UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended December 31, 2005

OR

o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission file number 000-29961

ALLIANCEBERNSTEIN L.P.
(Exact name of registrant as specified in its charter)

Delaware	**13-4064930**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1345 Avenue of the Americas, New York, N.Y.	**10105**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(212) 969-1000**

Securities registered pursuant to Section 12(b) of the Act: **None**

Securities registered pursuant to Section 12(g) of the Act:

Title of Class	**Name of each exchange on which registered**
units of limited partnership interest	**None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No o

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes o No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer" and "large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☒ Accelerated filer o Non-accelerated filer o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No ☒

257,007,334 units of limited partnership interest were outstanding as of January 31, 2006.

DOCUMENTS INCORPORATED BY REFERENCE
This Form 10-K does not incorporate any document by reference.

TABLE OF CONTENTS

GLOSSARY OF CERTAIN DEFINED TERMS

"**AllianceBernstein**" — AllianceBernstein L.P. (Delaware limited partnership formerly known as Alliance Capital Management L.P.), the operating partnership, and its subsidiaries and, where appropriate, its predecessors, Holding and ACMC, Inc. and their respective subsidiaries.

"**AllianceBernstein Investments**"— AllianceBernstein Investments, Inc. (Delaware corporation formerly known as AllianceBernstein Investment Research and Management, Inc.), a wholly-owned subsidiary of AllianceBernstein, that services retail clients and distributes company-sponsored mutual funds.

"**AllianceBernstein Partnership Agreement**"— the Amended and Restated Agreement of Limited Partnership of AllianceBernstein.

"**AllianceBernstein Units**"— units of limited partnership interest in AllianceBernstein.

"AUM" — assets under management for clients.

"**AXA**"— AXA (*société anonyme* organized under the laws of France), the holding company for an international group of insurance and related financial services companies engaged in the financial protection and wealth management businesses.

"**AXA Equitable**"— AXA Equitable Life Insurance Company (New York stock life insurance company), an indirect wholly-owned subsidiary of AXA Financial, and its subsidiaries other than AllianceBernstein and its subsidiaries.

"**AXA Financial**"— AXA Financial, Inc. (Delaware corporation), a wholly-owned subsidiary of AXA.

"**Bernstein GWM**" — Bernstein Global Wealth Management (formerly known as Bernstein Investment Research and Management), a unit of AllianceBernstein that services private clients.

"**Bernstein Transaction**"— on October 2, 2000, AllianceBernstein acquired the business and assets of SCB Inc., formerly known as Sanford C. Bernstein Inc. ("Bernstein"), and assumed the liabilities of the Bernstein business.

"**Exchange Act**"—the Securities Exchange Act of 1934, as amended.

"**General Partner**"— AllianceBernstein Corporation (Delaware corporation formerly known as Alliance Capital Management Corporation), the general partner of AllianceBernstein and Holding and a wholly-owned subsidiary of AXA Equitable, and, where appropriate, ACMC, Inc., its predecessor.

"**Holding**" — AllianceBernstein Holding L.P. (Delaware limited partnership formerly known as Alliance Capital Management Holding L.P.).

"**Holding Partnership Agreement**"— the Amended and Restated Agreement of Limited Partnership of Holding.

"**Holding Units**"— units representing assignments of beneficial ownership of limited partnership interests in Holding.

"**Investment Advisers Act**"— the Investment Advisers Act of 1940, as amended.

"**Investment Company Act**"— the Investment Company Act of 1940, as amended.

"**Partnerships**"— AllianceBernstein and Holding together.

"**SCB LLC**"— Sanford C. Bernstein & Co., LLC (Delaware limited liability company), a wholly-owned subsidiary of AllianceBernstein that provides institutional research services in the United States.

"**SCBL**"— Sanford C. Bernstein Limited (UK company), a wholly-owned subsidiary of AllianceBernstein that provides institutional research services in Europe, Australia, and Asia.

"**SEC**"— the United States Securities and Exchange Commission.

"**Securities Act**"— the Securities Act of 1933, as amended.

PART I

Item 1. Business

The words "we" and "our" in this Form 10-K refer collectively to Holding, AllianceBernstein and its subsidiaries, or to their officers and employees. Similarly, the word "company" refers to both Holding and AllianceBernstein. Where the context requires distinguishing between Holding and AllianceBernstein, we identify which of them is being discussed. Holding Unitholders own partnership interests in a holding company whose principal source of income and cash flow is attributable to its limited partnership interests in AllianceBernstein.

We use "global" in this Form 10-K to refer to all nations, including the United States, while we use "international" or "non-U.S." to refer to all nations except for the United States.

General

Re-branding

Effective February 24, 2006, we changed the name of Alliance Capital Management L.P. to AllianceBernstein L.P., and also changed the names of Alliance Capital Management Holding L.P. and Alliance Capital Management Corporation to AllianceBernstein Holding L.P. and AllianceBernstein Corporation, respectively. Some of our subsidiaries underwent a similar change. We believe our new name better describes the character of our business and the shared mission, values, dedication to research and client focus of all of our employees, and is an affirmation of the success of the combination of Alliance Capital and Sanford Bernstein.

Clients

AllianceBernstein provides diversified investment management and related services globally to a broad range of clients, including:

- institutional clients, including unaffiliated corporate and public employee pension funds, endowment funds, domestic and foreign institutions and governments, and various affiliates;
- retail clients;
- private clients, including high-net-worth individuals, trusts and estates, charitable foundations, partnerships, private and family corporations, and other entities; and
- institutional investors seeking institutional research.

We also provide distribution, shareholder servicing, and administrative services to our sponsored mutual funds.

Recognizing that clients' trust is imperative to the proper functioning of our company, we are dedicated to creating and sustaining a fiduciary culture. As a fiduciary, we place the interests of our clients first and foremost. We are committed to the fair and equitable treatment of all our clients, to protect them from potential conflicts of interest within our company, and to comply with all applicable rules and regulations and internal compliance policies that impact our business. On a company-wide basis, we pursue these goals through education of our employees to promote awareness, incentives that align employees' interests with those of our clients, and a range of measures, including active monitoring, to ensure regulatory compliance.

Research

The foundation of our investment management process is our high-quality, in-depth research. We believe that having more knowledge, and using that knowledge better than other market participants, gives us a competitive advantage in achieving investment success for our clients.

Our research disciplines include bottom-up, fundamental research, quantitative research, economic research, and currency forecasting capabilities. In addition, we have created several specialist research units over the past two years, including one unit that examines global strategic changes that can impact multiple industries and geographies, and another dedicated to identifying potentially successful innovations within early-stage companies.

Products and Services

We offer a broad range of investment products and services in which our clients can invest:

- To our institutional clients, we offer separately managed accounts, sub-advisory relationships, structured products, group trusts, mutual funds, and other investment vehicles ("Institutional Investment Services");

- To our retail clients, we offer retail mutual funds sponsored by AllianceBernstein, our subsidiaries, and our affiliated joint venture companies, sub-advisory relationships in respect of mutual funds sponsored by third parties, separately managed account programs that are sponsored by registered broker-dealers ("Separately Managed Account Programs"), and other investment vehicles ("Retail Services");

- To our private clients, we offer separately managed accounts, hedge funds, mutual funds, and other investment vehicles ("Private Client Services"); and

- To our institutional investors seeking institutional research, we offer in-depth research, portfolio strategy, trading, and brokerage-related services ("Institutional Research Services").

This broad range of investment services is managed by a group of investment professionals with significant expertise in their respective disciplines. As of December 31, 2005, our clients' assets were managed by 169 portfolio managers with an average of 14 years of experience in the industry and seven years of experience with AllianceBernstein. These portfolio managers oversee a number of different types of investment products within various vehicles and strategies, including separately managed accounts, mutual funds, hedge funds, structured products, and other investment vehicles. Our investment strategies include:

- Growth and value equity, the two predominant equity strategies;

- Blend, combining growth and value equity components and systematic rebalancing between the two;

- Fixed income, including both taxable and tax-exempt securities;

- Balanced, combining equity and fixed income components; and

- Passive, including both index and enhanced index strategies.

We manage these strategies using various investment disciplines, including market capitalization (e.g., large-, mid-, and small-cap equities), term (e.g., long-, intermediate-, and short-duration debt securities), and geographic location (e.g., U.S., international, global, and emerging markets), as well as local and regional disciplines in major markets around the world.

Blend strategies have become an increasingly important component of our product line. As of December 31, 2005, blend AUM were $85 billion (representing 15% of our company-wide AUM), up 63% from $52 billion on December 31, 2004 and 143% from $35 billion on December 31, 2003.

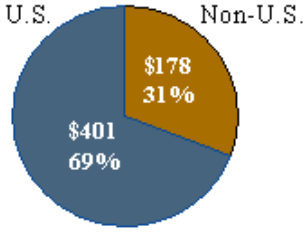
Sub-advisory client mandates span our investment strategies, including growth, value, blend, and fixed income. We serve as sub-adviser for retail products, insurance products, retirement platforms, and institutional investors. Dedicated marketing and client servicing professionals are responsible for servicing these relationships.

Global Reach

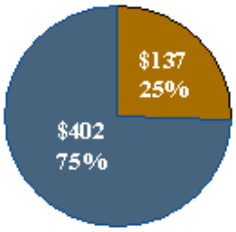
We serve clients in major global markets through operations in 44 cities in 23 countries. Our client base includes investors throughout the Americas, Europe, Asia, Africa, and Australia. We are committed to an integrated global investment platform so that our clients everywhere have access to local (country-specific), international, and global research and investment strategies.

AUM by client domicile and investment strategy as of December 31, 2005, 2004, and 2003 were as follows:

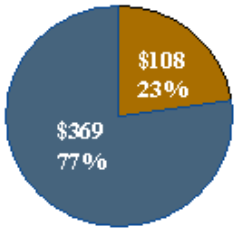
By Client Domicile ($ in billions):



December 31, 2005

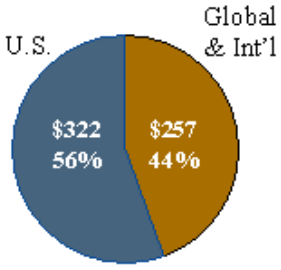


December 31, 2004

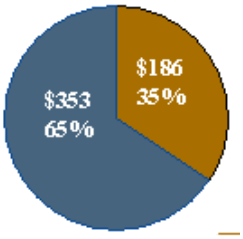


December 31, 2003

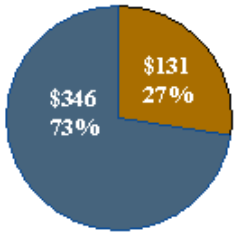
By Investment Strategy ($ in billions):



December 31, 2005



December 31, 2004



December 31, 2003

As the above charts indicate, we have significantly enhanced our international client base and product mix over the last three years. We increased our international client base by 30% during 2005 and 27% during 2004 and, likewise, we increased our global and international AUM by 38% during 2005 and 42% during 2004. In addition, approximately 69%, 51%, and 50% of our company-wide gross asset inflows during 2005, 2004, and 2003, respectively, were invested in global and international investment products.

Revenues

We earn revenues by charging fees for managing the investment assets of our clients. We generally calculate fees as a percentage of the value of AUM, with such fees varying by type of investment strategy and discipline, size of account, and total amount of assets we manage for a particular client. Accordingly, fee income generally increases or decreases as AUM increase or decrease. Increases in assets under management generally result from market appreciation, positive investment performance, or net asset inflows from new or existing clients. Similarly, decreases in assets under management generally result from market depreciation, negative investment performance, or net asset outflows due to client redemptions, account terminations, or asset withdrawals.

We sometimes charge a performance-based fee, in addition to or in lieu of a base fee. Performance-based fees are calculated as either a percentage of absolute investment results or a percentage of investment results in excess of a stated benchmark over a specified period of time. Performance-based fees are recorded as revenue at the end of the measurement period and will be higher in favorable markets and lower in unfavorable markets, which may increase the volatility of our revenues and earnings.

We sometimes experience periods when the number of new accounts or the amounts of AUM increase significantly, as well as periods when our accounts or AUM have decreased significantly. These shifts result from wide-ranging factors, including conditions of financial markets, our investment performance, and changes in the investment preferences of clients.

Employees

As of December 31, 2005, we had 4,312 full-time employees, including 619 investment professionals, of whom 169 were portfolio managers, 361 were research analysts, 60 were order placement specialists, and 29 were professionals with other investment-related responsibilities. We have employed these professionals for an average period of approximately seven years, and their average investment experience is approximately 14 years. We consider our employee relations to be good.

Institutional Investment Services

We serve our institutional clients through AllianceBernstein Institutional Investments, a unit of AllianceBernstein, and through other units in our international subsidiaries and affiliates. Institutional Investment Services include actively managed equity accounts (including growth, value, and blend accounts), fixed income accounts, and balanced accounts, as well as passive management of index and enhanced index accounts. These services are provided through separately managed accounts, sub-advisory relationships, structured products, group trusts, mutual funds, and other investment vehicles. As of December 31, 2005, institutional assets under management were $359 billion, or 62% of our company-wide assets under management. For more information concerning institutional assets under management, revenues, and fees, **see "Assets Under Management, Revenues, and Fees" in this Item 1**.

Our institutional client base includes unaffiliated corporate and public employee pension funds, endowment funds, domestic and foreign institutions and governments, and various affiliates, as well as certain sub-advisory relationships with unaffiliated sponsors of various other investment products. We manage approximately 3,450 separate accounts for these clients, which are located in more than 40 countries. As of December 31, 2005, we managed employee benefit plan assets for 37 of the Fortune 100 companies, and we managed public pension fund assets for 37 states.

Our efforts to create an integrated global investment platform are most evident in our institutional investment channel. As of December 31, 2005, our institutional assets under management invested in global and international investment services increased to $172 billion, or 48% of institutional AUM, from $123 billion, or 39% of institutional AUM, as of December 31, 2004, and from $78 billion, or 29% of institutional AUM, as of December 31, 2003. Similarly, as of December 31, 2005, the assets under management we invested for clients domiciled outside the United States increased to $137 billion, or 38% of

institutional AUM, from $103 billion, or 33% of institutional AUM, as of December 31, 2004, and from $77 billion, or 29% of institutional AUM, as of December 31, 2003.

Relationship managers, based in 11 offices around the world, work with institutional clients and prospective clients to determine their financial goals and needs, while specialist marketers, located in New York, London, and Tokyo, offer clients specific investment products and services to meet their overall financial plans.

Retail Services

Through financial intermediaries, we provide investment management and related services to a wide variety of individual retail investors, both in the U.S. and internationally, through retail mutual funds sponsored by our company, our subsidiaries and affiliated joint venture companies; sub-advisory relationships with mutual funds sponsored by third parties; Separately Managed Account Programs; and other investment vehicles ("Retail Products"). As of December 31, 2005, retail AUM, which are determined by subtracting applicable liabilities from the value of AUM, were $145 billion, or 25% of our company-wide AUM. For more information concerning retail AUM, revenues, and fees, **see "Assets Under Management, Revenues, and Fees" in this Item 1**.

Our Retail Services are designed to provide disciplined, research-based investments that play a consistent and effective role in a well-diversified investment portfolio. We distribute our Retail Products through a number of financial intermediaries, including broker-dealers, insurance sales representatives, banks, registered investment advisers, and financial planners.

Among our Retail Products are open-end and closed-end funds that are either (i) registered as investment companies under the Investment Company Act ("U.S. Funds"), or (ii) not registered under the Investment Company Act and not publicly offered to United States persons ("Non-U.S. Funds" and collectively with the U.S. Funds, "AllianceBernstein Funds"). Our Retail Products provide a broad range of investment options, including local and global growth equities, value equities, blend, and fixed income securities. Also among these products are retail Separately Managed Account Programs, which are sponsored by various registered broker-dealers and generally charge an all-inclusive fee covering investment management, trade execution, asset allocation, and custodial and administrative services. We also provide distribution, shareholder servicing, and administrative services for our Retail Products.

AllianceBernstein Investments, Inc., a wholly-owned subsidiary of AllianceBernstein, serves as the principal underwriter and distributor of U.S. Funds and as a placing or distribution agent for most of the Non-U.S. Funds. AllianceBernstein Investments employs approximately 185 sales representatives who devote their time exclusively to promoting the sale of Retail Services by financial intermediaries. AllianceBernstein Investments services approximately 3.9 million shareholder accounts globally.

Our efforts to create an integrated global investment platform are applicable to our retail channel as well, although in 2005 the increased global and international share of our total retail assets under management is due more to the disposition of our cash management services (**see Note 20 in AllianceBernstein's consolidated financial statements in Item 8**) than to expansion abroad. As of December 31, 2005, our retail AUM invested in global and international investment services increased to $65 billion, or 45% of retail AUM, from $48 billion, or 29% of retail AUM, as of December 31, 2004, and from $42 billion, or 27% of retail AUM, as of December 31, 2003. Similarly, as of December 31, 2005, the AUM we invested for retail clients domiciled outside the United States increased to $39 billion, or 27% of retail AUM, from $32 billion, or 19% of retail AUM, as of December 31, 2004, and $29 billion, or 18% of retail AUM, as of December 31, 2003.

Our Non-U.S. Funds, which represented $36 billion, or 25% of our total Retail assets under management (excluding certain investment vehicles, as discussed below) as of December 31, 2005, include:

- Internationally-distributed funds that offer more than 27 different portfolios to non-U.S. investors distributed through local financial intermediaries by means of distribution agreements in most major international markets (AUM in these funds totaled $21 billion as of December 31, 2005); and

- Local-market funds that we distribute through financial intermediaries in specific countries, including Japan, Singapore, and Taiwan (our most successful local offerings to date have been in Japan where, as of December 31, 2005, AUM in our local Japanese funds totaled $5.4 billion).

Our Non-U.S. Funds also include hedge funds, which we market and distribute to high-net-worth and institutional investors globally, and various types of structured products (e.g., collateralized bond obligations), which we market and distribute to institutional investors globally. We report hedge fund AUM, which totaled $4.6 billion as of December 31, 2005, as either Institutional Investment AUM ($0.8 billion) or Private Client AUM ($3.8 billion). We report structured product AUM, which totaled $4.0 billion as of December 31, 2005, as Institutional Investment AUM.

Our U.S. Funds, which include retail funds, our variable products series fund (an insurance product), and the Sanford C. Bernstein Funds (Private Client Services products), offer approximately 120 different portfolios to U.S. investors. As of December 31, 2005, assets under management in the retail U.S. Funds were approximately $44 billion, or 30% of total Retail AUM. We report nearly all of the AUM in the Sanford C. Bernstein Funds, which totaled $22.2 billion as of December 31, 2005, as Private Client Services AUM.

In 2003, we began offering the AllianceBernstein Wealth Strategies portfolios, which offer investments in various combinations of U.S. and non-U.S. growth equity, value equity, and fixed income securities (with automatic re-balancing of securities), providing diversified solutions for meeting the risk and return appetites of retail

investors. As of December 31, 2005, assets under management in the Wealth Strategies portfolios were $3.1 billion.

Cash Management Services

During June 2005, AllianceBernstein and Federated Investors, Inc ("Federated") completed a transaction pursuant to which Federated acquired our cash management services. For additional information, **see Note 20 in AllianceBernstein's consolidated financial statements in Item 8**.

Private Client Services

Bernstein Global Wealth Management ("Bernstein GWM"), a unit of AllianceBernstein, combines the former private client services group of Bernstein, which has served private clients for over 35 years, and the former private client group of AllianceBernstein. As of December 31, 2005, private client assets under management were $75 billion, or 13% of our company-wide assets under management. For more information concerning private client assets under management, revenues, and fees, **see "Assets Under Management, Revenues, and Fees" in this Item 1**.

Through Bernstein GWM, we provide Private Client Services to high-net-worth individuals, trusts and estates, charitable foundations, partnerships, private and family corporations, and other entities by means of separately managed accounts, hedge funds, mutual funds, and other investment vehicles. We target households with financial assets of $1 million or more, and we have a minimum opening account size of $400,000.

Our private client activities are built on a direct sales effort that involves approximately 260 financial advisors. These advisors do not manage money, but work with private clients and their tax, legal, and other advisors to assist clients in determining a suitable mix of U.S. and non-U.S. equity securities and fixed income investments. The portfolio created for each client is intended to maximize after-tax investment returns, in light of the client's individual investment goals, income requirements, risk tolerance, tax considerations, and any other factors relevant for that client. Our private clients have access to all of our resources, including research reports, investment planning services, an extensive nationwide referral network, including accountants, attorneys, and consultants, and our Wealth Management Group, which has in-depth knowledge of trust and estate and tax management issues.

Our financial advisors are based in 18 cities in the U.S., including New York City, Atlanta, Boston, Chicago, Cleveland, Dallas, Denver, Houston, Los Angeles, Miami, Minneapolis, Philadelphia, San Diego (newly-opened in January 2006), San Francisco, Seattle, Tampa, Washington, D.C., and West Palm Beach. We plan to open an office in London later this year. These offices service the targeted market within these cities and the surrounding areas. In addition, Bernstein GWM added 70 financial advisors in 2005, and plans to add an additional 27 advisors in 2006.

We have made significant strides with non-U.S. investment services in the private client channel as well. As of December 31, 2005, our private client assets under management invested in global and international investment services increased to $20 billion, or 26% of private client AUM, from $14 billion, or 22% of Private Client Services AUM, as of December 31, 2004, and from $10 billion, or 19% of private client AUM, as of December 31, 2003. When measured by client domicile, there has been little change thus far in Private Client Services AUM, but we believe our launch of a private client office in London later this year will enhance our ability to reach non-U.S. clients.

Institutional Research Services

Institutional Research Services consist of in-depth research, portfolio strategy, trading and brokerage-related services provided to institutional investors such as pension funds, mutual fund managers, asset managers, and other institutional investors. Trade execution and brokerage-related services are provided by Sanford C. Bernstein & Co., LLC (our wholly-owned subsidiary, "SCB LLC") in the United States and Sanford C. Bernstein Limited (our wholly-owned subsidiary, "SCBL") in Europe, Australia, and Asia. As of December 31, 2005, SCB LLC and SCBL (together, "SCB") served approximately 1,200 clients in the U.S. and approximately 365 clients in Europe, Australia, and Asia. For more information concerning the revenues we derive from institutional research services, **see "Assets Under Management, Revenues, and Fees" in this Item 1**.

SCB provides in-depth company and industry reports, along with disciplined research into securities valuation and the factors affecting stock-price movements. Company and industry analysts in most cases have business experience in the industries they cover and are consistently among the highest ranked sell-side research analysts in industry surveys by third-party organizations. Along with quantitative analysts and portfolio strategists, our sell-side research team totals approximately 140 people, including 50 senior analysts.

In 2005, SCB further strengthened its research effort in London and now has 10 published analysts covering industries and companies in Europe, with nine additional analysts due to commence coverage in 2006. In addition, SCB's trading and brokerage operations were further enhanced in 2005 with the launch of several proprietary algorithmic trading products. These product additions complemented other major changes already undertaken to transform our trading capability, including the launch of a dedicated sector block trading desk and the expansion of our product specialist team.

Assets Under Management, Revenues, and Fees

The following tables summarize our AUM by distribution channel, along with associated revenues:

Assets Under Management(1)(2)

	December 31,			% Change	
	2005	2004	2003	2005-04	2004-03
		(in millions)			
Institutional Investment Services	$ 358,545	$ 309,883	$ 267,241	15.7%	16.0%
Retail Services	145,134	134,882	125,051	7.6	7.9
Private Client Services	74,873	63,600	53,236	17.7	19.5
	578,552	508,365	445,528	13.8	14.1
Dispositions(3)	—	30,399	31,739	(100.0)	(4.2)
Total	$ 578,552	$ 538,764	$ 477,267	7.4%	12.9%

(1) Excludes certain non-discretionary client relationships and assets managed by unconsolidated affiliates.

(2) Starting in 2005, we revised the way we classified our assets under management to better align publicly reported AUM with our internal reporting, and for consistency, our AUM as of December 31, 2004 and previous years have been reclassified by investment service and distribution channel, including the fixed income portions of balanced accounts previously reported in equity.

(3) Includes assets related to cash management services, South African joint venture interest, and Indian mutual funds. For information about these dispositions, **see Note 20 in AllianceBernstein's consolidated financial statements in Item 8**.

Revenues(1)

	Years Ended December 31,			% Change	
	2005	2004	2003	2005-04	2004-03
		(in thousands)			
Institutional Investment Services(2)	$ 904,758	$ 755,279	$ 644,441	19.8%	17.2%
Retail Services	1,192,059	1,294,267	1,306,475	(7.9)	(0.9)
Private Client Services(2)	691,208	627,067	493,903	10.2	27.0
Institutional Research Services	321,281	303,609	267,868	5.8	13.3
Other	141,374	75,211	52,241	88.0	44.0
Total	$ 3,250,680	$ 3,055,433	$ 2,764,928	6.4%	10.5%

(1) Certain prior-year amounts have been reclassified to conform to our 2005 presentation: we reclassified (i) certain sub-accounting payments and networking fees from other promotion and servicing expense to shareholder servicing fees, and (ii) transaction charges paid by our sponsored mutual funds from Institutional Investment Services and Private Client Services to Retail Services.

(2) Includes performance-based fees, incentive allocations or carried interests we earn for managing hedge funds and certain other investment vehicles.

AXA Financial, AXA Equitable, and our other affiliates, whose AUM consist primarily of fixed income investments, together constitute our largest client. Our affiliates represented approximately 19%, 20%, and 18% of our company-wide AUM as of December 31, 2005, 2004, and 2003,

respectively. They also represented approximately 5% of our company-wide revenues for each of 2005, 2004, and 2003. We manage our affiliates' assets as part of our Institutional Investment Services and Retail Services.

Institutional Investment Services

The following tables summarize our Institutional Investment Services assets under management, along with associated revenues:

Institutional Investment Services Assets Under Management(1)
(by Investment Service)

	December 31,			% Change	
	2005	2004	2003	2005-04	2004-03
		(in millions)			
Growth Equity:					
U.S.	$ 39,721	$ 39,600	$ 51,990	0.3%	(23.8)%
Global and International	39,327	23,326	15,716	68.6	48.4
	79,048	62,926	67,706	25.6	(7.1)
Value Equity:					
U.S.	50,556	51,006	45,945	(0.9)	11.0
Global and International	101,791	68,595	42,876	48.4	60.0
	152,347	119,601	88,821	27.4	34.7
Fixed Income:					
U.S.	74,964	77,314	72,752	(3.0)	6.3
Global and International	27,709	25,859	14,009	7.2	84.6
	102,673	103,173	86,761	(0.5)	18.9
Index / Structured:					
U.S.	20,908	19,297	18,403	8.3	4.9
Global and International	3,569	4,886	5,550	(27.0)	(12.0)
	24,477	24,183	23,953	1.2	1.0
Total:					
U.S.	186,149	187,217	189,090	(0.6)	(1.0)
Global and International	172,396	122,666	78,151	40.5	57.0
	358,345	309,883	267,241	15.7	16.0
Dispositions(2)	—	1,375	555	(100.0)	147.7
Total	$ 358,545	$ 311,258	$ 267,796	15.2%	16.2%

(1) Excludes certain non-discretionary client relationships and assets managed by unconsolidated affiliates.

(2) Includes assets related to South African joint venture interest. For information about this disposition, **see Note 20 in AllianceBernstein's consolidated financial statements in Item 8**.

Revenues From Institutional Investment Services(1)
(by Investment Service)

	Years Ended December 31,			% Change	
	2005	2004	2003	2005-04	2004-03
		(in thousands)			
Investment Advisory and Services Fees:					
Growth Equity:					
U.S.	$ 126,083	$ 141,891	$ 164,638	(11.1)%	(13.8)%
Global and International	115,982	68,240	42,061	70.0	62.2
	242,065	210,131	206,699	15.2	1.7
Value Equity:					
U.S.	162,708	178,058	169,675	(8.6)	4.9
Global and International	364,480	219,532	127,726	66.0	71.9
	527,188	397,590	297,401	32.6	33.7
Fixed Income:					
U.S.	94,596	110,184	108,348	(14.1)	1.7
Global and International	28,965	25,668	20,760	12.8	23.6
	123,561	135,852	129,108	(9.0)	5.2
Index / Structured:					
U.S.	6,432	6,942	6,341	(7.3)	9.5
Global and International	5,083	4,764	4,892	6.7	(2.6)
	11,515	11,706	11,233	(1.6)	4.2
Total Investment Advisory and Services Fees:					
U.S.	389,819	437,075	449,002	(10.8)	(2.7)
Global and International	514,510	318,204	195,439	61.7	62.8
	904,329	755,279	644,441	19.7	17.2
Distribution Revenues	429	—	—	n/m	—
Total	$ 904,758	$ 755,279	$ 644,441	19.8%	17.2%

(1) Certain prior-year amounts have been reclassified to conform to our 2005 presentation: we reclassified transaction charges paid by our sponsored mutual funds from Institutional Investment Services and Private Client Services to Retail Services.

As of December 31, 2005, 2004, and 2003, Institutional Investment Services represented approximately 62%, 58%, and 56%, respectively, of our company-wide assets under management. The fees we earned from these services represented approximately 28%, 25%, and 23% of our company-wide revenues for 2005, 2004, and 2003, respectively.

As part of our Institutional Investment Services, we manage assets for AXA and its subsidiaries, which together constitute our largest institutional client. These assets accounted for approximately 18%, 20%, and 19% of our total institutional assets under management as of December 31, 2005, 2004, and 2003, respectively, and approximately 8%, 9%, and 10% of our total institutional revenues for 2005, 2004, and 2003, respectively.

The institutional assets we manage for our affiliates, along with our nine other largest institutional accounts, made up approximately 20% of our total company-wide assets under management as of December 31, 2005 and approximately 4% of our total company-wide revenues for the year ended December 31, 2005. No single institutional client other than AXA and its subsidiaries accounted for more than approximately 1% of our company-wide revenues for the year ended December 31, 2005.

We manage each institutional account pursuant to a written investment management agreement. Each agreement is usually terminable at any time or upon relatively short notice by either party. In general, our contracts may not be assigned without client consent.

We are compensated principally on the basis of management fees calculated as a percentage of assets under management. The percentage we charge varies with the type of portfolio strategy, the size of the account, and the total amount of assets we manage for a particular client.

We charge performance-based fees on approximately 16% of institutional assets under management. Performance-based fees provide for a relatively low base fee plus an additional fee based on investment performance.

Retail Services

The following tables summarize our Retail Services assets under management, along with associated revenues:

Retail Services Assets Under Management(1)
(by Investment Service)

	December 31,			% Change	
	2005	2004	2003	2005-04	2004-03
		(in millions)			
Growth Equity:					
U.S.	$ 31,193	$ 33,436	$ 32,988	(6.7)%	1.4%
Global and International	19,523	14,670	14,579	33.1	0.6
	50,716	48,106	47,567	5.4	1.1
Value Equity:					
U.S.	32,625	32,113	28,384	1.6	13.1
Global and International	16,575	8,600	3,961	92.7	117.1
	49,200	40,713	32,345	20.8	25.9
Fixed Income:					

U.S.	12,053	17,076	18,232	(29.4)	(6.3)
Global and International	27,648	23,742	22,446	16.5	5.8
	39,701	40,818	40,678	(2.7)	0.3
Index / Structured:					
U.S.	4,230	4,203	3,584	0.6	17.3
Global and International	1,287	1,042	877	23.5	18.8
	5,517	5,245	4,461	5.2	17.6
Total:					
U.S.	80,101	86,828	83,188	(7.7)	4.4
Global and International	65,033	48,054	41,863	35.3	14.8
	145,134	134,882	125,051	7.6	7.9
Dispositions(2)	—	28,670	30,827	(100.0)	(7.0)
Total	$ 145,134	$ 163,552	$ 155,878	(11.3)%	4.9%

(1) Excludes assets managed by unconsolidated affiliates.
(2) Includes assets related to cash management services and Indian mutual funds. For information about these dispositions, **see Note 20 in AllianceBernstein's consolidated financial statements in Item 8**.

Revenues From Retail Services(1)
(by Investment Service)

	Years Ended December 31,			% Change	
	2005(2)	2004(2)	2003	2005-04	2004-03
		(in thousands)			
Investment Advisory and Services Fees:					
Growth Equity:					
U.S.	$ 142,899	$ 155,518	$ 173,268	(8.1)%	(10.2)%
Global and International	118,574	102,076	104,324	16.2	(2.2)
	261,473	257,594	277,592	1.5	(7.2)
Value Equity:					
U.S.	120,744	118,619	109,074	1.8	8.8
Global and International	64,881	28,774	13,519	125.5	112.8
	185,625	147,393	122,593	25.9	20.2
Fixed Income:					
U.S.	112,335	182,865	209,785	(38.6)	(12.8)
Global and International	132,480	141,211	132,952	(6.2)	6.2
	244,815	324,076	342,737	(24.5)	(5.4)
Index / Structured:					
U.S.	1,746	1,663	1,253	5.0	32.7
Global and International	3,640	1,651	1,212	120.5	36.2
	5,386	3,314	2,465	62.5	34.4
Total Investment Advisory and Services Fees:					
U.S.	377,724	458,665	493,380	(17.6)	(7.0)
Global and International	319,575	273,712	252,007	16.8	8.6
	697,299	732,377	745,387	(4.8)	(1.7)
Distribution Revenues(3)	395,402	445,911	434,705	(11.3)	2.6
Shareholder Servicing Fees(3)	99,358	115,979	126,383	(14.3)	(8.2)
Total	$ 1,192,059	$ 1,294,267	$ 1,306,475	(7.9)%	(0.9)%

(1) Certain prior-year amounts have been reclassified to conform to our 2005 presentation: we reclassified (i) certain sub-accounting payments and networking fees from other promotion and servicing expense to shareholder servicing fees, and (ii) transaction charges paid by our sponsored mutual funds from Institutional Investment Services and Private Client Services to Retail Services.
(2) Includes a reduction in advisory fees charged to certain U.S. Funds in connection with the resolution of market timing matters. For additional information, **see "Regulation" in this Item 1**.
(3) For a description of distribution revenues and shareholder servicing fees, **see below**.

We generally base our fees for our Retail Products on a percentage of average assets under management. We may also charge performance-based fees. As certain of the U.S. Funds have grown, we have revised our fee schedules to provide lower incremental fees above certain asset levels. In addition, as part of our resolution of the market timing investigation by the New York State Attorney General ("NYAG"), effective January 1, 2004 we reduced by 20% (on a weighted average basis) the advisory fees on U.S. long-term open-end retail mutual funds (for additional information, **see "Regulation" in this Item 1**). Fees paid by the U.S. Funds, EQAT (as defined below), AXA Enterprise Trust, and AXA Premier VIP Trust are reflected in the applicable investment management agreement and reviewed annually by the boards of directors or trustees of those funds, including by a majority of the independent directors or trustees. Increases in these fees must be approved by fund shareholders. Fees paid by Non-U.S. Funds are reflected in investment management agreements that continue until they are terminated. Increases in these fees must generally be approved by the Non-U.S. Fund shareholders and/or the relevant regulatory authority depending on the domicile and structure of the fund. In general, each investment management agreement with the AllianceBernstein Funds, EQAT, AXA Enterprise Trust, and AXA Premier VIP Trust provides for termination by either party at any time upon 60 days' notice.

Our Retail Products include variable products, which are open-end mutual funds designed to fund variable annuity contracts and variable life insurance policies offered by the separate accounts of life insurance companies ("Variable Products"). We manage the AllianceBernstein Variable Products

Series Fund, Inc. (“ABVPS”), which serves as the investment vehicle for insurance products offered by unaffiliated insurance companies, and we sub-advise EQ Advisors Trust (“EQAT”), AXA Enterprise Multimanager Funds Trust (formerly known as AXA

Premier Trust, “AXA Enterprise Trust”), AXA Premier VIP Trust, and mutual funds sponsored by AXA Asia Pacific Holdings Limited and its subsidiaries (“AXA Asia Pacific”). Each of these sub-advised vehicles serves as an investment vehicle for insurance products offered by AXA Equitable and its insurance company affiliates. As of December 31, 2005, the AUM of the portfolios of the Variable Products totaled approximately $51 billion.

EQAT, AXA Enterprise Trust, AXA Premier VIP Trust, and the mutual funds sponsored by AXA Asia Pacific, together with other AXA affiliates, constitute our largest retail client. They accounted for approximately 29%, 26%, and 24% of our total retail AUM as of December 31, 2005, 2004, and 2003, respectively, and approximately 9%, 7%, and 6% of our total retail revenues for 2005, 2004 and 2003, respectively.

Our mutual fund distribution system (the “System”) includes a multi-class share structure that permits open-end AllianceBernstein Funds to offer investors various options for the purchase of mutual fund shares, including both front-end load shares and back-end load shares. For front-end load shares of the open-end U.S. Funds, AllianceBernstein Investments pays sales commissions to financial intermediaries distributing the funds from the front-end sales charge it receives from investors at the time of the sale. For back-end load shares, AllianceBernstein Investments pays sales commissions to financial intermediaries at the time of sale and also receives higher ongoing distribution services fees from the mutual funds. In addition, investors who redeem back-end load shares before the expiration of the minimum holding period (which ranges from one year to four years) pay a contingent deferred sales charge (“CDSC”) to AllianceBernstein Investments. We expect to recover deferred sales commissions over periods not exceeding five and one-half years through receipt of a CDSC and/or the higher ongoing distribution services fees we receive from holders of back-end load shares. Payments of sales commissions made to financial intermediaries in connection with the sale of back-end load shares under the System, net of CDSC received of $21.4 million and $32.9 million, totaled approximately $74.2 million and $44.6 million during 2005 and 2004, respectively.

The rules of the National Association of Securities Dealers, Inc. (“NASD”) effectively cap the aggregate sales charges received by AllianceBernstein Investments. The cap is 6.25% of cumulative gross sales (plus interest at the prime rate plus 1% per annum) in each share class of the open-end U.S. Funds.

Most open-end U.S. Funds have adopted a plan under Rule 12b-1 of the Investment Company Act that allows the fund to pay, out of assets of the fund, asset-based sales charges or distribution and service fees for the distribution and sale of its shares (“Rule 12b-1 Fees”). The open-end AllianceBernstein Funds have entered into agreements with AllianceBernstein Investments under which they pay a distribution services fee. AllianceBernstein Investments and the financial intermediaries have entered into selling and distribution agreements for the distribution of AllianceBernstein Funds pursuant to which AllianceBernstein Investments pays sales commissions. These agreements are terminable by either party upon notice (generally not more than 60 days) and do not obligate the financial intermediary to sell any specific amount of fund shares. A small amount of mutual fund sales is made directly by AllianceBernstein Investments, in which case AllianceBernstein Investments retains the entire sales charge.

In addition to Rule 12b-1 Fees, AllianceBernstein Investments, at its own expense, currently provides additional payments under Distribution Services and Educational Support agreements to firms that sell shares of our funds, a practice sometimes referred to as revenue sharing. Although the individual components may be higher and the total amount of payments made to each qualifying firm in any given year may vary, the total amount paid to a financial intermediary in connection with the sale of shares of U.S. Funds will generally not exceed the sum of (i) 0.25% of the current year’s fund sales by that firm, and (ii) 0.10% of average daily net assets attributable to that firm over the course of the year. These sums may be associated with our funds’ status on a financial intermediary’s preferred list of funds or may be otherwise associated with the financial intermediary’s marketing and other support activities, such as client education meetings and training efforts relating to our funds.

During 2005, the 10 financial intermediaries responsible for the largest volume of sales of open-end AllianceBernstein Funds were responsible for 30% of such sales. AXA Advisors, LLC (“AXA Advisors”), a wholly-owned subsidiary of AXA Financial that utilizes members of AXA Equitable’s insurance sales force as its registered representatives, was responsible for approximately 3%, 4%, and 3% of total sales of shares of open-end AllianceBernstein Funds in 2005, 2004, and 2003, respectively. AXA Advisors is under no obligation to sell

a specific amount of AllianceBernstein Fund shares and also sells shares of mutual funds sponsored by other affiliates and unaffiliated organizations.

Subsidiaries of Merrill Lynch & Co., Inc. (collectively “Merrill Lynch”) were responsible for approximately 5%, 6%, and 7% of open-end AllianceBernstein Fund sales in 2005, 2004, and 2003, respectively. Citigroup Inc. (and its subsidiaries, “Citigroup”) was responsible for approximately 5% of open-end AllianceBernstein Fund sales in 2005, 7% in 2004, and 9% in 2003. Neither Merrill Lynch nor Citigroup is under any obligation to sell a specific amount of AllianceBernstein Fund shares and each also sells shares of mutual funds that it sponsors and that are sponsored by unaffiliated organizations.

No dealer or agent has in any year since 2003 accounted for more than 10% of our sales of shares of open-end AllianceBernstein Funds.

Based on industry sales data reported by the Investment Company Institute (December 2005), our market share in the U.S. mutual fund industry is 1.11% of total industry assets and we accounted for 0.65% of total open-end industry sales in the U.S. during 2005. The investment performance of the U.S. Funds is an important factor in the sale of their shares, but there are other factors contributing to sales of our mutual fund shares. These factors include the level and quality of shareholder services (**see below**) and the amounts and types of distribution assistance and administrative services payments made to financial intermediaries. We believe that our compensation programs with financial intermediaries are competitive with others in the industry.

Under current interpretations of U.S. laws and regulations governing depository institutions, banks and certain of their affiliates generally are permitted to act as agent for their customers in connection with the purchase of mutual fund shares and to receive as compensation a portion of the sales charges paid with respect to such purchases. During 2005, banks and their affiliates accounted for approximately 17% of the sales of shares of open-end U.S. Funds and Variable Products.

During 2004, each of the U.S. Funds appointed an independent compliance officer reporting to the independent directors of each U.S. Fund. The expense of this officer and his staff is borne by AllianceBernstein.

AllianceBernstein Investor Services, Inc. ("Investor Services"), one of our wholly-owned subsidiaries, provides transfer agency and related services for each open-end U.S. Fund and provides shareholder servicing for each open-end U.S. Fund's shareholder accounts. As of December 31, 2005, Investor Services employed 247 people. Investor Services operates in Secaucus, New Jersey, and San Antonio, Texas. It receives a monthly fee under each of its servicing agreements with the open-end U.S. Funds based on the number and type of shareholder accounts. Each servicing agreement must be approved annually by the relevant open-end U.S. Fund's board of directors or trustees, including a majority of the independent directors or trustees, and may be terminated by either party without penalty upon 60 days' notice.

Most AllianceBernstein Funds utilize AllianceBernstein and Investor Services personnel to perform legal, clerical, and accounting services not required to be provided by AllianceBernstein. Payments by the U.S. Funds and certain Non-U.S. Funds for these services must be specifically approved in advance by the fund's board of directors or trustees. Currently, AllianceBernstein and Investor Services are recording revenues for providing these services to the AllianceBernstein Funds at the rate of approximately $8.0 million per year.

ACM Global Investor Services ("ACMGIS"), a division of Alliance Capital (Luxembourg) S.A. (another of our wholly-owned subsidiaries), is the transfer agent of substantially all of the Non-U.S. Funds. As of December 31, 2005, ACMGIS employed 41 people. ACMGIS operates in Luxembourg and Singapore and receives a monthly fee for its transfer agency services under services agreements, which may be terminated by either party upon 60 days' notice.

Private Client Services

The following tables summarize Private Client Services assets under management, along with associated revenues:

Private Client Services Assets Under Management
(by Investment Service)

	December 31,			% Change	
	2005	2004	2003	2005-04	2004-03
		(in millions)			
Growth Equity:					
U.S.	$ 9,986	$ 7,022	$ 5,479	42.2%	28.2%
Global and International	6,390	4,001	3,065	59.7	30.5
	16,376	11,023	8,544	48.6	29.0
Value Equity:					
U.S.	23,725	22,411	19,681	5.9	13.9
Global and International	12,959	9,874	6,921	31.2	42.7
	36,684	32,285	26,602	13.6	21.4
Fixed Income:					
U.S.	21,471	20,111	17,955	6.8	12.0
Global and International	241	75	55	221.3	36.4
	21,712	20,186	18,010	7.6	12.1
Index / Structured:					
U.S.	101	106	80	(4.7)	32.5
Global and International	—	—	—	—	—
	101	106	80	(4.7)	32.5
Total:					
U.S.	55,283	49,650	43,195	11.3	14.9
Global and International	19,590	13,950	10,041	40.4	38.9
	74,873	63,600	53,236	17.7	19.5
Dispositions(1)	—	354	357	(100.0)	(0.8)
Total	$ 74,873	$ 63,954	$ 53,593	17.1%	19.3%

(1) Includes assets related to cash management services. For information about this disposition, **see Note 20 in AllianceBernstein's consolidated financial statements in Item 8**.

Revenues From Private Client Services(1)
(by Investment Service)

	Years Ended December 31,			% Change	
	2005	2004	2003	2005-04	2004-03
		(in thousands)			
Investment Advisory and Services Fees:					
Growth Equity:					
U.S.	$ 98,601	$ 83,185	$ 56,249	18.5%	47.9%
Global and International	58,459	39,273	179	48.9	n/m
	157,060	122,458	56,428	28.3	117.0
Value Equity:					
U.S.	267,730	297,413	258,928	(10.0)	14.9
Global and International	163,568	100,484	85,903	62.8	17.0

	431,298	397,897	344,831	8.4	15.4
Fixed Income:					
U.S.	99,899	104,330	90,960	(4.2)	14.7
Global and International	879	248	163	254.4	52.1
	100,778	104,578	91,123	(3.6)	14.8
Index / Structured:					
U.S.	103	762	189	(86.5)	303.2
Global and International	—	—	—	—	—
	103	762	189	(86.5)	303.2
Total Investment Advisory and Services Fees:					
U.S.	466,333	485,690	406,326	(4.0)	19.5
Global and International	222,906	140,005	86,245	59.2	62.3
	689,239	625,695	492,571	10.2	27.0
Distribution Revenues	1,969	1,372	1,332	43.5	3.0
Total	$ 691,208	$ 627,067	$ 493,903	10.2%	27.0%

(1) Certain prior-year amounts have been reclassified to conform to our 2005 presentation: we reclassified transaction charges paid by our sponsored mutual funds from Institutional Investment Services and Private Client Services to Retail Services.

Private client accounts are managed pursuant to a written investment advisory agreement among the client, AllianceBernstein and SCB LLC, which usually is terminable at any time or upon relatively short notice by any party. In general, these contracts may not be assigned without the consent of the client. In providing services to private clients, we are compensated by fees calculated based on the type of portfolio and the size of the account. The aggregate fees we charge for managing hedge funds may be higher than the fees we charge for managing other assets in private client accounts because hedge fund fees provide for performance-based fees, incentive allocations, or carried interests. We charge performance-based fees on approximately 5% of private client assets under management, primarily assets held in hedge funds.

We eliminated transaction charges during 2005 on U.S. equity services for many private clients due to a number of factors, including a management initiative implemented during the first half of 2005 that changed the structure of investment advisory and services fees charged to private clients for our services. The restructuring eliminated transaction charges for most private clients while raising base fees. This restructuring increases the transparency and predictability of asset management costs for our private clients. The elimination of transaction charges was not the result of the Assurance of Discontinuance with the NYAG or an agreement with any other regulator.

Revenues from Private Client Services, which represented approximately 21%, 21%, and 18% of our company-wide revenues for the years ended December 31, 2005, 2004, and 2003, respectively, consist primarily of investment management fees earned from managing client assets, generally measured as a percentage of assets under management and, in the case of certain clients, include transaction charges earned by SCB LLC, a registered broker-dealer, for executing trades relating to equity securities under management.

Institutional Research Services

The following table summarizes Institutional Research Services revenues:

Revenues From Institutional Research Services

	Years Ended December 31,			% Change	
	2005	2004	2003	2005-04	2004-03
		(in thousands)			
Transaction Charges:					
U.S. Clients	$ 226,615	$ 225,820	$ 192,597	0.4%	17.3%
Non-U.S. Clients	90,291	74,373	72,800	21.4	2.2
	316,906	300,193	265,397	5.6	13.1
Other	4,375	3,416	2,471	28.1	38.2
Total	$ 321,281	$ 303,609	$ 267,868	5.8%	13.3%

SCB earns revenues by providing investment research to, and executing brokerage transactions for, research clients. Research clients provide compensation principally by directing brokerage transactions to SCB in return for its research products. These services accounted for approximately 10% of our revenues in each of 2005, 2004, and 2003.

AllianceBernstein (acting on behalf of its discretionary clients that have authorized it to transact business with SCB) is one of SCB's largest client relationships. SCB earned revenues of approximately $36.5 million in 2005 from brokerage transactions executed for clients of AllianceBernstein, of which approximately $5.0 million is reported as Institutional Research Services revenues and approximately $31.5 million is reported as investment advisory and services fees (**see Item 7**). Beginning January 1, 2006, however, we intend to report all revenues earned by SCB from brokerage transactions executed for clients of AllianceBernstein as Institutional Research Services revenues.

Fee rates charged for brokerage transactions have declined significantly in recent years, but increases in transaction volume have more than offset decreases in fee rates. For additional information, **see "Risk Factors" in Item 1A and "Executive Overview" in Item 7**.

Custody and Brokerage

Custody

We do not generally maintain custody of client funds and securities. However, SCB LLC does maintain custody for the vast majority of our private clients. Other custodial arrangements are maintained by client-designated banks, trust companies, brokerage firms or other custodians.

Brokerage

We generally have the discretion to select the broker-dealers to execute transactions for client accounts. When selecting brokers, we are required to obtain "best execution". Although there is no single statutory definition, SEC releases and other legal guidelines make clear that the duty to obtain best execution requires us to seek "the most advantageous terms reasonably available under the circumstances for a customer's account". In addition to paying the lowest possible commission rate, we take into account such factors as current market conditions, financial accountability, and the ability and willingness of the broker to commit capital by taking positions in order to execute transactions.

While we select brokers primarily on the basis of their execution capabilities, we may also take into consideration the quality and amount of research services ("Soft Dollar Services") a broker provides to us for the benefit of our clients. Soft Dollar Services, which we purchase to augment our own research capabilities, are governed by Section 28(e) of the Exchange Act. We use broker-dealers that provide Soft Dollar Services in consideration for the execution of client trades, subject at all times to our duty to seek best execution, and with respect to which we reasonably conclude, in good faith, that the value of the execution and other services we receive from the broker-dealer is reasonable in relation to the amount of commissions paid. The commissions

charged by these full-service brokers are higher than those charged by electronic trading networks and other "low-touch" venues.

We sometimes execute client transactions through SCB LLC or SCBL, our affiliated broker-dealers. We do so only when our clients have consented to our use of affiliated broker-dealers or we are otherwise permitted to do so, and only when we can execute these transactions in accordance with applicable law (e.g., our obligation to obtain best execution).

We may use brokers to effect client transactions that sell shares of AllianceBernstein Funds or third party funds we sub-advise; however, we prohibit our investment professionals who place trades from considering these other relationships as a factor when selecting brokers to effect transactions. Similarly, we prohibit our investment professionals from considering the sale of fund shares as a factor when determining which brokers to use.

We have formed two Commission Allocation Committees, one covering growth equities and the other covering value equities. These committees have principal oversight responsibility for evaluating brokerage matters, including how to use the Soft Dollar Services we receive in a manner that is in the best interests of our clients and consistent with current regulatory requirements.

Service Marks

In connection with our recent name changes to AllianceBernstein L.P. and AllianceBernstein Holding L.P., we have applied to register a number of service marks with the U.S. Patent and Trademark Office, including an "AB" design logo and the combination of such logo with the words "AllianceBernstein".

As a result of the Bernstein Transaction, we acquired all of the rights and title in, and to, the Bernstein service marks, including the name Bernstein. These marks were registered in 1981 and 1982. The marks "AllianceBernstein" and "Bernstein Investment Research and Management" were registered in 2003.

Regulation

AllianceBernstein, Holding, the General Partner, SCB LLC, AllianceBernstein Global Derivatives Corporation (a wholly-owned subsidiary of AllianceBernstein, "Global Derivatives"), and Alliance Corporate Finance Group Incorporated (a wholly-owned subsidiary of AllianceBernstein) are investment advisers registered under the Investment Advisers Act. Global Derivatives is also registered with the Commodity Futures Trading Commission as a commodity pool operator.

Each U.S. Fund is registered with the SEC under the Investment Company Act and the shares of most U.S. Funds are qualified for sale in all states in the United States and the District of Columbia, except for U.S. Funds offered only to residents of a particular state. Investor Services is registered with the SEC as a transfer agent.

