1985 by its current Senior Chairman, Peter G. Peterson, and its current Chairman and Chief Executive Officer, Stephen A. Schwarzman. Hamilton E. James serves as President, and J. Tomilson Hill serves as Vice Chairman. Blackstone has 60 Senior Managing Directors (including Peter G. Peterson, Stephen A. Schwarzman, Hamilton E. James, and J. Tomilson Hill) and employs 335 other professionals. A description of Blackstone's businesses and investments is included herewith in Confidential Exhibit G.

On March 22, 2007, Blackstone filed an initial prospectus for an initial public offering (the "Offering"). In order to facilitate the Offering, which occurred on June 22, 2007, Blackstone reorganized into a holding partnership, The Blackstone Group L.P. The interests in The Blackstone Group L.P., a Delaware limited partnership formed on March 12, 2007, are held by public investors in the Offering, an investment vehicle established by the People's Republic of China, Blackstone Partners L.L.C., a Delaware limited liability company, and Blackstone Group Management L.L.C., a Delaware limited liability company. The Blackstone Group L.P., through wholly-owned subsidiaries, will hold equity interests in five Blackstone Holding partnerships, referred to collectively as "Blackstone Holdings." With limited exceptions that are not relevant here, Blackstone Holdings will own and manage each of Blackstone's operating entities, including BMA V L.L.C., which is the sole member of Blackstone Management Associates V L.L.C. As described below, Blackstone Management Associates V L.L.C. is the general partner of BCP V L.P.

The Blackstone Group L.P. holds 100% of Blackstone Holdings III GP L.L.C., a Delaware limited liability company, which holds 22% of the partnership units of Blackstone Holdings III L.P., a Delaware limited partnership,⁴ which holds approximately 60% of BMA V L.L.C., a Delaware limited liability company.⁵

No person other than Stephen A. Schwarzman owns or controls 10% or more of the interests of The Blackstone Group L.P.

E. Blackstone Capital Partners V

Blackstone Capital Partners V includes BCP V L.P., BCP V-S and BCP V Co-Investors.⁶ BCP V L.P., BCP V-S and BCP V Co-Investors share the same general partner, Blackstone Management Associates V L.L.C. There are hundreds of investors in these investment vehicles that are not affiliated with Blackstone and the largest investor holds approximately 8% of Blackstone Capital Partners V's combined capital commitments. A further description of Blackstone Capital Partners V and its investments is included herewith in Confidential Exhibit H.

In the Transaction, Blackstone Capital Partners V will make an equity investment in Holdco in the amount of up to approximately \$1.8 billion for the purpose of funding the