SCB LLC and AllianceBernstein Investments are registered with the SEC as broker-dealers. SCB LLC is a member of the New York Stock Exchange, Inc. ("NYSE"). SCBL is a broker regulated by the Financial Services Authority of the United Kingdom ("FSA") and is a member of the London Stock Exchange. SCB LLC and AllianceBernstein Investments are subject to minimum net capital requirements imposed by the SEC, and SCBL is subject to the financial resources requirements of the FSA, as follows:

	Minimum Net Capital/ Financial Resources as of December 31, 2005	
	Required	Actual
	(in millions)	
AllianceBernstein Investments	$ 9.7	$ 47.9
SCB	26.3	146.4
SCBL	11.2	33.6
Total	$ 47.2	$ 227.9

Holding Units trade publicly on the NYSE. Holding Units currently trade under the ticker symbol "AC" but, beginning February 27, 2006, will trade under the ticker symbol "AB". Holding is an NYSE listed company and, therefore, subject to the regulations set forth in the NYSE Listed Company Manual.

Our relationships with AXA and its subsidiaries are subject to applicable provisions of the insurance laws and regulations of New York and other states. Under such laws and regulations, the terms of certain investment advisory and other agreements we enter into with AXA or its subsidiaries are required to be fair and equitable, charges or fees for services performed must be reasonable, and, in some cases, are subject to regulatory approval.

All aspects of our business are subject to various federal and state laws and regulations, rules of various securities regulators and exchanges, and laws in the foreign countries in which our subsidiaries conduct business. These laws and regulations are primarily intended to benefit clients and fund shareholders and generally grant supervisory agencies broad administrative powers, including the power to limit or restrict the carrying on of business for failure to comply with such laws and regulations. In such event, the possible sanctions that may be imposed include the suspension of individual employees, limitations on engaging in business for specific periods, the revocation of the registration as an investment adviser or broker-dealer, censures, and fines.

Market Timing Investigations

On December 18, 2003, we settled with the SEC and the NYAG regarding their investigations into trading practices in the shares of certain of our sponsored mutual funds. Our agreement with the SEC was reflected in an Order of the Commission ("SEC Order") dated December 18, 2003 (amended and restated January 15, 2004), while our final agreement with the NYAG was reflected in an Assurance of Discontinuance ("AoD") dated September 1, 2004. We have taken a number of important initiatives to resolve these matters. Specifically, we:

- established a $250 million restitution fund to compensate fund shareholders for the adverse effects of market timing ("Restitution Fund");
- reduced by 20% (on a weighted average basis) the advisory fees on U.S. long-term open-end retail mutual funds by reducing our advisory fee rates (resulting in an approximate $63 million reduction in 2005 advisory fees and a $70 million reduction in 2004 advisory fees), and we will maintain these reduced fee rates for at least the five-year period that commenced January 1, 2004;
- appointed a new management team and specifically charged it with responsibility for ensuring that we maintain a fiduciary culture in our Retail Services;
- revised our code of ethics to better align the interests of our employees with those of our clients;
- formed two new committees composed of executive management to oversee and resolve code of ethics and compliance-related issues;
- instituted a substantially strengthened policy designed to detect and block market timing and material short duration trading;
- created an ombudsman office, where employees can voice concerns about work-related issues on a confidential basis; and
- initiated firm-wide compliance and ethics training programs.

We retained an Independent Compliance Consultant ("ICC") to conduct a comprehensive review of supervisory, compliance, and other policies designed to detect and prevent conflicts of interest, breaches of fiduciary duty, and violations of law. The ICC completed its review, and submitted its report to the SEC in December 2004. By December 31, 2005, we had implemented substantially all of the ICC's recommendations. Also, beginning in 2005 we had, and biannually thereafter will continue to have, an independent third party perform a comprehensive compliance review.

We believe that these remedial actions provide reasonable assurance that the deficiencies in our internal controls related to market timing will not recur.

With the approval of the independent directors of the U.S. Fund Boards and the staff of the SEC, we retained an Independent Distribution Consultant ("IDC") to develop a plan for the distribution of the Restitution Fund. To the extent it is determined that the harm to mutual fund shareholders caused by market timing exceeds $200 million, we will be required to contribute additional monies to the Restitution Fund. On September 30, 2005, the IDC submitted to the SEC Staff the portion of his report concerning his methodology for determining damages. The IDC will, in the coming months, formally submit to the Staff the remainder of his proposed distribution plan, which addresses the mechanics of distribution. Once the Staff has approved both portions of the plan, it will be submitted to the SEC for final approval. The Restitution Fund proceeds will not be distributed until after the SEC has approved the distribution plan and issued an order doing so. Until then, it is not possible to predict the exact timing, method, or amount of the distribution.

On February 10, 2004, we received (i) a subpoena duces tecum from the Office of the Attorney General of the State of West Virginia and (ii) a request for information from the Office of the State Auditor, Securities Commission, for the State of West Virginia ("WV Securities Commissioner") (subpoena and request together, the "Information Requests"). The Information Requests required us to produce documents concerning, among other things, any market timing or late trading in our sponsored mutual funds. We responded to the Information Requests and have been cooperating fully with the investigation.

On April 11, 2005, a complaint entitled *The Attorney General of the State of West Virginia v. AIM Advisors, Inc., et al.* ("WVAG Complaint") was filed against AllianceBernstein, Holding, and various unaffiliated defendants. On May 31, 2005, defendants removed the WVAG Complaint to the United States District Court for the Northern District of West Virginia. On July 12, 2005, plaintiff moved to remand. On October 19, 2005, the WVAG Complaint was transferred to the Mutual Fund MDL (**see Market Timing-related Matters in Item 3**).

On August 30, 2005, the WV Securities Commissioner signed a "Summary Order to Cease and Desist, and Notice of Right to Hearing" addressed to us. The Summary Order claims that we violated the West Virginia Uniform Securities Act and makes factual allegations generally similar to those in the SEC Order and NYAG AoD. On January 26, 2006, AllianceBernstein, Holding, and various unaffiliated defendants filed a Petition for Writ of Prohibition and Order Suspending Proceedings in West Virginia state court seeking to vacate the Summary Order and for other relief.

As previously disclosed, AllianceBernstein recorded charges totaling $330 million during the second half of 2003, of which (i) $250 million was paid to the Restitution Fund (the $250 million was funded out of operating cash flow and paid to the SEC in January 2004), (ii) $30 million was used to settle a

private civil mutual fund litigation unrelated to any regulatory agreements, and (iii) $50 million was reserved for estimated expenses related to our market-timing settlements with the SEC and the NYAG and our market timing-related liabilities (excluding WVAG Complaint-related expenses). AllianceBernstein paid $8 million during 2005 related to market timing and has cumulatively paid $310 million (excluding WVAG Complaint-related expenses). Including $10 million in charges taken in prior periods, we have reserves of approximately $30 million available for market timing-related liabilities in future periods.

Taxes

AllianceBernstein is a private partnership for federal income tax purposes and, accordingly, is not subject to federal and state corporate income taxes. However, AllianceBernstein is subject to the 4.0% New York City unincorporated business tax ("UBT"). Domestic corporate subsidiaries of AllianceBernstein, which are subject to federal, state and local income taxes, are generally included in the filing of a consolidated federal income tax return. Separate state and local income tax returns are filed. Foreign corporate subsidiaries are generally subject to taxes in the jurisdictions where they are located. Holding is a publicly traded partnership for federal income tax purposes and is subject to the 4.0% UBT, net of credits for UBT paid by AllianceBernstein, and a 3.5% federal tax on partnership gross income from the active conduct of a trade or business.

In order to preserve Holding's status as a "grandfathered" publicly traded partnership for federal income tax purposes, management ensures that Holding does not directly or indirectly (through AllianceBernstein) enter into a substantial new line of business. If Holding were to lose its status as a grandfathered publicly traded partnership, it would be subject to corporate income tax, which would reduce materially Holding's net income and its quarterly distributions to Holding Unitholders.

In order to preserve AllianceBernstein's status as a private partnership for federal income tax purposes, AllianceBernstein must not be treated as publicly traded. The AllianceBernstein Partnership Agreement provides that all transfers of AllianceBernstein Units must be approved by AXA Equitable and the General Partner; AXA Equitable and the General Partner approve only those transfers permitted pursuant to one or more of the safe harbors contained in relevant treasury regulations. If such units were considered readily tradable, AllianceBernstein would be subject to federal and state corporate income tax on its net income. Furthermore, as noted above, should AllianceBernstein enter into a substantial new line of business, Holding, by virtue of its ownership of AllianceBernstein, would lose its status as a grandfathered publicly traded partnership and be subject to income tax as set forth above.

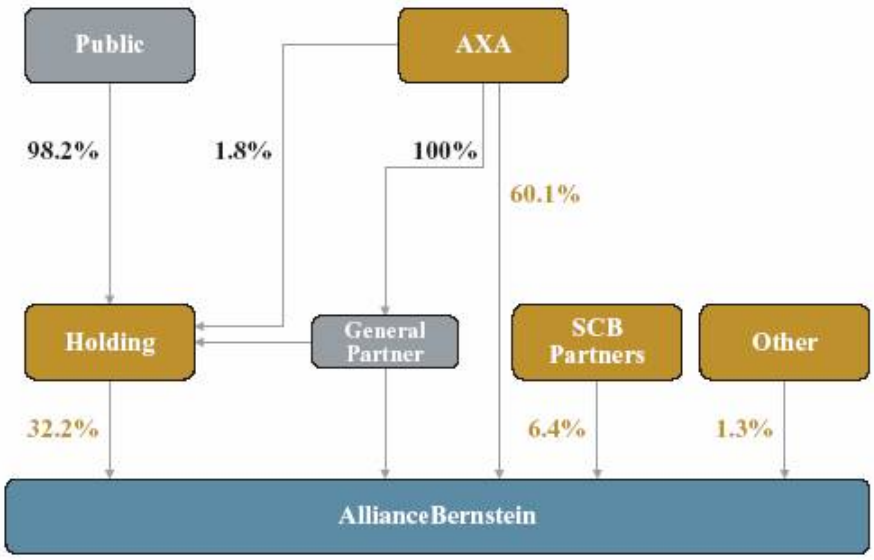
History and Structure

ACMC, Inc., AllianceBernstein's predecessor, began providing investment management services in 1971.

In October 1999, Holding reorganized by transferring its business and assets to AllianceBernstein, a newly-formed operating partnership, in exchange for all of the AllianceBernstein Units ("Reorganization"). Since the date of the Reorganization, AllianceBernstein has conducted the business formerly conducted by Holding and Holding's activities have consisted of owning AllianceBernstein Units and engaging in related activities. Holding Units trade publicly on the NYSE. Holding Units currently trade under the ticker symbol "AC" but, beginning February 27, 2006, will trade under the ticker symbol "AB". AllianceBernstein Units do not trade publicly and are subject to significant restrictions on transfer. The General Partner is the general partner of both AllianceBernstein and Holding.

In October 2000, AllianceBernstein completed the Bernstein Transaction, whereby AllianceBernstein acquired the business and assets of Bernstein and assumed the liabilities of the Bernstein business. For additional information, **see Item 12**.

As of December 31, 2005, the condensed ownership structure of AllianceBernstein, as a percentage of limited partnership interests, was as follows (for a more complete description of our ownership structure, **see Item 12**):



As of December 31, 2005, AXA, through certain of its subsidiaries (**see Item 12),** beneficially owned approximately 1.8% of the issued and outstanding Holding Units and approximately 60.1% of the issued and outstanding AllianceBernstein Units.

The General Partner, an indirect wholly-owned subsidiary of AXA, owns 100,000 general partnership units in Holding and a 1% general partnership interest in AllianceBernstein. Including the general partnership interests in Holding and AllianceBernstein, and its equity interest in Holding, as of December 31, 2005, AXA, through certain of its subsidiaries, had an approximate 61.1% economic interest in AllianceBernstein.

AXA and its subsidiaries own all of the issued and outstanding shares of the common stock of AXA Financial. AXA Financial owns all of the issued and outstanding shares of AXA Equitable. **See Item 12**.

AXA, a *société anonyme* organized under the laws of France, is the holding company for an international group of insurance and related financial services companies engaged in the financial protection and wealth

management businesses. AXA is one of the largest insurance groups in the world and operates primarily in Western Europe, North America, and the Asia/Pacific region and, to a lesser extent, in other regions including the Middle East, Africa, and South America. AXA has five operating business segments: life and savings, property and casualty, international insurance (including reinsurance), asset management, and other financial services.

Competition

The financial services industry is intensely competitive and new entrants are continually attracted to it. No single or small group of competitors is dominant in the industry.

We compete in all aspects of our business with numerous investment management firms, mutual fund complexes, brokerage and investment banking firms, insurance companies, banks, savings and loan associations, and other financial institutions that often provide investment products that have similar features and objectives as those we offer. Our competitors offer a wide range of financial services to the same customers that we seek to serve. Some of our competitors are larger, have a broader range of product choices and investment capabilities, conduct business in more markets, and have substantially greater resources than we do. These factors may place us at a competitive disadvantage, and we can give no assurance that our strategies and efforts to maintain and enhance our current client relationships, and create new ones, will be successful.

To grow our business, we must be able to compete effectively for assets under management. Key competitive factors include:

- our commitment to place the interests of our clients first;
- the quality of our research;
- our investment performance;
- the array of investment products we offer;
- the fees we charge;
- our ability to further develop and market our brand; and
- our global presence.

Certain of AXA's subsidiaries offer financial services, some of which compete with those we offer. The AllianceBernstein Partnership Agreement specifically allows AXA Equitable and its subsidiaries (other than the General Partner) to compete with us. AXA has substantially greater financial resources than we do and is not obligated to provide resources to us.

Increased competition could reduce the demand for our products and services, and that could have a material adverse effect on our financial condition, results of operations, and business prospects.

Competition is a serious risk that our business faces and should be considered along with the other risk factors we discuss below.

Other Information

AllianceBernstein and Holding file or furnish annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and other reports required to comply with federal securities laws. The public may read and copy any materials filed with the SEC at the SEC's Public Reference Room at 450 Fifth Street, NW, Washington, DC 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC also maintains an Internet site (*http://www.sec.gov*) that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC.

AllianceBernstein and Holding maintain an Internet site (*http://www.alliancebernstein.com*). The portion of the site at "Investor Relations/Reports and SEC Filings" links to both companies' annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished

pursuant to Section 13(a) or 15(d) of the Exchange Act. These reports are available through the site free of charge as soon as reasonably practicable after such material is filed with, or furnished to, the SEC.

Item 1A. Risk Factors

Please read this section along with the description of our business **in Item 1**, the competition section just above, and AllianceBernstein's financial information **contained in Items 6, 7, and 8**. The majority of the risk factors discussed below directly affect AllianceBernstein. These risk factors also affect

Holding because Holding's principal source of income and cash flow is attributable to its investment in AllianceBernstein. See also our discussion of risks associated with forward-looking statements **in Item 7**.

Changes in financial market levels have a direct and significant impact on our assets under management; a significant reduction in assets under management could have a material adverse effect on our revenues, financial condition, results of operations, and business prospects.

Performance of financial markets (both domestic and international), global economic conditions, interest rates, inflation rates, tax regulation changes, and other factors that are difficult to predict affect the mix, market values, and levels of assets under management. Investment advisory and services fees, the largest component of revenues, are generally calculated as a percentage of the value of assets under management and vary with the type of account managed. Accordingly, fee income generally increases or decreases as assets under management increase or decrease and is affected by market appreciation or depreciation, inflow of new client assets (including purchases of mutual fund shares), and outflow of client assets (including redemption of mutual fund shares). In addition, changing market conditions and investment trends, particularly with respect to retirement savings, may reduce interest in certain of our investment products and may cause a shift in the mix of assets under management. A shift towards fixed income products might result in a related decline in revenues and income because we generally earn more from assets invested in our equity services than in our fixed income services.

Declines in financial markets or higher redemption levels in our mutual funds, or both, as compared to the assumptions we have used to estimate undiscounted future cash flows from distribution plan fees, as described **in Item 7**, could result in impairment of the deferred sales commission asset. Due to the volatility of financial markets and changes in redemption rates, we are unable to predict whether or when a future impairment of the deferred sales commission asset might occur. The occurrence of an impairment would result in a material charge to our earnings.

Our business is dependent on investment advisory, selling and distribution agreements that are subject to termination or non-renewal on short notice.

We derive most of our revenues pursuant to written investment advisory and investment management agreements with institutional investors, mutual funds, and private clients, and selling and distribution agreements between AllianceBernstein Investments and financial intermediaries that distribute AllianceBernstein Funds. Generally, the investment advisory and investment management agreements are terminable at any time or upon relatively short notice by either party. The selling and distribution agreements are terminable by either party upon notice (generally not more than sixty days) and do not obligate the financial intermediary to sell any specific amount of fund shares. Any termination of, or failure to renew, a significant number of these agreements could have a material adverse effect on our revenues, financial condition, results of operations, and business prospects.

Our ability to access clients is partly dependent on our relationships with various financial intermediaries and consultants that are not obligated to continue to work with us.

Our ability to market our mutual funds, sub-advisory services, and investment services is partly dependent on our access to a client base of corporate and public employee pension funds, endowment funds, domestic and foreign institutions and governments, insurance companies, securities firms, brokers, banks, and other intermediaries. These intermediaries generally offer their clients various investment products in addition to, and in competition with, our products. In addition, certain institutional investors rely on consultants to advise them on the choice of investment adviser, and we are not always considered among the best choices by all consultants. Also, our Private Client Services group relies on referrals from financial planners, registered investment advisers,

and other professionals. We cannot be certain that we will continue to have access to, or receive referrals from, these third parties. If we lose such access or referrals, we could suffer a material adverse effect on our revenues, financial condition, results of operations, and business prospects.

We may be unable to continue to attract and retain key personnel.

Our business is dependent on our ability to attract, retain, and motivate highly skilled, and often highly specialized, technical, managerial, and executive personnel; we can give no assurance that we will be able to do so.

The market for qualified portfolio managers, investment analysts, financial advisers, order placement specialists, and other professionals is extremely competitive and is characterized by frequent movement of these investment professionals among different firms. Portfolio managers and financial advisers often maintain strong, personal relationships with their clients so their departure could cause us to lose client accounts, which could have a material adverse effect on our revenues, financial condition, results of operations, and business prospects.

Poor investment performance could lead to loss of clients and a decline in revenues.

Our ability to achieve investment returns for clients that meet or exceed investment returns for comparable asset classes and competing investment services is a key consideration in a client's decision to keep their assets with us or invest additional assets, and a prospective client's decision to invest. Our inability to meet relevant investment benchmarks could result in clients withdrawing assets and in prospective clients choosing to invest with competitors. This could also result in lower investment management fees, including minimal or no performance-based fees, which could result in a decline in our revenues.

We may enter into more performance-based fee arrangements with our clients in the future, which could result in greater fluctuations in our revenues.

We sometimes charge our clients performance-based fees where we earn a relatively low base fee and an additional fee if our investment performance exceeds a specified benchmark. If we do not exceed our investment return target for a particular period, we will not earn a performance-based fee for that period and, if the target is based on cumulative returns, our ability to earn performance-based fees in future periods may be impaired.

We currently charge performance-based fees on approximately 16% of the assets we manage for our institutional investors and approximately 5% of the assets we manage for private clients. Performance-based fee arrangements may become more common in our industry. An increase in performance-based fee arrangements could create greater fluctuations in our revenues.

Unpredictable events, including natural disaster, technology failure, and terrorist attack, could adversely impact our ability to conduct business.

War, terrorist attack, power failure, natural disaster, and rapid spread of serious disease could interrupt our operations by:

- causing disruptions in U.S. or global economic conditions, thus decreasing investor confidence and making investment products generally less attractive;
- inflicting loss of life;
- triggering massive technology failures or delays; and
- requiring substantial capital expenditures and operating expenses to remediate damage and restore operations.

Our operations require experienced, professional staff. Loss of a substantial number of such persons or an inability to provide properly equipped places for them to work may, by interrupting our operations, adversely affect our revenues, financial condition, results of operations, and business prospects.

We are dependent on various systems and technologies for our business to function properly and to safeguard confidential information.

We utilize software and related technologies throughout our business, including both proprietary systems and those provided by outside vendors. Although we have established and tested business continuity plans, we may experience systems delays and interruptions and it is not possible to predict with certainty all of the adverse effects that could result from our failure, or the failure of a third party, to efficiently address these problems. These adverse effects could include the inability to perform critical business functions or failure to comply with financial reporting and other regulatory requirements, which could lead to loss of client confidence, harm to our reputation, exposure to disciplinary action, and liability to our clients. Accordingly, potential system failures and the cost necessary to correct those failures could have a material adverse effect on our revenues, financial condition, results of operations, and business prospects.

In addition, we could be subject to losses if we fail to properly safeguard sensitive and confidential information. As part of our normal operations, we maintain and transmit confidential information about our clients as well as proprietary information relating to our business operations. Our systems could be damaged by unauthorized users or corrupted by computer viruses or other malicious software code, or authorized persons could inadvertently or intentionally release confidential or proprietary information. Such disclosure could, among other things, allow competitors access to our proprietary business information and require significant time and expense to investigate and remediate the breach.

The costs of insurance increased in recent years and may continue to increase.

Our insurance expenses increased significantly between 2001 and 2004 and, although they decreased slightly in 2005, increases in the future are possible. In addition, certain insurance coverage may not be available or may only be available at prohibitive costs. As we renew our insurance policies, we may be subject to additional costs resulting from the assumption of higher deductibles and/or co-insurance liability. Higher insurance costs and incurred deductibles reduce our net income.

Our business is based on the trust and confidence of our clients; any damage to that trust and confidence can cause assets under management to decline and can have a material adverse effect on our revenues, results of operations, financial condition, and business prospects.

We are dedicated to earning and maintaining the trust and confidence of our clients; the good reputation created thereby is essential to our business. Damage to our reputation could impair our ability to conduct our business. For example, only recently have we begun to see our U.S. retail business stabilize after the negative impact of market timing. Should we be involved with another matter that damages our reputation and causes clients to redeem their mutual fund investments or withdraw their assets from institutional and private client accounts, our ability to earn investment advisory and services fees would suffer.

Rates we charge for brokerage transactions have declined significantly in recent years, and we expect declines to continue, which could have an adverse effect on our revenues.

The rates charged for brokerage transactions have declined significantly in recent years and this has affected our Institutional Research Services revenues although, to date, increases in transaction volume and market share have more than offset decreases in rates. Brokerage transaction revenues are also being affected by the increasing use of electronic trading systems which charge transaction fees for execution-only services that are a small fraction of the full service fee rates traditionally charged by SCB and other brokers for brokerage services that include the provision of proprietary research. Also, regulatory changes in the United Kingdom and the United States will result in investors being given more information regarding the allocation of amounts they are paying for brokerage between execution services and research services and this may further reduce the willingness of investors to pay current rates for full-service brokerage. All of these factors may result in reductions in per transaction brokerage fees that SCB charges its clients; we expect these reductions to continue.

Our business is subject to pervasive global regulation, with the attendant costs of compliance, and potential material adverse consequences for violations.

Virtually all aspects of our business are subject to various federal and state laws and regulations, rules of various securities regulators and exchanges, and laws in the foreign countries in which our subsidiaries conduct business. If we violate these laws or regulations, we could be subject to civil liability, criminal liability, or sanction, including revocation of our and our subsidiaries' registrations as investment advisers or broker-dealers, revocation of the licenses of our employees, censures, fines, or temporary suspension or permanent bar from conducting business. A regulatory proceeding, even if it does not result in a finding of wrongdoing or sanction, could require substantial expenditures of time and money. Any such liability or sanction could have a material adverse effect on our revenues, financial condition, results of operations, and business prospects. These laws and regulations generally grant supervisory agencies and bodies broad administrative powers, including, in some cases, the power to limit or restrict doing business for failure to comply with such laws and regulations. Moreover, regulators in non-U.S. jurisdictions could change their policies or laws in a manner that might restrict or otherwise impede our ability to distribute or register investment products in their respective markets. These local requirements could increase the expenses we incur in a specific jurisdiction without any corresponding increase in revenues from operating in the jurisdiction.

Due to the extensive laws and regulations to which we are subject, we must devote substantial time and effort to legal and regulatory compliance issues. In addition, the regulatory environment in which we operate changes frequently and regulations have increased significantly in recent years. We may be adversely affected as a result of new or revised legislation or regulations or by changes in the interpretation or enforcement of existing laws and regulations.

We are involved in various legal proceedings and regulatory matters and may be involved in more in the future, any one or combination of which could have a material adverse effect on our financial condition, results of operations, and business prospects.

We are involved in various inquiries, administrative proceedings, and civil litigation, some of which allege substantial damages, and we may be involved in additional matters in the future. Litigation is subject to significant uncertainties, particularly when plaintiffs allege substantial or indeterminate damages, or when the litigation is highly complex or broad in scope. We have described all pending material legal proceedings **in Item 3**.

Risks related to the Partnerships' structure

The partnership structure of Holding and AllianceBernstein limits unitholders' abilities to influence the management and operation of AllianceBernstein's business and is highly likely to prevent a change in control of Holding and AllianceBernstein.

The General Partner, as general partner of both Holding and AllianceBernstein, generally has the exclusive right and full authority and responsibility to manage, conduct, control, and operate their respective businesses, except as otherwise expressly stated in their respective Amended and Restated Agreements of Limited Partnership. Unlike holders of common stock in a corporation, Holding and AllianceBernstein unitholders have very limited voting rights on matters affecting AllianceBernstein's business. The respective Amended and Restated Agreements of Limited Partnership provide that unitholders do not have any right to vote for directors of the General Partner and that unitholders can only vote on certain extraordinary matters (including removal of the General Partner under certain extraordinary circumstances). Additionally, the AllianceBernstein Partnership Agreement includes significant restrictions on transfers of AllianceBernstein Units and provisions that have the practical effect of preventing the removal of the General Partner, which are highly likely to prevent a change in control of AllianceBernstein's management.

AllianceBernstein Units are illiquid.

There is no public trading market for AllianceBernstein Units and AllianceBernstein does not anticipate that a public trading market will ever develop for AllianceBernstein Units. The AllianceBernstein Partnership Agreement restricts our ability to participate in a public trading market or anything substantially equivalent to one by providing that any transfer which may cause AllianceBernstein to be classified as a "publicly traded partnership" as defined in Section 7704 of the Internal Revenue Code of 1986, as amended, shall be deemed void and shall not be recognized by AllianceBernstein. In addition, AllianceBernstein Units are subject to significant restrictions on transfer; all transfers of AllianceBernstein Units are subject to the written consent of AXA Equitable and the General Partner pursuant to the AllianceBernstein Partnership Agreement. Generally, neither AXA Equitable nor the General Partner will permit any transfer that it believes would create a risk that AllianceBernstein would be treated as a corporation for tax purposes. AXA Equitable and the General Partner have implemented a transfer policy that requires a seller to locate a purchaser, and imposes annual volume restrictions on transfers. You may request a copy of the transfer program from our corporate secretary (*corporate.secretary@alliancebernstein.com*). Also, we filed the transfer program with the SEC as Exhibit 10.3 to our 2003 Form 10-K, a copy of which you can find at *http://www.alliancebernstein.com*.

Item 1B. Unresolved Staff Comments

Neither AllianceBernstein nor Holding have unresolved comments from the staff of the SEC to report.

Item 2. Properties

Our principal executive offices at 1345 Avenue of the Americas, New York, New York are occupied pursuant to a lease which extends until 2019. We currently occupy approximately 783,321 square feet of space at this location. We also occupy approximately 114,097 square feet of space at 135 West 50th Street, New York, New York under a lease expiring in 2016 and approximately 143,409 square feet of space at One North Lexington, White Plains, New York under a lease expiring in 2008. AllianceBernstein Investments and Investor Services occupy approximately 134,261 square feet of space in Secaucus, New Jersey, and approximately 92,067 square feet of space in San Antonio, Texas, under leases expiring in 2016 and 2009, respectively.

We also lease space in 17 other cities in the United States and our subsidiaries and joint ventures lease space in London, England under leases expiring in 2011, 2015, and 2016, in Tokyo, Japan under leases expiring in 2006, 2007, and 2009, and in 13 other cities outside the United States.

Item 3. Legal Proceedings

With respect to all significant litigation matters, we conduct a probability assessment of the likelihood of a negative outcome. If the likelihood of a negative outcome is probable, and the amount of the loss can be reasonably estimated, we record an estimated loss for the expected outcome of the litigation as required by Statement of Financial Accounting Standards No. 5 ("SFAS No. 5"), "*Accounting for Contingencies*", and Financial Accounting Standards Board ("FASB") Interpretation No. 14, "*Reasonable Estimation of the Amount of a Loss -an interpretation of FASB Statement No. 5*". If the likelihood of a negative outcome is reasonably possible and we are able to indicate an estimate of the possible loss or range of loss, we disclose that fact together with the estimate of the possible loss or range of loss. However, it is difficult to predict the outcome or estimate a possible loss or range of loss because litigation is subject to significant uncertainties, particularly when plaintiffs allege substantial or indeterminate damages, or when the litigation is highly complex or broad in scope.

On April 8, 2002, in *In re Enron Corporation Securities Litigation*, a consolidated complaint ("Enron Complaint") was filed in the United States District Court for the Southern District of Texas, Houston Division, against numerous defendants, including AllianceBernstein. The principal allegations of the Enron Complaint, as they pertain to AllianceBernstein, are that AllianceBernstein violated Sections 11 and 15 of the Securities Act with respect to a registration statement filed by Enron Corp. ("Enron") and effective with the SEC on July 18, 2001, which was used to sell $1.9 billion Enron Zero Coupon Convertible Notes due 2021. Plaintiffs allege that the registration statement was materially misleading and that Frank Savage, a director of Enron, signed the registration statement at issue. Plaintiffs further allege that AllianceBernstein was a controlling person of Frank Savage, who was at that time an employee of AllianceBernstein and a director of the General Partner. Plaintiffs therefore assert that AllianceBernstein is itself liable for the allegedly misleading registration statement. Plaintiffs seek rescission or a rescissionary measure of damages. On June 3, 2002, AllianceBernstein moved to dismiss the Enron Complaint as the allegations therein pertain to it. On March 12, 2003, that motion was denied. A First Amended Consolidated Complaint ("Enron Amended Consolidated Complaint"), with substantially similar allegations as to AllianceBernstein, was filed on May 14, 2003. AllianceBernstein filed its answer on June 13, 2003. On May 28, 2003, plaintiffs filed an Amended Motion for Class Certification. On October 23, 2003, following the completion of class discovery, AllianceBernstein filed its opposition to class certification. That motion is pending. The case is currently in discovery.

We believe that plaintiffs' allegations in the Enron Amended Consolidated Complaint as to us are without merit and intend to vigorously defend against these allegations. At the present time, we are unable to predict the outcome or estimate a possible loss or range of loss in respect of this matter because of the inherent uncertainty regarding the outcome of complex litigation, the fact that plaintiffs did not specify an amount of damages sought in their complaint, and the fact that, to date, we have not engaged in settlement negotiations.

On September 12, 2002, a complaint entitled *Lawrence E. Jaffe Pension Plan, Lawrence E. Jaffe Trustee U/A 1198 v. Alliance Capital Management L.P., Alfred Harrison and Alliance Premier Growth Fund, Inc.* ("Jaffe Complaint") was filed in the United States District Court for the Southern District of New York against AllianceBernstein, Alfred Harrison (a former director) and the AllianceBernstein Premier Growth Fund (now known as the AllianceBernstein Large Cap Growth Fund, "Large Cap Growth Fund") alleging violation of the Investment Company Act. Plaintiff seeks damages equal to Large Cap Growth Fund's losses as a result of Large Cap Growth Fund's investment in shares of Enron and a recovery of all fees paid by Large Cap Growth Fund to AllianceBernstein beginning November 1, 2000. On March 24, 2003, the court granted AllianceBernstein's motion to transfer the Jaffe Complaint to the United States District Court for the District of New Jersey for coordination with the now dismissed *Benak v. Alliance Capital Management L.P. and Alliance Premier Growth Fund* action then pending. On December 5, 2003, plaintiff filed an amended complaint ("Amended Jaffe Complaint") in the United States District Court for the District of New Jersey alleging violations of Section 36(a) of the Investment Company Act, common law negligence, and negligent misrepresentation. Specifically, the Amended Jaffe Complaint alleges that: (i) the defendants breached their fiduciary duties of loyalty, care and good faith to Large Cap Growth Fund by causing Large Cap Growth Fund to invest in securities of Enron, (ii) the defendants were negligent for investing in securities of Enron, and (iii) through prospectuses and other documents defendants misrepresented material facts related to Large Cap Growth Fund's investment objective and policies. On January 23, 2004, defendants moved to dismiss the Amended Jaffe Complaint. On May 23, 2005, the court granted defendant's motion and dismissed the case on the ground that plaintiff failed to make a demand on the Large Cap Growth Fund's Board of Directors ("LCG Board") pursuant to Rule 23.1 of the Federal Rules of Civil Procedure. Plaintiff's time to file an appeal has expired. On June 15, 2005, plaintiff made a demand on the LCG Board, requesting that the LCG Board take action against AllianceBernstein for the reasons set forth in the Amended Jaffe Complaint. In December 2005, the LCG Board rejected plaintiff's demand.

AllianceBernstein, Large Cap Growth Fund, and Alfred Harrison believe that plaintiff's allegations in the Amended Jaffe Complaint are without merit and intend to vigorously defend against these allegations. At the present time, we are unable to predict the outcome or estimate a possible loss or range of loss in respect of this matter because of the inherent uncertainty regarding the outcome of complex litigation and the fact that, to date, we have not engaged in settlement negotiations.

On December 13, 2002, a putative class action complaint entitled *Patrick J. Goggins, et al. v. Alliance Capital Management L.P., et al.* ("Goggins Complaint") was filed in the United States District Court for the Southern District of New York against AllianceBernstein, Large Cap Growth Fund and individual directors and certain officers of Large Cap Growth Fund. On August 13, 2003, the court granted AllianceBernstein's motion to transfer the Goggins Complaint to the United States District Court for the District of New Jersey. On December 5, 2003, plaintiffs filed an amended complaint ("Amended Goggins Complaint") in the United States District Court for the District of New Jersey, which alleges that defendants violated Sections 11, 12(a)(2) and 15 of the Securities Act because Large Cap Growth Fund's registration statements and prospectuses contained untrue statements of material fact and omitted material facts. More specifically, the Amended Goggins Complaint alleges that Large Cap Growth Fund's investment in Enron was inconsistent with the Large Cap Growth Fund's stated strategic objectives and investment strategies. Plaintiffs seek rescissionary relief or an unspecified amount of compensatory damages on behalf of a class of persons who purchased shares of Large Cap Growth Fund during the period October 31, 2000 through February 14, 2002. On January 23, 2004, AllianceBernstein moved to dismiss the Amended Goggins Complaint. On December 10, 2004, the court granted AllianceBernstein's motion and dismissed the case. On January 5, 2005, plaintiffs appealed the court's decision. On January 13, 2006, the U.S. Court of Appeals for the Third Circuit affirmed the dismissal. Plaintiffs' time to seek further review of the court's decision expires on April 13, 2006.

AllianceBernstein, Large Cap Growth Fund and the other defendants believe that plaintiffs' allegations in the Amended Goggins Complaint are without merit and intend to vigorously defend against these allegations. At the present time, we are unable to predict the outcome or estimate a possible loss or range of loss in respect of this matter because of the inherent uncertainty regarding the outcome of complex litigation, the fact that plaintiffs did not specify an amount of damages sought in their complaint, and the fact that, to date, we have not engaged in settlement negotiations.

On October 1, 2003, a class action complaint entitled *Erb, et al. v. Alliance Capital Management L.P.* ("Erb Complaint") was filed in the Circuit Court of St. Clair County, Illinois, against AllianceBernstein. The plaintiff, purportedly a shareholder in Large Cap Growth Fund, alleged that AllianceBernstein breached unidentified provisions of Large Cap Growth Fund's prospectus and subscription and confirmation agreements that allegedly required that every security bought for Large Cap Growth Fund's portfolio must be a "1-rated" stock, the highest rating that AllianceBernstein's research analysts could assign. Plaintiff alleges that AllianceBernstein impermissibly purchased shares of stocks that were not 1-rated. On June 24, 2004, plaintiff filed an amended complaint ("Amended Erb Complaint") in the Circuit Court of St. Clair County, Illinois. The Amended Erb Complaint allegations are substantially similar to those contained in the previous complaint, however, the Amended Erb Complaint adds a new plaintiff and seeks to allege claims on behalf of a purported class of persons or entities holding an interest in any portfolio managed by AllianceBernstein's Large Cap Growth Team. The Amended Erb Complaint alleges that AllianceBernstein breached its contracts with these persons or entities by impermissibly purchasing shares of stocks that were not 1-rated. Plaintiffs seek rescission of all purchases of any non-1-rated stocks AllianceBernstein made for Large Cap Growth Fund and other Large Cap Growth Team clients' portfolios over the past eight years, as well as an unspecified amount of damages. On July 13, 2004, AllianceBernstein removed the Erb action to the United States District Court for the Southern District of Illinois on the basis that plaintiffs' claims are preempted under the Securities Litigation

Uniform Standards Act. On August 30, 2004, the District Court remanded the action to the Circuit Court. On September 15, 2004, AllianceBernstein filed a notice of appeal with respect to the District Court's order. On December 23, 2004, plaintiffs moved to dismiss AllianceBernstein's appeal. On September 2, 2005, AllianceBernstein's appeal was denied.

We believe that plaintiffs' allegations in the Amended Erb Complaint are without merit and intend to vigorously defend against these allegations. At the present time, we are unable to predict the outcome or estimate a possible loss or range of loss in respect of this matter because of the inherent uncertainty regarding the outcome of complex litigation and the fact that plaintiffs did not specify an amount of damages sought in their complaint.

Market Timing-related Matters

On October 2, 2003, a purported class action complaint entitled *Hindo, et al. v. AllianceBernstein Growth &*

Income Fund, et al. ("Hindo Complaint") was filed against AllianceBernstein, Holding, the General Partner, AXA Financial, the U.S. Funds, the registrants and issuers of those funds, certain officers of AllianceBernstein ("Alliance defendants"), and certain unaffiliated defendants, as well as unnamed Doe defendants. The Hindo Complaint was filed in the United States District Court for the Southern District of New York by alleged shareholders of two of the U.S. Funds. The Hindo Complaint alleges that certain of the Alliance defendants failed to disclose that they improperly allowed certain hedge funds and other unidentified parties to engage in "late trading" and "market timing" of U.S. Fund securities, violating Sections 11 and 15 of the Securities Act, Sections 10(b) and 20(a) of the Exchange Act, and Sections 206 and 215 of the Investment Advisers Act of 1940, as amended ("Advisers Act"). Plaintiffs seek an unspecified amount of compensatory damages and rescission of their contracts with AllianceBernstein, including recovery of all fees paid to AllianceBernstein pursuant to such contracts.

Since October 2, 2003, 43 additional lawsuits making factual allegations generally similar to those in the Hindo Complaint were filed in various federal and state courts against AllianceBernstein and certain other defendants, and others may be filed. The plaintiffs in such lawsuits have asserted a variety of theories for recovery including, but not limited to, violations of the Securities Act, the Exchange Act, the Advisers Act, the Investment Company Act, the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), certain state securities laws, and common law. All state court actions against AllianceBernstein either were voluntarily dismissed or removed to federal court.

On February 20, 2004, the Judicial Panel on Multidistrict Litigation ("MDL Panel") transferred all federal actions to the United States District Court for the District of Maryland ("Mutual Fund MDL"). All of the actions removed to federal court also were transferred to the Mutual Fund MDL. The plaintiffs in the removed actions have since moved for remand, and that motion is pending.

On September 29, 2004, plaintiffs filed consolidated amended complaints with respect to four claim types: mutual fund shareholder claims; mutual fund derivative claims; derivative claims brought on behalf of Holding; and claims brought under ERISA by participants in the Profit Sharing Plan for Employees of AllianceBernstein. All four complaints include substantially identical factual allegations, which appear to be based in large part on the SEC Order and the NYAG AoD. The claims in the mutual fund derivative consolidated amended complaint are generally based on the theory that all fund advisory agreements, distribution agreements and 12b-1 plans between AllianceBernstein and the U.S. Funds should be invalidated, regardless of whether market timing occurred in each individual fund, because each was approved by fund trustees on the basis of materially misleading information with respect to the level of market timing permitted in funds managed by AllianceBernstein. The claims asserted in the other three consolidated amended complaints are similar to those that the respective plaintiffs asserted in their previous federal lawsuits. All of these lawsuits seek an unspecified amount of damages.

On February 10, 2004, we received (i) a subpoena duces tecum from the Office of the Attorney General of the State of West Virginia and (ii) a request for information from the Office of the State Auditor, Securities Commission, for the State of West Virginia ("WV Securities Commissioner") (subpoena and request together, the "Information Requests"). Both Information Requests required us to produce documents concerning, among other things, any market timing or late trading in our sponsored mutual funds. We responded to the Information Requests and have been cooperating fully with the investigation.

On April 11, 2005, a complaint entitled *The Attorney General of the State of West Virginia v. AIM Advisors, Inc., et al.* ("WVAG Complaint") was filed against AllianceBernstein, Holding, and various unaffiliated defendants. The WVAG Complaint was filed in the Circuit Court of Marshall County, West Virginia by the Attorney General of the State of West Virginia. The WVAG Complaint makes factual allegations generally similar to those in the Hindo Complaint. On May 31, 2005, defendants removed the WVAG Complaint to the United States District Court for the Northern District of West Virginia. On July 12, 2005, plaintiff moved to remand. On October 19, 2005, the WVAG Complaint was transferred to the Mutual Fund MDL.

On August 30, 2005, the WV Securities Commissioner signed a "Summary Order to Cease and Desist, and Notice of Right to Hearing" addressed to AllianceBernstein and Holding. The Summary Order claims that AllianceBernstein and Holding violated the West Virginia Uniform Securities Act and makes factual allegations

generally similar to those in the SEC Order and NYAG AoD. On January 26, 2006, AllianceBernstein, Holding, and various unaffiliated defendants filed a Petition for Writ of Prohibition and Order Suspending Proceedings in West Virginia state court seeking to vacate the Summary Order and for other relief.

We intend to vigorously defend against the allegations in the WVAG Complaint. At the present time, we are unable to predict the outcome or estimate a possible loss or range of loss in respect of this matter because of the inherent uncertainty regarding the outcome of complex litigation, the fact that plaintiffs did not specify an amount of damages sought in their complaint, and the fact that, to date, we have not engaged in settlement negotiations.

We previously concluded that the likelihood of a negative outcome in the market timing-related matters (excluding the WVAG Complaint) is probable. As previously disclosed, AllianceBernstein recorded charges totaling $330 million during the second half of 2003, of which (i) $250 million was paid to the Restitution Fund (the $250 million was funded out of operating cash flow and paid to the SEC in January 2004), (ii) $30 million was used to settle a private civil mutual fund litigation unrelated to any regulatory agreements, and (iii) $50 million was reserved for estimated expenses related to our market-timing settlements with the SEC and the NYAG and our market timing-related liabilities (excluding WVAG Complaint-related expenses). AllianceBernstein paid $8

million during 2005 related to market timing and has cumulatively paid $310 million (excluding WVAG Complaint-related expenses). Including $10 million in charges taken in prior periods, we have reserves of approximately $30 million available for market timing-related liabilities in future periods.

We cannot determine at this time the eventual outcome, timing, or impact of the market timing-related matters. Accordingly, it is possible that additional charges in the future may be required, the amount, timing, and impact of which we are unable to estimate at this time.

Revenue Sharing-related Matters

On June 22, 2004, a purported class action complaint entitled *Aucoin, et al. v. Alliance Capital Management L.P., et al*. ("Aucoin Complaint") was filed against AllianceBernstein, Holding, the General Partner, AXA Financial, AllianceBernstein Investments, certain current and former directors of the U.S. Funds, and unnamed Doe defendants. The Aucoin Complaint names the U.S. Funds as nominal defendants. The Aucoin Complaint was filed in the United States District Court for the Southern District of New York by an alleged shareholder of the AllianceBernstein Growth & Income Fund. The Aucoin Complaint alleges, among other things, (i) that certain of the defendants improperly authorized the payment of excessive commissions and other fees from U.S. Fund assets to broker-dealers in exchange for preferential marketing services, (ii) that certain of the defendants misrepresented and omitted from registration statements and other reports material facts concerning such payments, and (iii) that certain defendants caused such conduct as control persons of other defendants. The Aucoin Complaint asserts claims for violation of Sections 34(b), 36(b) and 48(a) of the Investment Company Act, Sections 206 and 215 of the Advisers Act, breach of common law fiduciary duties, and aiding and abetting breaches of common law fiduciary duties. Plaintiffs seek an unspecified amount of compensatory damages and punitive damages, rescission of their contracts with AllianceBernstein, including recovery of all fees paid to AllianceBernstein pursuant to such contracts, an accounting of all U.S. Fund-related fees, commissions and soft dollar payments, and restitution of all unlawfully or discriminatorily obtained fees and expenses.

Since June 22, 2004, nine additional lawsuits making factual allegations substantially similar to those in the Aucoin Complaint were filed against AllianceBernstein and certain other defendants. All nine of the lawsuits (i) were brought as class actions filed in the United States District Court for the Southern District of New York, (ii) assert claims substantially identical to the Aucoin Complaint, and (iii) are brought on behalf of shareholders of U.S. Funds.

On February 2, 2005, plaintiffs filed a consolidated amended class action complaint ("Aucoin Consolidated Amended Complaint") that asserts claims substantially similar to the Aucoin Complaint and the nine additional lawsuits referenced above. On October 19, 2005, the District Court dismissed each of the claims set forth in the Aucoin Consolidated Amended Complaint, except for plaintiff's claim under Section 36(b) of the Investment Company Act. On January 11, 2006, the District Court granted defendants' motion for reconsideration and dismissed the remaining Section 36(b) claim. Plaintiffs have moved for leave to amend their consolidated complaint.

We believe that plaintiff's allegations in the Aucoin Consolidated Amended Complaint are without merit and intend to vigorously defend against these allegations. At the present time, we are unable to predict the outcome or estimate a possible loss or range of loss in respect of this matter because of the inherent uncertainty regarding the outcome of complex litigation, the fact that plaintiffs did not specify an amount of damages sought in their complaint, and the fact that, to date, we have not engaged in settlement negotiations.

We are involved in various other inquiries, administrative proceedings, and litigation, some of which allege substantial damages. While any proceeding or litigation has the element of uncertainty, we believe that the outcome of any one of the other lawsuits or claims that is pending or threatened, or all of them combined, will not have a material adverse effect on our results of operations or financial condition.

Item 4. Submission of Matters to a Vote of Security Holders

Neither AllianceBernstein nor Holding submitted a matter to a vote of security holders during the fourth quarter of 2005.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market for Holding Units and AllianceBernstein Units; Cash Distributions

Holding Units trade publicly on the NYSE. Holding Units currently trade under the ticker symbol "AC" but, beginning February 27, 2006, will trade under the ticker symbol "AB".

There is no established public trading market for AllianceBernstein Units, which are subject to significant restrictions on transfer. In general, transfers of AllianceBernstein Units will be allowed only with the written consent of both AXA Equitable and the General Partner. Generally, neither AXA Equitable nor the General Partner will permit any transfer that it believes would create a risk that AllianceBernstein would be treated as a corporation for tax purposes. AXA Equitable and the General Partner have implemented a transfer policy, a copy of which you may request from our corporate secretary (*corporate.secretary@alliancebernstein.com*). Also, we filed the transfer program with the SEC as Exhibit 10.3 to our 2003 Form 10-K, a copy of which you can find at *http://www.alliancebernstein.com*.

Each of Holding and AllianceBernstein distributes on a quarterly basis all of its Available Cash Flow, as defined in the Holding Partnership Agreement and AllianceBernstein Partnership Agreement, to its unitholders and the General Partner. For additional information concerning distribution of Available Cash Flow by Holding, **see Note 7 in Holding's financial statements in Item 8**. For additional information concerning distribution of Available Cash Flow by AllianceBernstein, **see Note 22 in AllianceBernstein's consolidated financial statements in Item 8**.

Holding's principal source of income and cash flow is attributable to its investment in AllianceBernstein.

The tables set forth below provide the distributions of Available Cash Flow made by AllianceBernstein and Holding during 2005 and 2004 and the high and low sale prices of Holding Units on the NYSE during 2005 and 2004:

	Quarters Ended 2005			
	December 31	September 30	June 30	March 31
Cash distributions per AllianceBernstein Unit(1)	$ 1.12	$ 0.82	$ 0.76	$ 0.63
Cash distributions per Holding Unit(1)	$ 1.02	$ 0.74	$ 0.68	$ 0.56
Holding Unit prices:				
High	$ 58.46	$ 48.39	$ 47.75	$ 49.90
Low	$ 46.00	$ 43.65	$ 42.35	$ 40.25

	Quarters Ended 2004			
	December 31	September 30	June 30	March 31
Cash distributions per AllianceBernstein Unit(1)	$ 0.90	$ 0.59	$ 0.61	$ 0.30
Cash distributions per Holding Unit(1)	$ 0.82	$ 0.52	$ 0.53	$ 0.14
Holding Unit prices:				
High	$ 42.30	$ 36.03	$ 37.60	$ 39.00
Low	$ 35.50	$ 32.35	$ 31.47	$ 34.03

(1) Declared and paid during the following quarter.

On January 31, 2006, the closing price of Holding Units on the NYSE was $60.44 per Unit and there were approximately 1,180 Holding Unitholders of record for approximately 78,000 beneficial owners. On January 31, 2006, there were approximately 511 AllianceBernstein Unitholders of record, and we do not believe there are substantial additional beneficial owners.

Securities Authorized for Issuance under Equity Compensation Plans

The following table summarizes the Holding Units to be issued pursuant to equity compensation plans as of January 31, 2006.

Equity Compensation Plan Information(1)

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance (c)
Equity compensation plans approved by security holders	6,897,104	$ 40.52	29,145,322
Equity compensation plans not approved by security holders	—	—	—
Total	6,897,104	$ 40.52	29,145,322

(1) The figures in this table do not include cash awards under certain of AllianceBernstein's deferred compensation plans pursuant to which employees (including those employees who qualify as "named executive officers"; **see Item 11**) may choose to invest notionally a portion of such awards in Holding Units. AllianceBernstein satisfies its obligations under these plans by purchasing Holding Units rather than issuing new Holding Units, which is prohibited under the plans. For additional information concerning such plans, **see Note 15 of AllianceBernstein's consolidated financial statements in Item 8**.

There are no AllianceBernstein Units to be issued pursuant to an equity compensation plan.

Recent Sales of Unregistered Securities; Use of Proceeds from Registered Securities

As reported in our Form 10-Q for the quarter ended March 31, 2005, on February 25, 2005 and April 1, 2004, we allocated 131,873 and 262,510 Holding Units, respectively, with aggregate values of $5,538,640 and $9,191,996, respectively, for the benefit of certain of our employees under an employee award plan. An exemption from registration under Section 4(2) of the Securities Act was available for the allocation of the Holding Units because such transactions did not involve a public offering.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

The following table provides information relating to any Holding Units bought by us or one of our affiliates in the fourth quarter of the fiscal year covered by this report:

Issuer Purchases of Equity Securities(1)

Period	(a) Total Number of Holding Units Purchased	(b) Average Price Paid Per Holding Unit, net of Commissions	(c) Total Number of Holding Units Purchased as Part of Publicly	(d) Maximum Number (or Approximate Dollar Value) of Holding Units that

			Announced Plans or Programs	May Yet Be Purchased Under the Plans or Programs
10/1/05-10/31/05(1)(2)	222,154	$ 48.52	30,000	—
11/1/05-11/30/05(1)	272,500	53.95	272,500	—
12/1/05-12/31/05(3)	39,880	54.75	—	—
Total	534,534	$ 51.77	302,500	—

(1) On October 26, 2005, we announced that we intended to engage in open-market purchases of up to 500,000 Holding Units to fund obligations under certain of our employee deferred compensation plans. On October 31, 2005, we bought 30,000 Holding Units at an average price of $52.83 per Unit and, from November 1, 2005 through November 14, 2005, we bought 272,500 Holding Units at an average price of $53.95 per Unit.

(2) On October 2, 2005, we purchased 192,154 Holding Units at $47.85 per Unit from employees to allow them to fulfill statutory withholding tax requirements at the time of distribution of deferred compensation awards.

(3) On December 1, 2005, we purchased these Holding Units from employees to allow them to fulfill statutory withholding tax requirements at the time of distribution of deferred compensation awards.