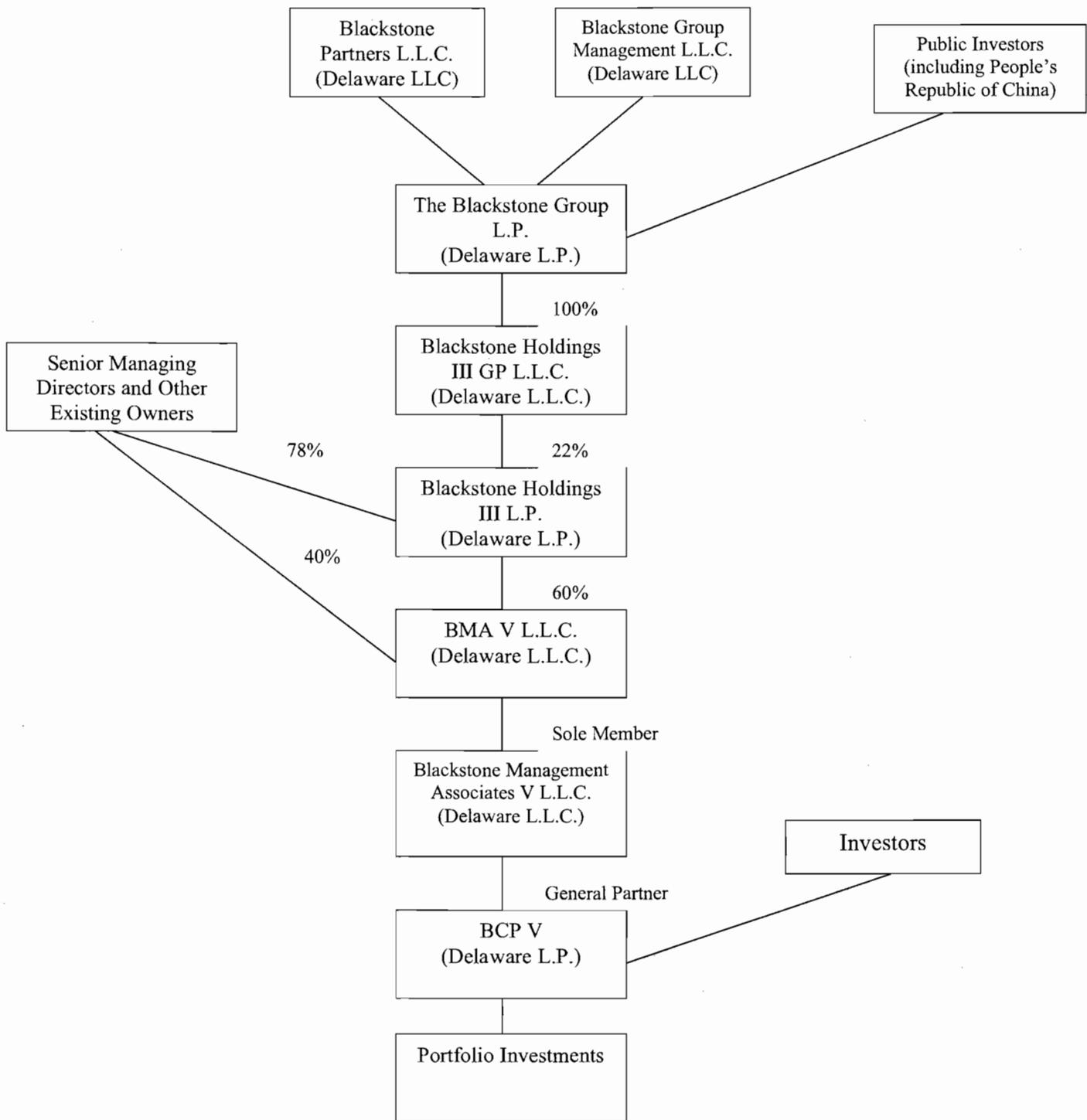
⁴ The remaining 78% of Blackstone Holdings III L.P. is held by Senior Managing Directors of Blackstone and others. Stephen A. Schwarzman is the only person who controls 10% or more of Blackstone Holdings III L.P.

⁵ The remaining 40% of BMA V L.L.C. is held by Senior Managing Directors of Blackstone and others. Stephen A. Schwarzman is the only person who controls 10% or more of BMA V L.L.C.

⁶ See note 1 above with respect to Blackstone Capital Partners V entities other than the Notificants. Upon the closing of the Transaction, no single investor in BCP V L.P., BCP V-S or BCP V Co-Investors will own or control 10% or more of the voting interests of BCP V L.P., BCP V-S or BCP V Co-Investors, respectively.

acquisition of Alliance Data. Other Blackstone Capital Partners V entities will participate in the investment, as stated in note 1 above.

The following organizational chart depicts the relevant organization structure of Blackstone in connection with the Transaction. A further explanation of this structure can be found in Exhibit F (Prospectus).



F. The Blackstone Group's Founding Members

Stephen A. Schwarzman is the Chairman and Chief Executive Officer of Blackstone and the Chairman of the Board of Directors of Blackstone's general partner, Blackstone Group Management L.L.C. Mr. Schwarzman is a founder of The Blackstone Group and has been involved in all phases of the firm's development since its founding in 1985. Mr. Schwarzman began his career at Lehman Brothers, where he was elected Managing Director in 1978. He was engaged principally in the mergers and acquisitions business of Lehman Brothers from 1977 to 1984, and served as Chairman of its Mergers & Acquisitions Committee in 1983 and 1984. *See* Exhibit F (Prospectus) at 192.

As set forth in the Prospectus, Mr. Schwarzman earned a cash distribution for fiscal and tax year ended December 31, 2006 in the amount of \$398.3 million. *See id.* at 197. He will receive between \$449 and \$677 million from the Offering, depending upon whether underwriters exercise their right to buy additional units in Blackstone. *Id.* at 215. Mr. Schwarzman owns approximately 23% of Blackstone.

Peter G. Peterson is the Senior Chairman of Blackstone and a member of the Board of Directors of Blackstone's general partner, Blackstone Group Management L.L.C. Mr. Peterson is a founder of The Blackstone Group. He is the Chairman of the Council on Foreign Relations, founding Chairman of the Peter G. Peterson Institute for International Economics, and founding President of The Concord Coalition. Mr. Peterson was the Co-Chair of The Conference Board Commission on Public Trust and Private Enterprises. He also was Chairman of the Federal Reserve Bank of New York from 2000 to 2004. From 1973-1984, prior to founding Blackstone, Mr. Peterson was Chairman and Chief Executive Officer of Lehman Brothers. He was Chairman and Chief Executive Officer of Bell and Howell Company from 1963 to 1971. In 1971, President Richard Nixon named Mr. Peterson Assistant to the President

for International Economic Affairs. He was named Secretary of Commerce by President Nixon in 1972. *Id.* at 192.

As set forth in the Prospectus, Mr. Peterson earned a cash distribution for fiscal and tax year ended December 31, 2006 in the amount of \$212.9 million. *Id.* at 198. He will receive approximately \$1.88 billion from the Offering. *Id.* at 215. Mr. Peterson owns approximately 4% of Blackstone.

Based on the information contained in the Prospectus, which has been filed with the Securities and Exchange Commission, it is clear that Mr. Schwarzman, the only persons who owns 10% or more of Blackstone, is an individual of substantial net worth. The Notificants submit that this publicly available information is sufficient to satisfy the items requested in the Interagency Biographical and Financial Report and respectfully requests that the OCC not require this individual to provide more detailed biographical and financial information.

III. THE PROPOSED TRANSACTION

A. Structure and Terms

The Merger Agreement provides for the merger of Merger Sub, a newly-formed, wholly-owned subsidiary of Holdco, with and into Alliance Data upon the terms, and subject to the conditions, of the Merger Agreement. At the time of the merger, subject to certain exceptions, each share of common stock issued and outstanding immediately before the merger automatically will be cancelled, will cease to exist and be converted into the right to receive \$81.75 in cash, without interest and less any required withholding taxes. Alliance Data will be the surviving corporation in the Transaction and the surviving corporation will be named "Alliance Data Systems Corporation." As a result of the Transaction, the Bank will be controlled by BCP V.

The terms and conditions of the merger are generally governed by the Merger Agreement, a copy of which is included herewith in Exhibit E. In addition, the section under the heading "The Merger" in Alliance Data's preliminary proxy statement, filed with the Securities and Exchange Commission on June 15, 2007 (the "Proxy Statement"), a copy of which is included herewith in Exhibit I, contains a summary of the terms and conditions of the Merger Agreement.

B. Financing for the Transaction

Upon consummation of the Transaction, Holdco will pay approximately \$7.8 billion to Alliance Data's stockholders in exchange for Alliance Data's outstanding common stock. The Transaction will be financed by a combination of equity and debt. The *pro forma* balance sheet of Alliance Data upon consummation of the Transaction is included herewith in Confidential Exhibit J.

Equity Financing

Holdco has received an equity commitment letter from BCP V for a commitment of up to approximately \$1.8 billion. BCP V has agreed to contribute or cause to be contributed up to approximately \$1.8 billion of cash to Holdco, which will constitute the equity portion of the merger financing. The equity commitment of BCP V is subject to (a) the satisfaction or waiver of all of the conditions to the obligations of Holdco and Merger Sub to consummate the transactions contemplated by the Merger Agreement and (b) the concurrent consummation of the merger in accordance with the terms of the Merger Agreement.

Debt Financing

In connection with the execution and delivery of the Merger Agreement, Merger Sub has received a debt commitment letter, dated May 17, 2007, from Credit Suisse and Credit Suisse Securities (USA) LLC to provide approximately \$6.60 billion in aggregate debt financing,

consisting of (a) senior secured credit facilities in an aggregate principal amount of \$4.4 billion (of which at least \$3.9 billion will be available at closing for purposes of financing the merger and related transactions), (b) a senior unsecured bridge loan facility in an aggregate principal amount of up to \$1.8 billion, and (c) a senior subordinated unsecured bridge loan facility in an aggregate principal amount of up to \$410.0 million, to finance, in part, the payment of the merger consideration, the repayment or refinancing of certain of Alliance Data's debt outstanding on the closing date of the merger and the payment of fees and expenses in connection with the merger, refinancing, financing and related transactions and, after the closing date of the merger, to provide for ongoing working capital and general corporate purposes.

The terms and conditions of the financing arrangements are summarized in the Proxy Statement, which is included herewith in Exhibit I, under the heading "Financing of the Merger." A copy of the Equity Commitment Letter, dated May 17, 2007, between Holdco and BCP V L.P. is included herewith in Confidential Exhibit K. A copy of the Debt Commitment Letter, dated May 17, 2007, between Credit Suisse Securities (USA) LLC, Credit Suisse Cayman Islands Branch and Merger Sub is included herewith in Confidential Exhibit L.

C. The Limited Guarantee

BCP V has provided a limited guarantee pursuant to which BCP V guarantees payment of a business interruption fee and certain other amounts for which Holdco or Merger Sub are or may become liable under the Merger Agreement, up to a maximum of \$3.0 million. A copy of the Limited Guarantee, dated May 17, 2007, is included herewith in Confidential Exhibit M.