The following table provides information relating to any AllianceBernstein Units bought by us or one of our affiliates in the fourth quarter of the fiscal year covered by this report:

Issuer Purchases of Equity Securities(1)

Period	(a) Total Number of AllianceBernstein Units Purchased	(b) Average Price Paid Per AllianceBernstein Unit, net of Commissions	(c) Total Number of AllianceBernstein Units Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number (or Approximate Dollar Value) of AllianceBernstein Units that May Yet Be Purchased Under the Plans or Programs
10/1/05-10/31/05	—	$ —	—	—
11/1/05-11/30/05	—	—	—	—
12/1/05-12/31/05	400,000	51.80	—	—
Total	400,000	$ 51.80	—	—

(1) On December 1, 2005, AXA Equitable purchased 400,000 AllianceBernstein Units from a former director of the General Partner in a private transaction.

Item 6. Selected Financial Data

ALLIANCEBERNSTEIN L.P.
Selected Consolidated Financial Data
(in thousands, except per unit amounts and unless otherwise indicated)

	Years Ended December 31,				
	2005	2004	2003	2002	2001
INCOME STATEMENT DATA:					
Revenues:					
Investment advisory and services fees	$ 2,290,867	$ 2,113,351	$ 1,882,399	$ 1,847,876	$ 2,023,766
Distribution revenues	397,800	447,283	436,037	467,463	544,605
Institutional research services	321,281	303,609	267,868	294,910	265,815
Shareholder servicing fees(1)	99,358	115,979	126,383	136,871	124,508
Other revenues, net	141,374	75,211	52,241	30,604	62,388
	3,250,680	3,055,433	2,764,928	2,777,724	3,021,082
Expenses:					
Employee compensation and benefits	1,263,456	1,085,163	914,529	907,075	930,672
Promotion and servicing:					
Distribution plan payments	291,953	374,184	370,575	392,780	429,056
Amortization of deferred sales commissions	131,979	177,356	208,565	228,968	230,793
Other(1)	198,004	202,327	197,079	228,624	261,739
General and administrative	386,590	426,389	339,706	329,059	311,958
Interest	25,109	24,232	25,286	27,385	32,051
Amortization of goodwill and intangible assets	20,700	20,700	20,700	20,700	172,638
Charge for mutual fund matters and legal proceedings	—	—	330,000	—	—
	2,317,791	2,310,351	2,406,440	2,134,591	2,368,907
Income before income taxes	932,889	745,082	358,488	643,133	652,175
Income taxes	64,571	39,932	28,680	32,155	37,550
Net income	$ 868,318	$ 705,150	$ 329,808	$ 610,978	$ 614,625
Basic net income per unit	$ 3.37	$ 2.76	$ 1.30	$ 2.42	$ 2.45

Diluted net income per unit	$ 3.35	$ 2.74	$ 1.29	$ 2.39	$ 2.40
Pre-tax margin(2)	28.7%	24.4%	13.0%	23.2%	21.6%
CASH DISTRIBUTIONS PER UNIT(3)	$ 3.33	$ 2.40	$ 1.65	$ 2.44	$ 3.03
BALANCE SHEET DATA AT PERIOD END:					
Total assets	$ 9,490,480	$ 8,779,330	$ 8,171,669	$ 7,217,970	$ 8,175,393
Debt	$ 407,291	$ 407,517	$ 405,327	$ 426,907	$ 627,609
Partners' capital	$ 4,302,674	$ 4,183,698	$ 3,778,469	$ 3,963,451	$ 3,988,160
ASSETS UNDER MANAGEMENT AT PERIOD END (in millions)(4)	$ 578,552	$ 538,764	$ 477,267	$ 388,743	$ 452,272

(1) Certain prior year amounts have been reclassified to conform to our 2005 presentation: we reclassified certain sub-accounting payments and networking fees from other promotion and servicing expense to shareholder servicing fees.

(2) Income before income taxes as a percentage of total revenues.

(3) AllianceBernstein is required to distribute all of its Available Cash Flow, as defined in the AllianceBernstein Partnership Agreement, to its unitholders and the General Partner.

(4) Assets under management in prior years have been reclassified and certain fixed income assets previously reported at cost are now being reported at market value. Excludes certain non-discretionary client relationships and assets managed by unconsolidated affiliates.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Executive Overview

We provide diversified investment management services to institutional clients, high-net-worth clients and retail investors. As of December 31, 2005, we had client assets under management of approximately $579 billion, an increase of 7.4% over December 31, 2004, invested in growth and value equities, blended equities, fixed income, balanced, and index/structured services. Our strategy is to continue to expand and leverage our extensive, global research capabilities to provide both innovative and time-tested wealth management solutions to help our clients achieve investment success and peace of mind. Through Sanford C. Bernstein & Co., LLC and Sanford C. Bernstein Limited (each a wholly-owned subsidiary), we provide in-depth research, portfolio strategy and trade execution services to institutional clients. Importantly, we are striving to ensure that our firm's culture is one in which client interests are always placed first and the highest ethical standards are maintained.

Our revenues are primarily earned for managing the investment assets of our clients. These revenues vary with the total value of our assets under management, which increase or decrease depending upon:

- capital market appreciation or depreciation,
- investment returns achieved for clients, and
- asset inflows or outflows from new and existing clients.

Both our fourth quarter and full year financial results exceeded our expectations. Our fourth quarter reflected strong investment performance, strong net asset inflows, and improved financial results. Overall, our relative investment returns were competitive. In growth equities, we outperformed benchmarks in many of our key services, including large cap growth, U.S. growth and mid-cap growth services. While growth equities outperformed value equities for a third consecutive quarter, value equities still posted good returns, especially over the longer term. Our style blend equity services performed well, especially in global style blend which had excellent one-year performance results. With this solid performance, we believe we are positioned well to gather additional assets as the shift toward growth style investing continues.

Additionally, 2005 exhibited strong organic growth among all client groups. For the year, we brought in over $80 billion in gross asset flows and $27 billion in net asset flows (before dispositions and market appreciation), both firm records. Value equity fundings led the way with nearly $35 billion and $22 billion in gross and net inflows, respectively.

Institutional Investment Services AUM accounted for 62.0% of our overall AUM. For the year, we had record inflows of $20 billion, owing mainly to the strength in our global and international services. Institutional flows continued to be well diversified geographically and among investment services. Looking ahead, we expect to continue to focus on building our global institutional investment platforms in the Asia-Pacific region, and expanding our presence in continental Europe.

Retail Services ending AUM was up 6.1% for the year, excluding the effect of the dispositions of cash management services and Indian mutual funds assets of nearly $29 billion. Non-U.S. retail inflows continued at a healthy pace, while, in the U.S., our separately managed account business strengthened. However, we continued to experience net U.S. fund outflows, although at a declining rate.

We are confident that Retail Services have begun to stabilize. Our new asset allocation services, such as our target-date retirement funds, are geared toward investors' long-term interests and have been gaining visibility. These services present us with an opportunity to capture assets in the increasingly important retirement arena. Looking ahead, we will continue to rebuild and enhance our presence in Japan and to upgrade and enlarge our U.S. and non-U.S. sales forces.

Our Private Client Services comprised nearly $75 billion in AUM, a 17.1% increase during 2005. Net inflows totaled almost $7 billion during 2005, but leveled off somewhat during the fourth quarter owing to seasonal factors. Throughout 2005 we continued to invest in our Private Client business — opening up new offices and adding staff. We increased the number of financial advisors during 2005 to 263, an increase of 36.3% from 193 at the end of 2004.

In 2006, we plan to open our first non-U.S. Private Client Services office in London, and to build a deeper presence in the U.S. by increasing the number of financial advisors by 10.3% to 290 by the end of 2006.

Institutional Research Services recorded $321 million in revenues for the year, an increase of 5.8% over 2004. Within the U.S., higher revenues resulted from higher market share and transaction volume, offset partially by lower revenue yields from a shift to program trading and continued industry-wide brokerage commission pricing

declines. Our market share gains are the result of the consistent high quality of our research. In London, we achieved 25.6% revenue growth in 2005. The broadening of our trading platforms in the U.S. and the expansion of our research, trading, and sales capabilities in Europe have proven to be successful. On that note, we were again highly-ranked in a recent *Institutional Investor* survey of best U.S. independent research firms. As we look to 2006, we plan to launch Asian distribution of our U.S. and European research and launch a new electronic trading offering in London.

Recent declines in commission rates charged by broker-dealers are likely to continue and may accelerate. Increasing use of electronic trading networks (which permit investors to execute securities transactions at a fraction of typical full-service broker-dealer charges) and pressure exerted by funds and institutional investors are likely to result in continuing, perhaps significant, declines in commission rates, which would, in turn, reduce the revenues generated by Institutional Research Services.

Looking ahead, the most significant initiative that benefits all of our clients is our continued investment in research, a core competency of our firm. We have a broad foundation in fundamental and quantitative research. Our fundamental research includes comprehensive industry and company coverage from growth, value and fixed income perspectives. More recent activity in this area includes our new research office in Shanghai, China, as well as our Early Stage Growth and Strategic Change units focusing on advancing technologies. Our current focus in quantitative research is based on three areas: finding and exploiting pricing anomalies in the capital markets, solving complex investment planning problems, and utilizing portfolio construction tools to optimize global portfolios. We intend to develop additional research initiatives in the foreseeable future.

Assets Under Management

Starting in 2005 we revised the way we classified our assets under management to better align publicly reported assets under management with our internal reporting, and for consistency our assets under management as of December 31, 2004 and previous years have been reclassified by investment service and distribution channel, including the fixed income components of balanced accounts previously reported in equity. As a result, as of December 31, 2004, approximately $11 billion in assets under management were reclassified from equity ($6 billion from growth equity and $5 billion from value equity) to fixed income. In addition, certain fixed income assets managed for insurance company clients previously reported at cost are now being reported at market value, resulting in approximate increases in fixed income assets under management of between $2 billion and $3 billion at each reporting date. This change did not impact reported revenues, nor will it impact future revenues.

Assets under management by distribution channel were as follows:

	As of December 31,			% Change	
	2005	2004	2003	2005-04	2004-03
		(in billions)			
Institutional Investment	$ 358.6	$ 311.3	$ 267.8	15.2%	16.2%
Retail	145.1	163.5	155.9	(11.3)	4.9
Private Client	74.9	64.0	53.6	17.1	19.3
Total	$ 578.6	$ 538.8	$ 477.3	7.4%	12.9%

Assets under management by investment service were as follows:

	As of December 31,			% Change	
	2005	2004	2003	2005-04	2004-03
		(in billions)			
Growth Equity:					
U.S.	$ 80.9	$ 80.1	$ 90.5	1.1%	(11.5)%
Global & international	65.3	43.2	33.9	51.0	27.3
	146.2	123.3	124.4	18.6	(0.9)
Value Equity:					
U.S.	106.9	105.5	94.0	1.3	12.3
Global & international	131.3	87.1	53.8	50.8	62.0
	238.2	192.6	147.8	23.7	30.3
Fixed income:					
U.S.	108.5	143.2	139.6	(24.2)	2.6
Global & international	55.6	50.2	37.0	10.8	35.6
	164.1	193.4	176.6	(15.1)	9.5
Index/Structured:					
U.S.	25.3	23.6	22.1	6.9	7.0

Global & international	4.8	5.9	6.4	(18.1)	(7.8)
	30.1	29.5	28.5	1.9	3.6
Total:					
U.S.	321.6	352.4	346.2	(8.8)	1.8
Global & international	257.0	186.4	131.1	37.9	42.1
Total	$ 578.6	$ 538.8	$ 477.3	7.4%	12.9%

Changes in assets under management during 2005 were as follows (in billions):

	Distribution Channel				Investment Service				
	Institutional Investment	Retail	Private Client	Total	Growth Equity	Value Equity	Fixed Income	Index/ Structured	Total
Balance as of January 1, 2005	$ 311.3	$ 163.5	$ 64.0	$ 538.8	$ 123.3	$ 192.6	$ 193.4	$ 29.5	$ 538.8
Long-term flows:									
Sales/new accounts	39.5	30.4	10.8	80.7	27.5	34.6	18.1	0.5	80.7
Redemptions/terminations	(19.2)	(27.5)	(2.8)	(49.5)	(16.6)	(12.8)	(18.0)	(2.1)	(49.5)
Cash flow/unreinvested dividends	(0.6)	(1.8)	(1.3)	(3.7)	(3.6)	—	(0.4)	0.3	(3.7)
Net long-term inflows (outflows)	19.7	1.1	6.7	27.5	7.3	21.8	(0.3)	(1.3)	27.5
Dispositions	(1.3)	(28.7)	(0.4)	(30.4)	(1.2)	—	(29.2)	—	(30.4)
Transfers	0.6	—	(0.6)	—	—	—	—	—	—
Market appreciation	28.3	9.2	5.2	42.7	16.8	23.8	0.2	1.9	42.7
Net change	47.3	(18.4)	10.9	39.8	22.9	45.6	(29.3)	0.6	39.8
Balance as of December 31, 2005	$ 358.6	$ 145.1	$ 74.9	$ 578.6	$ 146.2	$ 238.2	$ 164.1	$ 30.1	$ 578.6

Changes in assets under management during 2004 were as follows (in billions):

	Distribution Channel				Investment Service				
	Institutional Investment	Retail	Private Client	Total	Growth Equity	Value Equity	Fixed Income	Index/ Structured	Total
Balance as of January 1, 2004	$ 267.8	$ 155.9	$ 53.6	$ 477.3	$ 124.4	$ 147.8	$ 176.6	$ 28.5	$ 477.3
Long-term flows:									
Sales/new accounts	35.5	23.4	8.5	67.4	16.8	25.3	24.5	0.8	67.4
Redemptions/terminations	(22.9)	(25.8)	(3.0)	(51.7)	(23.7)	(9.0)	(17.1)	(1.9)	(51.7)
Cash flow/unreinvested dividends	(4.9)	(1.7)	(0.8)	(7.4)	(7.7)	—	1.7	(1.4)	(7.4)
Net long-term inflows (outflows)	7.7	(4.1)	4.7	8.3	(14.6)	16.3	9.1	(2.5)	8.3
Net cash management redemptions	—	(2.0)	—	(2.0)	—	—	(2.0)	—	(2.0)
Market appreciation	35.8	13.7	5.7	55.2	13.5	28.5	9.7	3.5	55.2
Net change	43.5	7.6	10.4	61.5	(1.1)	44.8	16.8	1.0	61.5
Balance as of December 31, 2004	$ 311.3	$ 163.5	$ 64.0	$ 538.8	$ 123.3	$ 192.6	$ 193.4	$ 29.5	$ 538.8

Average assets under management by distribution channel and investment service were as follows:

	Years Ended December 31,			% Change	
	2005	2004	2003	2005-04	2004-03
	(in billions)				
Distribution Channel:					
Institutional Investment	$ 325.9	$ 275.9	$ 232.5	18.1%	18.7%
Retail	146.7	156.1	145.0	(6.0)	7.7
Private Client	68.6	57.6	45.8	18.9	25.8
Total	$ 541.2	$ 489.6	$ 423.3	10.5%	15.7%

	Years Ended December 31,			% Change	
	2005	2004	2003	2005-04	2004-03
	(in billions)				
Investment Service:					
Growth Equity	$ 128.4	$ 118.9	$ 109.5	7.9%	8.6%
Value Equity	208.9	163.0	115.1	28.2	41.6
Fixed Income	174.5	179.6	174.6	(2.9)	2.9
Index/Structured	29.4	28.1	24.1	4.8	16.5
Total	$ 541.2	$ 489.6	$ 423.3	10.5%	15.7%

Consolidated Results of Operations

	Years Ended December 31,			% Change	
	2005	2004	2003	2005-04	2004-03
	(in millions)				
Revenues	$ 3,250.7	$ 3,055.4	$ 2,764.9	6.4%	10.5%

Expenses	2,317.8	2,310.3	2,406.4	0.3	(4.0)
Income before income taxes	932.9	745.1	358.5	25.2	107.8
Income taxes	64.6	39.9	28.7	61.7	39.2
Net income	$ 868.3	$ 705.2	$ 329.8	23.1%	113.8%
Diluted net income per unit	$ 3.35	$ 2.74	$ 1.29	22.3%	112.4%
Distributions per unit	$ 3.33	$ 2.40	$ 1.65	38.8%	45.5%
Pre-tax margin(1)	28.7%	24.4%	13.0%		

(1) Income before income taxes as a percentage of total revenues.

In 2005, net income increased $163.1 million, or 23.1%, to $868.3 million, and net income per unit increased $0.61, or 22.3%, to $3.35. The increase was due primarily to higher investment advisory and services fees, gains recognized on the dispositions of our cash management services, Indian mutual funds and South African joint venture interest, lower promotion and servicing expenses, and lower general and administrative expenses, partially offset by higher employee compensation and benefits and lower distribution revenues.

In 2004, net income increased $375.4 million to $705.2 million and net income per unit increased $1.45 to $2.74. The increases were due principally to the $330 million in charges taken during the second half of 2003, of which (i) $250 million was paid to the Restitution Fund, (ii) $30 million was used to settle a private civil mutual fund litigation unrelated to any regulatory agreements, and (iii) $50 million was reserved for estimated expenses related to our market-timing settlements with the SEC and the NYAG and our market timing-related liabilities ("2003 Market Timing Charges"). Higher net income was also due to an increase in investment advisory and services fees and institutional research services revenues, partially offset by higher employee compensation and general and administrative expenses**.**

Revenues

The following table summarizes the components of total revenues:

	Years Ended December 31,			% Change	
	2005	2004	2003	2005-04	2004-03
		(in millions)			
Investment advisory and services fees	$ 2,290.8	$ 2,113.4	$ 1,882.4	8.4%	12.3%
Distribution revenues	397.8	447.3	436.0	(11.1)	2.6
Institutional research services	321.3	303.6	267.9	5.8	13.3
Shareholder servicing fees	99.4	116.0	126.4	(14.3)	(8.2)
Other revenues, net	141.4	75.1	52.2	88.0	44.0
Total	$ 3,250.7	$ 3,055.4	$ 2,764.9	6.4%	10.5%

Investment Advisory and Services Fees

The following table summarizes the components of investment advisory and services fees:

	Years Ended December 31,			% Change	
	2005	2004	2003	2005-04	2004-03
		(in millions)			
Institutional Investment:					
Base fees	$ 821.3	$ 691.8	$ 570.5	18.7%	21.3%
Transaction charges	10.0	27.6	34.6	(63.8)	(20.5)
Performance fees	73.0	35.9	39.3	103.5	(8.6)
	904.3	755.3	644.4	19.7	17.2
Retail:					
Base fees	693.0	728.8	747.4	(4.9)	(2.5)
Transaction charges	3.5	5.3	—	(34.2)	n/m
Performance fees	0.8	(1.7)	(2.0)	n/m	(13.2)
	697.3	732.4	745.4	(4.8)	(1.7)
Private Client:					
Base fees	613.1	483.7	369.9	26.8	30.8
Transaction charges	18.0	83.6	78.2	(78.5)	7.0
Performance fees	58.1	58.4	44.5	(0.4)	31.1
	689.2	625.7	492.6	10.2	27.0
Total:					
Base fees	2,127.4	1,904.3	1,687.8	11.7	12.8
Transaction charges	31.5	116.5	112.8	(73.0)	3.3
Performance fees	131.9	92.6	81.8	42.6	13.1
	$ 2,290.8	$ 2,113.4	$ 1,882.4	8.4%	12.3%

Investment advisory and services fees, the largest component of our revenues, include base fees, which are generally calculated as a percentage of the value of assets under management (often times referred to as "basis points") and vary with the type of investment strategy and discipline, the size of account, and the total amount of assets we manage for a particular client. Accordingly, fee income generally increases or decreases as average assets under management increase or decrease and is therefore affected by market appreciation or depreciation, the addition of new client accounts or client contributions of additional assets to existing accounts, withdrawals of assets from and termination of client accounts, purchases and redemptions of mutual fund shares, and shifts of assets between accounts or products with different fee structures. Our base fees increased $223.1 million, or 11.7%, in 2005,

primarily due to higher average assets under management in institutional investments and private client, partially offset by the disposition of our cash management services in the retail distribution channel. Our base fees increased $216.5 million, or 12.8%, in 2004, primarily due to a 15.7% increase in average assets under management resulting from market appreciation and net asset inflows, partially offset by retail mutual fund fee reductions described below**.**

Investment advisory and services fees include brokerage transaction charges earned by SCB LLC for certain private client and institutional investment client transactions. These transaction charges aggregated $31.5 million, $116.5 million, and $112.8 million in 2005, 2004, and 2003, respectively. The decrease in 2005 resulted from a number of factors, including a management initiative implemented during the first half of 2005 which changed the structure of investment advisory and services fees charged to private clients for our services. The restructuring eliminated transaction charges for most private clients while raising base fees. This restructuring increases the transparency and predictability of asset management costs for our private clients. The elimination of these transaction charges was not a result of AllianceBernstein's agreement with the NYAG or any other regulator. Separately, beginning January 1, 2006, we intend to report all revenues earned by SCB from brokerage transactions executed for clients of AllianceBernstein as Institutional Research Services revenues.

Certain investment advisory contracts provide for a performance-based fee, in addition to or in lieu of a base fee. This fee is calculated as either a percentage of absolute investment results or a percentage of investment results in excess of a stated benchmark over a specified period of time. Performance-based fees are recorded as revenue at the end of the measurement period and will be higher in favorable markets and lower in unfavorable markets, which may increase the volatility of our revenues and earnings. Performance-based fees aggregated $131.9 million, $92.6 million, and $81.8 million in 2005, 2004, and 2003, respectively. The increase in 2005 reflects strong investment performance in hedge funds, equity value and style blend investment services. The increase in 2004 was attributable to higher global equity and fixed income fees from strong investment performance.

Institutional investment advisory and services fees increased 19.7% for 2005 as a result of an 18.1% increase in average assets under management, and higher performance-based fees of $37.1 million, partly offset by lower transaction charges of $17.6 million due to lower transaction volume and the increased use of electronic trading systems. These fees increased 17.2% for 2004, primarily as a result of an 18.7% increase in average assets under management offset by a decrease in brokerage transaction charges of $7.0 million due primarily to lower transaction volume and a decline in performance-based fees of $3.4 million.

Retail investment advisory and services fees decreased 4.8% for 2005, primarily as a result of a 6.0% decrease in average assets under management, reflecting the disposition of assets related to our cash management services during the second quarter of 2005. These fees decreased 1.7% for 2004, primarily as a result of $69.5 million in revenue reductions from company-sponsored U.S. long-term open-end retail mutual funds in connection with the settlement of market timing-related matters **discussed in Item 1**, partly offset by a 7.7% increase in average assets under management.

Private client investment advisory and services fees increased 10.2% for 2005, primarily as a result of increased billable assets under management, partly offset by decreases in brokerage transaction charges of $65.6 million due primarily to the implementation of a new pricing structure which eliminated transaction charges for most private clients, partly offset by an increase in asset-based fees. These fees increased 27.0% for 2004, primarily as a result of billable assets under management, an increase in performance-based fees of $13.9 million and an increase in brokerage transaction charges of $5.4 million due to higher transaction volume.

Distribution Revenues

AllianceBernstein Investments acts as distributor of our Retail Products and receives distribution services fees from certain of those funds as partial reimbursement of the distribution expenses it incurs. Distribution revenues decreased 11.1% in 2005, principally due to the sale of our cash management services during the second quarter of 2005. Distribution revenues increased 2.6% in 2004, principally due to higher average mutual fund assets under management.

Institutional Research Services

Institutional research services revenue consists principally of brokerage transaction charges received for providing in-depth research and other services to institutional investors. Revenues from institutional research

services increased 5.8% for 2005 due to higher market share, higher average daily volumes in both the U.S. and U.K. stock markets and pricing increases in the U.K., partly offset by pricing declines in the U.S. Revenues from institutional research services increased 13.3% for 2004, due to higher market share of NYSE volume and higher revenues from growth in European operations, partly offset by lower domestic pricing.

Shareholder Servicing Fees

Investor Services and ACMGIS provide transfer agency services for our mutual funds. Shareholder servicing fees decreased 14.3%, primarily as a result of the reduction in the number of shareholder accounts and fee reductions. Shareholder servicing fees decreased 8.2% in 2004. The decreases were due to outsourcing certain services and fewer shareholder accounts serviced. The number of shareholder accounts serviced declined to approximately 4.1 million as of December 31, 2005, from approximately 6.7 million and 7.1 million as of December 31, 2004 and 2003, respectively, primarily due to the disposition of our cash management services and net redemptions of long-term U.S. mutual funds.

Other Revenues, Net

These revenues consist of investment income and net interest income earned on securities loaned to and borrowed from brokers and dealers, and fees earned for administration and recordkeeping services provided to our mutual funds and the general accounts of AXA and its subsidiaries. In addition, these revenues include mark-to-market gains or losses on investments related to deferred compensation plan obligations. We purchase shares of AllianceBernstein mutual funds to hedge our deferred compensation plan obligations. We classify these investments as trading investments, and as such, recognize unrealized mark-to-market gains or losses in each reporting period. The cost of our obligations, adjusted for mark-to-market gains and losses, is amortized over the vesting period, which is generally four years.

Other revenues increased $66.3 million, or 88.0%, in 2005, reflecting the net gain on the disposition of our cash management services, including contingent earn out payments, totaling $19.4 million, the net gain on the disposition of our Indian mutual funds of $11.6 million, and the net gain on the disposition of our South African joint venture interest of $7.0 million. Another contributing factor was a $23.8 million increase in brokerage interest and dividends and interest on our deferred compensation investments. Other revenues increased 44.0% in 2004, principally as a result of interest income and net investment gains recorded in connection with the consolidation of a joint venture and its funds under management due to the application of FIN 46-R, as **discussed in Note 21 of AllianceBernstein's consolidated financial statements in Item 8**.

Expenses

The following table summarizes the components of expenses:

	Years Ended December 31,			% Change	
	2005	2004	2003	2005-04	2004-03
		(in millions)			
Employee compensation and benefits	$ 1,263.5	$ 1,085.1	$ 914.5	16.4%	18.7%
Promotion and servicing	621.9	753.9	776.2	(17.5)	(2.9)
General and administrative	386.6	426.4	339.7	(9.3)	25.5
Interest	25.1	24.2	25.3	3.6	(4.2)
Amortization of intangible assets	20.7	20.7	20.7	—	—
Charge for mutual fund matters and legal proceedings	—	—	330.0	—	n/m
Total	$ 2,317.8	$ 2,310.3	$ 2,406.4	0.3%	(4.0)%

Employee Compensation and Benefits

We had 4,312 full-time employees as of December 31, 2005 compared to 4,100 in 2004 and 4,060 in 2003. Employee compensation and benefits, which represented approximately 54.5% of total expenses in 2005, include base compensation, commissions, fringe benefits, cash and deferred incentive compensation based generally on profitability, and other employment costs.

In 2005, base compensation, fringe benefits and other employment costs increased $44.7 million, or 10.7%, primarily as a result of annual merit increases and additional headcount. Incentive compensation increased $90.8 million, or 21.0%, primarily due to higher short-term incentive compensation reflecting higher earnings and higher deferred compensation amortization due to vesting of prior year awards. Commission expense increased $42.9 million, or 18.3%, reflecting higher revenues or sales across all channels.

In 2004, base compensation, fringe benefits and other compensation increased $34.4 million, or 9.0%, primarily due to merit increases, a mix shift to more highly compensated employees and higher recruitment costs. Incentive compensation increased $86.4 million, or 24.9%, as a result of higher short-term incentive compensation expense from higher earnings and higher amortization of deferred compensation expense, due to vesting of prior year awards. Commission expense increased $49.8 million, or 27.1%, primarily due to higher revenues in institutional investment, private client, and institutional research services.

Promotion and Servicing

Promotion and servicing expenses, which represented approximately 26.8% of total expenses in 2005, include distribution plan payments to financial intermediaries for distribution of company-sponsored mutual funds and cash management services products and amortization of deferred sales commissions paid to financial intermediaries for the sale of back-end load shares. **See Capital Resources and Liquidity in this Item 7** for a further discussion of deferred sales commissions. **See Item 1** for further discussion of deferred sales commissions and the disposition of our cash management services. Also included in this expense category are costs related to travel and entertainment, advertising, promotional materials, and investment meetings and seminars for financial intermediaries that distribute our mutual fund products.

Promotion and servicing expenses decreased 17.5% in 2005 and 2.9% in 2004. The decrease in 2005 was primarily due to an $82.2 million decrease in distribution plan payments, largely reflecting the disposition of our cash management services during the second quarter of 2005, and a $45.4 million decrease in amortization of deferred sales commissions as a result of lower sales of back-end load shares. The decrease in 2004 reflects a $31.2 million decrease in amortization of deferred sales commissions, resulting from lower B-share mutual fund sales, partially offset by an $11.3 million increase in travel and entertainment and printing costs.

General and Administrative

General and administrative expenses, which represented approximately 16.7% of total expenses in 2005, are costs related to operations, including technology, professional fees, occupancy, communications and similar expenses. General and administrative expenses decreased $39.8 million, or 9.3%, in 2005 and increased $86.7 million, or 25.5%, in 2004; significant changes include:

	Years Ended December 31,

	2005	2004
	(in millions)	
Loss on disposals of fixed assets	$ (12.9)	$ 16.9
Occupancy costs	0.6	15.0
Minority interests from consolidation of a VIE (FIN 46-R)	(12.1)	12.1
Sarbanes-Oxley 404 compliance	0.6	9.3
Data processing costs	2.2	8.7
Write-downs of capitalized software	(6.7)	6.7
Charge for directed brokerage investigations	(5.0)	5.0
Impairment of exchange memberships	(3.5)	3.5
Legal costs, net of insurance recoveries	(14.6)	(5.3)
Other	11.6	14.8
	$ (39.8)	$ 86.7

The majority of the decreases in 2005 reflect the impact of specific charges that were recorded in 2004 but not 2005. In addition, legal costs were lower in 2005 as a result of insurance recoveries. In 2004, increased occupancy costs relate to higher rent for new office space and accelerated rent for vacated facilities. Loss on disposals of fixed assets includes the write-off of obsolete software and leasehold improvements at vacated

facilities. The minority interests from consolidation of a variable interest entity ("VIE") required by FIN 46-R reflects nine months of minority interest since adoption of the new accounting pronouncement. The VIE was sold effective December 31, 2004; accordingly, the 2004 impact was reversed in 2005.

Taxes on Income

AllianceBernstein, a private limited partnership, is not subject to federal or state corporate income taxes. However, we are subject to the New York City unincorporated business tax. Our domestic corporate subsidiaries are subject to federal, state and local income taxes, and are generally included in the filing of a consolidated federal income tax return; separate state and local income tax returns are filed. Foreign corporate subsidiaries are generally subject to taxes in the foreign jurisdictions where they are located.

The increase in 2005 is primarily due to a higher proportion of pre-tax earnings of foreign subsidiaries that resulted in a higher effective tax rate. The increase in 2004 was also primarily due to higher pre-tax earnings of our foreign subsidiaries. The lower effective tax rate in 2004, compared to 2003, though, was the result of the non-deductibility in 2003 of approximately $100 million in expenses related to the 2003 Market Timing Charges.

Capital Resources and Liquidity

The following table identifies selected items relating to capital resources and liquidity:

				% Change	
	2005	2004	2003	2005-04	2004-03
	(in millions, except per unit amounts)				
As of December 31:					
Partners' capital	$ 4,302.7	$ 4,183.7	$ 3,778.5	2.8%	10.7%
Cash and cash equivalents	654.2	1,061.5	502.9	(38.4)	111.1
For the years ended December 31:					
Cash flow from operations	460.1	968.2	758.0	(52.5)	27.7
Additional investments by Holding from proceeds from exercise of compensatory options	42.4	46.7	21.6	(9.2)	116.6
Capital expenditures	(72.6)	(57.3)	(29.2)	26.6	96.6
Purchases of Holding Units	(33.3)	(45.1)	(67.1)	(26.2)	(32.8)
Distributions paid	(800.5)	(383.0)	(566.6)	109.0	(32.4)
Available cash flow	858.7	613.8	418.1	39.9	46.8
Distributions per AllianceBernstein Unit	3.33	2.40	1.65	38.8	45.5

The significant factors affecting the change in partners' capital year-to-year are net income and additional investments by Holding from proceeds from the exercise of options to acquire Holding Units, both increasing partners' capital, and cash distributions paid to unitholders, decreasing partners' capital. AllianceBernstein is required to distribute all of its Available Cash Flow, as defined in the AllianceBernstein Partnership Agreement, to its unitholders and the General Partner. Available Cash Flow in 2005 was significantly higher than in 2004 and 2003 due to the 2003 Market Timing Charges. The third quarter 2003 distribution was declared prior to recording these charges. Over the next two quarters, distributions were reduced, reflecting these charges. Commencing in second quarter 2004, quarterly distributions returned to traditional levels in relation to cash flow.

In 2005, cash and cash equivalents decreased $407.3 million and increased $558.6 million and $85.1 million in 2004 and 2003, respectively. Cash inflows are primarily provided from operations and from the proceeds from the exercise of options for Holding Units. Significant cash outflows are cash distributions paid to its unitholders and the General Partner, purchases of Holding Units to fund deferred compensation plans and capital expenditures.

On January 4, 2006 and January 4, 2005, we deposited an additional $49.1 million and $340.8 million, respectively, in United States Treasury Bills in a special reserve account pursuant to Rule 15c3-3 requirements.

Contingent Deferred Sales Charge

Our mutual fund distribution system (the "System") includes a multi-class share structure that permits our open-end mutual funds to offer investors various options for the purchase of mutual fund shares, including both front-end load shares and back-end load shares. For open-end U.S. Fund front-end load shares, AllianceBernstein Investments pays sales commissions to financial intermediaries distributing the funds from the front-end sales charge it receives from investors at the time of sale. For back-end load shares, AllianceBernstein Investments pays sales commissions to the financial intermediaries at the time of sale and also receives higher ongoing distribution services fees from the mutual funds. In addition, investors who redeem before the expiration of the minimum holding period (which ranges from one year to four years) pay a contingent deferred sales charge ("CDSC") to AllianceBernstein Investments. We expect to recover deferred sales commissions over periods not exceeding five and one-half years. Payments of sales commissions made to financial intermediaries in connection with the sale of back-end load shares under the System, net of CDSC received of $21.4 million, $32.9 million, and $37.5 million, respectively, totaled approximately $74.2 million, $44.6 million, and $94.9 million during 2005, 2004, and 2003, respectively.

Debt and Credit Facilities

Total available credit, debt outstanding, and weighted average interest rates as of December 31, 2005 and 2004 were as follows:

	December 31,					
	2005			2004		
	Credit Available	Debt Outstanding	Interest Rate	Credit Available	Debt Outstanding	Interest Rate
	(in millions)					
Senior notes	$ 600.0	$ 399.7	5.6%	$ 600.0	$ 399.2	5.6%
Commercial paper	425.0	—	—	425.0	—	—
Revolving credit facility	375.0	—	—	375.0	—	—
Extendible commercial notes	100.0	—	—	100.0	—	—
Other	n/a	7.6	4.6	n/a	8.3	4.0
Total	$ 1,500.0	$ 407.3	5.6%	$ 1,500.0	$ 407.5	5.6%

In August 2001, we issued $400 million of 5.625% Notes ("Senior Notes") pursuant to a shelf registration statement under which we may issue up to $600 million in senior debt securities. The Senior Notes mature in August 2006 and are redeemable at any time. The proceeds from the Senior Notes were used to reduce commercial paper and credit facility borrowings and for other general partnership purposes. We intend to use cash flow from operations to retire the Senior Notes at maturity.

In September 2002, we entered into an $800 million five-year revolving credit facility with a group of commercial banks and other lenders. Of the $800 million total, $425 million is intended to provide back-up liquidity for our $425 million commercial paper program, with the balance available for general purposes. Under this revolving credit facility, the interest rate, at our option, is a floating rate generally based upon a defined prime rate, a rate related to the London Interbank Offered Rate (LIBOR) or the Federal Funds rate. The revolving credit facility contains covenants which, among other things, require us to meet certain financial ratios. We were in compliance with the covenants as of December 31, 2005. On February 17, 2006, we replaced the existing arrangement with a new $800 million five-year revolving credit facility with substantially the same terms.

As of December 31, 2004, we maintained a $100 million extendible commercial notes ("ECN") program as a supplement to our $425 million commercial paper program. ECNs are short-term uncommitted debt instruments that do not require back-up liquidity support.

Our substantial equity base and access to public and private debt, at competitive terms, should provide adequate liquidity for our general business needs. Management believes that cash flow from operations and the issuance of debt and AllianceBernstein Units or Holding Units will provide us with the resources to meet our financial obligations.

Off-Balance Sheet Arrangements and Aggregate Contractual Obligations

We have no off-balance sheet arrangements other than the guarantees and contractual obligations that are discussed below.

Guarantees

In February 2002, AllianceBernstein signed a $125 million agreement with a commercial bank, under which we guaranteed certain obligations in the ordinary course of business of SCBL. In the event SCBL is unable to meet its obligations in full when due, AllianceBernstein will pay the obligations within three days of being notified of SCBL's failure to pay. This agreement is continuous and remains in effect until payment in full of any such obligation has been made by SCBL. During 2005, we were not required to perform under the agreement and as of December 31, 2005 had no liability outstanding in connection with the agreement.

Aggregate Contractual Obligations

The following table summarizes our contractual obligations:

	Contractual Obligations				
	Total	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years
	(in millions)				
Debt	$ 407.3	$ 407.3	$ —	$ —	$ —
Operating leases, net of sublease commitments	982.4	86.3	166.6	152.2	577.3
Accrued compensation and benefits	173.9	—	115.1	29.0	29.8
Minority interests in consolidated subsidiaries	9.4	—	—	—	9.4
Total	$ 1,573.0	$ 493.6	$ 281.7	$ 181.2	$ 616.5

Accrued compensation and benefits amounts above exclude liabilities due within one year and accrued pension expense. Any amounts reflected on the consolidated balance sheet as payables (to broker-dealers, brokerage clients, and our mutual funds) and accounts payable and accrued expenses are excluded from the table above.

Certain of our deferred compensation plans provide for election by participants to have their deferred compensation awards invested notionally in Holding Units and in company-sponsored mutual funds. Since January 1, 2006, we made purchases of mutual funds totaling $208 million to fund our future obligations resulting from participant elections with respect to 2005 awards. During the fourth quarter of 2005, we purchased Holding Units with an aggregate value of approximately $16.3 million. As of December 31, 2005, these Holding Units were held in a deferred compensation trust to fund our future obligations to participants who elected to notionally invest a portion of their 2005 awards in Holding Units.

We expect to make contributions to our qualified profit sharing plan of approximately $22.0 million in each of the next four years. We currently expect to contribute an estimated $3.0 million to our qualified, noncontributory, defined benefit plan during 2006.

Dispositions

See Note 20 of AllianceBernstein's consolidated financial statements in Item 8 for a discussion of dispositions.

Contingencies

See Note 11 of AllianceBernstein's consolidated financial statements in Item 8 for a discussion of our mutual fund distribution system and related deferred sales commission asset, certain legal proceedings to which we are a party, and mutual fund investigations.

Critical Accounting Estimates

The preparation of the consolidated financial statements and notes to consolidated financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities,

revenues and expenses. Management believes that the critical accounting policies and estimates discussed below involve significant management judgment due to the sensitivity of the methods and assumptions used.

Deferred Sales Commission Asset

Management tests the deferred sales commission asset for impairment quarterly, or monthly when events or changes in circumstances occur that could significantly increase the risk of impairment of the asset. Significant assumptions utilized to estimate the company's future average assets under management and undiscounted future cash flows from back-end load shares include expected future market levels and redemption rates. Market assumptions are selected using a long-term view of expected average market returns based on historical returns of broad market indices. As of December 31, 2005, management used average market return assumptions of 5% for fixed income and 8% for equity to estimate annual market returns. Higher actual average market returns would increase undiscounted future cash flows, while lower actual average market returns would decrease undiscounted future cash flows. Future redemption rate assumptions of 22%, 25%, and 25% were determined by reference to actual redemption experience over the five-year, three-year, and one-year periods ended December 31, 2005, respectively, calculated as a percentage of the company's average assets under management of back-end load shares. An increase in the actual rate of redemptions would decrease undiscounted future cash flows, while a decrease in the actual rate of redemptions would increase undiscounted future cash flows. These assumptions are reviewed and updated quarterly, or monthly when events or changes in circumstances occur that could significantly increase the risk of impairment of the asset. Estimates of undiscounted future cash flows and the remaining life of the deferred sales commission asset are made from these assumptions and the aggregate undiscounted future cash flows are compared to the recorded value of the deferred sales commission asset. Management considers the results of these analyses performed at various dates. As of December 31, 2005, management determined that the deferred sales commission asset was not impaired. If management determines in the future that the deferred sales commission asset is not recoverable, an impairment condition would exist and a loss would be measured as the amount by which the recorded amount of the asset exceeds its estimated fair value. Estimated fair value is determined using management's best estimate of future cash flows discounted to a present value amount.

Goodwill

As a result of the adoption of SFAS No. 142, goodwill is tested annually, as of September 30, for impairment. Significant assumptions are required in performing goodwill impairment tests. Such tests include determining whether the estimated fair value of AllianceBernstein, the reporting unit, exceeds its book value. There are several methods of estimating AllianceBernstein's fair value, which includes valuation techniques such as market quotations and discounted expected cash flows. In developing estimated fair value using a discounted cash flow valuation technique, business growth rate assumptions are applied over the estimated life of the goodwill asset and the resulting expected cash flows are discounted to arrive at a present value amount that approximates fair value. These assumptions consider all material events that have impacted, or that we believe could potentially impact, future discounted expected cash flows. As of September 30, 2005, the impairment test indicated that goodwill was not impaired. Also, as of December 31, 2005, management believes that goodwill was not impaired. However, future tests may be based upon different assumptions which may or may not result in an impairment of this asset. Any impairment could reduce materially the recorded amount of the goodwill asset with a corresponding charge to our earnings.

Intangible Assets

Acquired intangibles are recognized at fair value and amortized over their estimated useful lives of twenty years. Intangible assets are evaluated for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. A present value technique is applied to management's best estimate of future cash flows to estimate the fair value of intangible assets. Estimated fair value is then compared to the recorded book value to determine whether an impairment is indicated. The estimates used include estimating attrition factors of customer accounts, asset growth rates, direct expenses and fee rates. We choose assumptions based on actual historical trends that may or may not occur in the future. As of December 31, 2005, management believes that intangible assets were not impaired. However, future tests may be based upon different assumptions which may or may not result in an impairment of this asset. Any impairment could reduce materially the recorded amount of intangible assets with a corresponding charge to our earnings.

Retirement Plan

We maintain a qualified, noncontributory, defined benefit retirement plan covering current and former employees who were employed by the company in the United States prior to October 2, 2000. The amounts recognized in the consolidated financial statements related to the retirement plan are determined from actuarial valuations. Inherent in these valuations are assumptions including expected return on plan assets, discount rates at which liabilities could be settled, rates of annual salary increases, and mortality rates. The assumptions are reviewed annually and may be updated to reflect the current environment. A summary of the key economic assumptions are **described in Note 14 to AllianceBernstein's consolidated financial statements in Item 8**. In accordance with U.S. GAAP, actual results that differ from those assumed are accumulated and amortized over future periods and, therefore, affect expense recognized and liabilities recorded in future periods.

In developing the expected long-term rate of return on plan assets of 8.0%, we considered the historical returns and future expectations for returns for each asset category, as well as the target asset allocation of the portfolio. The expected long-term rate of return on assets is based on weighted average expected returns for each asset class. We assumed a target allocation weighting of 70% to 80% for equity securities and 20% to 30% for debt securities. The plan's equity investment strategy seeks to outperform the Russell 1000 Growth Index by approximately 200 basis points per year before fees on a consistent basis and to outperform the S&P 500 by a similar margin over full market cycles. The plan's fixed income investment strategy is a defensive mixture invested in both U.S. Treasury Notes and corporate bonds in an effort to reduce interest rate risk. The actual rate of return on plan assets was 13.7%, 9.0%, and 19.9% in 2005, 2004, and 2003, respectively. A 25 basis point adjustment, up or down, in the expected long-term rate of return on plan assets would have decreased or increased the 2005 net pension charge of $5.6 million by approximately $0.1 million.

The objective of our discount rate assumption was to reflect the rate at which the pension benefits could be effectively settled. In making this determination, we took into account the timing and amount of benefits that would be available under the plan's lump sum option. To that effect, our methodology for selecting the discount rate as of December 31, 2005 was to match the plan's cash flows to that of a yield curve that provides the equivalent yields on zero-coupon corporate bonds for each maturity. Benefit cash flows due in a particular year can be "settled" theoretically by "investing" them in the zero-coupon bond that matures in the same year. The discount rate is the single rate that produces the same present value of cash flows. The selection of the 5.65% discount rate as of December 31, 2005 represents the approximate mid-point (to the nearest five basis points) of the single rate under two independently constructed yield curves - one prepared by Mercer Human Resource Consulting which produced a rate of 5.73%; and one prepared by Citigroup which produced a rate of 5.54%. The discount rate as of December 31, 2004 was 5.75%. This rate was used in developing the 2005 net pension charge. A lower discount rate increases pension expense and the present value of benefit obligations. A 25 basis point adjustment, up or down, in the discount rate (along with a corresponding adjustment in the assumed lump sum interest rate) would have decreased or increased the 2005 net pension charge of $5.6 million by approximately $0.6 million.

Loss Contingencies

Management continuously reviews with legal counsel the status of regulatory matters and pending or threatened litigation. We evaluate the likelihood that a loss contingency exists in accordance with Statement of Financial Accounting Standards No. 5 ("SFAS No. 5"), *"Accounting for Contingencies*". SFAS No. 5 requires a loss contingency to be recorded if it is probable and reasonably estimable as of the date of the financial statements. Based on our evaluation, except as **described in Note 11 of AllianceBernstein's consolidated financial statements in Item 8**, no contingency losses have been recorded as of December 31, 2005 and 2004.

Accounting Pronouncements

See Note 21 of AllianceBernstein's consolidated financial statements in Item 8.

Forward-Looking Statements

Certain statements provided by management in this report are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are subject to

risks, uncertainties and other factors that could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. The most significant of these factors include, but are not limited to, the following: the performance of financial markets, the investment performance of sponsored investment products and separately managed accounts, general economic conditions, future acquisitions, competitive conditions and government regulations, including changes in tax regulations and rates. We caution readers to carefully consider such factors. Further, such forward-looking statements speak only as of the date on which such statements are made; we undertake no obligation to update any forward-looking statements to reflect events or circumstances after the date of such statements. For further information regarding these forward-looking statements and the factors that could cause actual results to differ, **see Risk Factors in Item 1A**. Any or all of the forward-looking statements that we make in this Form 10-K or any other public statements we issue may turn out to be wrong. It is important to remember that other factors besides those listed in Risk Factors could also adversely affect our revenues, financial condition, results of operations, and business prospects.

The forward-looking statements referred to in the preceding paragraph include statements regarding the outcome of litigation and the effect on future earnings of the sale of our cash management services to Federated Investors, Inc. ("Sale"). Litigation is inherently unpredictable, and excessive judgments do occur. Though we have stated that we do not expect certain legal proceedings to have a material adverse effect on results of operations or financial condition, any settlement or judgment on the merits of a legal proceeding could be significant, and could have a material adverse effect on our results of operations or financial condition. The effect of the Sale on future earnings, resulting from contingent payments to be received in future periods, will depend on the amount of net revenue earned by Federated during these periods on assets under management maintained in Federated's funds by our former cash management clients. The amount of capital gain realized upon closing the transaction depends on the transaction expenses we incur and on an initial payment by Federated, some of which would, in certain circumstances, need to be returned.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

Market Risk, Risk Management and Derivative Financial Instruments

AllianceBernstein's investments consist of investments, trading and available-for-sale, and other investments. Investments, trading and available-for-sale, include United States Treasury Bills, and equity and fixed income mutual funds investments. Trading investments are purchased for short-term investment, principally to fund liabilities related to deferred compensation plans. Although investments, available-for-sale, are purchased for long-term investment, the portfolio strategy considers them available-for-sale from time to time due to changes in market interest rates, equity prices and other relevant factors. Other investments include investments in hedge funds sponsored by AllianceBernstein.

Trading and Non Trading Market Risk Sensitive Instruments

Investments with Interest Rate Risk—Fair Value

The table below provides our potential exposure with respect to our fixed income investments, measured in terms of fair value, to an immediate 100 basis point increase in interest rates at all maturities from the levels prevailing as of December 31, 2005 and 2004. Such a fluctuation in interest rates is a hypothetical rate scenario used to calibrate potential risk and does not represent our view of future market changes. While these fair value measurements provide a representation of interest rate sensitivity of our investments in fixed income mutual funds and fixed income hedge funds, they are based on our exposures at a particular point in time and may not be representative of future market results. These exposures will change as a result of ongoing changes in investments in response to our assessment of changing market conditions and available investment opportunities:

	As of December 31,			
	2005		2004	
	Fair Value	Effect of +100 Basis Point Change	Fair Value	Effect of +100 Basis Point Change
	(in thousands)			
Fixed Income Investments:				
Trading	$ 30,502	$ (1,424)	$ 30,008	$ (1,368)
Available-for-sale and other investments	2,537	(118)	2,096	(96)

Investments with Equity Price Risk—Fair Value

Our investments also include investments in equity mutual funds and equity hedge funds. The following table provides our potential exposure with respect to our equity investments, measured in terms of fair value, to an immediate 10% drop in equity prices from those prevailing as of December 31, 2005 and 2004. A 10% decrease in equity prices is a hypothetical scenario used to calibrate potential risk and does not represent our view of future market changes. While these fair value measurements provide a representation of equity price sensitivity of our investments in equity mutual funds and equity hedge funds, they are based on our exposures at a particular point in time and may not be representative of future market results. These exposures will change as a result of ongoing portfolio activities in response to our assessment of changing market conditions and available investment opportunities:

	As of December 31,			
	2005		2004	
	Fair Value	Effect of - 10% Equity Price Change	Fair Value	Effect of - 10% Equity Price Change
	(in thousands)			
Equity Investments:				
Trading	$ 282,719	$ (28,272)	$ 126,943	$ (12,694)
Available-for-sale and other investments	115,656	(11,566)	94,470	(9,447)

Debt—Fair Value

As of December 31, 2005 and 2004, the aggregate fair value of our debt was $409.7 and $422.2 million, respectively. The table below provides the potential fair value exposure with respect to our debt to an immediate 100 basis point decrease in interest rates at all maturities and a ten percent decrease in exchange rates from those prevailing as of December 31, 2005 and 2004:

	As of December 31,					
	2005			2004		
	Fair Value	Effect of - 100 Basis Point Change	Effect of - 10% Exchange Rate Change	Fair Value	Effect of - 100 Basis Point Change	Effect of - 10% Exchange Rate Change
	(in thousands)					
Debt:						
Non-trading	$ 409,676	$ 18,190	$ 760	$ 422,147	$ 17,392	$ 829

Item 8. Financial Statements and Supplementary Data

ALLIANCEBERNSTEIN L.P.
AND SUBSIDIARIES

Consolidated Statements of Financial Condition
(in thousands, except unit amounts)

	December 31, 2005	December 31, 2004
ASSETS		
Cash and cash equivalents	$ 654,168	$ 1,061,523
Cash and securities segregated, at market (cost $1,720,295 and $1,488,872)	1,720,809	1,489,041
Receivables, net:		
Brokers and dealers	2,093,461	1,487,601
Brokerage clients	429,586	352,108
Fees, net	413,198	354,517
Investments	345,045	192,167
Furniture, equipment and leasehold improvements, net	236,309	215,367
Goodwill, net	2,876,657	2,876,657
Intangible assets, net	305,325	326,025
Deferred sales commissions, net	196,637	254,456
Other investments	86,369	61,350
Other assets	132,916	108,518
Total assets	**$ 9,490,480**	**$ 8,779,330**
LIABILITIES AND PARTNERS' CAPITAL		
Liabilities:		
Payables:		
Brokers and dealers	$ 1,057,274	$ 786,544
Brokerage clients	2,929,500	2,663,952
AllianceBernstein mutual funds	140,603	125,899
Accounts payable and accrued expenses	286,449	275,264
Accrued compensation and benefits	357,321	326,219
Debt	407,291	407,517
Minority interests in consolidated subsidiaries	9,368	10,237
Total liabilities	**5,187,806**	**4,595,632**
Commitments and contingencies (See Note 11)		
Partners' capital:		
General Partner	44,065	42,917
Limited partners: 255,624,870 and 253,880,399 units issued and outstanding	4,334,207	4,220,753
	4,378,272	4,263,670
Capital contributions receivable from General Partner	(31,775)	(33,053)
Deferred compensation expense	(67,895)	(89,019)
Accumulated other comprehensive income	24,072	42,100
Total partners' capital	**4,302,674**	**4,183,698**
Total liabilities and partners' capital	**$ 9,490,480**	**$ 8,779,330**

See Accompanying Notes to Consolidated Financial Statements.

ALLIANCEBERNSTEIN L.P.
AND SUBSIDIARIES

Consolidated Statements of Income
(in thousands, except per unit amounts)

	Years Ended December 31, 2005	2004	2003
Revenues:			
Investment advisory and services fees	$ 2,290,867	$ 2,113,351	$ 1,882,399
Distribution revenues	397,800	447,283	436,037
Institutional research services	321,281	303,609	267,868
Shareholder servicing fees	99,358	115,979	126,383
Other revenues, net	141,374	75,211	52,241
	3,250,680	**3,055,433**	**2,764,928**
Expenses:			
Employee compensation and benefits	1,263,456	1,085,163	914,529
Promotion and servicing:			
Distribution plan payments	291,953	374,184	370,575
Amortization of deferred sales commissions	131,979	177,356	208,565
Other	198,004	202,327	197,079
General and administrative	386,590	426,389	339,706
Interest	25,109	24,232	25,286
Amortization of intangible assets	20,700	20,700	20,700
Charge for mutual fund matters and legal proceedings (Note 11)	—	—	330,000
	2,317,791	**2,310,351**	**2,406,440**
Income before income taxes	**932,889**	**745,082**	**358,488**
Income taxes	64,571	39,932	28,680
Net income			

	$ 868,318	$ 705,150	$ 329,808
Net income per unit:			
Basic	$ 3.37	$ 2.76	$ 1.30
Diluted	$ 3.35	$ 2.74	$ 1.29

See Accompanying Notes to Consolidated Financial Statements.

ALLIANCEBERNSTEIN L.P.
AND SUBSIDIARIES

Consolidated Statements of Changes in Partners' Capital and Comprehensive Income
(in thousands, except per unit amounts)

	General Partner's Capital	Limited Partners' Capital	Capital Contributions Receivable	Deferred Compensation Expense	Accumulated Other Comprehensive Income	Total Partners' Capital
Balance as of December 31, 2002	**$ 41,335**	**$ 4,082,433**	**$ (35,137)**	**$ (129,045)**	**$ 3,865**	**$ 3,963,451**
Comprehensive income:						
Net income	3,298	326,510	—	—	—	329,808
Other comprehensive income:						
Unrealized loss on investments, net	—	—	—	—	2,325	2,325
Foreign currency translation adjustment, net	—	—	—	—	21,378	21,378
Comprehensive income	3,298	326,510	—	—	23,703	353,511
Cash distributions to General Partner and unitholders ($2.24 per unit)	(5,671)	(560,927)	—	—	—	(566,598)
Capital contributions from General Partner	—	—	1,734	—	—	1,734
Purchases of Holding Units to fund deferred compensation plans, net	—	(15,690)	—	(51,390)	—	(67,080)
Compensatory Holding Unit options expense	—	2,589	—	—	—	2,589
Amortization of deferred compensation expense	—	—	—	69,301	—	69,301
Compensation plan accrual	23	2,272	(2,295)	—	—	—
Additional investment by Holding with proceeds from exercise of compensatory options	210	21,351	—	—	—	21,561
Balance as of December 31, 2003	**39,195**	**3,858,538**	**(35,698)**	**(111,134)**	**27,568**	**3,778,469**
Comprehensive income:						
Net income	7,052	698,098	—	—	—	705,150
Other comprehensive income:						
Unrealized gain on investments, net	—	—	—	—	(236)	(236)
Foreign currency translation adjustment, net	—	—	—	—	14,768	14,768
Comprehensive income	7,052	698,098	—	—	14,532	719,682
Cash distributions to General Partner and unitholders ($1.50 per unit)	(3,838)	(379,144)	—	—	—	(382,982)
Capital contributions from General Partner	—	—	5,901	—	—	5,901
Purchases of Holding Units to fund deferred compensation plans, net	9	(8,557)	—	(36,532)	—	(45,080)
Compensatory Holding Unit options expense	—	2,356	—	—	—	2,356
Amortization of deferred compensation expense	—	—	—	58,647	—	58,647
Compensation plan accrual	32	3,224	(3,256)	—	—	—
Additional investment by Holding with proceeds from exercise of compensatory options	467	46,238	—	—	—	46,705
Balance as of December 31, 2004	**42,917**	**4,220,753**	**(33,053)**	**(89,019)**	**42,100**	**4,183,698**
Comprehensive income:						
Net income	8,683	859,635	—	—	—	868,318
Other comprehensive income (loss):						
Unrealized loss on investments, net	—	—	—	—	1,985	1,985
Foreign currency translation adjustment, net	—	—	—	—	(20,013)	(20,013)
Comprehensive income (loss)	8,683	859,635	—	—	(18,028)	850,290
Cash distributions to General Partner and unitholders ($3.11 per unit)	(8,005)	(792,504)	—	—	—	(800,509)
Capital contributions from General Partner	—	—	4,191	—	—	4,191
Purchases of Holding Units to fund deferred compensation plans, net	16	(733)	—	(32,536)	—	(33,253)

Compensatory Holding Unit options expense	—	2,192	—	—	—	2,192
Amortization of deferred compensation expense	—	—	—	53,660	—	53,660
Compensation plan accrual	29	2,884	(2,913)	—	—	—
Additional investment by Holding with proceeds from exercise of compensatory options	425	41,980	—	—	—	42,405
Balance as of December 31, 2005	**$ 44,065**	**$ 4,334,207**	**$ (31,775)**	**$ (67,895)**	**$ 24,072**	**$ 4,302,674**

See Accompanying Notes to Consolidated Financial Statements.

ALLIANCEBERNSTEIN L.P.
AND SUBSIDIARIES

Consolidated Statements of Cash Flows
(in thousands)

	Years Ended December 31,		
	2005	2004	2003
Cash flows from operating activities:			
Net income	**$ 868,318**	**$ 705,150**	**$ 329,808**
Adjustments to reconcile net income to net cash provided by operating activities:			
Amortization of deferred sales commissions	131,979	177,356	208,565
Amortization of deferred compensation	85,437	101,561	116,357
Depreciation and other amortization	67,980	74,878	77,583
Other, net	(14,774)	7,859	(13,057)
Changes in assets and liabilities:			
(Increase) in segregated cash and securities	(231,768)	(203,240)	(111,478)
(Increase) decrease in receivable from brokers and dealers	(605,389)	137,052	(658,979)
(Increase) in receivable from brokerage clients	(90,453)	(21,154)	(114,861)
(Increase) in fees receivable, net	(65,861)	(13,187)	(57,322)
(Increase) in trading investments	(135,121)	(56,105)	(12,273)
(Increase) in deferred sales commissions	(74,161)	(44,584)	(94,886)
(Increase) other investments	(23,045)	(29,996)	(9,591)
(Increase) in other assets	(27,645)	(2,142)	(6,968)
Increase (decrease) in payable to brokers and dealers	279,926	(339,687)	537,619
Increase in payable to brokerage clients	268,608	761,098	320,312
Increase (decrease) in payable to AllianceBernstein mutual funds	14,966	9,488	(5,101)
Increase (decrease) in accounts payable and accrued expenses	7,158	(267,879)	287,600
Increase (decrease) in accrued compensation and benefits, less deferred compensation	3,927	(28,304)	(35,372)
Net cash provided by operating activities	**460,082**	**968,164**	**757,956**
Cash flows from investing activities:			
Purchases of investments	(7,380)	(27,407)	(62,607)
Proceeds from sales of investments	12,717	38,046	36,514
Additions to furniture, equipment and leasehold improvements, net	(72,586)	(57,313)	(29,154)
Net cash used in investing activities	**(67,249)**	**(46,674)**	**(55,247)**
Cash flows from financing activities:			
Repayment of commercial paper, net of proceeds from issuance	(150)	(92)	(22,077)
Cash distributions to General Partner and unitholders	(800,509)	(382,982)	(566,598)
Capital contributions from General Partner	4,191	5,901	1,734
Additional investment by Holding with proceeds from exercise of compensatory options	42,405	46,705	21,561
Purchases of Holding Units to fund deferred compensation plans, net	(33,253)	(45,080)	(67,080)
Net cash used in financing activities	**(787,316)**	**(375,548)**	**(632,460)**
Effect of exchange rate changes on cash and cash equivalents	(12,872)	12,723	14,851
Net (decrease) increase in cash and cash equivalents	**(407,355)**	**558,665**	**85,100**
Cash and cash equivalents as of beginning of the period	1,061,523	502,858	417,758
Cash and cash equivalents as of end of the period	**$ 654,168**	**$ 1,061,523**	**$ 502,858**
Cash paid:			
Interest	$ 122,152	$ 55,102	$ 43,505
Income taxes	$ 56,521	$ 33,516	$ 29,928

See Accompanying Notes to Consolidated Financial Statements.

Effective February 24, 2006, Alliance Capital Management Holding L.P. ("Holding") and Alliance Capital Management L.P. ("Alliance Capital") changed their names to AllianceBernstein Holding L.P. ("Holding") and AllianceBernstein L.P. ("AllianceBernstein"), respectively.

The words "we" and "our" refer collectively to Holding, and AllianceBernstein and its subsidiaries, or to their officers and employees. Similarly, the word "company" refers to both Holding and AllianceBernstein. Where the context requires distinguishing between Holding and AllianceBernstein, we identify which of them is being discussed. Cross-references are in bold text.

1. Organization and Business Description

AllianceBernstein provides diversified investment management and related services globally to a broad range of clients. Its principal services are:

- Institutional Investment Services – Servicing institutional investors, including unaffiliated corporate and public employee pension funds, endowment funds, domestic and foreign institutions and governments, and affiliates such as AXA and certain of its insurance company subsidiaries, by means of separately managed accounts, sub-advisory relationships, structured products, group trusts, mutual funds, and other investment vehicles.

- Retail Services – Servicing individual investors, primarily by means of retail mutual funds sponsored by AllianceBernstein, our subsidiaries and affiliated joint venture companies, sub-advisory relationships in respect of mutual funds sponsored by third parties, separately managed account programs that are sponsored by registered broker-dealers ("Separately Managed Account Programs"), and other investment vehicles.

- Private Client Services – Servicing high-net-worth individuals, trusts and estates, charitable foundations, partnerships, private and family corporations, and other entities, by means of separately managed accounts, hedge funds, mutual funds, and other investment vehicles.

- Institutional Research Services – Servicing institutional investors desiring institutional research services including in-depth research, portfolio strategy, trading, and brokerage-related services.

We also provide distribution, shareholder servicing, and administrative services to our sponsored mutual funds.

We provide a broad range of investment services with expertise in:

- Growth and value equity, the two predominant equity strategies;

- Blend, combining growth and value components and systematic rebalancing between the two;

- Fixed income, including both taxable and tax-exempt securities;

- Balanced, combining equity and fixed income components; and

- Passive, including both index and enhanced index strategies.

We manage these strategies using various investment disciplines, including market capitalization (e.g., large-, mid-, and small-cap equities), term (e.g., long-, intermediate-, and short-duration debt securities), and geographic location (e.g., U.S., international, global, and emerging markets), as well as local and regional disciplines in major markets around the world.

We have a broad foundation in fundamental research, including comprehensive industry and company coverage from the differing perspectives of growth, value, and fixed income, as well as global economic and currency forecasting capabilities and quantitative research.

As of December 31, 2005, AXA, a *société anonyme* organized under the laws of France and the holding company for an international group of insurance and related financial services companies, AXA Financial, Inc.

(an indirect wholly-owned subsidiary of AXA, "AXA Financial"), AXA Equitable Life Insurance Company (formerly known as The Equitable Life Assurance Society of the United States and a wholly-owned subsidiary of AXA Financial, "AXA Equitable") and certain subsidiaries of AXA Equitable, collectively referred to as "AXA and its subsidiaries", owned approximately 1.8% of the issued and outstanding Holding Units.

As of December 31, 2005, the ownership of AllianceBernstein, as a percentage of limited partnership interests, was as follows:

AXA and its subsidiaries	60.1%
Holding	32.2
SCB Partners Inc. (a wholly-owned subsidiary of SCB Inc.; formerly known as Sanford C. Bernstein Inc.)	6.4
Other	1.3
	100.0%

AllianceBernstein Corporation (formerly known as Alliance Capital Management Corporation, "General Partner"), an indirect wholly-owned subsidiary of AXA, is the general partner of both Holding and AllianceBernstein. AllianceBernstein Corporation owns 100,000 general partnership units (economically equivalent to limited partnership units) in Holding and a 1% general partnership interest in AllianceBernstein. Including the general partnership interests in

AllianceBernstein and Holding, and their equity interest in Holding, as of December 31, 2005, AXA and its subsidiaries had an approximate 61.1% economic interest in AllianceBernstein.

2. Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of the financial statements requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Principles of Consolidation

The consolidated financial statements include AllianceBernstein, its majority-owned and/or controlled subsidiaries and company-sponsored mutual funds during their incubation periods. All significant inter-company transactions and balances among the consolidated entities have been eliminated.

The equity method of accounting is used for unconsolidated joint ventures and, in accordance with Emerging Issues Task Force D-46, "*Accounting for Limited Partnership Investments*", for investments made primarily to seed limited partnership hedge funds that we sponsor and manage. The investments are included in "other investments" on the consolidated balance sheets and the related investment income and gains and losses are included in "other revenues" on the consolidated statements of income.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits and highly liquid investments including money market accounts with average maturities of three months or less. Due to the short-term nature of these instruments, this recorded value has been determined to approximate fair value.

Fees Receivable, Net

Fees receivable are shown net of allowances. An allowance for doubtful accounts related to investment advisory and services fees is determined through an analysis of the aging of receivables, assessments of collectibility based on historical trends and other qualitative and quantitative factors, including the following: our relationship with the client, the financial health (or ability to pay) of the client, current economic conditions and whether the account is closed or active.

Collateralized Securities Transactions

Customers' securities transactions are reported on a settlement date basis, with related commission income and expenses reported on a trade date basis. Receivables from and payables to customers include amounts due on cash and margin transactions. Securities owned by customers are held as collateral for receivables; collateral is not reflected in the consolidated financial statements. Principal securities transactions and related expenses are recorded on a trade date basis.

Sanford C. Bernstein & Co., LLC ("SCB LLC") and Sanford C. Bernstein Limited ("SCBL"), both wholly-owned subsidiaries, account for transfers of financial assets in accordance with Statement of Financial Accounting Standards No. 140, "*Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities*". Securities borrowed and securities loaned are recorded at the amount of cash collateral advanced or received in connection with the transaction and are included in receivables from and payables to brokers and dealers in the consolidated statements of financial condition. Securities borrowed transactions require SCB LLC and SCBL to deposit cash collateral with the lender. With respect to securities loaned, SCB LLC and SCBL receive cash collateral from the borrower. The initial collateral advanced or received approximates or is greater than the fair value of securities borrowed or loaned. SCB LLC and SCBL monitor the fair value of the securities borrowed and loaned on a daily basis and request additional collateral or return excess collateral, as appropriate. Income or expense is recognized over the life of the transactions.

Investments

Investments, principally investments in United States Treasury Bills, unconsolidated company-sponsored mutual funds and securities held by consolidated company-sponsored mutual funds, are classified as either trading or available-for-sale securities. The trading investments are stated at fair value with unrealized gains and losses reported in net income. Available-for-sale investments are stated at fair value with unrealized gains and losses reported as a separate component of accumulated other comprehensive income in partners' capital. Realized gains and losses on the sale of investments are included in income in the current period.

Furniture, Equipment and Leasehold Improvements, Net

Furniture, equipment and leasehold improvements are stated at cost, less accumulated depreciation and amortization. Depreciation is recognized on a straight-line basis over the estimated useful lives of eight years for furniture and three to six years for equipment and software. Leasehold improvements are amortized on a straight-line basis over the lesser of their estimated useful lives or the terms of the related leases.

Goodwill, Net

On October 2, 2000, AllianceBernstein acquired the business and assets of SCB Inc., an investment research and management company formerly known as Sanford C. Bernstein Inc. ("Bernstein"), and assumed the liabilities of Bernstein ("Bernstein Transaction"). The purchase price consisted of a cash payment of approximately $1.5 billion and 40.8 million newly issued AllianceBernstein Units. AXA Financial purchased approximately 32.6 million newly issued AllianceBernstein Units for $1.6 billion on June 21, 2000, to fund the cash portion of the purchase price.

The Bernstein Transaction was accounted for under the purchase method with the results of Bernstein included in the consolidated financial statements from the acquisition date. The cost of the acquisition was allocated on the basis of the estimated fair value of the assets acquired and liabilities assumed. Portions of the purchase price were identified as net tangible assets of $0.1 billion and costs assigned to contracts acquired of $0.4 billion. Costs assigned to contracts acquired are being amortized over twenty years. The excess of the purchase price over the fair value of identifiable assets acquired resulted in the recognition of goodwill of approximately $3.0 billion.

Goodwill represents the excess of the purchase price over the fair value of identifiable assets of acquired companies, less accumulated amortization. Under Statement of Financial Accounting Standards No. 142 ("SFAS No. 142"), *"Goodwill and Other Intangible Assets"*, goodwill is tested annually, as of September 30, for impairment. Goodwill impairment is indicated if the net recorded value of AllianceBernstein's assets and liabilities (including goodwill) exceeds estimated fair value, which would then require the measurement of AllianceBernstein's assets and liabilities as if AllianceBernstein had been acquired. This measurement may or may not result in goodwill impairment. If impaired, the recorded amount is reduced to estimated fair value with a corresponding charge to earnings. As of September 30, 2005, the impairment test indicated that goodwill was not impaired. Also, as of December 31, 2005, management believes that goodwill was not impaired.

Intangible Assets, Net

Intangible assets consist of costs assigned to investment management contracts of SCB Inc. which was acquired in 2000, less accumulated amortization. In order to determine the fair market value and the remaining useful lives of these investment management contracts, we performed an analysis as of the acquisition date that considered the following factors:

- The nature and characteristics of the intangible assets, including:
    - The historical and expected future economic benefits associated with the assets as of the valuation date,
    - The historical and expected attrition associated with the assets, and
    - Any special rights associated with the assets;
- The historical and then-current financial condition and operating results of SCB Inc.;
- Discussions with management of SCB Inc. and others to augment our understanding of the nature of the intangible assets; and
- Reviews of market data and other available information relating to SCB Inc. and the investment management industry.

As a result of the analysis, management determined that the intangible assets have an estimated useful life of approximately 20 years.

The gross carrying amount of intangible assets subject to amortization totaled $414.0 million as of December 31, 2005 and 2004, and accumulated amortization was $108.7 million as of December 31, 2005 and $88.0 million as of December 31, 2004, resulting in the net carrying amount of intangible assets subject to amortization of $305.3 million as of December 31, 2005 and $326.0 million as of December 31, 2004. Amortization expense was $20.7 million for each of the years ended December 31, 2005, 2004, and 2003, and estimated amortization expense for each of the next five years is approximately $20.7 million.

Management tests intangible assets for recoverability quarterly, or monthly when events or changes in circumstances occur that could significantly increase the risk of impairment of these assets. Estimated fair value is determined using management's best estimate of future cash flows discounted to a present value amount. Estimated fair value is then compared to the recorded book value to determine if impairment is indicated. If management determines these assets are not recoverable, an impairment condition would exist and the

impairment loss would be measured as the amount by which the recorded amount of those assets exceeds their estimated fair value.

Deferred Sales Commissions, Net

Sales commissions paid to financial intermediaries in connection with the sale of shares of open-end company-sponsored mutual funds sold without a front-end sales charge are capitalized as deferred sales commissions and amortized over periods not exceeding five and one-half years, the periods of time during which deferred sales commissions are generally recovered from distribution services fees received from those funds and from contingent deferred sales charges ("CDSC") received from shareholders of those funds upon the redemption of their shares. CDSC cash recoveries are recorded as reductions of unamortized deferred sales commissions when received.

Management tests the deferred sales commission asset for recoverability quarterly, or monthly when events or changes in circumstances occur that could significantly increase the risk of impairment of the asset. Significant assumptions utilized to estimate the company's future average assets under management and undiscounted future cash flows from back-end load shares include expected future market levels and redemption rates. Estimates of undiscounted future cash flows and the remaining life of the deferred sales commission asset are made from these assumptions and the aggregate undiscounted future cash flows are compared to the recorded value of the deferred sales commission asset. Management considers the results of these analyses performed at various dates. If management determines in the future that the deferred sales commission asset is not recoverable, an impairment condition would exist and a loss would be measured as the amount by which the recorded amount of the asset exceeds its estimated fair value. Estimated fair value is determined using management's best estimate of future cash flows discounted to a present value amount.

Loss Contingencies

With respect to all significant litigation matters, we conduct a probability assessment of the likelihood of a negative outcome. If the likelihood of a negative outcome is probable, and the amount of the loss can be reasonably estimated, we record an estimated loss for the expected outcome of the litigation as required by Statement of Financial Accounting Standards No. 5 ("SFAS No. 5"), "*Accounting for Contingencies*", and Financial Accounting Standards Board ("FASB") Interpretation No. 14 ("FIN No. 14"), "*Reasonable Estimation of the Amount of a Loss –an interpretation of FASB Statement No. 5*". If the likelihood of a negative outcome is reasonably possible and we are able to indicate an estimate of the possible loss or range of loss, we disclose that fact together with the estimate of the possible loss or range of loss. However, it is difficult to predict the outcome or estimate a possible loss or range of loss because litigation is subject to significant uncertainties, particularly when plaintiffs allege substantial or indeterminate damages, or when the litigation is highly complex or broad in scope.

Revenue Recognition

Investment advisory and services base fees, generally calculated as a percentage (referred to as "basis points") of assets under management for clients, are recorded as revenue as the related services are performed. Certain investment advisory contracts provide for a performance-based fee, in addition to or in lieu of a base fee, that is calculated as either a percentage of absolute investment results or a percentage of investment results in excess of a stated benchmark over a specified period of time. Performance-based fees are recorded as revenue at the end of each measurement period. Investment advisory and services fees include brokerage transaction charges received by SCB LLC for certain retail, private client and institutional investment client transactions. Institutional research services revenue consists of brokerage transaction charges received by SCB LLC and SCBL for in-depth research and other services provided to institutional investors. Brokerage transaction charges earned and related expenses are recorded on a trade date basis. Distribution revenues and shareholder servicing fees are accrued as earned.

Mutual Fund Underwriting Activities

Purchases and sales of shares of our mutual funds in connection with the underwriting activities of our subsidiaries, including related commission income, are recorded on trade date. Receivables from brokers and dealers for sale of shares of our mutual funds are generally realized within three business days from trade date, in conjunction with the settlement of the related payables to our mutual funds for share purchases. Distribution plan and other promotion and servicing payments are recognized as an expense when incurred.

Compensatory Option Plans

We utilize the fair value method of recording compensation expense including a straight-line amortization policy, relating to compensatory option awards of Holding Units granted subsequent to 2001, as permitted by Statement of Financial Accounting Standards No. 123 ("SFAS No. 123"), "*Accounting for Stock-Based Compensation*", as amended by Statement of Financial Accounting Standards No. 148 ("SFAS No. 148"), "*Accounting for Stock-Based Compensation—Transition and Disclosure*". Under the fair value method, compensation expense is measured at the grant date based on the estimated fair value of the award and is recognized over the vesting period. Fair value is determined using the Black-Scholes option valuation model. **See Note 16** for a description of the compensatory option plans and the Black-Scholes option valuation model. Compensation expense, net of taxes, resulting from compensatory unit option awards granted after 2001 totaled approximately $2.0 million, $2.2 million, and $2.5 million for the years ended December 31, 2005, 2004, and 2003, respectively.

For compensatory option awards granted prior to 2002, we applied the provisions of Accounting Principles Board Opinion No. 25 ("APB No. 25"), "*Accounting for Stock Issued to Employees*", under which compensation expense is recognized only if the market value of the underlying Holding Units exceeds the exercise price at the date of grant. We did not record compensation expense for compensatory option awards made prior to 2002 because those options were granted with exercise prices equal to the market value of the underlying Holding Units on the date of grant. Had we recorded compensation expense for those options based on their market value at grant date under SFAS No. 123, net income for 2005, 2004, and 2003 would have been reduced to the pro forma amounts indicated below:

	Years Ended December 31,		
	2005	2004	2003
	(in thousands, except per unit amounts)		
SFAS No. 123 pro forma net income:			
Net income as reported	$ 868,318	$ 705,150	$ 329,808
Add: stock-based compensation expense included in net income, net of tax	2,040	2,231	2,460
Deduct: total stock-based compensation expense determined under fair value method for all awards, net of tax	(3,918)	(7,132)	(13,413)
SFAS No. 123 pro forma net income	$ 866,440	$ 700,249	$ 318,855
Net income per unit:			
Basic net income per unit as reported	$ 3.37	$ 2.76	$ 1.30
Basic net income per unit pro forma	$ 3.37	$ 2.74	$ 1.26
Diluted net income per unit as reported	$ 3.35	$ 2.74	$ 1.29
Diluted net income per unit pro forma	$ 3.34	$ 2.72	$ 1.25

See Note 21 for a discussion of the adoption of SFAS No. 123-R, effective January 1, 2006.

Foreign Currency Translation

Assets and liabilities of foreign subsidiaries are translated into United States dollars ("US$") at exchange rates in effect at the balance sheet dates, and related revenues and expenses are translated into US$ at average

exchange rates in effect during each period. Net foreign currency gains and losses resulting from the translation of assets and liabilities of foreign operations into US$ are reported as a separate component of accumulated other comprehensive income in the consolidated statements of changes in partners' capital and comprehensive income. Net recognized foreign currency transaction gains and (losses) were $(0.7) million, $(1.8) million, and $3.0 million for 2005, 2004, and 2003, respectively.

Cash Distributions

AllianceBernstein is required to distribute all of its Available Cash Flow, as defined in the Amended and Restated Agreement of Limited Partnership of AllianceBernstein ("AllianceBernstein Partnership Agreement"), to its unitholders and to the General Partner. Available Cash Flow can be summarized as the cash flow received by AllianceBernstein from operations minus such amounts as the General Partner determines, in its sole discretion, should be retained by AllianceBernstein for use in its business. Cash flow received from operations, or "operating cash flow", is computed by the General Partner by determining the sum of:

- net cash provided by operation activities of AllianceBernstein,
- proceeds from borrowings and from sales or other dispositions of assets in the ordinary course of business, and
- income from investments in marketable securities, liquid investments, and other financial instruments that are acquired for investment purposes and that have a value that may be readily established,

and then subtracting from this amount the sum of :

- payments in respect of the principal of borrowings, and
- amounts expended for the purchase of assets in the ordinary course of business.

Comprehensive Income

Total comprehensive income is reported in the consolidated statements of changes in partners' capital and comprehensive income and includes net income, unrealized gains and losses on investments classified as available-for-sale, and foreign currency translation adjustments. The accumulated balance of comprehensive income items is displayed separately in the partners' capital section of the consolidated statements of financial condition.

Reclassifications

Certain prior period amounts have been reclassified to conform to current year presentation. These include the reclassification of certain sub-accounting payments and networking fees from other promotion and servicing expense to shareholder servicing fees and the reclassification of transaction charges earned from AllianceBernstein mutual funds from Institutional Investment Services and Private Client Services to Retail Services.

3. Cash and Securities Segregated Under Federal Regulations and Other Requirements

As of December 31, 2005 and 2004, $1.7 and $1.5 billion, respectively, of United States Treasury Bills were segregated in a special reserve bank custody account for the exclusive benefit of brokerage customers of SCB LLC under rule 15c3-3 of the Securities Exchange Act of 1934, as amended ("Exchange Act").

4. Net Income Per Unit

Basic net income per unit is derived by reducing net income for the 1% general partnership interest and dividing the remaining 99% by the basic weighted average number of units outstanding for each year. Diluted net income per unit is derived by reducing net income for the 1% general partnership interest and dividing the

remaining 99% by the total of the basic weighted average number of units outstanding and the dilutive unit equivalents resulting from outstanding compensatory options as follows:

	Years Ended December 31,		
	2005	2004	2003
	(in thousands, except per unit amounts)		
Net income	$ 868,318	$ 705,150	$ 329,808
Weighted average units outstanding—basic	254,883	253,121	250,639
Dilutive effect of compensatory options	1,714	1,644	2,391
Weighted average units outstanding—diluted	256,597	254,765	253,030
Basic net income per unit	$ 3.37	$ 2.76	$ 1.30
Diluted net income per unit	$ 3.35	$ 2.74	$ 1.29

As of December 31, 2005, 2004, and 2003, out-of-the-money options to acquire 3,950,100, 4,336,500 and 7,997,700 Holding Units, respectively, have been excluded from the diluted net income per unit computation due to their anti-dilutive effect.

5. Receivables, Net

Receivables, Net are comprised of:

	December 31, 2005	2004
	(in thousands)	
Brokers and dealers:		
Deposits for securities borrowed	$ 1,966,000	$ 1,364,990
Other	127,461	122,611
Total brokers and dealers	2,093,461	1,487,601
Brokerage clients	429,586	352,108
Fees, net:		
Alliance mutual funds	143,737	141,435
Unaffiliated clients (net of allowance of $939 in 2005 and $1,707 in 2004)	262,279	206,550
Affiliated clients	7,182	6,532
Total fees receivable, net	413,198	354,517
Total receivables, net	$ 2,936,245	$ 2,194,226

6. Investments

As of December 31, 2005 and 2004, investments consisted of investments available-for-sale, principally company-sponsored mutual funds, and trading investments, principally United States Treasury Bills and company-sponsored mutual funds. United States Treasury Bills with a fair market value of $16.9 million were on deposit with various clearing organizations as of December 31, 2005 and 2004.

The following is a summary of the cost and fair value of investments as of December 31, 2005 and 2004:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	(in thousands)			
December 31, 2005:				
Available-for-sale:				
Equity investments	$ 26,787	$ 3,777	$ (18)	$ 30,546
Fixed income investments	1,102	181	(5)	1,278
	27,889	3,958	(23)	31,824
Trading:				
Equity investments	262,153	23,701	(3,135)	282,719
Fixed income investments	30,503	290	(291)	30,502
	292,656	23,991	(3,426)	313,221
Total investments	$ 320,545	$ 27,949	$ (3,449)	$ 345,045
December 31, 2004:				
Available-for-sale:				
Equity investments	$ 32,245	$ 1,555	$ (4)	$ 33,796
Fixed income investments	1,042	378	—	1,420
	33,287	1,933	(4)	35,216
Trading:				
Equity investments	116,977	10,608	(642)	126,943
Fixed income investments	29,619	483	(94)	30,008
	146,596	11,091	(736)	156,951
Total investments	$ 179,883	$ 13,024	$ (740)	$ 192,167

Proceeds from sales of investments available-for-sale were approximately $12.7 million, $38.0 million, and $36.5 million in 2005, 2004, and 2003, respectively. Net realized gains from our sales of available-for-sale investments were $0.9 million, $2.4 million, and $1.3 million in 2005, 2004, and 2003, respectively.

We assess valuation declines to determine the extent to which such declines are fundamental to the underlying investment or attributable to market-related factors. Based on this assessment, we do not believe the declines are other than temporary.

7. Furniture, Equipment and Leasehold Improvements, Net

Furniture, equipment and leasehold improvements are comprised of:

	December 31, 2005	2004
	(in thousands)	
Furniture and equipment	$ 369,092	$ 342,267
Leasehold improvements	217,137	191,064
	586,229	533,331
Less: Accumulated depreciation and amortization	(349,920)	(317,964)
Furniture, equipment and leasehold improvements, net	$ 236,309	$ 215,367

8. Deferred Sales Commissions, Net

The components of deferred sales commissions for the years ended December 31, 2005 and 2004 were as follows:

	December 31, 2005	December 31, 2004
	(in thousands)	
Gross carrying amount of deferred sales commissions	$ 692,148	$ 959,930
Less: Accumulated amortization	(421,620)	(554,970)
Cumulative CDSC received	(73,891)	(150,504)
Deferred sales commissions, net	$ 196,637	$ 254,456

Amortization expense was $132.0 million, $177.4 million, and $208.6 million for the years ended December 31, 2005, 2004, and 2003, respectively. Estimated future amortization expense related to the December 31, 2005 net asset balance is as follows (in thousands):

2006	$ 84,932
2007	52,415
2008	34,295
2009	18,801
2010	5,517
2011	677
	$ 196,637

9. Other Investments

Other investments consists of investments made primarily to seed limited partnership hedge funds that we sponsor and manage, and unconsolidated joint ventures. The components of other investments as of December 31, 2005 and 2004 were as follows:

	December 31, 2005	December 31, 2004
	(in thousands)	
Investments in sponsored partnerships and other investments	$ 77,856	$ 48,037
Investments in unconsolidated affiliates	8,513	13,313
Other investments	$ 86,369	$ 61,350

10. Debt

Total available credit, debt outstanding, and weighted average interest rates as of December 31, 2005 and 2004 were as follows:

	December 31, 2005			December 31, 2004		
	Credit Available	Debt Outstanding	Interest Rate	Credit Available	Debt Outstanding	Interest Rate
	(in millions)					
Senior notes	$ 600.0	$ 399.7	5.6%	$ 600.0	$ 399.2	5.6%
Commercial paper	425.0	—	—	425.0	—	—
Revolving credit facility	375.0	—	—	375.0	—	—
Extendible commercial notes	100.0	—	—	100.0	—	—
Other	n/a	7.6	4.6	n/a	8.3	4.0
Total	$ 1,500.0	$ 407.3	5.6%	$ 1,500.0	$ 407.5	5.6%

In August 2001, we issued $400 million of 5.625% Notes (“Senior Notes”) pursuant to a shelf registration statement under which we may issue up to $600 million in senior debt securities. The proceeds from the Senior Notes were used to reduce commercial paper and credit facility borrowings and for other general partnership purposes. The Senior Notes mature in August 2006 and are redeemable at any time. We intend to use cash flow from operations to retire the Senior Notes at maturity.

In September 2002, we entered into an $800 million five-year revolving credit facility with a group of commercial banks and other lenders. Of the $800 million total, $425 million is intended to provide back-up liquidity for our $425 million commercial paper program, with the balance available for general purposes. Under this revolving credit facility, the interest rate, at our option, is a floating rate generally based upon a defined prime rate, a rate related to the London Interbank Offered Rate (LIBOR) or the Federal Funds rate. The revolving credit facility contains covenants which, among other things, require us to meet certain financial ratios. We were in compliance with the covenants as of December 31, 2005. On February 17, 2006, we replaced the existing arrangement with a new $800 million five-year revolving credit facility with substantially the same terms.

As of December 31, 2005, we maintained a $100 million extendible commercial notes (“ECN”) program as a supplement to our $425 million commercial paper program. ECNs are short-term uncommitted debt instruments that do not require back-up liquidity support.

The fair value, based on market quotes, of the senior notes as of December 31, 2005 was $402.1 million, as compared with their carrying value of $399.7 million. The other notes, with a carrying value of $7.6 million, were issued in connection with a previous acquisition. Since these notes were part of a private transaction, their fair value is not practical to obtain.

11. Commitments and Contingencies

Operating Leases

We lease office space, furniture and office equipment under various operating leases. The future minimum payments under non-cancelable leases, sublease commitments, and payments, net of sublease commitments as of December 31, 2005 are as follows:

	Payments	Sublease	Net Payments
		(in millions)	
2006	$ 89.5	$ 3.2	$ 86.3
2007	87.7	3.1	84.6
2008	84.8	2.8	82.0
2009	77.6	2.1	75.5
2010	78.8	2.1	76.7
2011 and thereafter	592.7	15.4	577.3
Total future minimum payments	$ 1,011.1	$ 28.7	$ 982.4

Office leases contain escalation clauses that provide for the pass through of increases in operating expenses and real estate taxes. Rent expense, which is amortized on a straight-line basis over the life of the lease, was $76.0 million, $78.5 million, and $65.5 million, respectively, for the years ended December 31, 2005, 2004, and 2003, respectively, net of sublease income of $5.9 million, $5.3 million, and $3.9 million for the years ended December 31, 2005, 2004, and 2003, respectively.

Deferred Sales Commission Asset

Our mutual fund distribution system (“the “System”) includes a multi-class share structure that permits our open-end mutual funds to offer investors various options for the purchase of mutual fund shares, including both front-end load shares and back-end load shares. For front-end load shares of mutual funds we sponsor that are registered as investment companies (“U.S. Funds”) under the Investment Company Act of 1940, as amended (“Investment Company Act”), AllianceBernstein Investments, Inc., a wholly-owned subsidiary of AllianceBernstein (“AllianceBernstein Investments”), pays sales commissions to financial intermediaries distributing the funds from the front-end sales charge it receives from investors at the time of sale. For back-end load shares, AllianceBernstein Investments pays sales commissions to financial intermediaries at the time of sale and also receives higher ongoing distribution services fees from the mutual funds. In addition, investors who redeem back-end load shares before the expiration of the minimum holding period (which ranges from one year to four years) pay a CDSC to AllianceBernstein Investments.

Payments of sales commissions made by AllianceBernstein Investments to financial intermediaries in connection with the sale of back-end load shares under the System are capitalized as deferred sales commissions (“deferred sales commission asset”) and amortized over periods not exceeding five and one-half years, the periods of time during which the deferred sales commission asset is expected to be recovered. CDSC cash recoveries are recorded as reductions of unamortized deferred sales commissions when received. The amount recorded for the net deferred sales commission asset was $196.6 million and $254.5 million as of December 31, 2005 and 2004, respectively. Payments of sales commissions made by AllianceBernstein Investments to financial intermediaries in connection with the sale of back-end load shares under the System, net of CDSC received of $21.4 million, $32.9 million, and $37.5 million, respectively, totaled approximately $74.2 million, $44.6 million, and $94.9 million during 2005, 2004, and 2003, respectively.

Management tests the deferred sales commission asset for recoverability quarterly, or monthly when events or changes in circumstances occur that could significantly increase the risk of impairment of the asset. Significant assumptions utilized to estimate the company’s future average assets under management and undiscounted future cash flows from back-end load shares include expected future market levels and redemption rates. Market assumptions are selected using a long-term view of expected average market returns based on historical returns of

broad market indices. As of December 31, 2005, management used average market return assumptions of 5% for fixed income and 8% for equity to estimate annual market returns. Higher actual average market returns would increase undiscounted future cash flows, while lower actual average market returns would decrease undiscounted future cash flows. Future redemption rate assumptions of 22%, 25%, and 25% were determined by reference to actual redemption experience over the five-year, three-year, and one-year periods ended December 31, 2005, respectively, calculated as a percentage of the company’s average assets under management represented by back-end load shares. An increase in the actual rate of redemptions would decrease undiscounted future cash flows, while a decrease in the actual rate of redemptions would increase undiscounted future cash flows. These assumptions are reviewed and updated quarterly, or monthly when events or changes in circumstances occur that could significantly increase the risk of impairment of the asset. Estimates of undiscounted future cash flows and the remaining life of the deferred sales commission asset are made from these assumptions and the aggregate undiscounted future cash flows are compared to the recorded value of the deferred sales commission asset. Management considers the results of these analyses performed at various dates. As of December 31, 2005, management determined that the deferred sales commission asset was not impaired. If management determines in the future that the deferred sales commission asset is not recoverable, an impairment condition would exist and a loss would be measured as the amount by which the recorded amount of the asset exceeds its estimated fair value. Estimated fair value is determined using management’s best estimate of future cash flows discounted to a present value amount.

During 2005, equity markets increased by approximately 5% as measured by the change in the Standard & Poor’s 500 Stock Index and fixed income markets increased by approximately 2% as measured by the change in the Lehman Brothers’ Aggregate Bond Index. The redemption rate for domestic back-end load shares, adjusted for the closing of certain funds in conjunction with the company’s fund rationalization program, was approximately 25.3% in 2005. Declines in financial markets or higher redemption levels, or both, as compared to the assumptions used to estimate undiscounted future cash flows, as described above, could result in the impairment of the deferred sales commission asset. Due to the volatility of the capital markets and changes in redemption

rates, management is unable to predict whether or when a future impairment of the deferred sales commission asset might occur. Any impairment would reduce materially the recorded amount of the deferred sales commission asset with a corresponding charge to earnings.

Legal Proceedings

With respect to all significant litigation matters, we conduct a probability assessment of the likelihood of a negative outcome. If the likelihood of a negative outcome is probable, and the amount of the loss can be reasonably estimated, we record an estimated loss for the expected outcome of the litigation as required by SFAS No. 5 and FIN No. 14. If the likelihood of a negative outcome is reasonably possible and we are able to indicate an estimate of the possible loss or range of loss, we disclose that fact together with the estimate of the possible loss or range of loss. However, it is difficult to predict the outcome or estimate a possible loss or range of loss because litigation is subject to significant uncertainties, particularly when plaintiffs allege substantial or indeterminate damages, or when the litigation is highly complex or broad in scope.

On April 8, 2002, in *In re Enron Corporation Securities Litigation*, a consolidated complaint ("Enron Complaint") was filed in the United States District Court for the Southern District of Texas, Houston Division, against numerous defendants, including AllianceBernstein. The principal allegations of the Enron Complaint, as they pertain to AllianceBernstein, are that AllianceBernstein violated Sections 11 and 15 of the Securities Act of 1933, as amended ("Securities Act") with respect to a registration statement filed by Enron Corp. ("Enron") and effective with the U.S. Securities and Exchange Commission ("SEC") on July 18, 2001, which was used to sell $1.9 billion Enron Zero Coupon Convertible Notes due 2021. Plaintiffs allege that the registration statement was materially misleading and that Frank Savage, a director of Enron, signed the registration statement at issue. Plaintiffs further allege that AllianceBernstein was a controlling person of Frank Savage, who was at that time an employee of AllianceBernstein and a director of the General Partner. Plaintiffs therefore assert that

AllianceBernstein is itself liable for the allegedly misleading registration statement. Plaintiffs seek rescission or a rescissionary measure of damages. On June 3, 2002, AllianceBernstein moved to dismiss the Enron Complaint as the allegations therein pertain to it. On March 12, 2003, that motion was denied. A First Amended Consolidated Complaint ("Enron Amended Consolidated Complaint"), with substantially similar allegations as to AllianceBernstein, was filed on May 14, 2003. AllianceBernstein filed its answer on June 13, 2003. On May 28, 2003, plaintiffs filed an Amended Motion for Class Certification. On October 23, 2003, following the completion of class discovery, AllianceBernstein filed its opposition to class certification. That motion is pending. The case is currently in discovery.

We believe that plaintiffs' allegations in the Enron Amended Consolidated Complaint as to us are without merit and intend to vigorously defend against these allegations. At the present time, we are unable to predict the outcome or estimate a possible loss or range of loss in respect of this matter because of the inherent uncertainty regarding the outcome of complex litigation, the fact that plaintiffs did not specify an amount of damages sought in their complaint, and the fact that, to date, we have not engaged in settlement negotiations.

On September 12, 2002, a complaint entitled *Lawrence E. Jaffe Pension Plan, Lawrence E. Jaffe Trustee U/A 1198 v. Alliance Capital Management L.P., Alfred Harrison and Alliance Premier Growth Fund, Inc.* ("Jaffe Complaint") was filed in the United States District Court for the Southern District of New York against AllianceBernstein, Alfred Harrison (a former director) and the AllianceBernstein Premier Growth Fund (now known as the AllianceBernstein Large Cap Growth Fund, "Large Cap Growth Fund") alleging violation of the Investment Company Act. Plaintiff seeks damages equal to Large Cap Growth Fund's losses as a result of Large Cap Growth Fund's investment in shares of Enron and a recovery of all fees paid by Large Cap Growth Fund to AllianceBernstein beginning November 1, 2000. On March 24, 2003, the court granted AllianceBernstein's motion to transfer the Jaffe Complaint to the United States District Court for the District of New Jersey for coordination with the now dismissed *Benak v. Alliance Capital Management L.P. and Alliance Premier Growth Fund* action then pending. On December 5, 2003, plaintiff filed an amended complaint ("Amended Jaffe Complaint") in the United States District Court for the District of New Jersey alleging violations of Section 36(a) of the Investment Company Act, common law negligence, and negligent misrepresentation. Specifically, the Amended Jaffe Complaint alleges that: (i) the defendants breached their fiduciary duties of loyalty, care and good faith to Large Cap Growth Fund by causing Large Cap Growth Fund to invest in securities of Enron, (ii) the defendants were negligent for investing in securities of Enron, and (iii) through prospectuses and other documents defendants misrepresented material facts related to Large Cap Growth Fund's investment objective and policies. On January 23, 2004, defendants moved to dismiss the Amended Jaffe Complaint. On May 23, 2005, the court granted defendant's motion and dismissed the case on the ground that plaintiff failed to make a demand on the Large Cap Growth Fund's Board of Directors ("LCG Board") pursuant to Rule 23.1 of the Federal Rules of Civil Procedure. Plaintiff's time to file an appeal has expired. On June 15, 2005, plaintiff made a demand on the LCG Board, requesting that the LCG Board take action against AllianceBernstein for the reasons set forth in the Amended Jaffe Complaint. In December 2005, the LCG Board rejected plaintiff's demand.

AllianceBernstein, Large Cap Growth Fund, and Alfred Harrison believe that plaintiff's allegations in the Amended Jaffe Complaint are without merit and intend to vigorously defend against these allegations. At the present time, we are unable to predict the outcome or estimate a possible loss or range of loss in respect of this matter because of the inherent uncertainty regarding the outcome of complex litigation and the fact that, to date, we have not engaged in settlement negotiations.

On December 13, 2002, a putative class action complaint entitled *Patrick J. Goggins, et al. v. Alliance Capital Management L.P., et al.* ("Goggins Complaint") was filed in the United States District Court for the Southern District of New York against AllianceBernstein, Large Cap Growth Fund and individual directors and certain officers of Large Cap Growth Fund. On August 13, 2003, the court granted AllianceBernstein's motion to transfer the Goggins Complaint to the United States District Court for the District of New Jersey. On December 5, 2003, plaintiffs filed an amended complaint ("Amended Goggins Complaint") in the United States District Court for the District of New Jersey, which alleges that defendants violated Sections 11, 12(a)(2) and 15 of the Securities Act because Large Cap Growth Fund's registration statements and prospectuses contained

untrue statements of material fact and omitted material facts. More specifically, the Amended Goggins Complaint alleges that Large Cap Growth Fund's investment in Enron was inconsistent with the Large Cap Growth Fund's stated strategic objectives and investment strategies. Plaintiffs seek rescissionary relief or an unspecified amount of compensatory damages on behalf of a class of persons who purchased shares of Large Cap Growth Fund during the period October 31, 2000 through February 14, 2002. On January 23, 2004, AllianceBernstein moved to dismiss the Amended Goggins Complaint. On December 10, 2004, the court granted AllianceBernstein's motion and dismissed the case. On January 5, 2005, plaintiffs appealed the court's decision. On January 13,

2006, the U.S. Court of Appeals for the Third Circuit affirmed the dismissal. Plaintiffs' time to seek further review of the court's decision expires on April 13, 2006.

AllianceBernstein, Large Cap Growth Fund and the other defendants believe that plaintiffs' allegations in the Amended Goggins Complaint are without merit and intend to vigorously defend against these allegations. At the present time, we are unable to predict the outcome or estimate a possible loss or range of loss in respect of this matter because of the inherent uncertainty regarding the outcome of complex litigation, the fact that plaintiffs did not specify an amount of damages sought in their complaint, and the fact that, to date, we have not engaged in settlement negotiations.

On October 1, 2003, a class action complaint entitled *Erb, et al. v. Alliance Capital Management L.P.* ("Erb Complaint") was filed in the Circuit Court of St. Clair County, Illinois, against AllianceBernstein. The plaintiff, purportedly a shareholder in Large Cap Growth Fund, alleged that AllianceBernstein breached unidentified provisions of Large Cap Growth Fund's prospectus and subscription and confirmation agreements that allegedly required that every security bought for Large Cap Growth Fund's portfolio must be a "1-rated" stock, the highest rating that AllianceBernstein's research analysts could assign. Plaintiff alleges that AllianceBernstein impermissibly purchased shares of stocks that were not 1-rated. On June 24, 2004, plaintiff filed an amended complaint ("Amended Erb Complaint") in the Circuit Court of St. Clair County, Illinois. The Amended Erb Complaint allegations are substantially similar to those contained in the previous complaint, however, the Amended Erb Complaint adds a new plaintiff and seeks to allege claims on behalf of a purported class of persons or entities holding an interest in any portfolio managed by AllianceBernstein's Large Cap Growth Team. The Amended Erb Complaint alleges that AllianceBernstein breached its contracts with these persons or entities by impermissibly purchasing shares of stocks that were not 1-rated. Plaintiffs seek rescission of all purchases of any non-1-rated stocks AllianceBernstein made for Large Cap Growth Fund and other Large Cap Growth Team clients' portfolios over the past eight years, as well as an unspecified amount of damages. On July 13, 2004, AllianceBernstein removed the Erb action to the United States District Court for the Southern District of Illinois on the basis that plaintiffs' claims are preempted under the Securities Litigation Uniform Standards Act. On August 30, 2004, the District Court remanded the action to the Circuit Court. On September 15, 2004, AllianceBernstein filed a notice of appeal with respect to the District Court's order. On December 23, 2004, plaintiffs moved to dismiss AllianceBernstein's appeal. On September 2, 2005, AllianceBernstein's appeal was denied.

We believe that plaintiffs' allegations in the Amended Erb Complaint are without merit and intend to vigorously defend against these allegations. At the present time, we are unable to predict the outcome or estimate a possible loss or range of loss in respect of this matter because of the inherent uncertainty regarding the outcome of complex litigation and the fact that plaintiffs did not specify an amount of damages sought in their complaint.

Market Timing-related Matters

On October 2, 2003, a purported class action complaint entitled *Hindo, et al. v. AllianceBernstein Growth & Income Fund, et al.* ("Hindo Complaint") was filed against AllianceBernstein, Holding, the General Partner, AXA Financial, the U.S. Funds, the registrants and issuers of those funds, certain officers of AllianceBernstein ("Alliance defendants"), and certain unaffiliated defendants, as well as unnamed Doe defendants. The Hindo Complaint was filed in the United States District Court for the Southern District of New York by alleged shareholders of two of the U.S. Funds. The Hindo Complaint alleges that certain of the Alliance defendants failed to disclose that they improperly allowed certain hedge funds and

other unidentified parties to engage in "late trading" and "market timing" of U.S. Fund securities, violating Sections 11 and 15 of the Securities Act, Sections 10(b) and 20(a) of the Exchange Act, and Sections 206 and 215 of the Investment Advisers Act of 1940, as amended ("Advisers Act"). Plaintiffs seek an unspecified amount of compensatory damages and rescission of their contracts with AllianceBernstein, including recovery of all fees paid to AllianceBernstein pursuant to such contracts.

Since October 2, 2003, 43 additional lawsuits making factual allegations generally similar to those in the Hindo Complaint were filed in various federal and state courts against AllianceBernstein and certain other defendants, and others may be filed. The plaintiffs in such lawsuits have asserted a variety of theories for recovery including, but not limited to, violations of the Securities Act, the Exchange Act, the Advisers Act, the Investment Company Act, the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), certain state securities laws, and common law. All state court actions against AllianceBernstein either were voluntarily dismissed or removed to federal court.

On February 20, 2004, the Judicial Panel on Multidistrict Litigation ("MDL Panel") transferred all federal actions to the United States District Court for the District of Maryland ("Mutual Fund MDL"). All of the actions removed to federal court also were transferred to the Mutual Fund MDL. The plaintiffs in the removed actions have since moved for remand, and that motion is pending.

On September 29, 2004, plaintiffs filed consolidated amended complaints with respect to four claim types: mutual fund shareholder claims; mutual fund derivative claims; derivative claims brought on behalf of Holding; and claims brought under ERISA by participants in the Profit Sharing Plan for Employees of AllianceBernstein. All four complaints include substantially identical factual allegations, which appear to be based in large part on our agreement with the SEC ("SEC Order") dated December 18, 2003 (amended and restated January 15, 2004), and our final agreement with the New York State Attorney General ("NYAG AoD") dated September 1, 2004. The claims in the mutual fund derivative consolidated amended complaint are generally based on the theory that all fund advisory agreements, distribution agreements and 12b-1 plans between AllianceBernstein and the U.S. Funds should be invalidated, regardless of whether market timing occurred in each individual fund, because each was approved by fund trustees on the basis of materially misleading information with respect to the level of market timing permitted in funds managed by AllianceBernstein. The claims asserted in the other three consolidated amended complaints are similar to those that the respective plaintiffs asserted in their previous federal lawsuits. All of these lawsuits seek an unspecified amount of damages.