D. Regulatory Approvals

The Transaction is conditional upon, among other matters, the approval of Alliance Data's shareholders and various regulatory approvals. This Notice addresses the

Notificants' acquisition of Alliance Data's wholly-owned subsidiary, the Bank. Set forth below are the other regulatory approvals required in connection with the acquisition:

- The expiration or termination of any waiting period applicable to the Merger under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, which terminated on June 11, 2007;
- The issuance of an advance ruling certificate under the Competition Act (Canada), as amended, or the expiration, termination or waiver of any waiting period applicable to the merger under the Competition Act (Canada) and receipt of notification that no application for order under the Competition Act (Canada), which advance ruling certificate was issued on June 7, 2007; and
- The receipt of approval of the change of control of World Financial Capital Bank by the Federal Deposit Insurance Corporation under the CBCA and the Utah Commissioner of the Department of Financial Institutions under the Utah Financial Institutions Act.

E. Impact of the Transaction on the Bank

Notificants do not plan to (a) liquidate the Bank, (b) sell any material assets of the Bank, (c) merge it with any company, or (d) make any change in its business strategy or corporate structure. Included herewith in Confidential Exhibit N is the Bank's current three-year business plan. There is no plan to change the Bank's management or directors. Notificants do not currently plan to add additional directors to the Bank's Board of Directors. Notificants do not currently intend to change the Bank's policy regarding dividends as described in its three year business plan (Confidential Exhibit N).

Notificants' substantial capital and access to the capital markets will provide the Bank with access to substantially greater financial resources than have been available through Alliance Data. The availability of such resources will minimize the possibility that the Bank would ever pose a liability to the DIF. Alliance Data will continue to provide support to the Bank after the consummation of the Transaction, including compliance with the CALMA.

Projected balance sheets and financial statements for the Bank through year-end 2010 are included herewith in Confidential Exhibit N.

* * *

If you require any further information or have any question regarding this Notice, please contact:

John L. Walker
Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, New York 10017
Phone: (212) 455-7356
Fax: (212) 455-2502
Email: jwalker@stblaw.com



Interagency Notice of Change in Control

Public reporting burden for the collection of information for this notice is estimated to average 30 hours, including the time to gather and maintain data in the required form, to review instructions, and to complete the information collection. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to: Paperwork Reduction Act, Legal Division, Federal Deposit Insurance Corporation, 550 17th Street, NW, Washington, DC 20429; Secretary, Board of Governors of the Federal Reserve System, 20th St. and Constitution Ave., NW, Washington, DC 20551; Licensing Activities Division, Comptroller of the Currency, 250 E Street, SW, Washington, DC 20219; or Office of Supervision Policy, Office of Thrift Supervision, 1700 G Street, NW, Washington, DC 20552; and to the Office of Management and Budget, Paperwork Reduction Project, Washington, DC 20503.

An organization or a person is not required to respond to a collection of information unless it displays a currently valid OMB control number.

General Information and Instructions

Preparation and Use

This form is used to file notice to acquire control of a depository institution or a holding company, pursuant to the Change in Bank Control Act, as amended (12 U.S.C. 1817(j)). As used in this form, "holding company" means a bank holding company, a savings and loan holding company, or other company that controls a depository institution. The information must be submitted to the appropriate regulatory agency of the institution whose shares are to be acquired. All inquiries on preparation of the notice should be directed to that agency which, in some circumstances, may modify the information requested.

The regulatory agency will review the submitted notice to determine if it is complete. If the submitted notice is not complete, the regulatory agency may either request additional information or it may return the notice. If the required information is not available, please explain. When the notice is complete, the regulatory agency will confirm its determination in writing. The questions are not intended to duplicate information supplied on another form or in an exhibit; a cross-reference to the information is acceptable. *Any cross-reference must be made to a specific location in the documents, so the information can be found easily.* If additional space is needed to provide complete answers, please attach additional sheets or exhibits.

For additional information regarding the processing procedures and guidelines, and any supplemental information that may be required, refer to the appropriate regulatory agency's procedural guidelines (that is, *Comptroller's Licensing Manual*, the FDIC's Rules and Regulations (12 CFR Part 303) and relevant policy statements, or the OTS' *Application Processing Handbook*), contact the agency directly for specific instruction, or visit its Web site at www.occ.treas.gov, www.fdic.gov, www.ots.treas.gov, or www.federalreserve.gov.

Biographical and Financial Report

To assist the regulatory agencies in evaluating the factors specified in the Change in Bank Control Act, an *Interagency Biographical and Financial Report* must be submitted for each person named in the notice.