On February 10, 2004, we received (i) a subpoena duces tecum from the Office of the Attorney General of the State of West Virginia and (ii) a request for information from the Office of the State Auditor, Securities Commission, for the State of West Virginia ("WV Securities Commissioner") (subpoena and request together, the "Information Requests"). Both Information Requests required us to produce documents concerning, among other things, any market timing or late trading in our sponsored mutual funds. We responded to the Information Requests and have been cooperating fully with the investigation.

On April 11, 2005, a complaint entitled *The Attorney General of the State of West Virginia v. AIM Advisors, Inc., et al.* ("WVAG Complaint") was filed against AllianceBernstein, Holding, and various unaffiliated defendants. The WVAG Complaint was filed in the Circuit Court of Marshall County, West Virginia by the Attorney General of the State of West Virginia. The WVAG Complaint makes factual allegations generally similar to those in the Hindo Complaint. On May 31, 2005, defendants removed the WVAG Complaint to the United States District Court for the Northern District of West Virginia. On July 12, 2005, plaintiff moved to remand. On October 19, 2005, the WVAG Complaint was transferred to the Mutual Fund MDL.

On August 30, 2005, the WV Securities Commissioner signed a "Summary Order to Cease and Desist, and Notice of Right to Hearing" addressed to AllianceBernstein and Holding. The Summary Order claims that AllianceBernstein and Holding violated the West Virginia Uniform Securities Act and makes factual allegations generally similar to those in the SEC Order and NYAG AoD. On January 26, 2006, AllianceBernstein, Holding, and various unaffiliated defendants filed a Petition for Writ of Prohibition and Order Suspending Proceedings in West Virginia state court seeking to vacate the Summary Order and for other relief.

We intend to vigorously defend against the allegations in the WVAG Complaint. At the present time, we are unable to predict the outcome or estimate a possible loss or range of loss in respect of this matter because of the inherent uncertainty regarding the outcome of complex litigation, the fact that plaintiffs did not specify an amount of damages sought in their complaint, and the fact that, to date, we have not engaged in settlement negotiations.

We previously concluded that the likelihood of a negative outcome in the market timing-related matters (excluding the WVAG Complaint) is probable. As previously disclosed, AllianceBernstein recorded charges totaling $330 million during the second half of 2003, of which (i) $250 million was paid to the Restitution Fund (the $250 million was funded out of operating cash flow and paid to the SEC in January 2004), (ii) $30 million was used to settle a private civil mutual fund litigation unrelated to any regulatory agreements, and (iii) $50 million was reserved for estimated expenses related to our market-timing settlements with the SEC and the NYAG and our market timing-related liabilities (excluding WVAG Complaint-related expenses). AllianceBernstein paid $8 million during 2005 related to market timing and has cumulatively paid $310 million (excluding WVAG Complaint-related expenses). Including $10 million in charges taken in prior periods, we have reserves of approximately $30 million available for market timing-related liabilities in future periods.

We cannot determine at this time the eventual outcome, timing or impact of the market timing-related matters. Accordingly, it is possible that additional charges in the future may be required, the amount, timing, and impact of which we are unable to estimate at this time.

Revenue Sharing-related Matters

On June 22, 2004, a purported class action complaint entitled *Aucoin, et al. v. Alliance Capital Management L.P., et al*. ("Aucoin Complaint") was filed against AllianceBernstein, Holding, the General Partner, AXA Financial, AllianceBernstein Investments, certain current and former directors of the U.S. Funds, and unnamed Doe defendants. The Aucoin Complaint names the U.S. Funds as nominal defendants. The Aucoin Complaint was filed in the United States District Court for the Southern District of New York by an alleged shareholder of the AllianceBernstein Growth & Income Fund. The Aucoin Complaint alleges, among other things, (i) that certain of the defendants improperly authorized the payment of excessive commissions and other fees from U.S. Fund assets to broker-dealers in exchange for preferential marketing services, (ii) that certain of the defendants misrepresented and omitted from registration statements and other reports material facts concerning such payments, and (iii) that certain defendants caused such conduct as control persons of other defendants. The Aucoin Complaint asserts claims for violation of Sections 34(b), 36(b) and 48(a) of the Investment Company Act, Sections 206 and 215 of the Advisers Act, breach of common law fiduciary duties, and aiding and abetting breaches of common law fiduciary duties. Plaintiffs seek an unspecified amount of compensatory damages and punitive damages, rescission of their contracts with AllianceBernstein, including recovery of all fees paid to AllianceBernstein pursuant to such contracts, an accounting of all U.S. Fund-related fees, commissions and soft dollar payments, and restitution of all unlawfully or discriminatorily obtained fees and expenses.

Since June 22, 2004, nine additional lawsuits making factual allegations substantially similar to those in the Aucoin Complaint were filed against AllianceBernstein and certain other defendants. All nine of the lawsuits (i) were brought as class actions filed in the United States District Court for the Southern District of New York, (ii) assert claims substantially identical to the Aucoin Complaint, and (iii) are brought on behalf of shareholders of U.S. Funds.

On February 2, 2005, plaintiffs filed a consolidated amended class action complaint ("Aucoin Consolidated Amended Complaint") that asserts claims substantially similar to the Aucoin Complaint and the nine additional lawsuits referenced above. On October 19, 2005, the District Court dismissed each of the claims set forth in the Aucoin Consolidated Amended Complaint, except for plaintiff's claim under Section 36(b) of the Investment Company Act. On January 11, 2006, the District Court granted defendants' motion for reconsideration and dismissed the remaining Section 36(b) claim. Plaintiffs have moved for leave to amend their consolidated complaint.

We believe that plaintiff's allegations in the Aucoin Consolidated Amended Complaint are without merit

and intend to vigorously defend against these allegations. At the present time, we are unable to predict the outcome or estimate a possible loss or range of loss in respect of this matter because of the inherent uncertainty regarding the outcome of complex litigation, the fact that plaintiffs did not specify an amount of damages sought in their complaint, and the fact that, to date, we have not engaged in settlement negotiations.

We are involved in various other inquiries, administrative proceedings, and litigation, some of which allege substantial damages. While any proceeding or litigation has the element of uncertainty, we believe that the outcome of any one of the other lawsuits or claims that is pending or threatened, or all of them combined, will not have a material adverse effect on our results of operations or financial condition.

12. Net Capital

SCB LLC, a broker-dealer and member of the NYSE, is subject to Uniform Net Capital Rule 15c3-1 of the Exchange Act. SCB LLC computes its net capital under the alternative method permitted by the rule, which requires that minimum net capital, as defined, equal the greater of $1 million, or two percent of aggregate debit items arising from customer transactions, as defined, which as of December 31, 2005 amounted to $26.3 million. As of December 31, 2005, SCB LLC had net capital of $146.4 million, which was $120.1 million in excess of the minimum net capital requirement of $26.3 million. Advances, dividend payments and other equity withdrawals by SCB LLC are restricted by the regulations of the SEC, NYSE and other securities agencies. As of December 31, 2005, $65.7 million was not available for payment of cash dividends and advances.

SCBL is a member of the London Stock Exchange. As of December 31, 2005, SCBL was subject to financial resources requirements of $11.2 million imposed by the Financial Services Authority of the United Kingdom and had aggregate regulatory financial resources of $33.6 million, an excess of $22.4 million.

AllianceBernstein Investments serves as distributor and/or underwriter for certain company-sponsored mutual funds. AllianceBernstein Investments is registered as a broker-dealer under the Exchange Act and is subject to the minimum net capital requirements imposed by the SEC. AllianceBernstein Investments' net capital as of December 31, 2005 was $47.9 million, which was $38.2 million in excess of its required net capital of $9.7 million.

13. Counterparty Risk

Customer Activities

In the normal course of business, brokerage activities involve the execution, settlement and financing of various customer securities trades, which may expose SCB LLC and SCBL to off-balance sheet risk by requiring SCB LLC and SCBL to purchase or sell securities at prevailing market prices in the event the customer is unable to fulfill its contracted obligations.

SCB LLC's customer securities activities are transacted on either a cash or margin basis. In margin transactions, SCB LLC extends credit to the customer, subject to various regulatory and internal margin requirements. These transactions are collateralized by cash or securities in the customer's account. In connection with these activities, SCB LLC may execute and clear customer transactions involving the sale of securities not yet purchased. SCB LLC seeks to control the risks associated with margin transactions by requiring customers to maintain collateral in compliance with the aforementioned regulatory and internal guidelines. SCB LLC monitors required margin levels daily and, pursuant to such guidelines, requires the customers to deposit additional collateral, or reduce positions, when necessary. A majority of SCB LLC's customer margin accounts are managed on a discretionary basis whereby AllianceBernstein maintains control over the investment activity in the accounts. For these discretionary accounts, SCB LLC's margin deficiency exposure is minimized through maintaining a diversified portfolio of securities and by virtue of AllianceBernstein's discretionary authority and SCB LLC's role as custodian.

SCB LLC may enter into forward foreign currency contracts on behalf of accounts for which SCB LLC acts as custodian. SCB LLC minimizes credit risk associated with these contracts by monitoring these positions on a daily basis, as well as by virtue of AllianceBernstein's discretionary authority and SCB LLC's role as custodian.

In accordance with industry practice, SCB LLC and SCBL record customer transactions on a settlement date basis, which is generally three business days after trade date. SCB LLC and SCBL are exposed to risk of loss on these transactions in the event of the customer's or broker's inability to meet the terms of their contracts, in which case SCB LLC and SCBL may have to purchase or sell financial instruments at prevailing market prices. The risks assumed by SCB LLC and SCBL in connection with these transactions are not expected to have a material effect upon AllianceBernstein's, SCB LLC's or SCBL's financial condition or results of operations.

Other Counterparties

SCB LLC and SCBL are engaged in various brokerage activities in which counterparties primarily include broker-dealers, banks and other financial institutions. In the event counterparties do not fulfill their obligations, SCB LLC and SCBL may be exposed to risk. The risk of default depends on the creditworthiness of the counterparty or issuer of the instrument. It is SCB LLC's and SCBL's policy to review, as necessary, the credit standing of each counterparty.

In connection with SCB LLC's security borrowing and lending arrangements, which constitute the majority of the receivables from and payable to brokers and dealers, SCB LLC enters into collateralized agreements which may result in credit exposure in the event the counterparty to a transaction is unable to fulfill its contractual obligations. Security borrowing arrangements require SCB LLC to deposit cash collateral with the lender. With respect to security lending arrangements, SCB LLC receives collateral in the form of cash in amounts generally in excess of the market value of the securities loaned. SCB LLC minimizes credit risk associated with these activities by establishing credit limits for each broker and monitoring these limits on a daily basis. Additionally, security borrowing and lending collateral is marked to market on a daily basis and additional collateral is deposited by or returned to SCB LLC as necessary.

14. Employee Benefit Plans

We maintain a qualified profit sharing plan (the "Profit Sharing Plan") covering U.S. employees and certain foreign employees. Contributions are generally limited to the maximum amount deductible for federal income tax purposes. Aggregate contributions for 2005, 2004, and 2003 were $22.0 million, $21.1 million, and $13.8 million, respectively. We maintained a qualified 401(k) plan covering former employees of Bernstein until the plan was merged into the Profit Sharing Plan, effective January 1, 2004. Contributions were limited to the maximum amount deductible for federal income tax purposes. Aggregate contributions for 2003 were $4.9 million.

We maintain a qualified, noncontributory, defined benefit retirement plan covering current and former employees who were employed by the company in the United States prior to October 2, 2000. Benefits are based on years of credited service, average final base salary and primary Social Security benefits. Our policy is to satisfy our funding obligation for each year in an amount not less than the minimum required by ERISA and not greater than the maximum amount that can be deducted for federal income tax purposes.

The retirement plan's projected benefit obligation, fair value of plan assets, funded status and amounts recognized in the consolidated statements of financial condition were as follows:

	Years Ended December 31,	
	2005	2004
	(in thousands)	

Change in projected benefit obligation:		
Projected benefit obligation at beginning of year	$ 81,204	$ 73,594
Service cost	4,268	4,925
Interest cost	4,274	4,109
Actuarial gains	(3,685)	(67)
Benefits paid	(2,246)	(1,357)
Projected benefit obligation at end of year	83,815	81,204
Change in plan assets:		
Plan assets at fair value at beginning of year	40,665	37,328
Actual return on plan assets	5,487	3,245
Employer contribution	3,500	1,449
Benefits paid	(2,246)	(1,357)
Plan assets at fair value at end of year	47,406	40,665
Projected benefit obligation in excess of plan assets	(36,409)	(40,539)
Amounts not recognized:		
Unrecognized net loss from past experience different from that assumed and effects of changes and assumptions	13,728	20,176
Unrecognized prior service cost	307	248
Unrecognized net plan assets as of January 1, 1987 being recognized over 26.3 years	(1,048)	(1,191)
Accrued pension expense included in accrued compensation and benefits	$ (23,422)	$ (21,306)

The accumulated benefit obligation for the plan was $66.9 million and $59.3 million as of December 31, 2005 and 2004, respectively. We currently estimate we will contribute $3.0 million to the plan during 2006. Contribution estimates, which are subject to change, are based on regulatory requirements, future market conditions and assumptions used for actuarial computations of the plan's obligations and assets. Management, at the present time, is unable to determine the amount, if any, of additional future contributions that may be required.

Actuarial computations used to determine benefit obligations as of December 31, 2005 and 2004 (measurement dates) were made utilizing the following weighted-average assumptions:

	2005	2004
Discount rate on benefit obligations	5.65%	5.75%
Annual salary increases	5.14%	5.14%

The plan's asset allocation percentages consisted of:

	December 31,	
	2005	2004
Equity securities	80%	78%
Debt securities	19	20
Other	1	2
	100%	100%

The following benefit payments, which reflect expected future service, are expected to be paid as follows (in thousands):

2006	$ 2,417
2007	3,558
2008	1,884
2009	2,592
2010	3,646
2011-2015	23,645

Net expense under the retirement plan was comprised of:

	Years Ended December 31,		
	2005	2004	2003
		(in thousands)	
Service cost	$ 4,268	$ 4,925	$ 4,886
Interest cost on projected benefit obligations	4,274	4,109	3,814
Expected return on plan assets	(3,225)	(2,853)	(1,766)
Amortization of prior service (credit)	(59)	(59)	(59)
Amortization of transition (asset)	(143)	(143)	(143)
Recognized actuarial loss	501	438	527
Net pension charge	$ 5,616	$ 6,417	$ 7,259

Actuarial computations used to determine net periodic costs were made utilizing the following weighted-average assumptions:

	Years Ended December 31,		
	2005	2004	2003
Discount rate on benefit obligations	5.75%	6.25%	6.75%
Expected long-term rate of return on plan assets	8.00%	8.00%	8.00%

Annual salary increases	5.14%	5.14%	5.14%

In developing the expected long-term rate of return on plan assets of 8.0%, management considered the historical returns and future expectations for returns for each asset category, as well as the target asset allocation of the portfolio. The expected long-term rate of return on assets is based on weighted average expected returns for each asset class. Management has assumed a target allocation weighting of 70% to 80% for equity securities and 20% to 30% for debt securities. The plan's equity investment strategy seeks to outperform the Russell 1000 Growth Index by approximately 200 basis points per year before fees on a consistent basis and to outperform the S&P 500 by a similar margin over full market cycles. The plan's fixed income investment strategy is a defensive mixture invested in both U.S. Treasury Notes and corporate bonds in an effort to reduce interest rate risk.

Variances between actuarial assumptions and actual experience are amortized over the estimated average remaining service lives of employees participating in the retirement plan.

15. Deferred Compensation Plans

We maintain an unfunded, non-qualified deferred compensation plan known as the Capital Accumulation Plan and also have assumed obligations under contractual unfunded deferred compensation arrangements covering certain executives ("Contractual Arrangements"). The Capital Accumulation Plan was frozen on December 31, 1987 and no additional awards have been made. The Board may terminate the Capital Accumulation Plan at any time without cause, in which case our liability would be limited to benefits that have vested. Benefits owed to executives under the Contractual Arrangements vested on or before December 31, 1987.

Payment of vested benefits under both the Capital Accumulation Plan and the Contractual Arrangements will generally be made over a ten-year period commencing at retirement age. The general partner is obligated to make capital contributions to AllianceBernstein in amounts equal to benefits paid under the Capital Accumulation Plan and the Contractual Arrangements. Amounts included in employee compensation and benefits expense for the Capital Accumulation Plan and the Contractual Arrangements for the years ended December 31, 2005, 2004, and 2003 were $2.9 million, $3.3 million, and $2.3 million, respectively.

In connection with the acquisition of SCB, Inc. in 2000, we adopted an unfunded, non-qualified deferred compensation plan, known as the SCB Deferred Compensation Award Plan ("SCB Plan"), under which we agreed to invest $96 million per annum for three years to fund notional investments in Holding Units or a company-sponsored money market fund, to be awarded for the benefit of certain individuals who were stockholders or principals of Bernstein or who were hired to replace them. The awards vest ratably over three years and are amortized as employee compensation expense over the vesting period. Awards are payable to participants when fully vested, but participants may elect to defer receipt of vested awards to future dates. We made final awards under the SCB Plan, aggregating $8.6 million, in 2003. The amounts charged to employee compensation and benefits expense for the years ended December 31, 2005, 2004, and 2003 were $29.1 million, $61.3 million, and $85.1 million, respectively.

We maintain an unfunded, non-qualified deferred compensation plan known as the Amended and Restated Alliance Partners Compensation Plan (the "Partners Plan") under which awards may be granted to eligible employees.

- Awards made in 1995 vest ratably over three years; annual awards made from 1996 through 1998 generally vest ratably over eight years.
    - Until distributed, liability for the 1995 through 1998 awards increases or decreases based on our earnings growth rate through December 31, 2005.
    - Prior to January 1, 2006, payment of vested 1995 through 1998 benefits will generally be made in cash over a five-year period commencing at retirement or termination of employment although, under certain circumstances, partial lump sum payments may be made.
    - Effective January 1, 2006, participant accounts were notionally invested in Holding Units or a money market fund, or a combination of both, at the election of the participant, in lieu of being subject to the earnings-based calculation. The participant elects the distribution date, which could be no earlier than January 2007.
- Annual awards made for 1999 and 2000 are payable in Holding Units.
    - A subsidiary of AllianceBernstein purchases Holding Units to fund the related benefits.
    - The vesting periods for 1999 and 2000 awards range from immediate to eight years depending on the age of the participant.
- For 2001, participants were required to allocate at least 50% of their awards to notional investments in Holding Units and could allocate the remainder to notional investments in certain of our investment services.
- Beginning with 2002 awards, participants may elect to allocate their awards in a combination of notional investments in Holding Units and notional investments in certain of our investment services.
- Beginning with 2003 awards, participants may elect to allocate their awards in a combination of notional investments in Holding Units (up to 50%) and notional investments in certain of our investment services.

Beginning with 2001 awards, vesting periods for annual awards range from immediate to four years depending on the age of the participant. Upon vesting, awards are distributed to participants unless an election to defer receipt has been made. Quarterly cash distributions on unvested Holding Units for which a deferral election has not been made are paid currently to participants. Quarterly cash distributions on vested and unvested Holding

Units and income credited on cash or notional company-sponsored mutual funds awards for which a deferral election has been made are reinvested and distributed as elected by participants.

The Plan may be terminated at any time without cause, in which case our liability would be limited to vested benefits. We made awards in 2005, 2004, and 2003 aggregating $202.0 million, $181.8 million, and $138.0 million, respectively. The amounts charged to employee compensation and benefits expense for the years ended December 31, 2005, 2004, and 2003 were $133.1 million, $75.8 million, and $36.8 million, respectively.

We maintain an unfunded, non-qualified deferred compensation plan known as the Annual Elective Deferral Plan (the "Deferral Plan") under which participants could elect to defer a portion of their 2000 and 2001 annual bonus or commission and invest it in Holding Units. No deferral elections are permitted after 2001. We contributed a supplemental amount equal to 20% of the deferred amounts to the Deferral Plan, which vest ratably over three years and are amortized as employee compensation expense.

During 2003, we established the Alliance Commission Substitution Plan ("Commission Substitution"), an unfunded, non-qualified incentive plan. Employees whose principal duties are to sell or market the products or services of AllianceBernstein and whose compensation is entirely or mostly commission-based, are eligible for an award under this plan. Participants designate the percentage of their awards to be allocated to notional investments in Holding Units or notional investments in certain of our investment services. Awards vest ratably over a three year period and are amortized as employee compensation expense. We made awards totaling $31.8 million in 2005, $29.6 million in 2004, and $19.4 million in 2003. The amounts charged to employee compensation and benefits expense for the years ended December 31, 2005 and 2004 were $15.8 million and $6.3 million, respectively.

In accordance with the terms of the employment agreement between Mr. Sanders, Chairman and CEO, and AllianceBernstein, he is entitled to receive a deferred compensation award of not less that 1% of AllianceBernstein's consolidated operating income before incentive compensation for each calendar year during the employment term, beginning with 2004. Mr. Sanders must notionally invest his awards among certain of our investment services. The 2004 award of $12.0 million vests 40% in December 2005, 40% in December 2006, and 20% in June 2007. The 2005 award of $14.8 million vests 67% in December 2006 and 33% in June 2007. The 2006 award will 100% vest in June 2007, and subsequent awards will vest upon grant. In 2005, $4.8 million was charged to employee compensation and benefits expense.

Effective August 1, 2005, we established the Financial Advisor Wealth Accumulation Plan ("Wealth Accumulation Plan"), an unfunded, non-qualified deferred compensation plan. The Wealth Accumulation Plan was established in order to create a compensation program to attract and retain eligible employees expected to make significant contributions to the future growth and success of Bernstein Global Wealth Management, a unit of AllianceBernstein. Participants designate the percentage of their awards to be notionally invested in Holding Units or certain of our investment services. No more than 50% of the award may be notionally invested in Holding Units. All awards vest annually on a *pro rata* basis over the term of the award. We made awards totaling $14.1 million in 2005. The amount charged to employee compensation and benefits expense in 2005 was $0.5 million.

16. Compensatory Unit Award and Option Plans

In 1988, Holding established an employee unit option plan (the "Unit Option Plan"), under which options to acquire Holding Units were granted to certain key employees. Options were granted for terms of up to ten years and each option had an exercise price of not less than the fair market value of Holding Units on the date of grant. Options become exercisable at a rate of 20% of the Holding Units subject to such options on each of the first five anniversary dates of the date of grant. No options have been granted under the Unit Option Plan since it expired in 1999.

In 1993, Holding established the 1993 Unit Option Plan ("1993 Plan"), under which options to acquire Holding Units were granted to key employees and independent directors of the general partner for terms of up to ten years. Each option had an exercise price of not less than the fair market value of Holding Units on the date of grant. Options become exercisable at a rate of 20% of the Holding Units subject to such options on each of the

first five anniversary dates of the date of grant. The aggregate number of Holding Units that can be the subject of options granted under the 1993 Plan or that can be awarded under the Century Club Plan (as defined below) may not exceed 6,400,000 Holding Units. As of December 31, 2005, options to acquire 5,995,600 Holding Units, net of forfeitures, had been granted and 331,148 Holding Units were subject to other awards made under the 1993 Plan (see Century Club Plan below). The 1993 Plans expired during 2003. As a result, options to acquire 73,252 Holding Units ceased to be available for grant under the 1993 Plans.

In 1997, Holding established the 1997 Long-Term Incentive Plan ("1997 Plan"), under which options to acquire Holding Units, restricted Holding Units and phantom restricted Holding Units, performance awards, and other Holding Unit-based awards may be granted to key employees and independent directors of the general partner for terms established at the time of grant (generally ten years). Options generally become exercisable at a rate of 20% of the Holding Units subject to such options on each of the first five anniversary dates of the date of grant. The aggregate number of Holding Units that can be the subject of options granted or that can be awarded under the 1997 Plan may not exceed 41,000,000 Holding Units. As of December 31, 2005, options to acquire 10,860,204 Holding Units, net of forfeitures, had been granted and 165,110 Holding Units were subject to other awards made under the 1997 Plan (see Restricted Units and Century Club Plan below). Holding Unit-based awards (including options) in respect of 29,974,686 Holding Units were available for grant as of December 31, 2005.

During 2005, 2004, and 2003 options to acquire 17,604, 40,000, and 105,000 Holding Units, respectively, were granted to key employees and independent directors of the general partner, collectively, under the 1993 Plan and the 1997 Plan. The weighted average fair value of options to acquire Holding Units granted during 2005, 2004 and 2003 was $7.04, $8.00, and $5.96, respectively, on the date of grant, determined using the Black-Scholes option valuation model with the following assumptions:

	2005	2004	2003
Risk-free interest rate	3.7%	4.0%	3.0%
Expected cash distribution yield	6.2%	3.5%	6.1%
Volatility factor	31%	32%	32%
Weighted average expected life	3 years	5 years	5 years

The Black-Scholes option valuation model was developed to estimate the fair value of traded options that have no vesting restrictions and are fully transferable. In addition, option valuation models require the input of highly subjective assumptions including the expected price volatility of an Holding Unit. Because compensatory options have characteristics significantly different from those of traded options, and because changes in the subjective input assumptions can materially affect the fair value estimate, in management's opinion, the existing model does not necessarily provide a reliable measure of the fair value of compensatory options. **See Note 2** for the SFAS No. 123 pro forma net income amounts determined using the Black-Scholes option valuation model. **See Note 21** for discussion of the implementation of SFAS No. 123-R in 2006.

The following table summarizes the activity in options under the Unit Option Plan, the 1993 Plan, and the 1997 Plan:

	Holding Units	Weighted Average Exercise Price Per Holding Unit
Outstanding as of December 31, 2002	**16,441,400**	**$ 34.92**
Granted	105,000	$ 35.01
Exercised	(1,219,000)	$ 17.26
Forfeited	(1,534,300)	$ 43.27
Outstanding as of December 31, 2003	**13,793,100**	**$ 35.55**
Granted	40,000	$ 33.00
Exercised	(2,468,380)	$ 18.43
Forfeited	(1,795,300)	$ 46.96
Outstanding as of December 31, 2004	**9,569,420**	**$ 37.82**
Granted	17,604	$ 45.45
Exercised	(1,712,520)	$ 24.13
Forfeited	(424,300)	$ 47.10
Outstanding as of December 31, 2005	**7,450,204**	**$ 40.45**
Exercisable as of December 31, 2003	9,130,200	
Exercisable as of December 31, 2004	7,161,820	
Exercisable as of December 31, 2005	6,366,700	

The following table summarizes information concerning outstanding and exercisable options as of December 31, 2005:

	Options Outstanding			Options Exercisable	
Range of Exercise Prices:	Number Outstanding as of 12/31/05	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price	Number Exercisable as of 12/31/05	Weighted Average Exercise Price
$ 12.56 - $ 18.47	632,900	1.59	$ 16.28	632,900	$ 16.28
25.63 - 30.25	1,206,500	3.54	28.61	1,202,500	28.62
32.52 - 48.50	2,810,704	5.96	39.62	2,046,700	41.85
50.15 - 50.56	1,528,100	5.92	50.25	1,220,000	50.25
51.10 - 58.50	1,272,000	4.95	53.77	1,264,600	53.77
$ 12.56 - $ 58.50	7,450,204	5.02	$ 40.45	6,366,700	$ 40.79

Restricted Units

In 2005, we awarded 2,644 restricted Holding Units ("Restricted Units") to the independent directors of the general partner. The Restricted Units give the directors, in most instances, all the rights of other Unitholders subject to such restrictions on transfer as the Board of Directors may impose. The market value per Restricted Unit was $45.45 on the grant date. All Restricted Units vest in 2008. As of December 31, 2005, 1,983 Restricted Units, net of a distribution made due to vesting at retirement, were outstanding. The fair value of the Restricted Units is amortized to expense ratably over the restriction period. We recorded compensation expense of $48 thousand in 2005 related to Restricted Units.

Century Club Plan

In 1993, Holding established the Century Club Plan, under which employees whose primary responsibilities are to assist in the distribution of company-sponsored mutual funds and who meet certain sales targets are eligible to receive an award of Holding Units. Awards vest ratably over three years and are amortized as employee compensation expense. In 2005, awards totaling 33,800 Holding Units, with a market value on the date of award of $1.6 million, were granted under the Century Club Plan, and 4,493 previously awarded Holding Units were forfeited.

Awards under the Century Club Plan and those of Restricted Units reduce the number of options to acquire Holding Units available for grant under the 1997 Plan and forfeitures under the Century Club Plan and those of Restricted Units increase them.

17. Income Taxes

AllianceBernstein is a private partnership for federal income tax purposes and, accordingly, is not subject to federal and state corporate income taxes. However, AllianceBernstein is subject to a 4.0% New York City unincorporated business tax ("UBT"). Domestic corporate subsidiaries of AllianceBernstein, which are subject to federal, state and local income taxes, are generally included in the filing of a consolidated federal income tax return; separate state and local income tax returns are filed. Foreign corporate subsidiaries are generally subject to taxes in the foreign jurisdictions where they are located. Holding Income tax expense is comprised of:

	Years Ended December 31,		
	2005	2004	2003
	(in thousands)		
Partnership UBT	$ 16,365	$ 14,240	$ 16,508
Corporate subsidiaries:			
Federal	7,100	3,687	7,235
State and local	1,236	479	2,251
Foreign	35,676	18,572	7,186
Current tax expense	60,377	36,978	33,180
Deferred tax expense (benefit)—domestic	4,194	2,954	(4,500)
Income tax expense	$ 64,571	$ 39,932	$ 28,680

The principal reasons for the difference between the effective tax rates and the UBT statutory tax rate of 4% are as follows:

	Years Ended December 31,					
	2005		2004		2003	
	(in thousands)					
UBT statutory rate	$ 37,315	4.0%	$ 29,803	4.0%	$ 14,339	4.0%
Corporate subsidiaries' federal, state, local and foreign income taxes	37,114	3.9	20,648	2.8	15,417	4.3
Non-deductible items, primarily mutual fund matters settlement penalties in 2003	320	0.1	578	0.1	3,272	0.9
Other permanent items, primarily income not taxable resulting from use of UBT business apportionment factors	(10,178)	(1.1)	(11,097)	(1.5)	(4,348)	(1.2)
Income tax expense and effective tax rate	$ 64,571	6.9%	$ 39,932	5.4%	$ 28,680	8.0%

Under Statement of Financial Accounting Standards No. 109 ("SFAS No. 109"), "*Accounting for Income Taxes*", deferred income taxes reflect the net tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

The tax effect of significant items comprising the net deferred tax asset is as follows:

	December 31,	
	2005	2004
	(in thousands)	
Deferred tax asset:		
Differences between book and tax basis:		
Deferred compensation plans	$ 9,850	$ 9,151
Intangible assets	631	722
Charge for mutual fund matters and legal proceedings	4,900	4,919
Other, primarily revenues taxed upon receipt and accrued expenses deductible when paid	827	1,933
	16,208	16,725
Valuation allowance	(2,113)	(2,713)
Deferred tax asset, net of valuation allowance	14,095	14,012
Deferred tax liability:		
Differences between book and tax basis:		
Furniture, equipment and leasehold improvements	142	148
Investment partnerships	573	665
Intangible assets	10,288	7,833
Other, primarily undistributed earnings on certain foreign subsidiaries	1,920	682
	12,923	9,328
Net deferred tax asset	$ 1,172	$ 4,684

The decrease in the valuation allowance for the year ended December 31, 2005 was $0.6 million. The valuation allowance primarily relates to uncertainties on the deductibility of certain compensation items. The deferred tax asset, net of valuation allowance, is included in other assets. Management has determined that realization of the recognized deferred tax asset of $14.1 million is more likely than not based on anticipated future taxable income.

The company provides income taxes on the undistributed earnings of non-U.S. corporate subsidiaries except to the extent that such earnings are permanently invested outside the United States. As of December 31, 2005, $78.5 million of accumulated undistributed earnings of non-U.S. corporate subsidiaries were permanently

invested. At the existing federal income tax rate, additional taxes of approximately $3.2 million would have to be provided if such earnings were remitted.

On October 22, 2004, the American Jobs Creation Act of 2004 ("Act") was signed into law. The Act contains a one-time foreign dividend repatriation provision, which provides for a special deduction with respect to certain qualifying dividends from foreign subsidiaries until December 31, 2005. In

December 2005, our foreign subsidiaries distributed $42.7 million of previously unremitted earnings which qualified for the special deduction under the Act. The company incurred income taxes of less than $0.5 million as a result of these distributions.

18. Business Segment Information

We adopted Statement of Financial Accounting Standards No. 131 ("SFAS No. 131"), "*Disclosures about Segments of an Enterprise and Related Information*", in 1999. SFAS No. 131 establishes standards for the way a public enterprise reports information about operating segments in its annual and interim financial statements. It also establishes standards for related enterprise-wide disclosures about products and services, geographic areas and major customers. Generally, financial information is required to be reported consistent with the basis used by management to allocate resources and assess performance.

Management has assessed the requirements of SFAS No. 131 and determined that, because we utilize a consolidated approach to assess performance and allocate resources, we have only one operating segment. Enterprise-wide disclosures as of, and for the years ended, December 31, 2005, 2004, and 2003 were as follows:

Services

Total revenues derived from our investment management and research services were as follows:

	Years Ended December 31,		
	2005	2004	2003
	(in millions)		
Institutional investment	$ 905	$ 755	$ 644
Retail	1,193	1,294	1,307
Private client	691	627	494
Institutional research services	321	304	268
Other	141	75	52
Total	$ 3,251	$ 3,055	$ 2,765

Geographic Information

Total revenues and long-lived assets, related to our domestic and foreign operations, as of and for the years ended December 31, were:

	2005	2004	2003
		(in millions)	
Total revenues:			
United States	$ 2,395	$ 2,398	$ 2,260
International	856	657	505
Total	$ 3,251	$ 3,055	$ 2,765
Long-lived assets:			
United States	$ 3,597	$ 3,649	$ 3,815
International	18	24	22
Total	$ 3,615	$ 3,673	$ 3,837

Major Customers

Our mutual funds are distributed to individual investors through broker-dealers, insurance sales representatives, banks, registered investment advisers, financial planners and other financial intermediaries. AXA Advisors, LLC ("AXA Advisors"), a wholly-owned subsidiary of AXA Financial that uses members of the AXA Equitable insurance agency sales force as its registered representatives, has entered into a selected dealer agreement with AllianceBernstein Investments and has been responsible for 3%, 4%, and 3% of our open-end mutual fund sales in 2005, 2004, and 2003, respectively. Subsidiaries of Merrill Lynch & Co., Inc. ("Merrill Lynch") were responsible for approximately 5%, 6%, and 7% of our open-end mutual fund sales in 2005, 2004, and 2003, respectively. Citigroup, Inc. and its subsidiaries ("Citigroup"), was responsible for approximately 5%, 7%, and 9% of our open-end mutual fund sales in 2005, 2004, and 2003, respectively. AXA Advisors, Merrill Lynch and Citigroup are under no obligation to sell a specific amount of shares of our mutual funds, and each also sells shares of mutual funds that it sponsors and that are sponsored by unaffiliated organizations (in the case of Merrill Lynch and Citigroup).

AXA and the general and separate accounts of AXA Equitable (including investments by the separate accounts of AXA Equitable in the funding vehicle EQ Advisors Trust) accounted for approximately 5% of total revenues for each of the years ended December 31, 2005, 2004, and 2003. No single institutional client other than AXA and its subsidiaries accounted for more than 1% of total revenues for the years ended December 31, 2005, 2004, and 2003, respectively.

19. Related Party Transactions

Mutual Funds

Investment management, distribution, shareholder and administrative, and brokerage services are provided to individual investors by means of retail mutual funds sponsored by our company, our subsidiaries, and our affiliated joint venture companies. Substantially all of these services are provided under contracts that set forth the services to be provided and the fees to be charged. The contracts are subject to annual review and approval by each of the mutual funds' boards of directors or trustees and, in certain circumstances, by the mutual funds' shareholders. Revenues for services provided or related to the mutual funds are as follows:

	Years Ended December 31,

	2005	2004	2003
		(in thousands)	
Investment advisory and services fees	$ 729,313	$ 746,631	$ 748,151
Distribution revenues	397,800	447,283	436,037
Shareholder servicing fees	99,358	115,979	126,383
Other revenues	8,014	8,770	11,359
Institutional research services	2,417	4,183	4,360

AXA and its Subsidiaries

Investment management and administration services are provided to AXA and its subsidiaries. In addition, AXA and its subsidiaries distribute our mutual funds, for which they receive commissions and distribution payments. Sales of our mutual funds through AXA and its subsidiaries, excluding cash management products, aggregated approximately $0.5 billion, $0.4 billion, and $0.5 billion, for the years ended December 31, 2005, 2004, and 2003, respectively. Also, we are covered by various insurance policies maintained by AXA subsidiaries and we pay fees for other services and technology provided by AXA and its subsidiaries that are included in general and administrative expenses. Aggregate amounts included in the consolidated financial statements for transactions with AXA and its subsidiaries are as follows:

	Years Ended December 31,		
	2005	2004	2003
		(in thousands)	
Revenues:			
Investment advisory and services fees	$ 169,220	$ 156,600	$ 131,955
Other revenues	733	3,231	3,655
	$ 169,953	$ 159,831	$ 135,610
Expenses:			
Commissions and distribution payments to financial intermediaries	$ 5,500	$ 6,325	$ 6,011
General and administrative	7,523	9,759	6,115
	$ 13,023	$ 16,084	$ 12,126
Balance Sheet:			
Institutional investment fees receivable	$ 7,182	$ 6,532	$ 5,335
Other due from (to) AXA and its subsidiaries	1,362	(1,405)	440
	$ 8,544	$ 5,127	$ 5,775

During 2001, AllianceBernstein and AXA Asia Pacific Holdings Limited (“AXA Asia Pacific”) established two investment management companies and we include their financial results in our consolidated results of operations. Investment management fees earned by these companies were approximately $44.6 million, $33.3 million, and $25.0 million for the years ended December 31, 2005, 2004, and 2003, respectively, of which approximately $19.9 million, $17.6 million, and $14.0 million, respectively, were from AXA affiliates included in the table above. Minority interest recorded for these companies was $5.9 million, $3.7 million, and $2.4 million for the years ended December 31, 2005, 2004, and 2003, respectively.

Other Related Parties

The consolidated statements of financial condition include a net receivable from Holding and a net payable to our unconsolidated joint ventures as a result of cash transactions for fees and expense reimbursements. The net balances included in the consolidated statements of financial condition as of December 31, 2005, 2004, and 2003 are as follows:

	December 31,		
	2005	2004	2003
		(in thousands)	
Due from Holding, net	$ 7,197	$ 7,664	$ 6,706
Due to unconsolidated joint ventures, net	$ (2,678)	$ (1,287)	$ (520)

20. Dispositions

Cash Management Services

In June 2005, AllianceBernstein and Federated Investors, Inc. (“Federated”) completed a transaction pursuant to which Federated acquired our cash management services. In the transaction, $19.3 billion in assets under management from 22 of our third-party distributed money market funds were transitioned into Federated money market funds. There were no assets or liabilities recorded on the consolidated balance sheet that were transferred as part of this transaction.

The total sales price (much of which is contingent) is estimated to be approximately $95.0 million, which is composed of three parts: (1) an initial cash payment of $25.0 million that was received prior to June 30, 2005, (2) annual contingent purchase price payments payable over the next five years, which we estimate will total $60.0 million, and (3) a final contingent $10.0 million payment, which is based on comparing revenues generated by applicable assets during the fifth year following the closing of the transaction to the revenues generated by those assets prior to the closing of the transaction.

The annual contingent purchase price payments will be calculated as a percentage of revenues, less certain expenses, directly attributed to these assets and certain other assets of our former cash management clients transferred to Federated. Revenues will be recorded as earned. The contingent payments received from Federated in the five years following the closing of the transaction are expected to largely offset the loss of a profit contribution from managing the cash in money market fund customer accounts and, as a result, this transaction is not expected to have a material impact on future results of operations, cash flow or liquidity during that period.

During 2005, we recorded a $11.4 million net gain from this transaction in Other Revenues, Net in the consolidated statement of income. The gain consisted of the initial cash payment of $25.0 million received from Federated, offset by a gain contingency of $7.5 million and approximately $6.1 million of transaction expenses. In addition, $8.1 million of contingent payments were earned during 2005, which are also included in Other Revenues, Net in the consolidated statement of income. The gain contingency is a "clawback" provision that requires us to pay Federated up to $7.5 million if average daily transferred assets for the six-month period ended June 29, 2006 fall below a certain percentage of initial assets transferred at closing.

Indian Mutual Funds

In the third quarter of 2005, Alliance Capital Asset Management (India) Pvt. Ltd. ("ACAM India"), 75% owned by AllianceBernstein and 25% owned by a minority shareholder, whose principal activity is to act as an investment management advisor to AllianceBernstein sponsored mutual funds, transferred its rights to manage the mutual funds to Birla Sun Life. The transaction was subject to approval by the Securities Exchange Board of India, which was received in July 2005. There were no assets or liabilities recorded on the balance sheet that were transferred as part of this transaction.

During 2005, we recorded a gain of $11.7 million from this transaction in Other Revenues, Net in the consolidated statement of income. The transaction resulted in a net gain of $5.3 million after recording severance, incentive compensation, fixed asset writedowns, minority interest, and income tax expense.

South Africa

AllianceBernstein completed a transaction on December 31, 2005 pursuant to which Investec Asset Management (Proprietary) Ltd. ("Investec") acquired AllianceBernstein's interest in Alliance Capital Management (Proprietary) Ltd., the firm's South African domestic investment management subsidiary, including Alliance Capital Management (Proprietary) Namibia Ltd, its wholly-owned Namibian subsidiary (collectively, "ACM South Africa Group").

The proceeds of approximately $8.9 million consists of an initial cash payment of $7.4 million received in January 2006, for the entire issued share capital of ACM South Africa Group, and $1.5 million to be received

upon completion of an audit of ACM South Africa Group's net assets at closing. In addition, a performance fee price adjustment will be made based on the impact of the positive or negative performance on selected institutional accounts being shared *pro rata* between AllianceBernstein and Investec. The measurement date of the performance fee adjustment is March 31, 2006.

In the fourth quarter of 2005, we recorded a gain of $7.0 million in Other Revenues, Net in the consolidated statement of income, net of transaction charges and payments to former minority shareholders. Fixed assets were excluded in the transaction, and were acquired by AllianceBernstein Investment Research (Proprietary) Ltd., a new AllianceBernstein research company located in South Africa that will provide research in support of AllianceBernstein's global products.

This transaction is not expected to have a material impact on future results of operations, cash flow or liquidity.

21. Accounting Pronouncements

In December 2003, the FASB issued FASB Interpretation No. 46 (revised December 2003) ("FIN 46-R"), *"Consolidation of Variable Interest Entities"*, which addresses accounting and disclosure requirements for variable interest entities ("VIEs"). FIN 46-R defines a VIE as a corporation, partnership, limited liability company, trust, or any other legal structure used for business purposes that either (a) does not have equity investors with voting or similar rights sufficient to enable such investors to make decisions about an entity's activities or (b) has equity investors that do not provide sufficient financial resources to support the entities' activities without additional financial support from other parties. FIN 46-R requires a VIE to be consolidated by a company if the company is subject to, among other things, a majority of the risk or residual returns of the VIE. A company that consolidates a VIE is referred to as the *primary beneficiary* under FIN 46-R. In addition, FIN 46-R requires disclosure, but not consolidation, of those entities in which we are not the primary beneficiary but have a significant variable interest. The consolidation and disclosure provisions of FIN 46-R became effective for reporting periods ending after March 15, 2004.

Management has reviewed its investment management agreements and its investments in, and other financial arrangements with, certain entities that hold client assets under management to determine the entities that the company is required to consolidate under FIN 46-R. These include certain mutual fund products domiciled in Luxembourg, India, Japan, Singapore and Australia, hedge funds, structured products, group trusts and joint ventures.

As a result of this review, we consolidated an investment in a joint venture and its funds under management during 2004. As of December 31, 2004, we sold this investment and, accordingly, no longer consolidate this investment and its funds under management. During 2004, the consolidation had no material impact on results of operations or financial condition.

We derived no direct benefit from client assets under management of these entities other than investment management fees and cannot utilize those assets in our operations.

As of December 31, 2005, we have significant variable interests in certain other structured products and hedge funds with approximately $403.0 million in client assets under management. However, these VIEs do not require consolidation because management has determined that we are not the primary beneficiary. Our maximum exposure to loss in these entities is limited to our nominal investments in, and prospective investment management fees earned from, these entities.

In December 2003, the FASB issued Statement of Financial Accounting Standards No. 132 (revised 2003), ("SFAS No. 132-R"), *"Employers' Disclosures about Pensions and Other Postretirement Benefits"*. SFAS No. 132-R requires additional disclosures about assets, obligations, cash flows, and

net periodic benefit cost of defined benefit pension plans and other postretirement benefit plans. SFAS No. 132-R is effective for financial statements for fiscal years ending after December 15, 2003. The adoption of SFAS No. 132-R did not have a material effect on our results of operations, liquidity, or capital resources.

In December 2004, the FASB issued Statement of Financial Accounting Standards No. 123 (revised 2004), ("SFAS No. 123-R"), "*Share Based Payment*". SFAS No. 123-R which superceded APB No. 25 and its related implementation guidance, requires that compensation cost related to share-based payments be recognized in financial statements. Compensation cost should be measured based on the fair value of the equity or liability instruments issued. We have adopted SFAS No. 123-R on a prospective basis, effective January 1, 2006. As **discussed in Note 2**, in 2002 we adopted the fair value method of recording compensation cost on a prospective basis, and use a straight-line amortization policy, relating to compensatory option awards of Holding Units. Accordingly, pre-tax impact resulting from the application of SFAS No. 123-R will be less than $1.0 million in 2006.

In May 2005, FASB issued Statement of Financial Accounting Standards No. 154 ("SFAS No. 154"), "*Accounting Changes and Error Corrections*", which replaces APB Opinion No. 20, "*Accounting Changes*", and FASB Statement No. 3, "*Reporting Accounting Changes in Interim Financial Statements*", and changes the requirements for the accounting for and reporting of a change in accounting principle. SFAS No. 154 is effective for accounting changes and corrections of errors made in fiscal years beginning after December 15, 2005. Management does not believe the application of SFAS No. 154 will have a material effect on our future results of operations, liquidity, or capital resources.

22. Cash Distributions

AllianceBernstein is required to distribute all of its Available Cash Flow, as defined in the AllianceBernstein Partnership Agreement, to its unitholders and the General Partner. On January 25, 2006, the General Partner declared a distribution of $289.2 million, or $1.12 per AllianceBernstein Unit, representing a distribution from Available Cash Flow for the three months ended December 31, 2005. The distribution was paid on February 16, 2006 to holders of record as of February 6, 2006. **See Note 2.**

23. Quarterly Financial Data (Unaudited)

	Quarters Ended 2005			
	December 31	September 30	June 30	March 31
	(in thousands, except per unit amounts)			
Revenues	$ 920,814	$ 811,051	$ 768,570	$ 750,245
Net income	$ 289,886	$ 211,928	$ 197,997	$ 168,507
Basic net income per unit	$ 1.12	$ 0.82	$ 0.77	$ 0.66
Diluted net income per unit	$ 1.12	$ 0.82	$ 0.76	$ 0.65
Cash distributions per unit(1)	$ 1.12	$ 0.82	$ 0.76	$ 0.63

	Quarters Ended 2004			
	December 31	September 30	June 30	March 31
	(in thousands, except per unit amounts)			
Revenues	$ 832,533	$ 726,096	$ 744,497	$ 752,307
Net income	$ 228,205	$ 152,668	$ 155,823	$ 168,454
Basic net income per unit	$ 0.89	$ 0.60	$ 0.61	$ 0.66
Diluted net income per unit	$ 0.88	$ 0.59	$ 0.61	$ 0.66
Cash distributions per unit(1)	$ 0.90	$ 0.59	$ 0.61	$ 0.30

(1) Declared and paid during the following quarter.

Report of Independent Registered Public Accounting Firm

The General Partner and Unitholders
AllianceBernstein L.P.:

We have audited the accompanying consolidated statements of financial condition of AllianceBernstein L.P. and subsidiaries ("AllianceBernstein"), formerly Alliance Capital Management L.P., as of December 31, 2005 and 2004, and the related consolidated statements of income, changes in partners' capital and comprehensive income and cash flows for each of the years in the three-year period ended December 31, 2005. These consolidated financial statements are the responsibility of the management of the General Partner. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of AllianceBernstein as of December 31, 2005 and 2004, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2005, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the effectiveness of AllianceBernstein's internal control over financial reporting as of December 31, 2005, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated February 24, 2006 expressed an unqualified opinion on management's assessment of, and the effective operation of, internal control over financial reporting.

/s/ KPMG LLP

New York, New York
February 24, 2006

Report of Independent Registered Public Accounting Firm

The General Partner and Unitholders
AllianceBernstein L.P.:

We have audited management's assessment, included in the accompanying *Management's Report on Internal Controls Over Financial Reporting*, that AllianceBernstein L.P. and subsidiaries ("AllianceBernstein"), formerly Alliance Capital Management L.P., maintained effective internal control over financial reporting as of December 31, 2005, based on criteria established in *Internal Control-Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Management of the General Partner is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express an opinion on management's assessment and an opinion on the effectiveness of AllianceBernstein's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, evaluating management's assessment, testing and evaluating the design and operating effectiveness of internal control, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, management's assessment that AllianceBernstein maintained effective internal control over financial reporting as of December 31, 2005, is fairly stated, in all material respects, based on criteria established in *Internal Control-Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Also, in our opinion, AllianceBernstein maintained, in all material respects, effective internal control over financial reporting as of December 31, 2005, based on criteria established in *Internal Control-Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated statements of financial condition of AllianceBernstein and subsidiaries as of December 31, 2005 and 2004, and the related consolidated statements of income, changes in partners' capital and comprehensive income and cash flows for each of the years in the three-year period ended December 31, 2005 and our report dated February 24, 2006 expressed an unqualified opinion on those consolidated financial statements.

/s/ KPMG LLP

New York, New York
February 24, 2006

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Neither AllianceBernstein nor Holding had any changes in or disagreements with accountants in respect of accounting or financial disclosure.

Item 9A. Controls and Procedures

Disclosure Controls and Procedures

Each of Holding and AllianceBernstein maintains a system of disclosure controls and procedures that is designed to ensure information required to be disclosed is accumulated and communicated to management, including the Chief Executive Officer and the Chief Financial Officer, in a timely manner.

As of the end of the period covered by this report, management carried out an assessment, under the supervision and with the participation of the Chief Executive Officer and the Chief Financial Officer, of the effectiveness of the design and operation of disclosure controls and procedures. Based on this assessment, the Chief Executive Officer and the Chief Financial Officer concluded that the disclosure controls and procedures are effective.

Management's Report on Internal Control over Financial Reporting

Management acknowledges its responsibility for establishing and maintaining adequate internal control over financial reporting for each of Holding and AllianceBernstein.

Internal control over financial reporting is a process designed by, or under the supervision of, a company's principal executive officer and principal financial officers, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles ("GAAP") and includes those policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the company;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those internal control systems determined to be effective can provide only reasonable assurance with respect to the reliability of financial statement preparation and presentation. Because of these inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness of internal control to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of each of Holding's and AllianceBernstein's internal control over financial reporting as of December 31, 2005. In making its assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control-Integrated Framework* ("COSO criteria"). Management did not identify any material weakness in either Holding's or AllianceBernstein's internal control over financial reporting.

Based on its assessment, management believes that, as of December 31, 2005, each of Holding and AllianceBernstein maintained effective internal control over financial reporting based on the COSO criteria.

KPMG LLP, the registered public accounting firm that audited the financial statements included in this Form 10-K, has issued an attestation report on management's assessment of each of Holding's and AllianceBernstein's internal control over financial reporting. These reports can be found **in Item 8**.

Changes in Internal Control Over Financial Reporting

No change in our internal control over financial reporting occurred during the fourth quarter of 2005 that materially affected, or is reasonably likely to materially affect, our internal control over financial reporting. We believe that the documentation, testing, and remediation of internal controls that we undertook to make the assessment above has served generally to strengthen such internal control.

Item 9B. Other Information

Effective February 24, 2006, we changed the name of Alliance Capital Management L.P. to AllianceBernstein L.P., and also changed the names of Alliance Capital Management Holding L.P. and Alliance Capital Management Corporation to AllianceBernstein Holding L.P. and AllianceBernstein Corporation, respectively. Some of our subsidiaries underwent a similar change. We believe our new name better describes the character of our business and the shared mission, values, dedication to research and client focus of all of our employees, and is an affirmation of the success of the combination of Alliance Capital and Sanford Bernstein.

Holding Units currently trade under the ticker symbol "AC" but, beginning February 27, 2006, will trade under the ticker symbol "AB".

PART III

Item 10. Directors and Executive Officers of the Registrant

General Partner

The Partnerships' activities are managed and controlled by the General Partner; the Board of Directors of the General Partner ("Board") acts as the Board of the Partnerships. The General Partner has agreed that it will conduct no active business other than managing the Partnerships, although it may make certain investments for its own account. Neither AllianceBernstein Unitholders nor Holding Unitholders have any rights to manage or control the Partnerships, or to elect directors of the General Partner. The General Partner is an indirect, wholly-owned subsidiary of AXA Equitable.

The General Partner does not receive any compensation from AllianceBernstein or Holding for services rendered to them as their general partner. The General Partner holds a 1% general partnership interest in AllianceBernstein and 100,000 units of general partnership interest in Holding. Each unit of general partnership interest in Holding has economic interests equivalent to the economic interests of a Holding Unit. As of January 31, 2006, AXA Financial, AXA Equitable, ACMC Inc., ECMC, LLC, MONY Life Insurance Company, and MONY Life Insurance Company of America, each of which is an affiliate of the General Partner, together held 153,580,309 AllianceBernstein Units and 1,544,356 Holding Units (including the 100,000 general partnership units).

The General Partner is reimbursed by AllianceBernstein for all expenses it incurs in carrying out its activities as general partner of the Partnerships, including compensation paid by the General Partner to its directors and officers (to the extent such persons are not compensated directly as employees of AllianceBernstein) and the cost of directors and officers liability insurance obtained by the General Partner. In 2005, the General Partner was reimbursed only for directors and officers/errors and omissions liability insurance premiums.

Directors and Executive Officers

The directors and executive officers of the General Partner are as follows (officers of the General Partner may also serve as officers of AllianceBernstein and Holding):

Name	Age	Position
Lewis A. Sanders	59	Chairman of the Board and Chief Executive Officer
Dominique Carrel-Billiard	39	Director
Henri de Castries	51	Director
Christopher M. Condron	58	Director
Denis Duverne	52	Director
Roger Hertog	64	Vice Chairman
Weston M. Hicks	49	Director
W. Edwin Jarmain	67	Director
Gerald M. Lieberman	59	Director, President and Chief Operating Officer
Nicolas Moreau	40	Director
Lorie A. Slutsky	53	Director
A.W. (Pete) Smith	62	Director
Peter J. Tobin	61	Director
Stanley B. Tulin	56	Director
Lawrence H. Cohen	44	Executive Vice President
Laurence E. Cranch	59	Executive Vice President and General Counsel
Edward J. Farrell	45	Senior Vice President and Controller
Sharon E. Fay	45	Executive Vice President
Marilyn G. Fedak	59	Executive Vice President
Mark R. Gordon	52	Executive Vice President

Name	Age	Position
Thomas S. Hexner	49	Executive Vice President
Robert H. Joseph, Jr.	58	Senior Vice President and Chief Financial Officer
Mark R. Manley	43	Senior Vice President, Deputy General Counsel and Chief Compliance Officer
Seth J. Masters	46	Executive Vice President
Marc O. Mayer	48	Executive Vice President
Douglas J. Peebles	40	Executive Vice President
Jeffrey S. Phlegar	39	Executive Vice President
James G. Reilly	45	Executive Vice President
Paul C. Rissman	49	Executive Vice President
Lisa A. Shalett	42	Executive Vice President
David A. Steyn	46	Executive Vice President
Christopher M. Toub	46	Executive Vice President

Biographies

Mr. Sanders was elected Chairman of the Board of the General Partner effective January 1, 2005 and Chief Executive Officer of AllianceBernstein effective July 1, 2003. He had served as Director, Vice Chairman and Chief Investment Officer since the Bernstein Transaction. Prior thereto, Mr. Sanders was Chairman and Chief Executive Officer of Bernstein, which he joined in 1968 as a research analyst. Mr. Sanders is the Chairman and Chief Executive Officer of SCB Inc.

Mr. Carrel-Billiard was elected a Director of the General Partner in July 2004. He is Senior Vice President-Business Support and Development of AXA in charge of AXA Financial, asset management activities, and reinsurance activities. He joined the AXA Group on June 1, 2004. Prior to joining AXA, Mr. Carrel-Billiard was a Partner of McKinsey and Company where he specialized in the financial services industry, working on a broad array of assignments related to insurance, asset gathering and management, and corporate and investment banking.

Mr. de Castries was elected a Director of the General Partner in October 1993. Since May 3, 2000, he has been Chairman of the Management Board of AXA. Prior thereto, he served AXA in various capacities, including Vice Chairman of the Management Board; Senior Executive Vice President-Financial Services and Life Insurance Activities in the United States, Germany, the United Kingdom and Benelux from 1996 to 2000; Executive Vice President-Financial Services and Life Insurance Activities from 1993 to 1996; General Secretary from 1991 to 1993; and Central Director of Finances from 1989 to 1991. He is also a director or officer of AXA Financial, AXA Equitable, and various other subsidiaries and affiliates of the AXA Group. Mr. de Castries was elected Vice Chairman of AXA Financial on February 14, 1996 and was elected Chairman of AXA Financial, effective April 1, 1998.

Mr. Condron was elected a Director of the General Partner in May 2001. He has been Director, President and Chief Executive Officer of AXA Financial since May 2001. He is Chairman of the Board and Chief Executive Officer of AXA Equitable and a member of the AXA Group Management Board. In addition, Mr. Condron is Chairman of the Board, President and Chief Executive Officer of MONY Life Insurance Company, which AXA Financial acquired in July 2004. Prior to joining AXA Financial, Mr. Condron served as both President and Chief Operating Officer of Mellon Financial Corporation ("Mellon"), from 1999, and as Chairman and Chief Executive Officer of The Dreyfus Corporation, a subsidiary of Mellon, from 1995.

Mr. Duverne was elected a Director of the General Partner in February 1996. He has been Chief Financial Officer of AXA since May 2003 and, from January 2000 to May 2003, served as Group Executive Vice President-Finance, Control and Strategy. Mr. Duverne joined AXA as Senior Vice President in 1995. He is a Director of AXA Financial, AXA Equitable and various other subsidiaries and affiliates of the AXA Group.

Mr. Hertog was elected Director and Vice Chairman of the General Partner in October 2000. Prior thereto, he was President and Chief Operating Officer of Bernstein, which he joined as a research analyst in 1968. Mr. Hertog is a Director and the President and Chief Operating Officer of SCB Inc.

Mr. Hicks was elected a Director of the General Partner in July 2005. He has been a Director and the President and Chief Executive Officer of Alleghany Corporation ("Alleghany"), an insurance and diversified financial services company since December 2004 and was Executive Vice President of Alleghany from October 2002 until December 2004. From March 2001 through October 2002, Mr. Hicks was Executive Vice President and Chief Financial Officer of The Chubb Corporation and from March 1999 through March 2001, he was a Managing Director of J.P. Morgan Securities.

Mr. Jarmain was elected a Director of the General Partner in May 2000. He has been President of Jarmain Group Inc., a private investment holding company, since 1979. Mr. Jarmain has been a Director of AXA Financial and AXA Equitable since July 1992 and is, or has been, a director of several other companies affiliated with AXA Equitable.

Mr. Lieberman became a Director of the General Partner and the Chief Operating Officer of AllianceBernstein in November 2003 and was elected President of AllianceBernstein in November 2004, when . he was also elected a member of AXA's Executive Committee. Mr. Lieberman joined AllianceBernstein in October 2000 and served as Executive Vice President - Finance and Operations of AllianceBernstein from November 2000 to November 2003. Prior to the Bernstein Transaction, Mr. Lieberman served as a Senior Vice President, Finance and Administration of Bernstein, which he joined in 1998, and was a member of Bernstein's Board of Directors. Mr. Lieberman is a Director of SCB Inc.

Mr. Moreau was elected a Director of the General Partner in May 2004. He has been Chief Executive Officer of AXA Investment Managers since April 2002, and, since January 2001, has been Chairman of AXA Investment Managers Private Equity and Vice Chairman of AXA Rosenberg. He joined AXA in 1991 as a Vice President in the Treasury Department, and in 1994 became the Head of the Corporate Finance and Treasury Department of the AXA Group. In 1997, he joined AXA Investment Managers and in January 1999, following the acquisition by AXA Investment Managers of a majority interest in the Rosenberg Group, Mr. Moreau became Chief Executive Officer of AXA Rosenberg Group LLC. In March 2000, Mr. Moreau became Chief Operating Officer and Managing Director of AXA Investment Managers. AXA Investment Managers, AXA Investment Managers Private Equity, and AXA Rosenberg Group LLC are subsidiaries of AXA.

Ms. Slutsky was elected a Director of the General Partner in July 2002. She has been President and Chief Executive Officer of The New York Community Trust, a $2 billion community foundation consisting of more than 1,800 charitable funds, since January 1990.

Mr. Smith was elected a Director of the General Partner in July 2005 He was President and Chief Executive Officer of the Private Sector Council, a non-profit public service organization dedicated to improving the efficiency, management and productivity of the federal government, from September 2000 until his retirement in May 2005. He is President of Smith Consulting.

Mr. Tobin was elected a Director of the General Partner in May 2000. From September 2003 to June 2005, he was Special Assistant to the President of St. John's University. Prior thereto, Mr. Tobin served as Dean of the Tobin College of Business of St. John's University from August 1998 to September 2003. As Dean, Mr. Tobin was the chief executive and academic leader of the College of Business. Mr. Tobin was Chief Financial Officer at The Chase Manhattan Corporation from 1996 to 1997. Prior thereto, he was Chief Financial Officer of Chemical Bank (which merged with Chase in 1996) from 1991 to 1996 and Chief Financial Officer of Manufacturers Hanover Trust (which merged with Chemical in 1991) from 1985 to 1991. Mr. Tobin is on the Boards of Directors of The H.W. Wilson Co. and CIT Group Inc. He has been a Director of AXA Financial since March 1999.

Mr. Tulin was elected a Director of the General Partner in July 1997. He is Vice Chairman and Chief Financial Officer of AXA Financial and Director, Vice Chairman and Chief Financial Officer of AXA Equitable. Since December 2000, he has also been Executive Vice President of AXA and a member of its Executive Committee.

Mr. Cohen has been Executive Vice President and Chief Technology Officer since joining AllianceBernstein in 2004. In this role, he is responsible for technology strategy, application development, and infrastructure

services throughout AllianceBernstein. Prior to joining AllianceBernstein, Mr. Cohen held executive IT positions at UBS, Goldman Sachs, Morgan Stanley and Fidelity Investments.

Mr. Cranch has been Executive Vice President and General Counsel since joining AllianceBernstein in 2004. Prior to joining AllianceBernstein, Mr. Cranch was a partner of Clifford Chance, an international law firm. Mr. Cranch joined Clifford Chance in 2000 when Rogers & Wells, a New York law firm of which he was Managing Partner, merged with Clifford Chance.

Mr. Farrell has been Senior Vice President and Controller since joining AllianceBernstein in 2003. He also serves as the Chief Financial Officer of SCB LLC. From 1994 through 2003, Mr. Farrell worked at Nomura Securities International, where he was a Managing Director and a member of the senior management committee. He also held various financial positions including Controller and Chief Financial Officer.

Ms. Fay joined Bernstein in 1990 as a research analyst in investment management, following the airlines, lodging, trucking, and retail industries, and has been Executive Vice President and Chief Investment Officer-Global Value Equities of AllianceBernstein since 2003, overseeing all portfolio management and research activities relating to cross-border and non-U.S. value investment portfolios and chairing the Global Value Investment Policy Group. Until January 2006, Ms. Fay was Co-Chief Investment Officer-European and U.K. Value Equities, a position she assumed with Bernstein in 1999. Between 1997 and 1999, she was Chief Investment Officer-Canadian Value Equities with Bernstein. Prior to that, she had been a senior portfolio manager of International Value Equities since 1995.

Ms. Fedak joined Bernstein in 1984 as a senior portfolio manager. An Executive Vice President of AllianceBernstein since 2000, she is Head of Global Value Equities and Chair of the U.S. Large Cap Value Equity Investment Policy Group. From 1993-2000, Ms. Fedak was Chief Investment Officer for U.S. Value Equities; in 2003, she named John Mahedy, a Senior Vice President of AllianceBernstein, her Co-CIO. Ms. Fedak is also a Director of SCB Inc.

Mr. Gordon joined Bernstein in 1983 and is presently Director of Global Quantitative Research of AllianceBernstein and Chief Investment Officer for the Global Diversified Funds. He was elected an Executive Vice President of AllianceBernstein in February 2004. Mr. Gordon previously served as Bernstein's Head of Risk Management, Director of Product Development and Director of Quantitative Research.

Mr. Hexner joined Bernstein in 1986 as a financial advisor and has been an Executive Vice President of AllianceBernstein and the Head of Bernstein Global Wealth Management, overseeing the firm's Private Client Services, since 2000. From 1996 to 2000, Mr. Hexner headed the private client business of Bernstein. From 1989 to 1996, he was Managing Director responsible for Bernstein's West Coast investment management clients. Mr. Hexner was appointed National Director of Investment Planning in 1988. Mr. Hexner is a Director of SCB Inc.

Mr. Joseph joined AllianceBernstein in 1984 and held various financial positions until his election as Senior Vice President and Chief Financial Officer in 1994. Before joining AllianceBernstein, Mr. Joseph was a Senior Audit Manager with Price Waterhouse for thirteen years.

Mr. Manley joined AllianceBernstein in 1984 and currently serves as Senior Vice President, Deputy General Counsel and Chief Compliance Officer. Mr. Manley served as Acting General Counsel from July 2003 through July 2004 and has served as the company's Chief Compliance Officer since 1988. From February 1998 through June 2003, Mr. Manley was Senior Vice President and Assistant General Counsel. From February 1992 through February 1998, he was Vice President and Counsel.

Mr. Masters joined Bernstein in 1991 as a research analyst covering banks, insurance companies, and other financial firms and has been Executive Vice President and Chief Investment Officer for style blend and core equity services since 2002. Between 1994 and 2002, Mr. Masters was Chief Investment Officer for Emerging Markets Value Equities. He was elected a Senior Vice President of AllianceBernstein in 2000.

Mr. Mayer joined Bernstein in 1989 as a research analyst and research director in the institutional research services group and has been an Executive Vice President of AllianceBernstein since 2000. He was elected Executive Managing Director of AllianceBernstein Investments in November 2003; he was Head of AllianceBernstein

Institutional Investments from 2001 until that time. Prior to 2001, Mr. Mayer was Head of SCB LLC. Mr. Mayer is a Director of SCB Inc.

Mr. Peebles joined AllianceBernstein in 1987 and has been an Executive Vice President of AllianceBernstein and Co-Chief Investment Officer of AllianceBernstein Fixed Income since 2004. He is also Director of Global Fixed Income, with investment responsibility for the institutional and retail global fixed income portfolios managed by AllianceBernstein and oversight responsibility for all global and non-U.S. regional fixed income teams. Mr. Peebles served as a Senior Vice President in Global Fixed Income from February 1998 until April 2004.

Mr. Phlegar joined AllianceBernstein in 1993 and has been an Executive Vice President of AllianceBernstein and Co-Chief Investment Officer of AllianceBernstein Fixed Income since 2004. He served as a Senior Vice President in U.S. Investment Grade Fixed Income from February 1998 until May 2004. Prior to joining AllianceBernstein, Mr. Phlegar managed high grade securities for regulated insurance entities at Equitable Capital Management Corporation, which AllianceBernstein acquired in 1993.

Mr. Reilly joined AllianceBernstein in 1985 as a Vice President and quantitative and fundamental research analyst covering airlines and railroads. He has been an Executive Vice President since 1999 and a portfolio manager with AllianceBernstein's large cap growth team since 1988. Mr. Reilly was a Senior Vice President of AllianceBernstein from 1993 until 1999.

Mr. Rissman joined AllianceBernstein in 1989 as a quantitative analyst and has been an Executive Vice President and Director of Research—Global Growth Equities since 2000. Mr. Rissman led the Relative Value investment team from 1995 to June 2004 and, in May 2004, he assumed supervisory responsibility for all Growth Equity Services.

Ms. Shalett joined Bernstein in 1995 and has been an Executive Vice President of AllianceBernstein since November 2002 and Chair and Chief Executive Officer of SCB LLC since October 2002. Previously, Ms. Shalett served as Director of Global Research for U.S. and European companies and as senior research analyst covering capital goods and diversified industrials.

Mr. Steyn joined Bernstein in 1999, having been the founding co-CEO of Bernstein's London office, and has been an Executive Vice President of AllianceBernstein and Head of AllianceBernstein Institutional Investments since November 2003. Mr. Steyn was elected a Senior Vice President of AllianceBernstein in 2000.

Mr. Toub joined AllianceBernstein in 1992 as a portfolio manager with the disciplined growth group. He has been an Executive Vice President of AllianceBernstein since 1999 and Head of Global/International Growth Equities since 1998. Mr. Toub became Chief Executive Officer of AllianceBernstein Limited, a London-based wholly-owned subsidiary of AllianceBernstein, in April 2005. He served as Director of Global Growth Equity Research from 1998 through 2000.

Board of Directors

All directors of the General Partner are elected by annual written consent of the sole stockholder of the General Partner and hold office until the next annual written consent of the sole stockholder or until their successors are duly elected and qualified in accordance with Article III of the By-Laws of the General Partner. All officers of AllianceBernstein serve at the discretion of the Board. Certain executive officers of AllianceBernstein are also directors or trustees and officers of the AllianceBernstein Funds and are directors and officers of our subsidiaries and affiliates.

The Board holds regularly-scheduled quarterly meetings, generally in February, May, July, and November of each year, and holds special meetings or takes action by unanimous written consent as events warrant.

The General Partner pays directors who the Board determines to be independent (as such term is defined in Section 303A.02 of the NYSE Listed Company Manual) and other directors who are not employed by AllianceBernstein or by any of its affiliates:

- an annual retainer of $40,000;
- a fee of $1,500 for participating in a meeting of the Board, the Executive Committee of the Board ("Executive Committee"), the Audit Committee of the Board ("Audit Committee"), the Corporate Governance Committee of the Board ("Governance Committee"), the Compensation Committee of the Board ("Compensation Committee"), or other duly constituted committee of the Board, whether he or she participates in person or by telephone;
- an annual retainer of $15,000 for acting as Chair of the Audit Committee;
- an annual retainer of $7,500 for acting as Chair of the Governance Committee; and
- an annual equity-based grant under our 1997 Long Term Incentive Plan consisting of:
    - an option to purchase Holding Units with the number of Holding Units set so that the option has a value of $30,000 calculated using the Black-Scholes method, and
    - restricted Holding Units having a value of $30,000 based on the closing price of Holding Units on the NYSE as of a grant date.

On May 19, 2005, 661 restricted Holding Units and options to purchase 4,401 Holding Units at $45.45 per Unit were granted to Mr. Jarmain, Ms. Slutsky, and Mr. Tobin. Such compensation was also granted to Benjamin D. Holloway, who resigned from the Board in July 2005.

Other directors (including any director who is employed by one of the Partnerships or one of their affiliates) are not entitled to any compensation from the General Partner for their services as directors.

The General Partner may reimburse any director for reasonable expenses incurred in participating in Board meetings. Holding and AllianceBernstein, in turn, reimburse the General Partner for expenses incurred by the General Partner on their behalf, including amounts in respect of directors' fees and expenses. These reimbursements are subject to any relevant provisions of the Holding Partnership Agreement and AllianceBernstein Partnership Agreement.

Committees of the Board

The Executive Committee of the Board ("Executive Committee") is composed of Messrs. Condron, Duverne, Lieberman, Sanders (Chair), and Tobin, and Ms. Slutsky. The Executive Committee exercises all of the powers and authority of the Board (with limited exceptions) when the Board is not in session, or when it is impractical to assemble the Board. The Executive Committee held five meetings in 2005.

The Audit Committee of the Board ("Audit Committee") is composed of Messrs. Hicks, Jarmain, Smith, and Tobin (Chair). The primary purposes of the Audit Committee are to: (i) assist the Board in its oversight of (1) the integrity of the financial statements of the Partnerships, (2) the Partnerships' status and system of compliance with legal and regulatory requirements and business conduct, (3) the independent auditor's qualification and independence, and (4) the performance of the Partnerships' internal audit function; and (ii) oversee the appointment, retention, compensation, evaluation and termination of the Partnerships' independent auditor. Consistent with this function, the Audit Committee encourages continuous improvement of, and fosters adherence to, the Partnerships' policies, procedures and practices at all levels. With respect to these matters, the Audit Committee provides an open avenue of communication among the independent auditor, senior management, the Internal Audit Department, and the Board. The Audit Committee held 11 meetings in 2005.

The Corporate Governance Committee of the Board ("Governance Committee") is composed of Mr. Condron, Mr. Sanders, and Ms. Slutsky (Chair). The Governance Committee assists the Board in (i) identifying and evaluating qualified individuals to become Board members; (ii) determining the composition of the Board and its committees; (iii) developing and monitoring a process to assess Board effectiveness; (iv) developing and implementing our corporate governance guidelines; and (v) reviewing our policies and programs that relate to matters of corporate responsibility of the General Partner and the Partnerships. The Governance Committee held two meetings in 2005.

The Compensation Committee of the Board ("Compensation Committee") is composed of Messrs. Condron (Chair), Sanders, and Smith, and Ms. Slutsky. The Compensation Committee has general oversight of compensation and compensation-related matters, including, but not limited to: (i) determining bonuses; (ii) determining contributions and awards under employee incentive plans or arrangements (whether qualified or nonqualified) for employees of AllianceBernstein and its subsidiaries, and amending or terminating such plans or arrangements or any welfare benefit plan or arrangement or making recommendations to the Board with respect to adopting any new incentive compensation plan, fringe benefit plan, welfare benefit plan or equity-based plan; and (iii) reviewing and approving corporate goals and objectives relevant to the compensation of Mr. Sanders (the Chief Executive Officer), evaluating his performance in light of those goals and objectives, and determining and approving his compensation level based on this evaluation (Mr. Sanders recuses himself from voting on his compensation). Historically, the Compensation Committee has focused on the cash bonus and deferred

awards granted to management; Mr. Sanders has therefore played a key role in the activities undertaken by this committee. Mr. Sanders's annual compensation is determined pursuant to his employment agreement (**see Item 13**), which was approved by the Compensation Committee on December 21, 2004. The Compensation Committee held two meetings in 2005.

The Board has other committees as well. The 1997 Option Committee, consisting of Mr. Condron and Ms. Slutsky, is responsible for granting options under our 1997 Long Term Incentive Plan. The Unit Option and Unit Bonus Committee, consisting of Mr. Condron and Ms. Slutsky, is responsible for granting awards under our Unit Bonus Plan. The Compensation Committee, Unit Option and Unit Bonus Committee, and 1997 Option Committee consult with Messrs. Sanders and Lieberman with respect to matters within their authority. The Century Club Plan Committee, consisting of Messrs. Lieberman and Mayer, is responsible for granting awards under our Century Club Plan. For additional information concerning the compensation plans discussed in this paragraph, **see Notes 15 and 16 in AllianceBernstein's consolidated financial statements in Item 8**.

In 2003, the Board appointed a Special Committee, now consisting of Mr. Jarmain, Ms. Slutsky, and Mr. Tobin (Chair), to oversee a number of matters relating to regulatory investigations by the NYAG, the SEC and other regulators. In part, the Special Committee is responsible to direct and oversee AllianceBernstein's internal investigation into these matters, to work with the regulators to resolve these matters, to oversee a broad review of compliance activities and to oversee the handling of related unitholder derivative suits. The members of the Special Committee do not receive any additional compensation for their service on the Special Committee, apart from the ordinary meeting fees described above. The Special Committee did not meet during 2005.

Audit Committee Financial Expert; Independence of Certain Directors

The Board determined, at its regularly-scheduled meeting in February 2006, that each of Weston M. Hicks and Peter J. Tobin is an "audit committee financial expert" within the meaning of Item 401(h) of Regulation S-K. The Board also determined at this meeting that each member of the Audit Committee (Messrs. Hicks, Jarmain, Smith, and Tobin) is financially literate and possesses accounting or related financial management expertise, as contemplated by Section 303A.07(a) of the NYSE Listed Company Manual.

Also at that meeting, the Governance Committee, after having reviewed management's due diligence and conducted their own inquiries, as needed, recommended to the Board a determination that each of Mr. Hicks, Mr. Jarmain, Ms. Slutsky, Mr. Smith, and Mr. Tobin is "independent" within the meaning of Section 303A.02 of the NYSE Listed Company Manual. The Board considered immaterial relationships of Mr. Hicks (relating to Alleghany Corporation being a client of SCB LLC), Mr. Jarmain (regarding his son-in-law being employed by a firm that does a limited amount of business with an affiliate of AllianceBernstein), and Ms. Slutsky (relating to contributions made by AllianceBernstein to The New York Community Trust) and then determined that each of Mr. Hicks, Mr. Jarmain, Ms. Slutsky, Mr. Smith, and Mr. Tobin is independent within the meaning of the relevant rules.

Management Committees

The Management Executive Committee is composed of Messrs. Cohen, Cranch, Gordon, Hertog, Hexner, Lieberman, Manley, Masters, Mayer, Peebles, Phlegar, Reilly, Rissman, Sanders, Steyn, and Toub, and Mesdames Fay, Fedak, and Shalett, who together are the group of key executives responsible for managing AllianceBernstein, enacting strategic initiatives, and allocating resources to our company's various departments.

Mr. Sanders is ex-officio the Chairman of the Management Executive Committee. The Management Executive Committee meets on a regular basis and at such other times as circumstances warrant.

The Code of Ethics Oversight Committee ("Ethics Committee"), composed of each member of the Management Executive Committee and certain other senior executives, oversees all matters relating to issues arising under the AllianceBernstein Code of Business Conduct and Ethics. During 2005, Ms. Fedak chaired the Ethics Committee at its first meeting and Mr. Steyn chaired the Ethics Committee for the rest of the year. During 2006, Mr. Steyn will chair the first meeting and a new chair will be appointed for rest of the year. The Ethics Committee, which was created pursuant to the SEC Order (**see Item 1**), meets on a quarterly basis and at such other times as circumstances warrant.

The Internal Compliance Controls Committee ("Compliance Committee"), also composed of each member of the Management Executive Committee and certain other senior executives, reviews compliance issues throughout our company, endeavors to develop solutions to those issues as they may arise from time to time, and oversees implementation of those solutions. The Compliance Committee is chaired by Mr. Manley. The Compliance Committee, which was created pursuant to the SEC Order, meets on a quarterly basis and at such other times as circumstances warrant.

Code of Ethics and Related Policies

All of our directors, officers and employees are subject to our Code of Business Conduct and Ethics. The code is intended to comply with Rule 17j-1 under the Investment Company Act and recommendations issued by the Investment Company Institute regarding, among other things, practices and standards with respect to securities transactions of investment professionals, as well as Rule 204A-1 under the Investment Advisers Act and Section 303A.10 of the NYSE Listed Company Manual. The Code of Business Conduct and Ethics establishes certain guiding principles for all of our employees, including sensitivity to our fiduciary obligations, and ensuring that we meet those obligations. Our Code of Business Conduct and Ethics may be found in the "Corporate Governance" portion of our Internet site (*http://www.alliancebernstein.com*).

We have adopted the Code of Ethics for the Chief Executive Officer and Senior Financial Officers, which is intended to comply with Section 406 of the Sarbanes-Oxley Act of 2002 ("Item 406 Code"). The Item 406 Code was adopted on October 28, 2004 by the Executive Committee. We intend to satisfy the disclosure requirements under Item 10 of Form 8-K regarding certain amendments to or waivers from provisions of the Item 406 Code that apply to the Chief Executive Officer, Chief Financial Officer and Controller by posting such information on our Internet site (*http://www.alliancebernstein.com*).

NYSE Governance Matters

The charters and memberships of the Executive Committee, Audit Committee, Corporate Governance Committee, and Compensation Committee may be found in the "Corporate Governance" portion of our Internet site (*http://www.alliancebernstein.com*).

Our Corporate Governance Guidelines ("Guidelines") promote the effective functioning of the Board and its committees, promote the interests of the Partnerships' respective unitholders, with appropriate regard to the Board's duties to the sole stockholder of the General Partner, and set forth a common set of expectations as to how the Board, its various committees, individual directors, and management, should perform their functions. The Guidelines may be found in the "Corporate Governance" portion of our Internet site (*http://www.alliancebernstein.com*).

The Corporate Governance Committee is responsible for considering any request for a waiver under the Code of Business Conduct and Ethics, the Item 406 Code, the AXA Code of Business Conduct, and AXA Financial Policy Statement on Ethics from any director or executive officer of the General Partner. Any such waiver that has been granted is set forth in the "Corporate Governance" portion of our Internet site (*http://www.alliancebernstein.com*). No such waivers were granted during the fourth quarter of 2005.

Peter J. Tobin has been chosen to preside at all executive sessions of non-management and independent directors. Interested parties wishing to communicate directly with Mr. Tobin may send an e-mail, with "confidential" in the subject line, to *corporate.secretary@alliancebernstein.com*. Upon receipt, our Corporate Secretary will promptly forward all such e-mails to Mr. Tobin. Interested parties may also address mail to Mr. Tobin in care of Corporate Secretary, AllianceBernstein Corporation, 1345 Avenue of the Americas, New York, NY 10105, and the Corporate Secretary will promptly forward such mail to Mr. Tobin. We have posted this information in the "Corporate Governance" portion of our Internet site (*http://www.alliancebernstein.com*).

The 2005 Certification by the Chief Executive Officer of AllianceBernstein under NYSE Listed Company Manual Section 303A.12(a) was submitted to the NYSE on November 26, 2005.

Certifications by the Chief Executive Officer and Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 have been furnished as exhibits to this Form 10-K.

Holding and AllianceBernstein Unitholders may request a copy of any committee charter, the Guidelines, and the Code of Business Conduct and Ethics by contacting the corporate secretary of AllianceBernstein (*corporate.secretary@alliancebernstein.com*).

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires directors of the General Partner and executive officers of the Partnerships, and persons who own more than 10% of the Holding Units or AllianceBernstein Units, to file with the SEC initial reports of ownership and reports of changes in ownership of Holding Units or AllianceBernstein Units. To the best of management's knowledge, during 2005: (i) all Section 16(a) filing requirements relating to Holding were complied with; and (ii) all Section 16(a) filing requirements relating to AllianceBernstein were complied with. You can find our Section 16 filings under "Investor Relations" / "Reports and Filings" on our Internet site (*http://www.alliancebernstein.com*).

Item 11. Executive Compensation

The following Summary Compensation Table sets forth all plan and non-plan compensation awarded to, earned by or paid to the Chief Executive Officer and each of the four most highly compensated executive officers of AllianceBernstein at the end of 2005 ("Named Executive Officers"):

		Annual Compensation			Long Term Compensation: Awards		Long Term Compensation: Payouts	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Name and Principal Position	Year	Salary ($)	Bonus ($)(1)	Other Annual Compensation ($)(2)	Restricted Unit Award(s) ($)	Options (# Units)	LTIP Payouts ($)	All other Compensation ($)(3)
Lewis A. Sanders	2005	275,002	0	250,282	0	0	0	14,792,248
Chairman of the Board and	2004	275,002	0	405,497	0	0	0	12,056,274
Chief Executive Officer	2003	285,579	1,055,384	348,366	0	0	0	5,216,758
Gerald M. Lieberman	2005	200,000	3,200,000	430,089	0	0	0	5,120,000
President and	2004	200,000	2,300,000	258,282	0	0	0	4,020,000
Chief Operating Officer	2003	207,692	1,000,000	110,412	0	0	0	1,165,185
Marilyn G. Fedak	2005	150,000	3,200,000	156,754	0	0	0	4,915,000
Executive Vice President	2004	161,538	2,350,000	98,414	0	0	0	4,516,154
	2003	207,692	300,000	147,865	0	0	0	1,705,185
Paul C. Rissman	2005	200,000	2,925,000	271,664	0	0	0	2,896,710
Executive Vice President	2004	200,000	2,300,000	101,362	0	0	0	2,621,710
	2003	207,692	1,165,760	186,991	0	0	0	3,521,776
Sharon E. Fay	2005	150,000	3,125,000	304,379	0	0	0	4,540,180
Executive Vice President	2004	161,538	2,350,000	243,703	0	0	0	3,516,288
	2003	207,692	1,200,000	241,234	0	0	0	1,815,372

(1) Column (d) includes for Mr. Sanders a cash payment of $755,384 for 2003 in respect of the performance of the Advanced Value Fund.

(2) During 2005, we owned fractional interests in three aircraft (although we never owned interests in more than two at one time) with an aggregate operating cost of $3,960,822 (including $1,151,729 in maintenance fees, $1,887,639 in usage fees, and $921,454 of amortization based on the original cost of fractional interests, less estimated residual value). The unamortized value of the fractional interests as of December 31, 2005 was $8,643,387.

Our aircraft facilitate business travel of senior executives. We also permit certain senior executives to use the aircraft for personal travel. Overall, personal travel constituted approximately 41.2% of our actual use of the aircraft in 2005.

Our methodology for determining the reported value of personal use of aircraft includes fees paid to the managers of the aircraft (fees take into account the aircraft type and weight, number of miles flown, flight time, number of passengers, and a variable fee), but excludes our fixed costs (original cash expenditure, amortization, and maintenance fees). We have used this methodology to calculate the aggregate incremental cost of personal use of company-owned aircraft in all years covered by the Summary Compensation Table. We included such amounts in column (e). Column (e) also includes the aggregate incremental cost to our company of providing cars and drivers to certain Named Executive Officers.

For 2005, column (e) includes:

for Mr. Sanders, $115,801 for personal use of aircraft and $134,481 for personal use of a car and driver.

for Mr. Lieberman, $52,617 for personal use of aircraft, $112,713 for personal use of a car and driver, $81,750 of cash distributions in respect of unvested Holding Unit elections under the Amended and Restated Alliance Partners Compensation Plan ("Partners Compensation Plan"), and $183,009 of interest payments in respect of investment elections under the SCB Deferred Compensation Award Plan ("SCB Plan").

for Ms. Fedak, $33,194 for personal use of aircraft and $123,560 of interest payments in respect of investment elections under the SCB Plan.

for Mr. Rissman, $271,664 of cash distributions in respect of unvested Holding Unit elections under the Partners Compensation Plan.

for Ms. Fay, $43,846 of cash distributions in respect of undistributed Holding Unit elections under the SCB Plan, $48,203 of interest payments in respect of investment elections under the SCB Plan, and $212,330 in living expenses in connection with a move to London at our request.

As a result of recent changes in tax law, the Internal Revenue Service ("IRS") issued guidance on limiting our deduction for costs associated with the personal use of company-owned aircraft by our executive officers. Using this guidance, the income for the taxable year ended October 31, 2005 for such personal use imputed to Mr. Sanders is $367,076, to Mr. Lieberman is $54,879, and to Ms. Fedak is $70,580.

For 2004, column (e) includes:

for Mr. Sanders, $269,559 for personal use of aircraft, $131,231 for personal use of a car and driver, and $4,707 of interest payments in respect of investment elections under the SCB Plan;

for Mr. Lieberman, $20,176 for personal use of aircraft, $106,343 for personal use of a car and driver, $31,781 of cash distributions in respect of unvested Holding Unit elections under the Partners Compensation Plan, and $99,982 of interest payments in respect of investment elections under the SCB Plan;

for Ms. Fedak, $98,414 of interest payments in respect of investment elections under the SCB Plan;

for Mr. Rissman, $101,362 of cash distributions in respect of unvested Holding Unit elections under the Partners Compensation Plan;

for Ms. Fay, $33,232 of cash distributions in respect of undistributed Holding Unit elections under the SCB Plan, $24,242 of interest payments in respect of investment elections under the SCB Plan, and $186,229 in living expenses in connection with a move to London at our request.

For 2003, Column (e) includes:

for Mr. Sanders, $246,430 for personal use of aircraft, and $101,936 for personal use of a car and driver;

for Mr. Lieberman, $5,498 of cash distributions in respect of unvested Holding Unit elections under the Partners Compensation Plan, and $104,914 of interest payments in respect of investment elections under the SCB Plan;

for Ms. Fedak, $147,865 of interest payments in respect of investment elections under the SCB Plan;

for Mr. Rissman, $186,991 of cash distributions in respect of unvested Holding Unit elections under the Partners Compensation Plan;

for Ms. Fay, $82,834 of cash distributions in respect of undistributed Holding Unit elections under the SCB Plan, and $158,400 in living expenses in connection with a move to London at our request.

(3) Column (i) includes the aggregate amounts awarded under the Partners Compensation Plan and SCB Plan, and aggregate deferred compensation resulting from association with the Advanced Value Hedge Fund in all years covered by the Summary Compensation Table. We adopted the SCB Plan in connection with the Bernstein Transaction and agreed to make awards of $96 million per year in 2001, 2002, and 2003 for the benefit of certain individuals who were stockholders or principals of SCB Inc. on the closing date, and their replacements.

Column (i) includes the following amounts:

Name	Year	Award under Employment Agreement ($)(1)	Awards under Partners Compensation Plan ($)(2)	Awards under SCB Plan ($)(3)	Aggregate Deferred Compensation resulting from association with the Advanced Value Hedge Fund ($)	Profit Sharing Plan Contribution ($)	Term Life Insurance Premiums ($)
Lewis A. Sanders	2005	14,770,474	0	0	0	21,000	774
	2004	12,035,000	0	0	0	20,500	774
	2003	0	506,797	3,193,203	1,510,769	5,185	804
Gerald M. Lieberman	2005	0	5,100,000	0	0	20,000	0

	2004	0	4,000,000	0	0	20,000	0
	2003	0	1,160,000	0	0	5,185	0
Marilyn G. Fedak	2005	0	4,900,000	0	0	15,000	0
	2004	0	4,500,000	0	0	16,154	0
	2003	0	1,700,000	0	0	5,185	0
Paul C. Rissman	2005	0	2,875,000	0	0	20,000	1,710
	2004	0	2,600,000	0	0	20,000	1,710
	2003	0	3,500,000	0	0	20,000	1,776
Sharon E. Fay	2005	0	4,525,000	0	0	15,000	180
	2004	0	3,500,000	0	0	16,154	134
	2003	0	1,810,000	0	0	5,185	187

(1) In accordance with the terms of the employment agreement between Mr. Sanders and AllianceBernstein ("Sanders Agreement"), the 2004 award vests in three increments over two and one-half years—40% on December 1, 2005, 40% on December 1, 2006, and 20% on July 1, 2007. Unvested portions of the award are forfeitable under circumstances specified in the agreement.

In accordance with the Sanders Agreement, the 2005 award vests over one and one-half years—two thirds on December 1, 2006 and one third on July 1, 2007.

(2) 2005 awards vest in equal annual increments on each of December 1, 2006, 2007, 2008, and 2009. Unvested portions of awards are forfeitable upon the Named Executive Officer's termination.

2004 awards vest in equal annual increments on each of December 1, 2005, 2006, 2007, and 2008. Unvested portions of awards are forfeitable upon the Named Executive Officer's termination.

2003 awards vest in equal annual increments on each of December 1, 2004, 2005, 2006, and 2007. Unvested portions of awards are forfeitable upon the Named Executive Officer's termination.

(3) 2003 awards vest in equal annual increments on each of December 1, 2004, 2005, and 2006. Unvested portions of awards are forfeitable upon the Named Executive Officer's termination.

Option Grants in 2005

We did not grant options to acquire, or unit appreciation rights relating to, Holding Units to any of the Named Executive Officers during 2005.

Aggregated Option Exercises in 2005 and 2005 Year-End Option Values

The following table summarizes for each of the Named Executive Officers the number of options exercised during 2005, the aggregate dollar value realized upon exercise, the total number of Holding Units subject to unexercised options held as of December 31, 2005, and the aggregate dollar value of in-the-money, unexercised options held as of December 31, 2005. Value realized upon exercise would be the difference between the fair market value of the underlying Holding Units on the date of exercise and the exercise price of the option. The value of an unexercised, in-the-money option at fiscal year-end is the difference between its exercise price and the fair market value of the underlying Holding Units at the close of business on December 30, 2005 (the last business day in 2005), which was $56.49 per Holding Unit. These values have not been, and may never be, realized. The underlying options have not been, and may never be, exercised, and actual gains, if any, on exercise will depend on the value of Alliance Holding Units on the date of exercise.

Aggregated Option Exercises in 2005 and December 31, 2005 Option Values

Name	Options Exercised (# Units)	Value Realized ($)	Number of Holding Units Underlying Unexpired Options as of December 31, 2005		Value of Unexercised In-the-Money Options as of December 31, 2005 ($)(1)	
			Exercisable	Unexercisable	Exercisable	Unexercisable
Lewis A. Sanders	0	0	0	0	0	0
Gerald M. Lieberman	0	0	56,000	24,000	759,120	422,880
Marilyn G. Fedak	0	0	0	0	0	0
Paul C. Rissman	0	0	243,000	28,000	2,675,375	447,840
Sharon E. Fay	0	0	0	0	0	0

(1) In-the-money options are those where the fair market value of the underlying Holding Units exceeds the exercise price of the option. The Named Executive Officers hold no other options in respect of Holding Units or AllianceBernstein Units.

We may grant options to acquire Holding Units to our employees and to independent members of the Board. Upon exercise of options, Holding exchanges the proceeds from exercise for a number of AllianceBernstein Units equal to the number of Holding Units acquired pursuant to the option exercises, thus increasing Holding's investment in AllianceBernstein.

Certain Employee Benefit Plans

Retirement Plan. We maintain a qualified, non-contributory, defined benefit retirement plan covering current and former employees who were employed in the United States prior to October 2, 2000. Our policy is to satisfy our funding obligation for each year in an amount not less than the minimum required under ERISA and not greater than the maximum amount that we can deduct for federal income tax purposes. Our contributions are determined by application of actuarial methods and assumptions to reflect the cost of benefits under the plan. Each participant's benefits are determined under a formula

which takes into account years of credited service, the participant's average compensation over prescribed periods and Social Security covered compensation. The maximum annual benefit payable under the plan may not exceed the lesser of $100,000 or 100% of a participant's average aggregate compensation for the three consecutive years in which he or she received the

highest aggregate compensation from us or such lower limit as may be imposed by the Internal Revenue Code on certain participants by reason of their coverage under another qualified plan we maintain. A participant is fully vested after the completion of five years of service. The plan generally provides for payments to or on behalf of each vested employee upon such employee's retirement at the normal retirement age provided under the plan or later, although provision is made for payment of early retirement benefits on an actuarially reduced basis. Normal retirement age under the plan is 65. Death benefits are payable to the surviving spouse of an employee who dies with a vested benefit under the plan.

The table below sets forth with respect to the retirement plan the estimated annual straight life annuity benefits payable upon retirement at normal retirement age for employees with the remuneration and years of service indicated.

	Estimated Annual Benefits						
	Years of Service at Retirement						
Average Final Compensation	15	20	25	30	35	40	45
$ 100,000	$ 17,503	$ 23,337	$ 29,172	$ 35,006	$ 40,840	$ 45,840	$ 50,840
150,000	28,753	38,337	47,922	57,506	67,090	74,590	82,090
200,000	40,003	53,337	66,672	80,006	93,340	100,000	100,000
250,000	51,253	68,337	85,422	100,000	100,000	100,000	100,000
300,000	62,503	83,337	100,000	100,000	100,000	100,000	100,000

Of the Named Executive Officers, only Mr. Rissman is eligible to participate in the retirement plan. Assuming we employ Mr. Rissman until age 65, he would be credited with 32 years of service under the plan. Compensation on which plan benefits are based includes base compensation and excludes bonuses, incentive compensation, profit-sharing plan contributions and deferred compensation. Mr. Rissman's 2005 compensation for calculation of plan benefits is $200,000.

For a discussion of our other employee benefit plans, as well as its deferred compensation and unit option plans, **see Notes 14, 15, and 16 of AllianceBernstein's consolidated financial statements in Item 8**.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Principal Security Holders

As of January 31, 2006, we had no information that any person beneficially owned more than 5% of the outstanding AllianceBernstein Units except (i) AXA, AXA Financial, AXA Equitable, ACMC Inc., and ECMC, LLC (AXA Financial, AXA Equitable, ACMC Inc. and ECMC, LLC are wholly-owned subsidiaries of AXA) as reported on Schedule 13D/A filed with the SEC on December 21, 2004 pursuant to the Exchange Act, and (ii) SCB Inc. and SCB Partners Inc. (SCB Partners Inc. is a wholly-owned subsidiary of SCB Inc.) as reported on Schedule 13D/A dated December 21, 2004 pursuant to the Exchange Act.

The table below and the notes following it have been prepared in reliance upon such filings for the nature of ownership and an explanation of overlapping ownership.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership Reported on Schedule	Percent of Class
AXA(1)(2)(3)(4)(6)		
25 avenue Matignon 75008 Paris, France	153,580,309	59.8%
SCB Inc,(5)(6) SCB Partners Inc.(5)(6)		
50 Main Street, Suite 1000 White Plains, NY 10606	16,320,000	6.4%

(1) Based on information provided by AXA Financial, on December 31, 2005, AXA and certain of its subsidiaries beneficially owned all of AXA Financial's outstanding common stock. For insurance regulatory purposes the shares of capital stock of AXA Financial beneficially owned by AXA and its subsidiaries have been deposited into a voting trust ("Voting Trust"), the term of which has been extended until May 12, 2012. The trustees of the Voting Trust (the "Voting Trustees") are Claude Bébéar, Henri de Castries and Denis Duverne, each of whom serves either on the Management Board or on the Supervisory Board of AXA. The Voting Trustees have agreed to exercise their voting rights to protect the legitimate economic interests of AXA, but with a view to ensuring that certain minority shareholders of AXA do not exercise control over AXA Financial or certain of its insurance subsidiaries.

(2) Based on information provided by AXA and following the consummation of the merger of Finaxa with and into AXA on December 9, 2005, on December 31, 2005, 14.30% of the issued ordinary shares (representing 23.19% of the voting power) of AXA were owned directly and indirectly by three French mutual insurance companies (the "Mutuelles AXA").

(3) The Voting Trustees and the Mutuelles AXA, as a group, may be deemed to be beneficial owners of all AllianceBernstein Units beneficially owned by AXA and its subsidiaries. By virtue of the provisions of the Voting Trust Agreement, AXA may be deemed to have shared voting power with respect to the AllianceBernstein Units. AXA and its subsidiaries have the power to dispose or direct the disposition of all shares of the capital stock of AXA Financial deposited in the Voting Trust. The Mutuelles AXA, as a group, may be deemed to share the power to vote or to direct the vote and to dispose or to direct the disposition of all the AllianceBernstein Units beneficially owned by AXA and its subsidiaries. The address of each of AXA and the Voting Trustees is 25 avenue Matignon, 75008 Paris, France. The address of the Mutuelles AXA is 26, rue Drouot, 75009 Paris, France.

(4) By reason of their relationships, AXA, the Voting Trustees, the Mutuelles AXA, AXA Financial, AXA Equitable, ACMC Inc., and ECMC, LLC may be deemed to share the power to vote or to direct the vote and to dispose or direct the disposition of all or a portion of the 153,580,309 AllianceBernstein Units.

(5) SCB Partners Inc. is a wholly-owned subsidiary of SCB Inc. Mr. Sanders is a Director and the Chairman and Chief Executive Officer of SCB Inc., and is the owner of a 22.25% equity interest in SCB Inc. Mr. Hertog is a Director and the President and Chief Operating Officer of SCB Inc., and is the owner of a 10.48% equity interest in SCB Inc. Mr. Lieberman is a Director and the Senior Vice President—Finance and Administration of SCB Inc., and is the owner of a less than 1% equity interest in SCB Inc. Ms. Fedak is a Director and Senior Vice President of SCB Inc., and is the owner of a 2.67% equity interest in SCB Inc. Ms. Fay is the owner of a less than 1% equity interest in SCB Inc. Mr. Sanders, Mr. Hertog, Mr. Lieberman, Ms. Fedak, and Ms. Fay disclaim beneficial ownership of the 16,320,000 AllianceBernstein Units owned by SCB Partners Inc., except to the extent of their pecuniary interests therein.

(6) In connection with the Bernstein Transaction, SCB Inc., AllianceBernstein and AXA Financial entered into a purchase agreement under which SCB Inc. has the right to sell or assign up to 2,800,000 AllianceBernstein Units issued in connection with the Bernstein Transaction at any time. SCB Inc. has the right ("Put") to sell to AXA Financial or its designee up to 8,160,000 AllianceBernstein Units issued in connection with the Bernstein Transaction each year less any AllianceBernstein Units SCB Inc. may have otherwise sold or assigned that year. The Put rights expire on October 2, 2010. Generally, SCB Inc. may exercise its Put rights only once per year and SCB Inc. may not deliver an exercise notice regarding its Put rights until at least nine months after it delivered its immediately preceding exercise notice. On each of November 25, 2002, March 5, 2004, and December 21, 2004, AXA Financial or certain of its wholly-owned subsidiaries purchased 8,160,000 AllianceBernstein Units from SCB Partners Inc., a wholly-owned subsidiary of SCB Inc. pursuant to exercises of the Put rights by SCB Inc.

As of January 31, 2006, Holding owned 83,613,491 or 32.5% of the outstanding AllianceBernstein Units.

As of January 31, 2006, we had no information that any person beneficially owned more than 5% of the outstanding Holding Units.

Management

The following table sets forth, as of January 31, 2006, the beneficial ownership of Holding Units by each director and Named Executive Officer of the General Partner and by all directors and executive officers as a group:

Name of Beneficial Owner	Number of Holding Units and Nature of Beneficial Ownership	Percent of Class
Lewis A. Sanders(1)	0	*
Dominique Carrel-Billiard(1)	0	*
Henri de Castries(1)	2,000	*
Christopher M. Condron(1)	15,000	*
Denis Duverne(1)	2,000	*
Roger Hertog(1)	0	*
Weston M. Hicks	0	*
W. Edwin Jarmain(1,2)	22,661	*
Gerald M. Lieberman(1,3)	103,399	*
Nicolas Moreau(1)	0	*
Lorie A. Slutsky(4)	10,811	*
A.W. (Pete) Smith	0	*
Peter J. Tobin(1,5)	20,661	*
Stanley B. Tulin(1)	0	*
Marilyn G. Fedak(1)	0	*
Paul C. Rissman(1,6)	514,748	*
Sharon E. Fay(1)	21,846	*
All directors and executive officers of the General Partner as a group (32 persons)(7)	2,970,896	3.6%

* Number of Holding Units listed represents less than 1% of the Units outstanding.

(1) Excludes Holding Units beneficially owned by AXA and its subsidiaries. Messrs. Carrel-Billiard, de Castries, Condron, Duverne, Jarmain, Lieberman, Moreau, Tobin, and Tulin are directors and/or officers of AXA, AXA Financial, and/or AXA Equitable. Messrs. Sanders, Hertog, Lieberman, and Rissman, and Mesdames Fedak and Fay, are directors and/or officers of the General Partner.
(2) Includes 20,000 Holding Units Mr. Jarmain can acquire within 60 days under an AllianceBernstein option plan.
(3) Includes 56,000 Holding Units Mr. Lieberman can acquire within 60 days under an AllianceBernstein option plan.
(4) Includes 8,500 Holding Units Ms. Slutsky can acquire within 60 days under an AllianceBernstein option plan.
(5) Includes 20,000 Holding Units Mr. Tobin can acquire within 60 days under an AllianceBernstein option plan.
(6) Includes 243,000 Holding Units Mr. Rissman can acquire within 60 days under an AllianceBernstein option plan.
(7) Includes 1,166,500 Holding Units the directors and executive officers as a group can exercise within 60 days under AllianceBernstein option plans.

As of January 31, 2006, our directors and executive officers only beneficially owned AllianceBernstein Units to the extent of their respective indirect pecuniary interests in 16,320,000 AllianceBernstein Units beneficially owned by SCB Partners Inc. Based on their respective equity interests in SCB Inc. and/or notional interests in the AllianceBernstein Units through an SCB Partners Inc. profit sharing plan, the individuals named below may be deemed to own beneficially and indirectly the number of AllianceBernstein Units set forth opposite their respective names:

Name of Beneficial Owner	Number of AllianceBernstein Units and Nature of Beneficial Ownership	Percent of Class
Lewis A. Sanders	3,169,021	1.4%
Roger Hertog	1,493,378	*
Gerald M. Lieberman	92,485	*
Sharon E. Fay	50,424	*
Marilyn G. Fedak	379,721	*
Mark R. Gordon	214,936	*
Thomas S. Hexner	165,193	*
Seth J. Masters	86,094	*
Marc O. Mayer	100,304	*
Lisa A. Shalett	28,330	*
David A. Steyn	1,825	*
All directors and executive officers of the General Partner as a group (32 persons)	5,781,711	2.3%

* Number of AllianceBernstein Units listed represents less than 1% of the outstanding AllianceBernstein Units.