Supporting Information

The formal questions in the notice are not intended to limit the acquirer's presentation, and the regulatory agency may request additional necessary information. If any information furnished in the notice changes materially during the processing of the notice or prior to consummation, such changes should be communicated promptly to the regulatory agency with which the notice was filed.

Compliance

The proposed acquirer is expected to comply with all representations and commitments made in this notice.

Transactions subject to the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (15 U.S.C. 18a), which applies to certain very large transactions, require a pre-merger filing with the Federal Trade Commission and the Department of Justice.

Notice of Publication

An acquirer must publish an announcement of the proposed acquisition in a newspaper of general circulation in the community in which the head office of the depository institution or holding company is located. In the case of a bank holding company, an announcement also must be published in each community in which the head office of a bank subsidiary of the holding company is located. A copy of the affidavit(s) of publication should be submitted to the appropriate regulatory agency. Contact the appropriate regulatory agency for the specific requirements of the notice of publication.

Confidentiality

Any acquirer desiring confidential treatment of specific portions of the notice must submit a request in writing with the submission of the notice. The request must discuss the justification for the requested treatment. An acquirer's reasons for requesting confidentiality should specifically demonstrate the harm (for example, loss of competitive position, invasion of privacy) that would result from public release of information (5 U.S.C. 552). Information for which confidential treatment is requested should be: (1) specifically identified in the public portion of the notice (by reference to the confidential section); (2) separately bound; and (3) labeled "Confidential." An acquirer should follow the same procedure for a request for confidential treatment for the subsequent filing of supplemental information to the notice.

An acquirer should contact the appropriate regulatory agency for specific instructions regarding requests for confidential treatment. The appropriate regulatory agency will determine whether the information will be treated as confidential and will advise the acquirer of any decision to publicly release information labeled as "Confidential."

Interagency Notice of Change in Control

1. Identify:

(a) Name and address of proposed acquirer(s):

(If an individual, provide last name, first name, and middle name)

(If a corporation or other entity, provide the full legal name and the type of organization, for example, ABC Company, a corporation, or ABC, a partnership)

Stephen A. Schwarzman

Name

345 Park Avenue

(Street Address)

New York

New York

10154

(City)

(State)

(ZIP Code)

Blackstone Group Management L.L.C.

Name

345 Park Avenue

(Street Address)

New York

New York

10154

(City)

(State)

(ZIP Code)

Blackstone Partners L.L.C.

Name

345 Park Avenue

(Street Address)

New York

New York

10154

(City)

(State) (ZIP Code)

The Blackstone Group L.P.

Name

345 Park Avenue

(Street Address)

New York

New York

10154

(City)

(State)

(ZIP Code)

Blackstone Holdings III GP L.L.C.

Name

345 Park Avenue

(Street Address)

New York

New York

10154

(City)

(State)

(ZIP Code)

Blackstone Holdings III L.P.

Name

345 Park Avenue

(Street Address)
New York New York 10154
(City) (State) (ZIP Code)

BMA V L.L.C.

Name
345 Park Avenue

(Street Address)
New York New York 10154
(City) (State) (ZIP Code)

Blackstone Management Associates V L.L.C.

Name
345 Park Avenue

(Street Address)
New York New York 10154
(City) (State) (ZIP Code)

Blackstone Capital Partners V

Name
345 Park Avenue

(Street Address)
New York New York 10154
(City) (State) (ZIP Code)

Blackstone Capital Partners V L.P.

Name
345 Park Avenue

(Street Address)
New York New York 10154
(City) (State) (ZIP Code)

BCP V-S L.P.

Name
345 Park Avenue

(Street Address)
New York New York 10154
(City) (State) (ZIP Code)

BCP V Co-Investors L.P.

Name

345 Park Avenue

(Street Address)

New York New York 10154

(City) (State) (ZIP Code)

Aladdin Holdco, Inc.

Name

345 Park Avenue

(Street Address)

New York New York 10154

(City) (State) (ZIP Code)

Aladdin Merger Sub, Inc.

Name

345 Park Avenue

(Street Address)

New York New York 10154

(City) (State) (ZIP Code)

(b) Name and address of depository institution or holding company whose shares are to be acquired:

Alliance Data Systems Corporation

(Name)

17655 Waterview Parkway

(Street Address)

Dallas Texas 75252

(City) (State) (ZIP Code)

World Financial Network National Bank

(Name)

800 Tech Center Drive

(Street Address)

Gahanna Ohio 43230

(City) (State) (ZIP Code)

(c) Name, title, employer, address, telephone number, fax number, and e-mail address of the person to whom inquiries concerning this notice may be directed:

John L. Walker

(Name)

Simpson Thacher & Bartlett LLP

(Title, Employer)

425 Lexington Avenue

(Street Address)

New York

(City)

New York

(State)

10017

(ZIP Code)

(212) 455-7365

(Area Code & Tel. Number)

(212) 455-2502

(Fax Number)

jwalker@stblaw.com

(E-mail address)

2. **Is this notice being filed prior to the acquisition of control?**

Yes No

If the response is no, state the nature of the exception upon which the acquirer is relying for an exception to the prior notice requirement. If no exception is available, please discuss the reason(s) that prior notice was not given and modify the wording of the form as appropriate to provide all necessary information related to the transaction.

3. **For each class of voting securities of the depository institution or holding company to be acquired, provide the total number of voting shares:**

(a) **Authorized:** 200,000,000 shares of common stock, par value \$0.01 per share, and 20,000,000 shares of preferred stock, par value \$0.01 per share.

(b) **Currently outstanding:** 78,691,788 shares of common stock; no shares of preferred stock.

(c) **Pro forma outstanding:** 78,691,788 shares of common stock; no shares of preferred stock.*

* Reflects anticipated capital structure of Alliance Data following consummation of the merger.

4. **Provide the following information. For any shares registered or to be registered in another name (such as a trust, corporation, or partnership), indicate the names of registered parties, beneficial owners and trustees, as applicable.**

Full name of each acquirer or transferee	Number of shares per class of securities now owned, controlled, or held*	Number of shares per class of securities to be purchased by or transferred to the acquirer or transferee*	Number of shares per class of securities after completion of acquisition*
Stephen A. Schwarzman	0	78,691,788	78,691,788
Blackstone Group Management L.L.C.			
Blackstone Partners L.L.C.			
The Blackstone Group L.P.			
Blackstone Holdings III GP L.L.C.			
Blackstone Holdings III L.P.			
BMA V L.L.C.			
Blackstone Management Associates V L.L.C.			
Blackstone Capital Partners V			
Blackstone Capital Partners V L.P.			
BCP V-S L.P.			
BCP V Co-Investors L.P.			
Aladdin Holdco, Inc.			
Aladdin Merger Sub, Inc.			
TOTAL	0	78,691,788	78,691,788
Total as percent of shares outstanding per class of securities	0%	100%	100%

* With respect to Alliance Data securities.

Please see Section III of this Notice for a description of the Proposed Transaction. The World Financial Network National Bank ("Bank") is a wholly-owned direct subsidiary of Alliance Data Systems Corporation ("Alliance Data"). Notificants propose to indirectly acquire all the shares of the Bank as a result of the proposed merger with Alliance Data.

5. Indicate:

- (a) **The purchase price(s) per share of shares to be acquired:** \$81.75 per share.
- (b) **Total purchase price for the entire proposed transaction:** approximately \$7.8 billion (comprised of approximately \$6.7 billion of equity and the assumption of approximately \$1.1 billion of debt).

(c) **The current book value per share:** \$13.10 per share.

(d) **The current market value per share (including date and source of information, if available):** \$77.56 per share (closing price on June 22, 2007, as reported on the New York Stock Exchange).

6. **Discuss the proposal, including the purpose, terms, and conditions of the acquisition, and the manner in which the acquisition will be made. Summarize and attach copies of all pertinent documents, such as purchase and sale agreements, shareholder agreements, non-compete agreements, employment contracts, and trust agreements.**

Please see Section III of this Notice for a description of the Proposed Transaction at page 13. A copy of the Merger Agreement for the Transaction is included in Exhibit E.

7. **Provide the following information.**

Name of each Acquirer or transferee	Total purchase price	Source and amount of funds
Stephen A. Schwarzman Blackstone Group Management L.L.C. Blackstone Partners L.L.C. The Blackstone Group L.P. Blackstone Holdings III GP L.L.C. Blackstone Holdings III L.P. BMA V L.L.C. Blackstone Management Associates V L.L.C. Blackstone Capital Partners V Blackstone Capital Partners V L.P. BCP V-S L.P. BCP V Co-Investors L.P. Aladdin Holdco, Inc. Aladdin Merger Sub, Inc.	approximately \$7.8 billion (comprised of approximately \$6.7 billion of equity and the assumption of approximately \$1.1 billion of debt)	Equity and Debt Financing. Please see Section III.B of the Notice for more detail.
TOTAL	approximately \$7.8 billion (comprised of approximately \$6.7 billion of equity and the assumption of approximately \$1.1 billion of debt)	

(a) **If cash funds will be used, provide copies of checking, savings, or money market account statements. If assets will be liquidated, list those assets and provide a copy of the documents that can verify the timing of such transaction and the amount of the anticipated proceeds.**

Please see Section III.B of the Notice for a discussion of the financing of the Transaction.