The following table sets forth, as of January 31, 2006, the beneficial ownership of the common stock of AXA by each director and Named Executive Officer of the General Partner and by all directors and executive officers as a group:

AXA Common Stock(1)

Name of Beneficial Owner	Number of Shares and Nature of Beneficial Ownership	Percent of Class
Lewis A. Sanders	0	*
Dominique Carrel-Billiard(2)	12,733	*
Henri de Castries(3)	4,910,250	*
Christopher M. Condron(4)	2,196,165	*
Denis Duverne(5)	1,457,985	*
Roger Hertog	0	*
Weston M. Hicks	0	*
W. Edwin Jarmain(6)	23,195	*
Gerald M. Lieberman	0	*
Nicolas Moreau(7)	247,573	*
Lorie A. Slutsky	0	*
A.W. (Pete) Smith	0	*
Peter J. Tobin(8)	13,723	*
Stanley B. Tulin(9)	1,732,655	*
Marilyn G. Fedak	0	*
Paul C. Rissman	0	*
Sharon E. Fay	0	*
All directors and executive officers of the General Partner as a group (32 persons)(10)	10,594,279	*

* Number of shares listed represents less than 1% of the outstanding AXA common stock.

(1) Holdings of AXA American Depositary Shares ("ADS") are expressed as their equivalent in AXA common stock. Each AXA ADS represents the right to receive one AXA ordinary share.

(2) Includes 11,333 shares subject to options, which options Mr. Carrel-Billiard can exercise within 60 days.

(3) Includes 4,016,398 shares subject to options and 286,219 ADSs subject to options, which options Mr. de Castries can exercise within 60 days.

(4) Includes 1,431,119 ADSs subject to options, which options Mr. Condron can exercise within 60 days. Also includes 172,992 performance units, which are paid out when vested based on the price of ADSs at that time; payout will be 70% in cash and 30% in ADSs

(5) Includes 1,160,076 shares subject to options and 97,850 ADSs subject to options, which options Mr. Duverne can exercise within 60 days.

(6) Includes 11,800 ADSs owned by Jarmain Group Inc. Mr. Jarmain controls Jarmain Group Inc.

(7) Represents 247,573 shares subject to options, which options Mr. Moreau can exercise within 60 days.

(8) Includes 3,540 ADSs Mr. Tobin owns jointly with his spouse.

(9) Includes 111,571 shares subject to options and 1,371,657 ADSs subject to options, which options Mr. Tulin can exercise within 60 days. Also includes 105,350 performance units, which are paid out when vested based on the price of ADSs at that time; payout will be 70% in cash and 30% in ADSs

(10) Includes 5,546,951 shares and 3,186,845 ADSs subject to options, which options the directors and executive officers as a group can exercise within 60 days.

Partnership Matters

The General Partner makes all decisions relating to the management of AllianceBernstein and Holding. The General Partner has agreed that it will conduct no business other than managing AllianceBernstein and Holding, although it may make certain investments for its own account. Conflicts of interest, however, could arise between AllianceBernstein and Holding, the General Partner and the Unitholders of both Partnerships.

Section 17-403(b) of the Delaware Revised Uniform Limited Partnership Act ("Delaware Act") states in substance that, except as provided in the Delaware Act or the applicable partnership agreement, a general partner of a limited partnership has the liabilities of a general partner in a general partnership governed by the Delaware Uniform Partnership Law (as in effect on July 11, 1999) to the partnership and to the other partners. Accordingly, while under Delaware law a general partner of a limited partnership is liable as a fiduciary to the other partners, those fiduciary obligations may be altered by the terms of the applicable partnership agreement. The AllianceBernstein Partnership Agreement and Holding Partnership Agreement both set forth limitations on the duties and liabilities of the General Partner. Each partnership agreement provides that the General Partner is not liable for monetary damages for errors in judgment or for breach of fiduciary duty (including breach of any duty of care or loyalty), unless it is established that the General Partner's action or failure to act involved an act or omission undertaken with deliberate intent to cause injury, with reckless disregard for the best interests of the Partnerships or with actual bad faith on the part of the General Partner, or constituted actual fraud. Whenever the AllianceBernstein Partnership Agreement and the Holding Partnership Agreement provide that the General Partner is permitted or required to make a decision (i) in its "discretion," the General Partner is entitled to consider only such interests and factors as it desires and has no duty or obligation to consider any interest of or other factors affecting the Partnerships or any Unitholder of AllianceBernstein or Holding or (ii) in its "good faith" or under another express standard, the General Partner will act under that express standard and will not be subject to any other or different standard imposed by the AllianceBernstein Partnership Agreement and the Holding Partnership Agreement or applicable law or in equity or otherwise. The partnership agreements further provide to the extent that, at law or in equity, the General Partner has duties (including fiduciary duties) and liabilities relating thereto to either Partnership or any partner, the General Partner acting under the AllianceBernstein Partnership Agreement or the Holding Partnership Agreement, as applicable, will not be liable to the Partnerships or any partner for its good faith reliance on the provisions of the partnership agreement.

In addition, the AllianceBernstein Partnership Agreement and the Holding Partnership Agreement grant broad rights of indemnification to the General Partner and its directors and affiliates and authorizes AllianceBernstein and Holding to enter into indemnification agreements with the directors, officers, partners, employees and agents of AllianceBernstein and its affiliates and Holding and its affiliates. The Partnerships have granted broad rights of indemnification to officers and employees of AllianceBernstein and Holding. The foregoing indemnification provisions are not exclusive, and the Partnerships are authorized to enter into additional indemnification arrangements. AllianceBernstein and Holding have obtained directors and officers/errors and omissions liability insurance.

The AllianceBernstein Partnership Agreement and the Holding Partnership Agreement also allow transactions between AllianceBernstein and Holding and the General Partner or its affiliates if the transactions are on terms determined by the General Partner to be comparable to (or more favorable to AllianceBernstein or Holding than) those that would prevail with an unaffiliated party. The partnership agreements provide that those transactions are deemed to meet that standard if such transactions are approved by a majority of those directors of the General Partner who are not directors, officers or employees of any affiliate of the General Partner (other than AllianceBernstein, and its subsidiaries or Holding) or, if in the reasonable and good faith judgment of the General

Partner, the transactions are on terms substantially comparable to (or more favorable to AllianceBernstein or Holding than) those that would prevail in a transaction with an unaffiliated party.

The AllianceBernstein Partnership Agreement and the Holding Partnership Agreement expressly permit all affiliates of the General Partner (including AXA Equitable and its other subsidiaries) to compete, directly or indirectly, with AllianceBernstein and Holding, to engage in any business or other activity and to exploit any opportunity, including those that may be available to AllianceBernstein and Holding. AXA, AXA Financial, AXA Equitable and certain of their subsidiaries currently compete with AllianceBernstein. **See Item 13.** The partnership agreements further provide that, except to the extent that a decision or action by the General Partner is taken with the specific intent of providing an improper benefit to an affiliate of the General Partner to the detriment of AllianceBernstein or Holding, there is no liability or obligation with respect to, and no challenge of, decisions or actions of the General Partner that would otherwise be subject to claims or other challenges as improperly benefiting affiliates of the General Partner to the detriment of the Partnerships or otherwise involving any conflict of interest or breach of a duty of loyalty or similar fiduciary obligation.

Section 17-1101(c) of the Delaware Act provides that it is the policy of the Delaware Act to give maximum effect to the principle of freedom of contract and to the enforceability of partnership agreements. Further, Section 17-1101(d) of the Delaware Act provides in part that to the extent a partner has duties (including fiduciary duties) and liabilities relating thereto to a limited partnership or to another partner, those duties and liabilities may be expanded, restricted, or eliminated by provisions in a partnership agreement (provided that a partnership agreement may not eliminate the implied contractual covenant of good faith and fair dealing). Decisions of the Delaware courts have recognized the right of parties, under the above provisions of the Delaware Act, to alter by the terms of a partnership agreement otherwise applicable fiduciary duties and liability for breach of duties. However, the Delaware Courts have required that a partnership agreement make clear the intent of the parties to displace otherwise applicable fiduciary duties (the otherwise applicable fiduciary duties often being referred to as "default" fiduciary duties). Judicial inquiry into whether a partnership agreement is sufficiently clear to displace default fiduciary duties is necessarily fact driven and is made on a case by case basis. Accordingly, the effectiveness of displacing default fiduciary obligations and liabilities of general partners continues to be a developing area of the law and it is not certain to what extent the foregoing provisions of the AllianceBernstein Partnership Agreement and the Holding Partnership Agreement are enforceable under Delaware law.

Item 13. Certain Relationships and Related Transactions

Competition

AXA, AXA Financial, AXA Equitable and certain of their direct and indirect subsidiaries provide financial services, some of which are competitive with those offered by AllianceBernstein. The AllianceBernstein Partnership Agreement specifically allows AXA Financial and its subsidiaries (other than the General Partner) to compete with AllianceBernstein and to exploit opportunities that may be available to AllianceBernstein. AXA, AXA Financial, AXA Equitable and certain of their subsidiaries have substantially greater financial resources than AllianceBernstein or the General Partner.

Financial Services

The AllianceBernstein Partnership Agreement and the Holding Partnership Agreement permit AXA and its affiliates to provide services to AllianceBernstein and Holding on terms comparable to (or more favorable to AllianceBernstein and Holding than) those that would prevail in a transaction with an unaffiliated third party. The General Partner believes that its arrangements with AXA Equitable and its affiliates are at least as favorable to AllianceBernstein and Holding as could be obtained from an unaffiliated third party, based on its knowledge of, and inquiry, with respect to comparable arrangements with or between unaffiliated third parties.

The following tables summarizes transactions between AllianceBernstein and related parties during 2005:

Parties(1)	General Description of Relationship	Amounts Received or Accrued for in 2005
EQAT, AXA Enterprise Trust and AXA Premier VIP Trust	We serve as sub-adviser to these open-end mutual funds, each of which is sponsored by a subsidiary of AXA Financial	$ 74,688,000
AXA Equitable(2)	We provide investment management services and ancillary accounting, valuation, reporting, treasury and other services to the general and separate accounts of AXA Equitable and its insurance companies subsidiaries	$ 36,118,000 (of which $583,000 relates to the ancillary services)
AXA Asia Pacific(2)	We provide investment management services.	$ 34,340,000
AXA Group Life Insurance	We provide investment management services.	$ 10,393,000
MONY Life Insurance Company and its subsidiaries(2)(3)	We provide investment management services and ancillary accounting services.	$ 9,719,000 (of which $150,000 relates to the ancillary services)
AXA UK Group Pension Scheme	We provide investment management services.	$ 1,981,000
AXA Reinsurance Company(2)	We provide investment management services.	$ 534,000
AXA Corporate Solutions(2)	We provide investment management services.	$ 559,000
AXA (Canada)(2)	We provide investment management services.	$ 616,000
AXA Foundation, Inc., a subsidiary of AXA Financial	We provide investment management services.	$ 172,000
AXA Sun Life(2)	We provide investment management services.	$ 782,000

(1) AllianceBernstein is a party to each transaction.
(2) This entity is a subsidiary of AXA. AXA is an indirect parent of AllianceBernstein.
(3) Subsidiaries include MONY Life Insurance Company of America and U.S. Financial Life Insurance Company.

Parties(1)(2)	General Description of Relationship	Amounts Paid or Accrued for in 2005
AXA Advisors	AXA Advisors distributes certain of our Retail Products.	$ 5,500,000
AXA Equitable	We are covered by various insurance policies maintained by AXA Equitable.	$ 2,717,000
AXA Equitable	AXA Equitable provides certain data processing services and functions.	$ 2,375,000
AXA Advisors	AXA Advisors sells shares of our mutual funds under Distribution Services and Educational Support agreements.	$ 858,000
GIE Informatique AXA (“GIE”)	GIE provides cooperative technology development and procurement services to us and to various other subsidiaries of AXA.	$ 878,000
Various AXA subsidiaries	They provide other miscellaneous general and administrative services.	$ 695,000

(1) AllianceBernstein is a party to each transaction.
(2) This entity is a subsidiary of AXA. AXA is an indirect parent of AllianceBernstein.
(3) Subsidiaries include MONY Life Insurance Company of America and U.S. Financial Life Insurance Company.

Other Transactions

On February 1, 2001, AllianceBernstein and AXA Asia Pacific entered into a Subscription and Shareholders Agreement under which they established two investment management companies in Australia and New Zealand named AllianceBernstein Australia Limited and AllianceBernstein New Zealand Limited, respectively. AXA Asia Pacific and AllianceBernstein each own fifty percent (50%) of the equity of each company and have equal representation on the boards. These companies currently manage approximately $38.5 billion in client assets, and earned $44.6 million in management fees in 2005.

AXA Advisors was our fifth largest distributor of U.S. Funds in 2005, for which we paid AXA Advisors sales concessions on sales of $467 million. Various subsidiaries of AXA distribute certain of our Non-U.S. Funds, for which such entities received aggregate distribution payments of approximately $390,000 in 2005.

AXA Equitable and its affiliates are not obligated to provide funds to us, except for ACMC Inc.’s and the General Partner’s obligation to fund certain of our deferred compensation and employee benefit plan obligations. **See Item 11**. ACMC Inc. and the General Partner are obligated, subject to certain limitations, to make capital contributions to AllianceBernstein in an amount equal to the payments AllianceBernstein is required to make as deferred compensation under the employment agreements entered into in connection with AXA Equitable’s 1985 acquisition of Donaldson, Lufkin and Jenrette Securities Corporation (now part of Credit Suisse First Boston LLC) as well as obligations of AllianceBernstein to various employees and their beneficiaries under AllianceBernstein’s Capital Accumulation Plan. In 2005, ACMC Inc. made capital contributions to AllianceBernstein in the amount of approximately $4.2 million in respect of these obligations. ACMC Inc’s obligations to make these contributions are guaranteed by Equitable Holdings, LLC (a wholly-owned subsidiary of AXA Equitable), subject to certain limitations. All tax deductions with respect to these obligations, to the extent funded by ACMC Inc., the General Partner, or Equitable Holdings, LLC, will be allocated to ACMC Inc. or the General Partner.

On January 4, 2005, Lewis A. Sanders and AllianceBernstein entered into an employment agreement pursuant to which Mr. Sanders shall serve as Chairman and Chief Executive Officer of the General Partner through December 31, 2011 (“Employment Term”) unless the agreement is terminated in accordance with its terms. Mr. Sanders will be paid a minimum base salary of $275,000 per year during the Employment Term and, for calendar year 2004

and each subsequent calendar year during the Employment Term, he is entitled to receive a deferred compensation award of not less than one percent (1%) of AllianceBernstein's consolidated operating income before incentive compensation (as defined with respect to the calculation of AllianceBernstein's bonus

pool) for such calendar year. Mr. Sanders is entitled to perquisites on the same terms as other senior executives, including personal use of aircraft and a car and driver. For the amounts of Mr. Sanders's deferred compensation awards, **see the compensation tables in Item 11**.

Two of our executive officers, one of whom is a director, have immediate family members whom we employ. We established the compensation of each such family member in accordance with our employment and compensation practices applicable to employees with equivalent qualifications and responsibilities who hold similar positions. These employees are three of our 4,312 employees.

Gerald M. Lieberman's daughter, Andrea L. Feldman, is employed in AllianceBernstein Institutional Investments and received 2005 compensation of $110,000 (salary and bonus). Mr. Lieberman's son-in-law, Jonathan H. Feldman, the spouse of Andrea L. Feldman, is employed in Institutional Research Services and received 2005 compensation of $195,000 (salary and bonus). Gerald M. Lieberman is Director of the General Partner and the President and Chief Operating Officer of AllianceBernstein.

James G. Reilly's brother, Michael J. Reilly, is a U.S. Large Cap Growth portfolio manager and received 2005 compensation of $2,500,000 (salary, bonus, and deferred compensation). James G. Reilly is an Executive Vice President of AllianceBernstein and our U.S. Large Cap Growth team leader.

Item 14. Principal Accountant Fees and Services

The following table presents fees for professional audit services rendered by KPMG LLP for the audit of AllianceBernstein's and Holding's annual financial statements for 2005 and 2004, and fees for other services rendered by KPMG LLP ($ in thousands):

	2005			2004		
	Domestic	International	Total	Domestic	International	Total
Audit Fees(1)	$ 6,222	$ 1,051	$ 7,273	$ 4,719	$ 982	$ 5,701
Audit Related Fees(2)	712	588	1,300	2,842	670	3,512
Tax Fees(3)	524	326	850	519	594	1,113
All Other Fees(4)	6	—	6	3	—	3
Total	$ 7,464	$ 1,965	$ 9,429	$ 8,083	$ 2,246	$ 10,329

(1) Includes $127,000 for 2005, and $162,000 for 2004, in respect of audit services for Holding.
(2) Audit related fees consist principally of fees for audits of financial statements of certain employee benefit plans, Sarbanes-Oxley Section 404 documentation assistance and internal control reviews.
(3) Tax fees consist of fees for tax consultation and tax compliance services.
(4) All other fees in 2005 and 2004 consisted of miscellaneous non-audit services.

On November 9, 2005, the Audit Committee adopted a policy to pre-approve audit and non-audit service engagements with the independent auditor. The independent auditor is to provide annually a comprehensive and detailed schedule of each proposed audit and non-audit service to be performed. The Audit Committee then affirmatively indicates its approval of the listed engagements. Engagements that are not listed, but that are of similar scope and size to those listed and approved, may be deemed to be approved, if the fee for such service is less than $100,000. In addition, the Audit Committee has delegated to its chairman the ability to approve any permissible non-audit engagement where the fees are expected to be less than $100,000.

PART IV

Item 15. Exhibits, Financial Statement Schedules

(a) There is no document filed as part of this Form 10-K.

Financial Statement Schedules.

Attached to this Form 10-K is a schedule describing Valuation and Qualifying Account-Allowance for Doubtful Accounts for the three years ended December 31, 2005, 2004, and 2003, and KPMG LLP's report thereon.

(b) *Exhibits.*

The following exhibits required to be filed by Item 601 of Regulation S-K are filed herewith or incorporated by reference herein, as indicated:

Exhibit	Description
2.1	Agreement between Federated Investors, Inc. and Alliance Capital Management L.P. dated as of October 28, 2004 (incorporated by reference to Exhibit 2.1 to Form 10-Q for the quarterly period ended September 30, 2004, as filed November 8, 2004).
2.2	Acquisition Agreement dated as of June 20, 2000 and Amended and Restated as of October 2, 2000 among Alliance Capital Management L.P., Alliance Capital Management Holding L.P., Alliance Capital Management LLC, SCB Inc., Bernstein Technologies Inc., SCB Partners Inc., Sanford C. Bernstein & Co., LLC and SCB LLC (incorporated by reference to Exhibit 2.1 to Form 10-K for the fiscal year ended December 31, 2000, as filed April 2, 2001).

3.1	Amended and Restated Certificate of Limited Partnership dated February 24, 2006 of Holding (incorporated by reference to Exhibit 99.06 to Form 8-K, as filed February 24, 2006).
3.2	Amendment No. 1 dated February 24, 2006 to Amended and Restated Agreement of Limited Partnership of Holding.
3.3	Amended and Restated Agreement of Limited Partnership dated October 29, 1999 of Alliance Capital Management Holding L.P. (incorporated by reference to Exhibit 3.2 to Form 10-K for the fiscal year ended December 31, 2003, as filed March 10, 2004).
3.4	Amended and Restated Certificate of Limited Partnership dated February 24, 2006 of AllianceBernstein (incorporated by reference to Exhibit 99.07 to Form 8-K, as filed February 24, 2006).
3.5	Amendment No. 1 dated February 24, 2006 to Amended and Restated Agreement of Limited Partnership of AllianceBernstein.
3.6	Amended and Restated Agreement of Limited Partnership dated October 29, 1999 of Alliance Capital Management L.P. (incorporated by reference to Exhibit 3.3 to Form 10-K for the fiscal year ended December 31, 2003, as filed March 10, 2004).
3.7	Certificate of Amendment to the Certificate of Incorporation of AllianceBernstein Corporation (incorporated by reference to Exhibit 99.08 to Form 8-K, as filed February 24, 2006).
3.8	AllianceBernstein Corporation By-Laws with amendments through February 24, 2006 (incorporated by reference to Exhibit 99.09 to Form 8-K, as filed February 24, 2006).
4.1	Senior Indenture dated as of August 10, 2001, between Alliance Capital Management L.P. and The Bank of New York (incorporated by reference to Exhibit 4 to Form 10-Q for the quarterly period ended September 30, 2001, as filed November 14, 2001).
10.1	Revolving Credit Facility dated as of February 17, 2006 among AllianceBernstein, as Borrower, Bank of America, N.A., as Administrative Agent, Banc of America Securities LLC, as Arranger, Citibank N.A. and The Bank of New York, as Co-Syndication Agents, Deutsche Bank Securities Inc. and JPMorgan Chase Bank, N.A., as Co-Documentation Agents, and The Various Financial Institutions Whose Names Appear on the Signature Pages as “Banks”.
10.2	Form of Award Agreement under the Amended and Restated Alliance Partners

Exhibit	Description
	Compensation Plan.
10.3	Form of Award Agreement under the Alliance Commission Substitution Plan.
10.4	Form of Award Agreement under the Alliance Capital Management L.P. Financial Advisor Wealth Accumulation Plan.
10.5	Alliance Commission Substitution Plan, as amended and restated as of January 1, 2005.
10.6	Amended and Restated Alliance Partners Compensation Plan, as amended and restated as of January 1, 2005.
10.7	Alliance Capital Management L.P. Financial Advisor Wealth Accumulation Plan effective August 1, 2005 (incorporated by reference to Exhibit 99.3 to Form S-8, as filed August 5, 2005).
10.8	Letter Agreement entered into by Lewis A. Sanders and Alliance Capital Management L.P. on January 4, 2005 (incorporated by reference to Exhibit 99.25(a) to Form 8-K/A, as filed January 6, 2005.
10.9	Amendment to the Profit Sharing Plan for Employees of Alliance Capital Management L.P. dated as of December 28, 2005.
10.10	Amendment to the Retirement Plan for Employees of Alliance Capital Management L.P., effective as of December 28, 2005.
10.11	Guidelines for Transfer of Alliance Capital Management L.P. Units and Alliance Capital Management L.P. Policy Regarding Partners’ Requests for Consent to Transfer of Limited Partnership Interests to Third Parties. (incorporated by reference to Exhibit 10.3 to Form 10-K for the fiscal year ended December 31, 2004 as filed March 15, 2005).
10.12	Investment Advisory and Management Agreement for MONY Life. (incorporated by reference to Exhibit 10.4 to Form 10-K for the fiscal year ended December 31, 2004 as filed March 15, 2005).
10.13	Investment Advisory and Management Agreement for the General Account of AXA Equitable. (incorporated by reference to Exhibit 10.5 to Form 10-K for the fiscal year ended December 31, 2004 as filed March 15, 2005).
10.14	Summary of Alliance Capital Management L.P.’s Lease at 1345 Avenue of the Americas, New York, New York 10105 (incorporated by reference to Exhibit 10.3 to Form 10-K for the fiscal year ended December 31, 2003, as filed March 10, 2004).
10.15	Amendment and Complete Restatement of the Retirement Plan for Employees of Alliance Capital Management L.P. dated as of January 1, 2002 (incorporated by reference to Exhibit 10.4 to Form 10-K for the fiscal year ended December 31, 2003, as filed March 10, 2004).
10.16	Amendment and Complete Restatement of the Profit Sharing Plan for Employees of Alliance Capital Management L.P. dated as of January 1, 2002 (incorporated by reference to Exhibit 10.5 to Form 10-K for the year ended December 31, 2003, as filed March 10, 2004).

10.17	Amendment dated January 1, 2004 to the Profit Sharing Plan for Employees of Alliance Capital Management L.P. (incorporated by reference to Exhibit 10.7 to Form 10-K for the fiscal year ended December 31, 2003, as filed March 10, 2004).
10.18	Amendment dated August 1, 2003 to the Retirement Plan for Employees of Alliance Capital Management L.P. (incorporated by reference to Exhibit 10.9 to Form 10-K for the fiscal year ended December 31, 2003, as filed March 10, 2004).
10.19	Alliance Capital Management L.P. Partners Plan of Repurchase adopted as of February 20, 2003 (incorporated by reference to Exhibit 10.2 to Form 10-K for the fiscal year ended December 31, 2002, as filed March 27, 2003).
10.20	Services Agreement dated as of April 22, 2001 between Alliance Capital Management L.P. and AXA Equitable (incorporated by reference to Exhibit 10.19 to Form 10-K for the fiscal year ended December 31, 2001, as filed March 28, 2002).

Exhibit	Description
10.21	Registration Rights Agreement dated as of October 2, 2000 by and among Alliance Capital Management L.P., SCB Inc. and SCB Partners Inc. (incorporated by reference to Exhibit 10.17 to Form 10-K for the fiscal year ended December 31, 2000, as filed April 2, 2001).
10.22	Purchase Agreement dated as of June 20, 2000 by and among Alliance Capital Management L.P., AXA Financial and SCB Inc. (incorporated by reference to Exhibit 10.18 to Form 10-K for the fiscal year ended December 31, 2000, as filed April 2, 2001).
10.23	Alliance Capital Management L.P. Annual Elective Deferral Plan (incorporated by reference to Exhibit 99 to Form S-8, as filed November 6, 2000).
10.24	Commercial Paper Dealer Agreement, dated as of December 14, 1999 (incorporated by reference to Exhibit 10.9 to Form 10-K for the fiscal year ended December 31, 1999, as filed March 28, 2000).
10.25	Extendible Commercial Notes Dealer Agreement, dated as of December 14, 1999 (incorporated by reference to Exhibit 10.10 to the Form 10-K for the fiscal year ended December 31, 1999, as filed March 28, 2000).
10.26	Amended and Restated Investment Advisory and Management Agreement dated January 1, 1999 among Alliance Capital Management Holding L.P., Alliance Corporate Finance Group Incorporated and AXA Equitable (incorporated by reference to Exhibit (a)(6) to Form 10-Q/A for the quarterly period ended September 30, 1999, as filed on September 28, 2000).
10.27	Amended and Restated Accounting, Valuation, Reporting and Treasury Services Agreement dated January 1, 1999 between Alliance Capital Management Holding L.P., Alliance Corporate Finance Group Incorporated and AXA Equitable (incorporated by reference to Exhibit (a)(7) to the Form 10-Q/A for the quarterly period ended September 30, 1999, as filed September 28, 2000).
10.28	Alliance Capital Management L.P. Century Club Plan (incorporated by reference to Exhibit 4.3 to Form S-8, as filed July 12, 1993).
10.29	Alliance Capital Accumulation Plan (incorporated by reference to Exhibit 10.11 to Form 10-K for the fiscal year ended December 31, 1988, as filed March 31, 1989).
10.30	Alliance Partners Plan (incorporated by reference to Exhibit 10.12 to Form 10-K for the fiscal year ended December 31, 1988, as filed March 31, 1989).
12.1	AllianceBernstein Consolidated Ratio of Earnings to Fixed Charges in respect of the years ended December 31, 2005, 2004, and 2003.
21.1	Subsidiaries of AllianceBernstein.
23.1	Consent of KPMG LLP.
24.1	Power of Attorney of Dominique Carrel-Billiard.
24.2	Power of Attorney of Henri de Castries.
24.3	Power of Attorney of Christopher M. Condron.
24.4	Power of Attorney of Denis Duverne.
24.5	Power of Attorney of Roger Hertog.
24.6	Power of Attorney of Weston M. Hicks.
24.7	Power of Attorney of W. Edwin Jarmain.
24.8	Power of Attorney of Gerald M. Lieberman.
24.9	Power of Attorney of Nicolas Moreau.
24.10	Power of Attorney of Lorie A. Slutsky.
24.11	Power of Attorney of A.W. (Pete) Smith.

24.12 Power of Attorney of Peter J. Tobin.

Exhibit	Description
24.13	Power of Attorney of Stanley B. Tulin.
31.1	Certification of Mr. Sanders is being furnished pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Mr. Joseph is being furnished pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Mr. Sanders is being furnished pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Mr. Joseph is being furnished pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Exchange Act, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ALLIANCEBERNSTEIN L.P.

Date: February 24, 2006 By: /s/ Lewis A. Sanders

Lewis A. Sanders
Chairman of the Board
and Chief Executive Officer

Pursuant to the requirements of the Exchange Act, this report has been signed by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Date: February 24, 2006 /s/ Robert H. Joseph, Jr.

Robert H. Joseph, Jr.
Senior Vice President and
Chief Financial Officer

Date: February 24, 2006 /s/ Edward J. Farrell

Edward J. Farrell
Senior Vice President and
Chief Accounting Officer

DIRECTORS

/s/ Lewis A. Sanders	*
Lewis A. Sanders *Chairman of the Board*	W. Edwin Jarmain *Director*
*	*
Dominique Carrel-Billiard *Director*	Gerald M. Lieberman *Director*
*	*
Christopher M. Condron *Director*	Nicolas Moreau *Director*
*	*
Henri de Castries *Director*	Lorie A. Slutsky *Director*
*	*
Denis Duverne *Director*	A.W. (Pete) Smith *Director*
*	*

Roger Hertog *Director*	Peter J. Tobin *Director*
*	*
Weston M. Hicks *Director*	Stanley B. Tulin *Director*
/s/ Laurence E. Cranch Laurence E. Cranch *(*Attorney-in-fact)*	

SCHEDULE II

AllianceBernstein L.P.
Valuation and Qualifying Account - Allowance for Doubtful Accounts
For the Three Years Ending December 31, 2005, 2004 and 2003

Description	Balance at Beginning of Period	Charged to Costs and Expenses	Deductions	Balance at End of Period
		(in thousands)		
For the year ended December 31, 2003	$ 2,137	$ 1,839	$ 1,054 **(a)**	$ 2,922
For the year ended December 31, 2004	$ 2,922	$ —	$ 1,215 **(b)**	$ 1,707
For the year ended December 31, 2005	$ 1,707	$ 55	$ 823 **(c)**	$ 939

(a) Accounts written-off as uncollectible.
(b) Includes accounts written-off as uncollectible of $1,115 and reduction of allowance balance of $100.
(c) Includes accounts written-off as uncollectible of $123 and reduction of allowance balance of $700.

AMENDMENT NO. 1

TO

AMENDED AND RESTATED

AGREEMENT OF LIMITED PARTNERSHIP

OF

ALLIANCE CAPITAL MANAGEMENT HOLDING L.P.

THIS AMENDMENT NO. 1 (this "Amendment") to the Amended and Restated Agreement of Limited Partnership of Alliance Capital Management Holding L.P. (the "Partnership") dated as of October 29, 1999 (the "Partnership Agreement"), is made and entered into as of February 24, 2004. Capitalized terms used in this Amendment that are not otherwise herein defined are used as defined in the Partnership Agreement.

WHEREAS, Section 17.01(a) of the Partnership Agreement provides that the General Partner may, without the approval of any Partner, Unitholder or other Person, amend any provision of the Partnership Agreement to reflect a change in the name of the Partnership;

WHEREAS, Section 17.01(d) of the Partnership Agreement provides that the General Partner may, without the approval of any Partner, Unitholder or other Person, amend any provision of the Partnership Agreement to reflect a change that the General Partner in its sole discretion determines does not adversely affect the Unitholders in any respect; and

WHEREAS, Section 17.01(g) of the Partnership Agreement provides that the General Partner may, without the approval of any Partner, Unitholder or other Person, amend any provision of the Partnership Agreement to reflect an amendment that the General Partner in its sole discretion determines is necessary or desirable to conform the provisions of the Partnership Agreement to the provisions of the Alliance Capital Partnership Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements of the parties herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Amendments. (a) Section 2.01(b) of the Partnership Agreement is hereby amended and restated in its entirety to read as follows:

"(b) "*AllianceBernstein Holding L.P.*" shall be the name of the Partnership. The business of the Partnership shall be conducted under such name or such other name as the General Partner may from time to time in its sole discretion determine. "*Limited Partnership*" or "*Ltd.*" or "*L.P.*" (or similar words or letters) shall be included in the Partnership's name where necessary or

---

appropriate to maintain the limited liability of the Limited Partners and Unitholders or otherwise for the purpose of complying with the laws of any jurisdiction that so requires or as the General Partner may deem appropriate."

(b) Section 2.02 of the Partnership Agreement is hereby amended and restated in its entirety to read as follows:

Section 2.02 *Names and Addresses of Partners*. The General Partner of the Partnership is AllianceBernstein Corporation. The business address of the General Partner is 1345 Avenue of the Americas, New York, New York 10105. The General Partner may change its address at any time and from time to time. The names and business, residence or mailing addresses of the Limited Partners and Unitholders and the date upon which each such Person became a Limited Partner or Unitholder are as set forth from time to time in the records of the Partnership.

(c) The definition of "Alliance Capital" in Article 1 of the Partnership Agreement is hereby amended and restated in its entirety to read as follows:

"AllianceBernstein" shall mean AllianceBernstein L.P., a Delaware limited partnership whose name was Alliance Capital Management L.P., following a prior change from Alliance Capital Management L.P. II, in connection with the Reorganization.

2. Application of Amendments. All references in the Partnership Agreement to (a) "Alliance Capital Management Holding L.P." shall be deemed references to "AllianceBernstein Holding L.P.", (b) "Alliance Capital Management Corporation" or "ACMC" shall be deemed references to "AllianceBernstein Corporation", and (c) "Alliance Capital Management L.P." shall be deemed references to "AllianceBernstein L.P."

3. Agreement. Except as amended pursuant to this Amendment, the Partnership Agreement is ratified, adopted, approved and confirmed in all respects and remains in full force and effect.

4. Governing Law. Notwithstanding the place where this Amendment may be executed, all of the terms and provisions hereof shall be construed under and governed by the substantive laws of the State of Delaware, without regard to the principles of conflict of laws.

IN WITNESS WHEREOF, the General Partner has executed this Amendment as of the date first above written.

GENERAL PARTNER:

AllianceBernstein Corporation

By: /s/ Adam R. Spilka
Name: Adam R. Spilka
Title: SVP, Counsel and Secretary

AMENDMENT NO. 1

TO

AMENDED AND RESTATED

AGREEMENT OF LIMITED PARTNERSHIP

OF

ALLIANCE CAPITAL MANAGEMENT L.P.

THIS AMENDMENT NO. 1 (this "Amendment") to the Amended and Restated Agreement of Limited Partnership of Alliance Capital Management L.P. (the "Partnership") dated as of October 29, 1999 (the "Partnership Agreement"), is made and entered into as of February 24, 2004. Capitalized terms used in this Amendment that are not otherwise herein defined are used as defined in the Partnership Agreement.

WHEREAS, Section 17.01(a) of the Partnership Agreement provides that the General Partner may, without the approval of any Partner or other Person, amend any provision of the Partnership Agreement to reflect a change in the name of the Partnership;

WHEREAS, Section 17.01(d) of the Partnership Agreement provides that the General Partner may, without the approval of any Partner or other Person, amend any provision of the Partnership Agreement to reflect a change that the General Partner in its sole discretion determines does not adversely affect the Limited Partners in any material respect; and

WHEREAS, Section 17.01(g) of the Partnership Agreement provides that the General Partner may, without the approval of any Partner or other Person, amend any provision of the Partnership Agreement to reflect an amendment that the General Partner in its sole discretion determines is necessary or desirable to conform the provisions of the Partnership Agreement to the provisions of the Alliance Holding Partnership Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements of the parties herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Amendments. (a) Section 2.01(b) of the Partnership Agreement is hereby amended and restated in its entirety to read as follows:

"(b) "*AllianceBernstein L.P.*" shall be the name of the Partnership. The business of the Partnership shall be conducted under such name or such other name as the General Partner may from time to time in its sole discretion determine. "*Limited Partnership*" or "*Ltd.*" or "*L.P.*" (or similar words or letters) shall be included in the Partnership's name where necessary or appropriate to maintain

---

the limited liability of the Limited Partners or otherwise for the purpose of complying with the laws of any jurisdiction that so requires or as the General Partner may deem appropriate."

(b) Section 2.02 of the Partnership Agreement is hereby amended and restated in its entirety to read as follows:

Section 2.02 *Names and Addresses of Partners*. The General Partner of the Partnership is AllianceBernstein Corporation. The business address of the General Partner is 1345 Avenue of the Americas, New York, New York 10105. The General Partner may change its address at any time and from time to time. The names and business, residence or mailing addresses of the Limited Partners and the date upon which each such Person became a Limited Partner are as set forth from time to time in the records of the Partnership.

(c) The definition of "Alliance Holding" in Article 1 of the Partnership Agreement is hereby amended and restated in its entirety to read as follows:

"AllianceBernstein Holding" shall mean AllianceBernstein Holding L.P., a publicly-traded Delaware limited partnership whose name was Alliance Capital Management Holding L.P., following a prior change from Alliance Capital Management L.P., in connection with the Reorganization.

2. Application of Amendments. All references in the Partnership Agreement to (a) "Alliance Capital Management Holding L.P." shall be deemed references to "AllianceBernstein Holding L.P.", (b) "Alliance Capital Management Corporation" or "ACMC" shall be deemed references to "AllianceBernstein Corporation", and (c) "Alliance Capital Management L.P." shall be deemed references to "AllianceBernstein L.P."

3. Agreement. Except as amended pursuant to this Amendment, the Partnership Agreement is ratified, adopted, approved and confirmed in all respects and remains in full force and effect.

4. Governing Law. Notwithstanding the place where this Amendment may be executed, all of the terms and provisions hereof shall be construed under and governed by the substantive laws of the State of Delaware, without regard to the principles of conflict of laws.

IN WITNESS WHEREOF, the General Partner has executed this Amendment as of the date first above written.

GENERAL PARTNER:

AllianceBernstein Corporation

By: /s/ Adam R. Spilka
Name: Adam R. Spilka
Title: SVP, Counsel and Secretary

Exhibit 10.1

EXECUTION COPY

Published CUSIP Number:

REVOLVING CREDIT AGREEMENT
Dated as of February 17, 2006

among

ALLIANCE CAPITAL MANAGEMENT L. P.,
as Borrower,

BANK OF AMERICA, N.A.,
as Administrative Agent,

BANC OF AMERICA SECURITIES LLC,
as Arranger,

CITIBANK, N.A. and
THE BANK OF NEW YORK,
as Co-Syndication Agents,

DEUTSCHE BANK SECURITIES INC. and
JPMORGAN CHASE BANK, N.A.,
as Co-Documentation Agents,

and

THE FINANCIAL INSTITUTIONS WHOSE NAMES APPEAR
ON THE SIGNATURE PAGES HEREOF AS "BANKS"

TABLE OF CONTENTS

Schedules

Exhibits

REVOLVING CREDIT AGREEMENT

THIS REVOLVING CREDIT AGREEMENT, dated as of February 17, 2006 (this "Credit Agreement"), by and among ALLIANCE CAPITAL MANAGEMENT L.P., a Delaware limited partnership (together with its permitted successors, the "Borrower"), the financial institutions from time to time party hereto (collectively, the "Banks"), and BANK OF AMERICA, N.A., as administrative agent for the Banks (in such capacity, the "Administrative Agent");

W I T N E S S E T H:

WHEREAS, the Borrower desires to obtain from the Banks certain credit facilities as described in this Credit Agreement for general partnership purposes, including the support of the Borrower's issuance of commercial paper, and for other purposes as provided below;

WHEREAS, the Banks are willing to provide such credit facilities to the Borrower upon the terms and conditions set forth in this Credit Agreement; and

WHEREAS, the Administrative Agent is willing to act as administrative agent, for the Banks in connection with such credit facilities as provided in this Credit Agreement;

NOW, THEREFORE, in consideration of the foregoing, the mutual covenants and agreements set forth hereinbelow, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties, the parties hereto do hereby agree as follows:

1. DEFINITIONS AND RULES OF INTERPRETATION.

1.1 Definitions. The following terms shall have the meanings set forth in this Section 1.1 or elsewhere in the provisions of this Credit Agreement referred to below:

Accounting Change. As defined in Section 6.12.

Accounting Notice. As defined in Section 6.12.

Acquisition. As defined in Section 7.2.

Administrative Agent. Bank of America, acting as administrative agent for the Banks, or any successor Administrative Agent appointed pursuant to Section 13.1.6.

Administrative Agent's Head Office. The Administrative Agent's head office located at 101 North Tryon Street, Charlotte, North Carolina 28255, or at such other location as the Administrative Agent may designate in a written notice to the other parties hereto from time to time.

Administrative Agent's Overnight Investment Rate. The annual rate of interest in effect from time to time that is equal to the interest rate received by the Administrative Agent from time to time with respect to funds invested in overnight repurchase agreements.

Affected Computation. As defined in Section 6.12.

Affiliate. As defined under Rule 144 (a) under the Securities Act of 1933, as amended, but, in the case of the Borrower, not including any Subsidiary or any investment fund which is managed or advised by the Borrower.

Agent-Related Person. The Administrative Agent, together with its Affiliates (including, in the case of Bank of America, in its capacity as the Administrative Agent, and Banc of America Securities LLC), and the officers, directors, employees, agents and attorneys-in-fact of such Persons and Affiliates.

Alliance Distributors. AllianceBernstein Investment Research and Management, Inc., a Delaware corporation, or any successor thereto as the primary distributor of securities of investment companies sponsored by the Borrower or its Subsidiaries.

Alternate Base Rate. A simple interest rate equal to the higher of (a) the Federal Funds Rate Basis plus one-half of one percent (0.50%) or (b) the Prime Rate. The Alternate Base Rate shall be adjusted automatically as of the opening of business as of the effective date of each change in the Federal Funds Rate Basis or the Prime Rate, as the case may be, to account for such change.

Alternate Base Rate Loan. A Loan which bears interest at the Alternate Base Rate.

Applicable Lending Office. With respect to each Bank, such Bank's Domestic Lending Office in the case of a Federal Funds Rate Loan or Alternate Base Rate Loan and such Bank's LIBOR Lending Office in the case of a LIBOR Loan.

Applicable Margin. An annual percentage rate determined by the Administrative Agent, as of any date of determination, in accordance with the Borrower's long-term senior unsecured debt rating in effect as of any date of determination as follows:

Borrower's S&P Rating/Moody's Rating	Applicable Margin
≥ AA/Aa2	0.150%
AA-, A+/Aa3, A1	0.190%
A/A2	0.230%
A-/A3	0.270%
BBB+/Baa1	0.310%
≤ BBB/Baa2 or no S&P Rating or Moody's Rating	0.375%

Notwithstanding the foregoing, (a) if there is a split in the debt ratings of only one level, the Applicable Margin of the higher debt rating shall apply and (b) if there is a split in the debt ratings of more than one level, the Applicable Margin that is one level higher than the Applicable Margin of the lower debt rating shall apply, in any such case, subject, as applicable, to the provisions of Section 4.10 hereof.

Approved Fund. Any Fund that is administered or managed by (a) a Bank, (b) an Affiliate of a Bank or (c) an entity or an Affiliate of an entity that administers or manages a Bank.

Assignment and Acceptance. an assignment and acceptance entered into by a Bank and an Eligible Assignee (with the consent of any party whose consent is required by Section 17.1), and accepted by the Administrative Agent, in substantially the form of Exhibit H or any other form approved by the Administrative Agent and the Borrower.

Attributable Indebtedness. On any date with respect to any Person, in respect of any Synthetic Lease Obligation of such Person, the capitalized amount of the remaining lease payments under the relevant lease that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP if such lease were accounted for as a Capitalized Lease.

AXA Group. AXA, a *société anonyme* organized under the laws of France, and its Subsidiaries.

Bank of America. Bank of America, N.A., a national banking association.

Banks. As defined in the preamble hereto.

Borrower. As defined in the preamble hereto.

Borrower Control Change Notice. As defined in Section 6.5.4.

Borrower Partnership Agreement. The Amended and Restated Agreement of Limited Partnership of the Borrower, dated as of October 29, 1999, by and among the General Partner and those other Persons who became partners of the Borrower as provided therein, as such agreement has been amended and exists at the date of this Credit Agreement and may be amended or modified from time to time in compliance with the provisions of this Credit Agreement.

Broker-Dealer Debt. The obligations incurred or otherwise arising in connection with the Securities Trading Activities of any Broker-Dealer Subsidiary.

Broker-Dealer Subsidiaries. The Subsidiaries listed on Schedule 2 attached hereto and each other Subsidiary that engages in activities of the type described in the definition of Securities Trading Activities and that is so designated by the Borrower in writing to the Administrative Agent; and "Broker-Dealer Subsidiary" means any one of such Broker-Dealer Subsidiaries.

Business. With respect to any Person, the assets, properties, business, operations and condition (financial and otherwise) of such Person.

Business Day. Any day on which banking institutions in Charlotte, North Carolina and New York, New York, are open for the transaction of banking business and, in the case of LIBOR Loans, also a day which is a LIBOR Business Day.

Capitalized Leases. Leases under which the Borrower or any of its Consolidated Subsidiaries is the lessee or obligor, the discounted future rental payment obligations under

which are required to be capitalized on the balance sheet of the lessee or obligor in accordance with GAAP.

CERCLA. As defined in Section 5.17(a).

Change of Control. Each and every (a) issue, sale, or other disposition of Voting Equity Securities of the Borrower that results in any Person or group of Persons acting in concert (other than any of AXA Financial, Inc. and its Subsidiaries, and any member of the AXA Group) beneficially owning or controlling, directly or indirectly, more than eighty percent (80%) (by number of votes) of the Voting Equity Securities of the Borrower or (b) issue, sale, or other disposition of Voting Equity Securities of the General Partner which results in any Person or group of Persons acting in concert (other than any of AXA Financial, Inc. and its Subsidiaries, and any member of the AXA Group) beneficially owning or controlling, directly or indirectly, more than fifty percent (50%) (by number of votes) of the Voting Equity Securities of the General Partner.

Change of Control Date. Any date upon which a Change of Control occurs.

Closing Date. The date, not later than March 31, 2006, on which each of the conditions set forth in Section 9 is satisfied or waived.

Code. The Internal Revenue Code of 1986, as amended.

Co-Documentation Agent. Deutsche Bank Securities Inc. and JPMorgan Chase Bank, N.A., acting as co-documentation agents.

Commitment. With respect to each Bank party hereto on the date hereof, its obligation to make Loans to the Borrower, in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Bank's name on Schedule 1 under the caption "Commitment" or opposite such caption in the Assignment and Acceptance pursuant to which such Bank becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Credit Agreement; or if such commitment is terminated pursuant to the provisions hereof, zero.

Commitment Percentage. With respect to each Bank at any time, the percentage carried out to the ninth decimal place) of the Total Commitment represented by such Bank's Commitment at such time. If the Commitment of each Bank has been terminated in full pursuant to Section 2.5(a) or 11.1, or if the Commitments have expired, then the Commitment Percentage of each Bank shall be determined based on the Commitment Percentage of such Bank most recently in effect, after giving effect to any subsequent assignments. The initial Commitment Percentage of each Bank is set forth opposite the name of such Bank on Schedule 1 or in the Assignment and Acceptance pursuant to which such Bank becomes a party hereto, as applicable.

Consolidated or consolidated. Except as otherwise provided, with reference to any term defined herein, shall mean that term as applied to the accounts of the Borrower, the Consolidated Subsidiaries and the Excluded Funds consolidated in accordance with GAAP.

Consolidated Adjusted Cash Flow. With respect to any fiscal period, the sum of (A) EBITDA for such fiscal period, plus (B) non-cash charges (other than charges for depreciation

and amortization) for such fiscal period to the extent deducted in determining Consolidated Net Income (or Loss) for such period.

Consolidated Adjusted Funded Debt. At any time, the aggregate Outstanding principal amount of Funded Debt of the Borrower and the Consolidated Subsidiaries (whether owed by more than one of them jointly or by any of them singly) at such time determined on a consolidated basis and, except with respect to items (f) and (g) of the definition of Funded Debt, determined in accordance with GAAP.

Consolidated Leverage Ratio. As of any date of determination, the ratio of (a) Consolidated Adjusted Funded Debt as of such date *to* (b) Consolidated Adjusted Cash Flow for the period of the four fiscal quarters most recently ended for which the Borrower has delivered financial statements.

Consolidated Net Income (or Loss). The net income (or loss) of the Borrower and the Consolidated Subsidiaries, determined in accordance with GAAP, but excluding in any event:

(a) any portion of the net earnings of any Subsidiary that, by virtue of a restriction or Lien binding on such Subsidiary under a Contract or Government Mandate, is unavailable for payment of dividends to the Borrower or any other Subsidiary;

(b) earnings resulting from any reappraisal, revaluation, or write-up of assets; and

(c) any reversal of any contingency reserve, except to the extent that such provision for such contingency reserve shall have been made from income arising during the period subsequent to December 31, 2004, through the end of the period for which Consolidated Net Income (or Loss) is then being determined, taken as one accounting period.

Consolidated Net Worth. The excess of Consolidated Total Assets over Consolidated Total Liabilities, less, to the extent otherwise includible in the computations of Consolidated Net Worth, any subscriptions receivable with respect to Equity Securities of the Borrower or its Subsidiaries (with such adjustments as may be appropriate so as not to double count intercompany items).

Consolidated Subsidiaries. At any point in time, the Subsidiaries of the Borrower (which, as provided in the definition of "Subsidiary" do not include the Excluded Funds) that are consolidated with the Borrower for financial reporting purposes with respect to the fiscal period of the Borrower in which such point in time occurs.

Consolidated Total Assets. All assets of the Borrower determined on a consolidated basis (excluding the Excluded Funds) in accordance with GAAP.

Consolidated Total Liabilities. All liabilities of the Borrower determined on a consolidated basis (excluding the Excluded Funds) in accordance with GAAP.

Contracts. Contracts, agreements, mortgages, leases, bonds, promissory notes, debentures, guaranties, Capitalized Leases, indentures, pledges, powers of attorney, proxies, trusts, franchises, or other instruments or obligations.

Control Change Notice. As defined in Section 6.5.4.

Conversion Request. A notice given by the Borrower to the Administrative Agent of the Borrower's election to convert or continue a Loan in accordance with Section 2.9.

Co-Syndication Agent. Citibank, N.A. and The Bank of New York, acting as co-syndication agents.

Credit Agreement. This Revolving Credit Agreement, including the Schedules and Exhibits hereto.

Default. Any event or condition that constitutes an Event of Default or that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

Delinquent Bank. As defined in Section 13.3.

Disposition. As defined in Section 7.1.

Distribution. With respect to any Entity, the declaration or payment (without duplication) of any dividend or distribution on or in respect of any Equity Securities of such Entity, other than dividends payable solely in Equity Securities of such Entity that are not required to be classified as liabilities on the balance sheet of such Entity under GAAP; the purchase, redemption, or other retirement of any Equity Securities of such Entity, directly or indirectly through a Subsidiary of such Entity or otherwise; or the return of capital by such Entity to the holders of its Equity Securities as such.

Dollars or $. Dollars in lawful currency of the United States of America.

Domestic Lending Office. Initially, the office of each Bank designated as such in Schedule 1 hereto or in the Assignment and Acceptance pursuant to which it became a party hereto; thereafter, such other office of such Bank, if any, located within the United States that will be making or maintaining Federal Funds Rate Loans or Alternate Base Rate Loans.

Drawdown Date. The date on which any Loan is made or is to be made, and the date on which any Loan is converted or continued in accordance with Section 2.9.

EBITDA. The Consolidated Net Income (or Loss) for any period, plus provision for any income taxes, interest (whether paid or accrued, but without duplication of interest accrued for previous periods), depreciation, or amortization for such period, in each case to the extent deducted in determining such Consolidated Net Income (or Loss).

Effective Date. As defined in Section 6.12(c).

Eligible Assignee. Any of (a) a Bank, (b) an Affiliate of a Bank, (c) an Approved Fund, (d) a commercial bank or finance company organized under the laws of the United States, any State thereof, or the District of Columbia, and having total assets in excess of One Billion Dollars ($1,000,000,000); (e) a commercial bank organized under the laws of any other country that is a member of the Organization for Economic Cooperation and Development (the "OECD"), or a political subdivision of any such country, and having total assets in excess of One Billion Dollars ($1,000,000,000), provided that such bank is acting through a branch or agency located in the country in which it is organized or another country which is also a member of the OECD; and (f) the central bank of any country which is a member of the OECD.

Employee Benefit Plan. Any employee benefit plan within the meaning of §3(2) of ERISA maintained or contributed to by the Borrower or any ERISA Affiliate, other than a Multiemployer Plan.