- (b) If any portion of the funds (or other consideration) for the acquisition will be borrowed, indicate the name of each borrower, name and address of each lender, amount financed, collateral to be pledged, and terms of the transaction, including interest rates, amortization requirements, guarantors, endorsers, co-makers, and any other arrangements, agreements, and understandings between and among the parties. If applicable, submit a copy of any loan commitment letter.

Please see Section III.B of the Notice for a discussion of the financing of the Transaction.

- (c) Indicate the means through which the borrowed funds will be repaid. Provide details if the acquirer will rely on salaries, dividends, fees, or other funds from the depository institution or holding company to be acquired.

Please see Section III.B of the Notice for a discussion of the financing of the Transaction. The Notificants do not intend to change the Bank's existing dividend policy.

8. Provide the following information.

Name of each seller or transferor	Number of shares per class of voting securities now held	Number of shares per class of voting securities to be sold or transferred	Number of shares per class of voting securities after completion of acquisition
Shareholders of Alliance Data	78,691,788	78,691,788	78,691,788
Total	78,691,788	78,691,788	78,691,788
Total as percent of total shares outstanding per class of voting securities	100%	100%	100%

9. **Identify any person or parties employed, retained, or to be compensated by any acquirer, or by any person on behalf of any acquirer, to make solicitations or recommendations to stockholders and thereby assist in the acquisition. Include a description of the terms of such employment, retainer, or arrangement for compensation, and provide a copy of any such agreement or contract.**

Not applicable.

10. **List and provide copies of all invitations, tenders, or advertisements making a tender offer to stockholders for purchase of their stock in connection with the proposed acquisition.**

The Transaction is structured as a merger. No invitations, tenders or advertisements making a tender offer have been, or will be, made to stockholders of Alliance Data. A copy of Alliance Data's preliminary proxy statement filed with the Securities and Exchange Commission is included in Exhibit I.

11. **Describe in detail any plans or proposals that any acquirer may have to: (a) liquidate the depository institution or holding company to be acquired, (b) sell its assets, (c) merge it with any company, or (d) make any other significant change in its business strategy or corporate structure.**

There are no plans or proposals to (a) liquidate the Bank, (b) sell any material assets of the Bank, (c) merge it with any company, or (d) make any other significant change in its business strategy or corporate structure.

12. **If changes are contemplated in the board of directors or senior executive officers of the depository institution or holding company to be acquired, provide a current and pro forma list of officers and directors. The regulatory agency with which this notice has been filed should be contacted to determine the filing or other information requirements associated with changes to the board of directors or senior executive officers, pursuant to Section 32 of the Federal Deposit Insurance Act (12 USC 1831i).**

No change in the board of directors or senior executive officers of the Bank is contemplated.

13. **For each acquirer, indicate any positions currently held (director, officer, or employee) in any other depository institution or holding company. Also indicate if any acquirer directly or indirectly (such as through personal trusts, corporations, or similar arrangements) owns, controls, or has power to vote 10 percent or more of any class of voting securities or other voting equity interests of any other depository institution or holding company.**

Notificants do not serve as a director, officer or employee of any other depository institution or holding company. Neither BCP V nor any affiliate thereof owns, controls, or has power to vote 10 percent or more of any class of voting securities or other voting equity interests of any other depository institution or holding company.

Name of each acquirer or transferee	Name and address of each depository institution or holding company	Position and Date appointed	Percent ownership of institution

14. If any office of any depository institution or holding company with which the acquirer is currently associated is located in the same geographic market as the subject institution, provide the name and location of each office of such other organization.

Not applicable.

15. If the proposed acquirer is not an individual (or a group of individuals acting in concert) and the acquirer is engaged, directly or indirectly (including through a subsidiary), in insurance activities that are supervised by a state insurance regulator, provide:

- (a) **The name of the company.**
- (b) **A description of the insurance activity that the company is engaged in and has plans to conduct.**
- (c) **A list of each state and the lines of business in that state in which the company holds, or will hold, an insurance license. Indicate the state where the company holds a resident license or charter, as applicable.**

Not applicable.

Privacy Act Notice

A copy of this document is provided to the appropriate regulatory agency as required under 12 USC 1817(j) and implementing regulations. This notice, including supporting material, is available to the public upon request under the provisions of the Freedom of Information Act (5 USC 552). Contact the appropriate regulatory agency for the specific procedures under which the notice would be disclosed to the public. To the extent that it contains personal and financial information concerning individual acquirers of depository institutions and holding companies, the information may be subject to the Privacy Act of 1974 (5 USC 552a), which provides safeguards for personal information. The applicability of the Privacy Act to the information provided on this document will depend on the manner in which the appropriate federal banking agency maintains such information.

This form solicits information that will enable the regulatory agencies to evaluate and make a decision on each proposed change in control under the standards prescribed by the Change in Bank Control Act. Failure to provide information requested in connection with the processing of this notice could result in disapproval of a proposed acquisition or a determination that complete notice has not been submitted. Any person acquiring control of an depository institution or holding company without filing a notice prior to the proposed acquisition may be subject to substantial civil money penalties. The Change in Bank Control Act requires the regulatory agencies processing this notice to furnish copies of this information to other federal and state banking authorities. Where possible violations of laws or regulations are disclosed, relevant information may be made available to other regulatory agencies or other law enforcement or governmental agencies. Identification of parties to a proposed transaction and details of that transaction, to the extent material to the regulatory agency's determination, may be incorporated in orders and notices issued under the Change in Bank Control Act or otherwise made public.

Certification

This notice must be signed by each acquiring party, or by at least two directors, officers, partners, or others authorized to sign on behalf of an acquiring party that is not an individual.

I certify that the information contained in this notice has been examined carefully by me and is true, correct, and complete, and is current as of the date of this submission. I acknowledge that any misrepresentation or omission of a material fact constitutes fraud in the inducement and may subject me to legal sanctions provided by 18 USC 1001 and 1007.

I acknowledge that final action on this notice is in the discretion of the appropriate federal banking agency. Actions or communications, whether oral, written, or electronic, by an agency or its employees in connection with this filing do not constitute a contract, either express or implied, or any other obligation binding upon the agency, other federal banking agencies, the United States, any other agency or entity of the United States, or any officer or employee of the United States. Such actions or communications will not affect the ability of any federal banking agency to exercise its supervisory, regulatory, or examination powers under applicable law and regulations. I further acknowledge that the foregoing may not be waived or modified by any employee or agent of a federal banking agency or of the United States.

Signed this 28th day of June, 2007.

STEPHEN A. SCHWARZMAN

By: Stephen A. Schwarzman
Name: Stephen A. Schwarzman

BLACKSTONE GROUP MANAGEMENT L.L.C.

By: Stephen A. Schwarzman By: Robert L. Friedman
Name: Stephen A. Schwarzman Name: Robert L. Friedman

BLACKSTONE PARTNERS L.L.C.

By: Stephen A. Schwarzman By: Robert L. Friedman
Name: Stephen A. Schwarzman Name: Robert L. Friedman

THE BLACKSTONE GROUP L.P.

By: Stephen A. Schwarzman By: Robert L. Friedman
Name: Stephen A. Schwarzman Name: Robert L. Friedman

BLACKSTONE HOLDINGS III, GP L.L.C.

By: Stephen A. Schwarzman By: Robert L. Friedman
Name: Stephen A. Schwarzman Name: Robert L. Friedman

BLACKSTONE HOLDINGS III L.P.

By: Stephen A. Schwarzman By: Robert L. Friedman
Name: Stephen A. Schwarzman Name: Robert L. Friedman

BMA V L.L.C.

By: Stephen A. Schwarzman
Name: Stephen A. Schwarzman

By: Robert L. Friedman
Name: Robert L. Friedman

BLACKSTONE MANAGEMENT ASSOCIATES V L.L.C.

By: Stephen A. Schwarzman
Name: Stephen A. Schwarzman

By: Robert L. Friedman
Name: Robert L. Friedman

BLACKSTONE CAPITAL PARTNERS V

By: Stephen A. Schwarzman
Name: Stephen A. Schwarzman

By: Robert L. Friedman
Name: Robert L. Friedman

BLACKSTONE CAPITAL PARTNERS V L.P.

By: Stephen A. Schwarzman
Name: Stephen A. Schwarzman

By: Robert L. Friedman
Name: Robert L. Friedman

BCP V-S L.P.

By: Stephen A. Schwarzman
Name: Stephen A. Schwarzman

By: Robert L. Friedman
Name: Robert L. Friedman

BCP V Co-Investors L.P.

By: Stephen A. Schwarzman
Name: Stephen A. Schwarzman

By: Robert L. Friedman
Name: Robert L. Friedman

ALADDIN HOLDCO, INC.

By: Stephen A. Schwarzman
Name: Stephen A. Schwarzman

By: Robert L. Friedman
Name: Robert L. Friedman

ALADDIN MERGER SUB, INC.

By: Stephen A. Schwarzman
Name: Stephen A. Schwarzman

By: Robert L. Friedman
Name: Robert L. Friedman