Entity. Any corporation, partnership, trust, unincorporated association, joint venture, limited liability company, or other legal or business entity.

Environmental Laws. As defined in Section 5.17(a).

EPA. As defined in Section 5.17(b).

Equity Securities. With respect to any Entity, all equity securities of such Entity, including any (a) common or preferred stock, (b) limited or general partnership interests, (c) limited liability company member interests, (d) options, warrants, or other rights to purchase or acquire any equity security, or (e) securities convertible into any equity security.

ERISA. The Employee Retirement Income Security Act of 1974, as amended.

ERISA Affiliate. Any Person that is treated as a single employer together with the Borrower under §414 of the Code.

ERISA Reportable Event. A reportable event with respect to a Guaranteed Pension Plan within the meaning of §4043 of ERISA and the regulations promulgated thereunder as to which the requirement of notice has not been waived.

Event of Default. As defined in Section 11.

Examining Authority. The meaning set forth in Rule 15c3-1(c)(12) under the Securities Exchange Act of 1934, as amended.

Excluded Funds. A collective reference to each investment company, investment fund or similar Entity that (i) is deemed not to be a "Subsidiary" of the Borrower by virtue of the definition of "Subsidiary," but (ii) is required in accordance with the application of Financial Accounting Standards Board Interpretation No. 46-Revised, Accounting Research Bulletin 51 and related or successor accounting literature to be consolidated with the Borrower for financial reporting purposes. The assets, liabilities, income (or losses), or activities or other attributes of any Excluded Fund, including without limitation, Funded Debt, Investments or Indebtedness of any Excluded Fund, shall not be attributed to the Borrower or any Subsidiary or Consolidated Subsidiary of the Borrower for purposes of this Credit Agreement as a result solely of the application of principles of consolidation applied in accordance with GAAP that require consolidation of Excluded Funds.

Excluded Taxes. With respect to the Administrative Agent, any Bank or any other recipient of any payment to be made by or on account of any obligation of the Borrower hereunder, (a) taxes imposed on or measured by its overall net income (however denominated), and franchise taxes imposed on it (in lieu of net income taxes), by the jurisdiction (or any political subdivision thereof) under the laws of which such recipient is organized or in which its principal office is located or, in the case of any Bank, in which its Applicable Lending Office is located, (b) any branch profits taxes imposed by the United States or any similar tax imposed by any other jurisdiction in which the Borrower is located and (c) in the case of a Foreign Bank, any United States withholding tax that is imposed on amounts payable to such Foreign Bank at the time such

Foreign Bank becomes a party hereto (or designates a new Lending Office) or is attributable to such Foreign Bank's failure or inability (other than as a result of a change in law) to comply with Section 4.11(e), except to the extent that such Foreign Bank (or its assignor, if any) was entitled, at the time of designation of a new Lending Office (or assignment), to receive additional amounts from the Borrower with respect to such withholding tax pursuant to Section 4.11(a).

Federal Funds Rate. A simple interest rate equal to the sum of the Federal Funds Rate Basis plus the Applicable Margin. The Federal Funds Rate shall be adjusted automatically as of the opening of business of the effective date of each change in the Federal Funds Rate Basis to account for such change.

Federal Funds Rate Basis. For any day, the rate per annum equal to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided that (a) if such day is not a Business Day, the Federal Funds Rate Basis for

such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate Basis for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to Bank of America on such day on such transactions as determined by the Administrative Agent.

Federal Funds Rate Loan. A Loan (other than an Alternate Base Rate Loan) which bears interest at the Federal Funds Rate.

Fee Letter. That certain fee letter dated January 17, 2006 among the Borrower, Bank of America, and Banc of America Securities LLC.

Foreign Bank. Any Bank that is organized under the laws of a jurisdiction other than that in which the Borrower is resident for tax purposes. For purposes of this definition, the United States, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

Fully Effective. With respect to any Contract, that (a) such Contract is the legal, valid, and binding obligation of the Borrower or its Subsidiary, as the case may be, enforceable against such party according to its terms, and (b) if such Contract exists on or before the date of this Credit Agreement, such Contract shall remain in full force and effect notwithstanding the execution and delivery of the Loan Documents and the consummation of the transactions contemplated by the Loan Documents.

Fund. Any Person (other than an individual) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business; provided, that the foregoing shall be disregarded for purposes of the definition of Excluded Funds.

Funded Debt. With respect to the Borrower or any Consolidated Subsidiary, (a) all Indebtedness for money borrowed of such Person, (b) in respect of Capitalized Leases, the capitalized amount thereof that would appear on a balance sheet of such Person prepared in accordance with GAAP, (c) all reimbursement obligations of such Person with respect to letters of credit, bankers' acceptances, or similar facilities issued for the account of such Person, (d) Indebtedness in respect of the disposition of 12b-1 Fees, (e) all guarantees, endorsements,

acceptances, and other contingent obligations of such Person, whether direct or indirect, in respect of Indebtedness for borrowed money of others, including any obligation to supply funds to or in any manner to invest in, directly or indirectly, the debtor, to purchase Indebtedness for borrowed money, or to assure the owner of Indebtedness for borrowed money against loss, through an agreement to purchase goods, supplies, or services for the purpose of enabling the debtor to make payment of the Indebtedness held by such owner or otherwise, (f) net obligations of such Person under any Swap Contract in an amount equal to the Swap Termination Value thereof, and (g) Attributable Indebtedness of such Person. Notwithstanding the foregoing, Funded Debt shall not include Broker-Dealer Debt.

GAAP. Subject to Section 6.12, (a) when used in financial covenants set forth in Section 8, whether directly or indirectly through reference to a capitalized term used therein, (i) principles that are consistent with the principles promulgated or adopted by the Financial Accounting Standards Board and its predecessors, in effect for the fiscal year ended on December 31, 2004, and (ii) to the extent consistent with such principles, the accounting practices of the Borrower reflected in its consolidated financial statements for the year ended on December 31, 2004, and (b) when used in general, other than as provided above, means principles that are (i) consistent with the principles promulgated or adopted by the Financial Accounting Standards Board and its predecessors, as in effect from time to time and (ii) consistently applied with past financial statements of the Borrower adopting the same principles, provided that in each case referred to in this definition of "GAAP" a certified public accountant would, insofar as the use of such accounting principles is pertinent, be in a position to deliver an unqualified opinion (other than a qualification regarding changes in GAAP) as to financial statements in which such principles have been properly applied, subject, in each case, to the application of accounting principles as of the date of implementation of, and with respect to, Financial Accounting Standards Board Interpretation No. 46-Revised.

General Partner. (a) Alliance Capital Management Corporation, a Delaware corporation, in its capacity as general partner of the Borrower and (b) any other Persons who satisfy the requirements for admitting general partners without causing a Default or an Event of Default as set forth in Section 11.1(n) and who are so admitted, each in its capacity as a general partner of the Borrower, and their respective successors.

Government Authority. The United States of America or any state, district, territory, or possession thereof, any local government within the United States of America or any of its territories and possessions, any foreign government having appropriate jurisdiction or any province, territory, or possession thereof, or any court, tribunal, administrative or regulatory agency, taxing or revenue authority, central bank or banking regulatory agency, commission, or body of any of the foregoing.

Government Mandate. With respect to (a) any Person, any statute, law, rule, regulation, code, or ordinance duly adopted by any Government Authority, any treaty or compact between two (2) or more Government Authorities, and any judgment, order, decree, ruling, finding, determination, or injunction of any Government Authority, in each such case that is, pursuant to appropriate jurisdiction, legally binding on such Person, any of its Subsidiaries or any of their respective properties, and (b) the Administrative Agent or any Bank, in addition to subsection (a) hereof, any policy, guideline, directive, or standard duly adopted by any Government Authority with respect to the regulation of banks, monetary policy, lending, investments, or other financial matters.

Granting Lender. As defined in Section 17.6.

Guarantee. As to any Person, (a) any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Funded Debt or other obligation payable or performable by another Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Funded Debt or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Funded Debt or other obligation of the payment or performance of such Funded Debt or other obligation, (iii) to maintain working

capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such Funded Debt or other obligation, or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such Funded Debt or other obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part), or (b) any Lien on any assets of such Person securing any Funded Debt or other obligation of any other Person, whether or not such Funded Debt or other obligation is assumed by such Person. The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith. The term "Guarantee" as a verb has a corresponding meaning.

Guaranteed Pension Plan. Any employee pension benefit plan within the meaning of §3(2) of ERISA maintained or contributed to by the Borrower or any ERISA Affiliate the benefits of which are guaranteed on termination in full or in part by the PBGC pursuant to Title IV of ERISA, other than a Multiemployer Plan.

Hazardous Substances. As defined in Section 5.17(b).

Indebtedness. All obligations, contingent and otherwise, that in accordance with GAAP should be classified upon the obligor's balance sheet as liabilities, or to which reference should be made by footnotes thereto in accordance with GAAP, including: (a) all debt and similar monetary obligations, whether direct or indirect; (b) all liabilities secured by any Lien existing on property owned or acquired subject thereto, whether or not the liability secured thereby shall have been assumed; (c) all obligations in respect of hedging contracts, including, without limitation, interest rate and currency swaps, caps, collars and other financial derivative products; and (d) all guarantees, endorsements, and other contingent obligations whether direct or indirect in respect of indebtedness of others, including any obligation to supply funds to or in any manner to invest in, directly or indirectly, the debtor, to purchase indebtedness, or to assure the owner of indebtedness against loss, through an agreement to purchase goods, supplies, or services for the purpose of enabling the debtor to make payment of the indebtedness held by such owner or otherwise, and the obligations to reimburse the issuer in respect of any letters of credit. Notwithstanding the foregoing, Indebtedness shall not include Broker-Dealer Debt.

Indemnified Liabilities. As defined in Section 15.

Indemnified Taxes. Taxes other than Excluded Taxes.

Interest Payment Date. (a) As to any Federal Funds Rate Loan or Alternate Base Rate Loan, the second Business Day of each calendar quarter for the immediately preceding calendar quarter during all or a portion of which such Federal Funds Rate Loan or Alternate Base Rate Loan were Outstanding and the maturity of such Federal Funds Rate Loan or Alternate Base Rate

Loan; (b) as to any LIBOR Loan, the last day of each Interest Period with respect to such LIBOR Loan, the maturity of such LIBOR Loan, and, if the Interest Period of such LIBOR Loan is longer than three (3) months, the date that is three (3) months from the first day of such Interest Period and the last day of each successive three (3) month period during such Interest Period.

Interest Period. With respect to any LIBOR Loan, (a) initially, the period commencing on the Drawdown Date of such Loan and ending on the last day of, as selected by the Borrower in a Loan Request, one (1) or two (2) weeks, or one (1), two (2), three (3), four (4), five (5), or six (6) months, if available in readily ascertainable markets; and (b) thereafter, each period commencing on the last day of the next preceding Interest Period applicable to such Loan and ending on the last day of one of the periods set forth above, as selected by the Borrower in a Conversion Request; provided that all of the foregoing provisions relating to Interest Periods are subject to the following:

(i) if any Interest Period for a LIBOR Loan would otherwise end on a day that is not a Business Day, that Interest Period shall be extended to the next succeeding Business Day unless the result of such extension would be to carry such Interest Period into another calendar month, in which event such Interest Period shall end on the immediately preceding Business Day; and

(ii) any Interest Period commencing prior to the Maturity Date that would otherwise extend beyond the Maturity Date shall end on the Maturity Date.

Investment. As to any Person, any direct or indirect acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition of capital stock or other securities of another Person, (b) a loan, advance or capital contribution to, Guarantee or assumption of debt of, or purchase or other acquisition of any other debt or equity participation or interest in, another Person, including any partnership or joint venture interest in such other Person, or (c) the purchase or other acquisition (in one transaction or a series of transactions) of assets of another Person that constitute a business unit. For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment.

LIBOR Business Day. Any day on which commercial banks are open for international business (including dealings in Dollar deposits) in London, England.

LIBOR Lending Office. Initially, the office of each Bank designated as such in Schedule 1 hereto or in the Assignment and Acceptance pursuant to which it became a party hereto; thereafter, such other office of such Bank, if any, that shall be making or maintaining LIBOR Loans.

LIBOR Loan. A Loan which bears interest at the LIBOR Rate.

LIBOR Rate. A simple per annum interest rate equal to the sum of (a) the quotient of (i) the LIBOR Rate Basis divided by (ii) one minus the LIBOR Reserve Percentage, stated as a decimal, plus (b) the Applicable Margin. The LIBOR Rate shall be rounded upward to four decimal places and shall apply to the applicable Interest Period, and, once determined, shall be subject to the provisions of this Credit Agreement and shall remain unchanged during the applicable Interest Period, except for changes to reflect adjustments in the LIBOR Reserve Percentage.

LIBOR Rate Basis. For any Interest Period, the rate per annum equal to the British Bankers Association LIBOR Rate ("BBA LIBOR"), as published by Reuters (or other commercially available source providing quotations of BBA LIBOR as designated by the Administrative Agent from time to time) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, for Dollar deposits (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period. If such rate is not available at such time for any reason, then the LIBOR Rate Basis for such Interest Period shall be the interest rate per annum determined by the Administrative Agent to be the rate at which deposits in Dollars for delivery on the first day of such Interest Period in same day funds in the approximate amount of the LIBOR Loan being made, continued or converted by the Banks and with a term equivalent to such Interest Period would be offered by the Administrative Agent's London Branch to major banks in the London interbank eurodollar market at their request at approximately 11:00 a.m. (London time) two Business Days prior to the commencement of such Interest Period.

LIBOR Reserve Percentage. The percentage which is in effect from time to time under Regulation D of the Board of Governors of the Federal Reserve System, as such regulation may be amended from time to time, as the actual reserve requirement applicable with respect to Eurocurrency Liabilities (as that term is defined in Regulation D), to the extent that any Bank has any Eurocurrency Liabilities subject to such reserve requirement at that time. The LIBOR Rate for any LIBOR Loan shall be adjusted as of the effective date of any change in the LIBOR Reserve Percentage.

Lien. Any lien, mortgage, security interest, pledge, charge, beneficial or equitable interest or right, hypothecation, collateral assignment, easement, or other encumbrance.

Loan Documents. This Credit Agreement, any Notes and any instrument or document designated by the parties thereto as a "Loan Document" for purposes hereof.

Loan Request. As defined in Section 2.8.

Loans. Revolving credit loans made or to be made by the Banks to the Borrower pursuant to Section 2.

Majority Banks. The Banks whose aggregate Commitments constitute more than fifty percent (50%) of the Total Commitment or, if the Commitments have been terminated, the Banks whose Loans constitute more than fifty percent (50%) of the aggregate amount of the Loans.

Material Adverse Effect. A material adverse effect on (a) the ability of the Borrower to enter into and to perform and observe its Obligations under the Loan Documents, or (b) the assets, properties, business, operations and condition (financial or otherwise) of the Borrower and its Subsidiaries taken as a whole.

Material Broker-Dealer Subsidiary. Any Broker-Dealer Subsidiary that has total assets as of the date of determination equal to not less than five (5%) of the Consolidated Total Assets of the Borrower as set forth in the consolidated balance sheet of the Borrower (excluding the Excluded Funds) included in the most recent available annual or quarterly report of the Borrower.

Material Subsidiary. Any Subsidiary of the Borrower or Alliance Distributors that, singly or together with any other such Subsidiaries then subject to one or more of the conditions described in Section 11.1(h), Section 11.1(i), or Section 11.1(m), either (a) at the date of

determination owns Significant Assets, or (b) has total assets as of the date of determination equal to not less than five percent (5%) of the Consolidated Total Assets of the Borrower as set forth in the consolidated balance sheet of the Borrower (excluding the Excluded Funds) included in the most recent available annual or quarterly report of the Borrower.

Maturity Date. February 17, 2011.

Moody's Rating. With respect to any Entity, the rating assigned to long-term senior unsecured debt issued by such Entity by Moody's Investors Service, Inc. from time to time in effect or, if such Entity does not issue long-term senior unsecured debt rated by Moody's Investors Service, Inc., the issuer rating assigned by Moody's Investors Service, Inc. from time to time in effect.

Multiemployer Plan. Any multiemployer plan within the meaning of §3(37) of ERISA maintained or contributed to by the Borrower or any ERISA Affiliate.

Net Capital Rule. Rule 15c3-1 under the Securities Exchange Act of 1934, as amended.

1940 Act. The Investment Company Act of 1940, as amended.

Notes. Any Notes of the Borrower to the Banks in respect of the Borrower's Obligations under this Credit Agreement of even date herewith, substantially in the form of Exhibit A, as amended, modified and renewed from time to time.

Obligations. All indebtedness, obligations, and liabilities of any of the Borrower or its Subsidiaries to any of the Banks and the Administrative Agent, individually or collectively, existing on the date of this Credit Agreement or arising thereafter, direct or indirect, joint or several, absolute or contingent, matured or unmatured, liquidated or unliquidated, secured or unsecured, arising or incurred under this Credit Agreement or any of the other Loan Documents or in respect of any of the Loans made or any of the Notes or other instruments at any time evidencing any thereof.

Other Taxes. All present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or under any other Loan Document or from the execution, delivery or enforcement of, or otherwise with respect to, this Credit Agreement or any other Loan Document.

Outstanding. With respect to the Loans, the aggregate unpaid principal thereof as of any date of determination.

Participant. As defined in Section 17.1(d).

PBGC. The Pension Benefit Guaranty Corporation created by §4002 of ERISA and any successor entity or entities having similar responsibilities.

Permits. Permits, licenses, franchises, patents, copyrights, trademarks, trade names, approvals, clearances, and applications for or rights in respect of the foregoing of any Government Authority.

Permitted Liens. Liens permitted by Section 7.3.

Person. Any individual, Entity or Government Authority.

Prime Rate. The rate of interest adopted by the Administrative Agent as its reference rate for the determination of interest rates for loans of varying maturities in United States dollars to United States residents of varying degrees of creditworthiness and being quoted at such time by the Administrative Agent as its "prime rate". The "prime rate" is a rate set by Bank of America based upon various factors including Bank of America's costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in such rate announced by Bank of America shall take effect at the opening of business on the day specified in the public announcement of such change.

Proceedings. Any (a) actions at law, (b) suits in equity, (c) bankruptcy, insolvency, receivership, dissolution, or reorganization cases or proceedings, (d) administrative or regulatory hearings or other proceedings, (e) arbitration and mediation proceedings, (f) criminal prosecutions, (g) judgment levies, foreclosure proceedings, pre-judgment security procedures, or other enforcement actions, and (h) other litigation, actions, suits, and proceedings conducted by, before, or on behalf of any Government Authority.

RCRA. As defined in Section 5.17(a).

Real Estate. All real property at any time owned or leased (as lessee or sublessee) by the Borrower or any of its Subsidiaries.

Record. The grid attached to a Note, or the continuation of such grid, or any other similar record, including computer records, maintained by any Bank with respect to any Loan referred to in such Note or in this Credit Agreement.

Register. As defined in Section 17.1(c).

Related Parties. With respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents and advisors of such Person and of such Person's Affiliates.

Reorganization and Reorganize. As defined in Section 7.2.

SARA. As defined in Section 5.17(a).

Securities Trading Activities. The activities in the ordinary course of business of a Broker-Dealer Subsidiary, including, without limitation, acting as a broker for clients and/or as a dealer in the purchase and sale of securities traded on exchanges or in the over-the-counter markets, entering into securities repurchase agreements and reverse repurchase agreements, securities lending and borrowing and securities clearing, either through agents or directly through clearing systems.

Significant Assets. At the date of any sale, transfer, assignment, or other disposition of assets of the Borrower or any of its Subsidiaries (or as of the date of any Default or Event of Default), assets of the Borrower or any of its Subsidiaries (including Equity Securities of Subsidiaries of the Borrower) which generated thirty-three and one-third percent (33 1/3%) or more of the consolidated revenues of the Borrower during the four (4) fiscal quarters of the Borrower most recently ended (the "Measuring Period"), provided that assets of the Borrower or any of its Subsidiaries (including Equity Securities of Subsidiaries of the Borrower) which do not

meet the definition of Significant Assets in the first part of this sentence shall nonetheless be deemed to be Significant Assets if such assets generated revenues for the Measuring Period that if subtracted from the consolidated revenues of the Borrower for the Measuring Period would result in consolidated revenues of the Borrower for the Measuring Period of less than $1,200,000,000.

S&P Rating. With respect to any Entity, the rating assigned to long-term senior unsecured debt issued by such Entity by Standard & Poor's Rating Service from time to time in effect or, if such Entity does not issue long-term senior unsecured debt rated by Standard & Poor's Rating Service, the counterparty rating assigned by Standard & Poor's Rating Service from time to time in effect.

SPC. As defined in Section 17.6.

Subsidiary. Any Entity (i) of which the designated parent shall at any time own directly or indirectly through a Subsidiary or Subsidiaries at least a majority (by number of votes) of the outstanding Voting Equity Securities of such Entity, or (ii) that is consolidated with such Entity in accordance with Financial Accounting Standards Board Interpretation No. 46-Revised. Notwithstanding the foregoing, the term "Subsidiary" shall not include any Entity that is an investment company, investment fund or similar Entity that is managed or advised by the Borrower or any

Subsidiary of the Borrower and in which the Borrower's or such Subsidiary's ownership of Voting Equity Securities is a function of its role as manager or adviser (whether as general partner or otherwise) rather than its economic or beneficial interest in the entity. Unless otherwise provided herein, any reference to a "Subsidiary" shall mean a Subsidiary of the Borrower.

Swap Contract. A Swap Contract is: (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., or any International Foreign Exchange Master Agreement (any such master agreement, together with any related schedules, a "Master Agreement"), including any such obligations or liabilities under any Master Agreement.

Swap Termination Value. In respect of any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Swap Contracts, as determined by the Borrower based upon one or more mid-market or other readily available quotations provided by one or more recognized dealers in such Swap Contracts (which may include a Bank or any affiliate of a Bank).

Synthetic Lease Obligation. The monetary obligation of a Person under a so-called synthetic, off-balance sheet or tax retention lease, where such transaction is considered borrowed

money Indebtedness for tax purposes but which is classified as an operating lease pursuant to GAAP.

Taxes. All present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Government Authority, including any interest, additions to tax or penalties applicable thereto.

Termination Date. The earlier of (a) the Maturity Date and (b) the date of termination in whole of the Commitments pursuant to Section 2.5(a) or 11.1.

Total Commitment. The sum of the Commitments of the Banks, as in effect from time to time. As of the Closing Date the Total Commitment is $800,000,000.

12b-1 Fees. All or any portion of (a) the compensation or fees paid, payable, or expected to be payable to the Borrower or any of its Subsidiaries for acting as the distributor of securities as permitted under Rule 12b-l under the 1940 Act, (b) the contingent deferred sales charges or redemption fees paid, payable, or expected to be paid to the Borrower or any of its Subsidiaries, and (c) any right, title, or interest in or to any such compensation or fees.

Type. As to any Loan, its nature as a Federal Funds Rate Loan, Alternate Base Rate Loan or LIBOR Loan, as the case may be.

Units. Units representing assignments of beneficial ownership of limited partnership interests in the Borrower.

Voting Equity Securities. Equity Securities of any class or classes (however designated), the holders of which are at the time entitled, as such holders, to vote for the election of a majority of the directors (or persons performing similar functions) of the Entity that issued such Equity Securities.

1.2 Rules of Interpretation.

(a) A reference to any Contract or other document shall include such Contract or other document as amended, modified, or supplemented from time to time in accordance with its terms and the terms of this Credit Agreement.

(b) The singular includes the plural and the plural includes the singular.

(c) A reference to any Government Mandate includes any amendment or modification to such Government Mandate or any successor Government Mandate.

(d) A reference to any Person includes its permitted successors and permitted assigns. Without limiting the generality of the foregoing, a reference to any Bank shall include any Person that succeeds generally to its assets and liabilities.

(e) Accounting terms not otherwise defined herein have the meanings assigned to them by GAAP.

(f) The words "include", "includes", and "including" are not limiting.

(g) All terms not specifically defined herein or by GAAP, which terms are defined in the Uniform Commercial Code as in effect in The State of New York, have the meanings assigned to them therein.

(h) Reference to a particular "§", Section, Schedule, or Exhibit refers to that Section, Schedule, or Exhibit of this Credit Agreement unless otherwise indicated.

(i) The words "herein", "hereof", and "hereunder" and words of like import shall refer to this Credit Agreement as a whole and not to any particular section or subdivision of this Credit Agreement.

2. THE REVOLVING CREDIT FACILITY.

2.1 Commitment to Lend.

(a) Subject to the terms and conditions set forth in Section 10 hereof, each of the Banks severally shall lend to the Borrower, and the Borrower may borrow, repay, and reborrow from time to time between the Closing Date and the Maturity Date upon notice by the Borrower to the Administrative Agent given in accordance with Section 2.8, such sums as are requested by the Borrower up to a maximum aggregate principal amount Outstanding (after giving effect to all amounts requested) at any one time equal to such Bank's Commitment, provided that the Outstanding amount of the Loans (after giving effect to all amounts requested) shall not at any time exceed the Total Commitment. The Loans shall be made pro rata in accordance with each Bank's Commitment Percentage; provided that the failure of any Bank to lend in accordance with this Credit Agreement shall not release any other Bank or the Administrative Agent from their obligations hereunder, nor shall any Bank have any responsibility or liability in respect of a failure of any other Bank to lend in accordance with this Credit Agreement. Each request for a Loan and each borrowing hereunder shall constitute a representation and warranty by the Borrower that the conditions set forth in Section 10 have been satisfied on the date of such request.

(b) In the event that, at any time when the conditions precedent for any Loan have been satisfied, a Bank fails or refuses to fund its portion of such Loan, then, until such time as such Bank has funded its portion of such Loan, or all of the other Banks have received (in accordance with Section 13.3.3) payment in full of the principal and interest due in respect of such Loan, such non-funding Bank shall not have the right to receive payment of any principal, interest or fees from the Borrower in respect of its Loans.

2.2 Facility Fee. The Borrower shall pay to the Administrative Agent for the accounts of the Banks in accordance with their respective Commitment Percentages a facility fee on the daily average amount of the Total Commitment as of the most recently completed calendar quarter calculated at the rate per annum, on the basis of a 360-day year for the actual number of days elapsed, as determined in accordance with the chart below with respect to the Borrower's long-term senior unsecured debt rating as of the last Business Day of each calendar quarter. The facility fee shall be payable quarterly in arrears on the second Business Day of each calendar quarter for the immediately preceding calendar quarter commencing on the first such date following the date hereof, with a final payment on the Maturity Date or any earlier date on which the Total Commitment shall terminate. In no case shall any portion of the facility fee be refundable.

The facility fee shall be calculated based upon the Borrower's long-term senior unsecured debt rating in effect as of any date of determination as follows:

Borrower's S&P Rating/Moody's Rating	Facility Fee
≥ AA/Aa2	0.050%
AA-, A+/Aa3, A1	0.060%
A/A2	0.070%
A-/A3	0.080%
BBB+/Baa1	0.090%
≤ BBB/Baa2 or no S&P Rating or Moody's Rating	0.125%

Notwithstanding the foregoing, (a) if there is a split in the debt ratings of only one level, the facility fee of the higher debt rating shall apply and (b) if there is a split in the debt ratings of more than one level, the facility fee that is one level higher than the facility fee of the lower debt rating shall apply, in any such case, subject, as applicable, to the provisions of Section 4.10 hereof.

2.3 Utilization Fee. For any calendar quarter in which the average aggregate daily Outstanding balance of the Loans is greater than 50% of the daily average amount of the Total Commitment for such quarter, the Borrower shall pay to the Administrative Agent for the accounts of the Banks in accordance with their respective Commitment Percentages a utilization fee on the average aggregate Outstanding amount of the Loans during such calendar quarter calculated at the rate per annum, on the basis of a 360-day year for the actual number of days elapsed, as determined in accordance with the chart below with respect to the Borrower's long-term senior unsecured debt rating as of the last Business Day of each calendar quarter. The utilization fee shall be payable on the earlier of the second Business Day of a calendar quarter for any immediately preceding calendar quarter in which such fee shall be due and owing in accordance with this Section 2.3 or the Maturity Date or any earlier date on which the Total Commitment shall terminate. In no case shall any portion of the utilization fee be refundable.

The utilization fee shall be calculated based upon the Borrower's long-term senior unsecured debt rating in effect as of any date of determination as follows:

Borrower's S&P Rating/Moody's Rating	Utilization Fee
≥ AA/Aa2	0.050%
AA-, A+/Aa3, A1	0.050%
A/A2	0.050%
A-/A3	0.050%
BBB+/Baa1	0.100%
≤ BBB/Baa2 or no S&P Rating or Moody's Rating	0.125%

Notwithstanding the foregoing, (a) if there is a split in the debt ratings of only one level, the utilization fee of the higher debt rating shall apply and (b) if there is a split in the debt ratings of more than one level, the utilization fee that is one level higher than the utilization fee of the lower debt rating shall apply, in any such case, subject, as applicable, to the provisions of Section 4.10 hereof.

2.4 Other Fees. The Borrower shall pay the fees described in the Fee Letter as and when the same become due and payable pursuant to the terms of the Fee Letter.

2.5 Reduction or Increase of Total Commitment. (a) Reduction of Total Commitment. The Borrower shall have the right at any time and from time to time upon three (3) Business Days' prior written notice to the Administrative Agent to reduce by at least $10,000,000 or integral multiples of $1,000,000 in excess thereof, or to terminate entirely, the unborrowed portion of the Total Commitment, whereupon the Commitments of the Banks shall be reduced pro rata in accordance with their respective Commitment Percentages of the amount specified in such notice or, as the case may be, terminated. Promptly after receiving any notice of the Borrower delivered pursuant to this Section 2.5(a), the Administrative Agent will notify the Banks of the substance thereof. Upon the effective date of any such reduction or termination, the Borrower shall pay to the Administrative Agent for the respective accounts of the Banks the full amount of any facility fee then accrued on the amount of the reduction. No reduction or termination of the Commitments may be reinstated.

(b) Increase of Total Commitment. At any time prior to the Termination Date the Borrower may, on the terms set forth below, request that the Total Commitment hereunder be increased by an aggregate amount of up to $200,000,000 in minimum increments of $25,000,000; provided, however, that (i) an increase in the Total Commitment hereunder may only be made at a time when no Default shall have occurred and be continuing and (ii) in no event shall the Total Commitment hereunder exceed $1,000,000,000. In the event of such a requested increase in the Total Commitment, any Bank or other financial institution which the Borrower invites to become a Bank or to increase its Commitment may set the amount of its Commitment at a level agreed to by the Borrower; provided, that each such other financial institution shall be reasonably acceptable to the Administrative Agent, and that the minimum Commitment of each such other financial institution equals or exceeds $10,000,000. In the event that the Borrower and one or more of the Banks (or other financial institutions) shall agree upon such an increase in the Commitments (i) the Borrower, the Administrative Agent and each Bank or other financial institution increasing its Commitment or extending a new Commitment shall enter into a supplement to this Agreement (each, a "Supplement") substantially in the form of Exhibit I setting forth, among other things, the amount of the increased Commitment of such Bank or the new Commitment of such other financial institution, as applicable, and (ii) the Borrower shall furnish, if requested, new or amended and restated Notes, as applicable, to each financial institution that is extending a new Commitment and each Bank that is increasing its Commitment. No such Supplement shall require the approval or consent of any Bank whose Commitment is not being increased. Upon the execution and delivery of such Supplements as provided above and the occurrence of the "Effective Date" specified therein, and upon the Administrative Agent administering the reallocation of the outstanding Loans ratably among the Banks after giving effect to each such increase in the Commitments (and the payment by the Borrower of any amounts under Section 4.9 if such Effective Date is not the last day of an Interest Period for any outstanding Loan), and the delivery of certified evidence of partnership authorization and a legal opinion in substantially the form of Exhibit G hereto on behalf of the Borrower, this Credit Agreement shall be deemed to be amended accordingly.

2.6 The Notes; the Record. Upon the request of the Administrative Agent or any Bank, the Loans shall be evidenced by separate promissory notes of the Borrower in substantially the form of Exhibit A hereto (each a "Note"), dated as of the Closing Date and completed with appropriate insertions. One Note shall be payable to the order of each Bank requesting a Note in a principal amount equal to such

Bank's Commitment or, if less, the Outstanding amount of all Loans made by such Bank, plus interest accrued thereon, as set forth below. The Borrower irrevocably authorizes each Bank to make or cause to be made, at or about the time of the Drawdown Date of any Loan or at the time of receipt of any payment of principal on such Bank's Loans, an appropriate notation on such Bank's Record reflecting the making of such Loan or (as the case may be) the receipt of such payment. The Outstanding amount of the Loans set forth on such Bank's Record shall be prima facie evidence of the principal amount thereof owing and unpaid to such Bank, but the failure to record, or any error in so recording, any such amount on such Bank's Record shall not limit or otherwise affect the obligations of the Borrower hereunder or under any Note to make payments of principal of or interest on any Loans when due. In recognition of the fact that the Loans may be made without having been evidenced by a written Note, the Borrower hereby promises to pay to each Bank the principal amount of the Loans made by such Bank, and accrued and unpaid interest and fees thereon, as the same become due and payable in accordance with this Credit Agreement.

2.7 Interest on Loans.

2.7.1 Interest Rates. Except as otherwise provided in Section 4.10, the Loans shall bear interest as follows:

(a) Each Federal Funds Rate Loan shall bear interest at an annual rate equal to the Federal Funds Rate as in effect from time to time while such Federal Funds Rate Loan is Outstanding.

(b) Each LIBOR Loan shall bear interest for each Interest Period at an annual rate equal to the LIBOR Rate for such Interest Period in effect from time to time during such Interest Period.

(c) Each Alternate Base Rate Loan shall bear interest at an annual rate equal to the Alternate Base Rate as in effect from time to time while such Alternate Base Rate Loan is Outstanding.

2.7.2 Interest Payment Dates. The Borrower shall pay all accrued interest on each Loan in arrears on each Interest Payment Date with respect thereto.

2.8 Requests for Loans. The Borrower shall give to the Administrative Agent written notice in the form of Exhibit B hereto (or telephonic notice confirmed in a writing in the form of Exhibit C hereto) of each Loan requested hereunder (a "Loan Request") no later than (a) 11:00 a.m. (Charlotte, North Carolina time) on the proposed Drawdown Date of any Federal Funds Rate Loan or Alternate Base Rate Loan and (b) three (3) Business Days prior to the proposed Drawdown Date of any LIBOR Loan. Each such notice shall specify (i) the principal amount of the Loan requested, (ii) the proposed Drawdown Date of such Loan, (iii) the Type of such Loan, and (iv) the Interest Period for such Loan if such Loan is a LIBOR Loan. Promptly upon receipt of any such Loan Request, the Administrative Agent shall notify each of the Banks thereof. Each Loan Request shall be irrevocable and binding on the

Borrower and shall obligate the Borrower to accept the Loan requested from the Banks on the proposed Drawdown Date. Each Loan Request shall be in a minimum aggregate amount of $3,000,000 or in an integral multiple of $1,000,000 in excess thereof.

2.9 Conversion Options.

2.9.1 Conversion to LIBOR Loan. The Borrower may elect from time to time, subject to Section 2.11, to convert any Outstanding Federal Funds Rate Loan or Alternate Base Rate Loan to a LIBOR Loan, provided that (a) the Borrower shall give the Administrative Agent

at least three (3) Business Days' prior written notice of such election; and (b) no Federal Funds Rate Loan or Alternate Base Rate Loan may be converted into a LIBOR Loan when any Default or Event of Default has occurred and is continuing. Each notice of election of such conversion, and each acceptance by the Borrower of such conversion, shall be deemed to be a representation and warranty by the Borrower that no Default or Event of Default has occurred and is continuing. The Administrative Agent shall notify the Banks promptly of any such notice. On the date on which such conversion is being made, each Bank shall take such action as is necessary to transfer its Commitment Percentage of such Loans to its LIBOR Lending Office. All or any part of Outstanding Federal Funds Rate Loans or Alternate Base Rate Loans may be converted into a LIBOR Loan as provided herein, provided that any partial conversion shall be in an aggregate principal amount of $3,000,000 or an integral multiple of $1,000,000 in excess thereof.

2.9.2 Continuation of Type of Loan.

(a) All Federal Funds Rate Loans or Alternate Base Rate Loans shall continue as Federal Funds Rate Loans or Alternate Base Rate Loans, as the case may be, until converted into LIBOR Loans as provided in Section 2.9.1.

(b) Any LIBOR Loan may, subject to Section 2.11, be continued, in whole or in part, as a LIBOR Loan upon the expiration of the Interest Period with respect thereto, provided that (i) the Borrower shall give the Administrative Agent at least three (3) Business Days' prior written notice of such election; (ii) no LIBOR Loan may be continued as such when any Default or Event of Default has occurred and is continuing, but shall be automatically converted to a Federal Funds Rate Loan on the last day of the first Interest Period relating thereto ending during the continuance of any Default or Event of Default; and (iii) any partial continuation of a LIBOR Loan shall be in an aggregate principal amount of $3,000,000 or an integral multiple of $1,000,000 in excess thereof. Each notice of election of such continuance of a LIBOR Loan, and each acceptance by the Borrower of such continuance, shall be deemed to be a representation and warranty by the Borrower that no Default or Event of Default has occurred and is continuing.

(c) If the Borrower shall fail to give any notice of continuation of a LIBOR Loan as provided under this Section 2.9.2, the Borrower shall be deemed to have requested a conversion of the affected LIBOR Loan to a Federal Funds Rate Loan on the last day of the then current Interest Period with respect thereto.

(d) The Administrative Agent shall notify the Banks promptly when any such continuation or conversion contemplated by this Section 2.9.2 is scheduled to occur. On the date on which any such continuation or conversion is to occur, each Bank shall take such action as is necessary to transfer its Commitment Percentage of such Loans to its Domestic Lending Office or its LIBOR Lending Office as appropriate.

2.9.3 LIBOR Loans. Any conversion to or from LIBOR Loans shall be in such amounts and be made pursuant to such elections so that, after giving effect thereto, the aggregate principal amount of all LIBOR Loans having the same Interest Period shall not be less than $3,000,000 or an integral multiple of $1,000,000 in excess thereof.

2.9.4 Conversion Requests. All notices of the conversion or continuation of a Loan provided for in this Section 2.9 shall be in writing in the form of Exhibit D hereto (or shall be given by telephone and confirmed by a writing in the form of Exhibit E hereto). Each such notice shall specify (a) the principal amount and Type of the Loan subject thereto, (b) the date on

which the current Interest Period of such Loan ends if such Loan is a LIBOR Loan, and (c) the new Interest Period for such Loan if such Loan is a LIBOR Loan. Promptly upon receipt of any such notice, the Administrative Agent shall notify each of the Banks thereof. Each such notice shall be irrevocable and binding on the Borrower.

2.10 Funds for Loans.

2.10.1 Funding Procedures. Not later than 1:00 p.m. (Charlotte, North Carolina time) on the proposed Drawdown Date of any Loan, each of the Banks will make available to the Administrative Agent, at the Administrative Agent's Head Office, in immediately available funds, the amount of such Bank's Commitment Percentage of the amount of the requested Loan. Upon receipt from each Bank of such amount, and upon receipt of the documents required by Section 10 and the satisfaction of the other conditions set forth therein, to the extent applicable, the Administrative Agent will make available to the Borrower the aggregate amount of such Loan made available to the Administrative Agent by the Banks. The failure or refusal of any Bank to make available to the Administrative Agent at the aforesaid time and place on any Drawdown Date the amount of its Commitment Percentage of the requested Loan shall not relieve any other Bank from its several obligation hereunder to make available to the Administrative Agent the amount of such other Bank's Commitment Percentage of any requested Loan, but no other Bank shall be liable in respect of the failure of such Bank to make available such amount.

2.10.2 Funding by Banks; Presumption by Administrative Agent. Unless the Administrative Agent shall have received notice from a Bank prior a Drawdown Date that such Bank will not make available to the Administrative Agent such Bank's share of such Loan, the Administrative Agent may assume that such Bank has made such share available on such Drawdown Date and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Bank has not in fact made its share of the applicable Loan

available to the Administrative Agent, then the applicable Bank and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount in immediately available funds with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (A) in the case of a payment to be made by such Bank, the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation and (B) in the case of a payment to be made by the Borrower, the interest rate equal to the rate payable on the Loans incurred by the Borrower (provided, if such Loans are LIBOR Loans, the Borrower shall pay interest equal to the rate payable on Federal Funds Rate Loans). If the Borrower and such Bank shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to the Borrower the amount of such interest paid by the Borrower for such period. If such Bank pays its share of the applicable Loan to the Administrative Agent, then the amount so paid shall constitute such Bank's Loan included in such Loan Request. Any payment by the Borrower shall be without prejudice to any claim the Borrower may have against a Bank that shall have failed to make such payment to the Administrative Agent. A notice of the Administrative Agent to any Bank or the Borrower with respect to any amount owing under this subsection 2.10.2 shall be conclusive, absent manifest error.

2.11 Limit on Number of LIBOR Loans. At no time shall there be Outstanding LIBOR Loans having more than fifteen (15) different Interest Periods.

3. REPAYMENT OF LOANS.

3.1 Maturity. The Borrower shall pay on the Maturity Date, and there shall become absolutely due and payable on the Maturity Date, all of the Loans Outstanding on such date, together with any and all accrued and unpaid interest thereon. The Total Commitment shall terminate on the Maturity Date.

3.2 Mandatory Repayments of Loans.

3.2.1 Loans in Excess of Commitment. If at any time the sum of the Outstanding amount of the Loans exceeds the Total Commitment, then the Borrower shall immediately pay the amount of such excess to the Administrative Agent for application to the Loans.

3.2.2 Change of Control. Upon the occurrence of a Change of Control or impending Change of Control:

(a) the Borrower shall notify the Administrative Agent and each Bank of such Change of Control or impending Change of Control as provided in Section 6.5.4;

(b) the Commitments (but not the right of the Borrower to convert and continue Types of Loans under Section 2.9) shall be suspended for the period from the date of such notice (or any Change of Control Notice given by the Administrative Agent or a Bank as provided in Section 6.5.4) through the later to occur of (i) the Change of Control Date or (ii) the date forty (40) days after the date of such notice from the Borrower (the "Suspension Period") and neither the Banks nor the Administrative Agent shall have any obligations to make Loans to the Borrower;

(c) each Bank shall have the right within fifteen (15) days after the date of such Bank's receipt of a Change of Control Notice under clause (a) above to demand payment in full of its pro rata share of the Outstanding principal of all Loans, all accrued and unpaid interest thereon, and any other amounts owing under the Loan Documents;

(d) in the event that any Bank shall have made a demand under clause (c) above the Borrower shall promptly, but in no event later than five (5) Business Days after such demand, deliver notice to each Bank (which notice shall identify the Bank making such demand) and, notwithstanding the provisions of clause (c) above, the right of each Bank to demand repayment shall remain in effect through the fifteenth (15th) day next succeeding receipt by such Bank of any notice required to be given pursuant to this clause (d), provided that the provisions of this clause (d) shall only apply with respect to demands given by Banks prior to the expiration of the period specified in clause (c); and

(e) in the event any Bank makes a demand under clause (c) or clause (d) above, the Borrower shall on the last day of the Suspension Period pay to the Administrative Agent for the credit of such Bank its pro rata share of the Outstanding principal of all Loans, all accrued and unpaid interest thereon, and any other amounts owing under the Loan Documents, (provided that (i) any Bank may require the Borrower to postpone prepayment of a LIBOR Loan until the last day of the Interest Period with respect to such LIBOR Loan, and (ii) if any Bank elects to require prepayment of a LIBOR Loan that has an Interest Period ending less than sixty (60) days after the date of such demand on a date that is not the last day of the Interest Period for

such LIBOR Loan, such Bank shall not be entitled to receive any amounts payable under Section 4.9 in respect of the prepayment of such LIBOR Loan).

Upon any demand for payment by any Bank under this Section 3.2.2, the Commitment hereunder provided by such Bank shall terminate, and such Bank shall be relieved of all further obligations to make Loans to the Borrower. At the end of the Suspension Period referred to above, the Commitments shall be restored from all Banks that have not made a demand for payment under this Section 3.2.2, and this Credit Agreement and the other Loan Documents shall remain in full force and effect among the Borrower, such Banks and the Administrative Agent, with such changes as may be necessary to reflect the termination of the credit provided by the Banks that made a demand for payment under this Section 3.2.2.

3.3 Optional Repayments of Loans. The Borrower shall have the right, at its election, to repay the Outstanding amount of the Loans, as a whole or in part, at any time without penalty or premium, provided that any full or partial repayment of the Outstanding amount of any LIBOR Loans pursuant to this Section 3.3 made on a date other than the last day of the Interest Period relating thereto shall be subject to customary breakage charges as provided in Section 4.9. The Borrower shall give the Administrative Agent, no later than 10:00 a.m., Charlotte, North Carolina time, at least one (1) Business Day's prior written notice, of any proposed repayment pursuant to this Section 3.3 of Federal Funds Rate Loans or Alternate Base Rate Loans, and two (2) Business Days' notice of any proposed repayment pursuant to this Section 3.3 of LIBOR Loans, in each case, specifying the proposed date of payment of Loans and

the principal amount to be paid. Each such partial repayment of the Loans shall be in an amount of $1,000,000 or an integral multiple of $1,000,000 in excess thereof, shall be accompanied by the payment of accrued interest on the principal repaid to the date of payment, and shall be applied, in the absence of instruction by the Borrower, first to the principal of Alternate Base Rate Loans, second to the principal of Federal Funds Rate Loans and third to the principal of LIBOR Loans (in inverse order of the last days of their respective Interest Periods). Each partial repayment shall be allocated among the Banks, in proportion, as nearly as practicable, to the respective unpaid principal amount of each Bank's Loans, with adjustments to the extent practicable to equalize any prior repayments not exactly in proportion. Any amounts repaid under this Section 3.3 may be reborrowed prior to the Maturity Date as provided in Section 2.8, subject to the conditions of Section 10.

4. CERTAIN GENERAL PROVISIONS.

4.1 Application of Payments. Except as otherwise provided in this Credit Agreement, all payments in respect of any Loan shall be applied first to accrued and unpaid interest on such Loan and second to the Outstanding principal of such Loan.

4.2 Funds for Payments.

4.2.1 Payments to Administrative Agent. All payments of principal, interest, commitment fees, and any other amounts due hereunder or under any of the other Loan Documents shall be made to the Administrative Agent, for the respective accounts of the Banks and the Administrative Agent, at the Administrative Agent's Head Office, or at such other location that the Administrative Agent may from time to time designate, in each case in immediately available funds or directly from the proceeds of Loans.

4.2.2 No Offset. All payments by the Borrower hereunder and under any of the other Loan Documents shall be made without setoff or counterclaim.

4.2.3 Fees Non-Refundable. Except as expressly set forth herein, all fees payable hereunder are non-refundable, provided that (a) if any of the Banks is finally adjudicated or is found in final arbitration proceedings to have been grossly negligent or to have committed willful misconduct with respect to the transactions contemplated hereby in any material respect, then no facility fee shall be payable to such Bank after the date of such final adjudication or arbitration (and such Bank shall refund any facility fee paid to it and attributable to the period from and after the date on which such grossly negligent conduct or willful misconduct occurred), and (b) if the Administrative Agent is finally adjudicated or is found in final arbitration proceedings to have been grossly negligent or to have committed willful misconduct with respect to the transactions contemplated hereby, then no administrative agent's fee will be due and payable after the date of such final adjudication or arbitration. If the Administrative Agent is finally found to have been grossly negligent or to have committed willful misconduct, the amount of any administrative agent's fee paid or prepaid by the Borrower and attributable to the period from and after the date on which such grossly negligent conduct or willful misconduct occurred shall be refunded.

4.3 Computations. All computations of interest with respect to Alternate Base Rate Loans shall be based on a year of 365/366 days, and all computations of interest with respect to both Federal Funds Rate Loans and LIBOR Loans shall be based on a year of 360 days, and in each case paid for the actual number of days elapsed. Except as otherwise provided in the definition of the term "Interest Period" with respect to LIBOR Loans, whenever a payment hereunder or under any of the other Loan Documents becomes due on a day that is not a Business Day, the due date for such payment shall be extended to the next succeeding Business Day, and interest shall accrue during such extension.

4.4 Inability to Determine LIBOR Rate Basis. In the event, prior to the commencement of any Interest Period relating to any LIBOR Loan, the Administrative Agent shall determine that adequate and reasonable methods do not exist for ascertaining the LIBOR Rate Basis that would otherwise determine the rate of interest to be applicable to any LIBOR Loan during any Interest Period, the Administrative Agent shall forthwith give notice of such determination (which shall be conclusive and binding on the Borrower and the Banks) to the Borrower and the Banks. In such event (a) any Loan Request or Conversion Request with respect to LIBOR Loans shall be automatically withdrawn and shall be deemed a request for Federal Funds Rate Loans, (b) each LIBOR Loan will automatically, on the last day of the then current Interest Period relating thereto, become a Federal Funds Rate Loan, and (c) the obligations of the Banks to make LIBOR Loans shall be suspended until the Administrative Agent determines that the circumstances giving rise to such suspension no longer exist, whereupon the Administrative Agent shall so notify the Borrower and the Banks.

4.5 Illegality. Notwithstanding any other provisions herein, if any present or future Government Mandate shall make it unlawful for any Bank to make or maintain LIBOR Loans, such Bank shall forthwith give notice of such circumstances to the Borrower and the other Banks and thereupon (a) the commitment of such Bank to make LIBOR Loans or convert Federal Funds Rate Loans or Alternate Base Rate Loans to LIBOR Loans shall forthwith be suspended, and (b) such Bank's Loans then Outstanding as LIBOR Loans, if any, shall be converted automatically to Federal Funds Rate Loans on the last day of each then existing Interest Period applicable to such LIBOR Loans or within such earlier period after the occurrence of such circumstances as may be required by Government Mandate. The Borrower shall promptly pay the Administrative Agent for the account of such Bank, upon demand by such Bank, any additional amounts necessary to compensate such Bank for any costs incurred by such Bank in making any conversion in accordance with this Section 4.5 other than on the last day of an Interest Period, including any interest or fees payable by such Bank to lenders of funds obtained by it in order to make or maintain its LIBOR Loans hereunder.

4.6 Additional Costs, Etc. If any future applicable, or any change in the application or interpretation of any present applicable, Government Mandate (whether or not having the force of law), shall:

(a) subject any Bank or the Administrative Agent to any tax, levy, impost, duty, charge, fee, deduction, or withholding of any nature with respect to this Credit Agreement, the other Loan Documents, such Bank's Commitment, or the Loans (other than Indemnified Taxes and Other Taxes covered by Section 4.11 and Excluded Taxes), or

(b) materially change the basis of taxation (except for Excluded Taxes) of payments to any Bank of the principal of or the interest on any Loans or any other amounts payable to any Bank or the Administrative Agent under this Credit Agreement or the other Loan

Documents, or

(c) impose, increase, or render applicable (other than to the extent specifically provided for elsewhere in this Credit Agreement) any special deposit, reserve, assessment, liquidity, capital adequacy, or other similar requirements (whether or not having the force of law) against assets held by, or deposits in or for the account of, or loans by, or commitments of an office of any Bank, or

(d) impose on any Bank or the Administrative Agent any other conditions or requirements with respect to this Credit Agreement, the other Loan Documents, the Loans, such Bank's Commitment, or any class of loans or commitments of which any of the Loans or such Bank's Commitment forms a part, and the result of any of the foregoing is:

(i) to increase by an amount deemed by such Bank to be material with respect to the cost to any Bank of making, funding, issuing, renewing, extending, or maintaining any of the Loans or such Bank's Commitment, or

(ii) to reduce, by an amount deemed by such Bank or the Administrative Agent, as the case may be, to be material, the amount of principal, interest, or other amount payable to such Bank or the Administrative Agent hereunder on account of such Bank's Commitment, or any of the Loans, or

(iii) to require such Bank or the Administrative Agent to make any payment that, but for such conditions or requirements described in clauses (a) through (d), would not be payable hereunder, or forego any interest or other sum that, but for such conditions or requirements described in clauses (a) through (d), would be payable to such Bank or the Administrative Agent hereunder, in any case the amount of which payment or foregone interest or other sum is deemed by such Bank or the Administrative Agent, as the case may be, to be material and is calculated by reference to the gross amount of any sum receivable or deemed received by such Bank or (as the case may be) the Administrative Agent from the Borrower hereunder, then, and in each such case, the Borrower will, upon demand made by such Bank or (as the case may be) the Administrative Agent at any time and from time to time (such demand to be made in any case not later than the first to occur of (I) the date one year after such event described in clause (i), (ii), or (iii) giving rise to such demand, and (II) the date ninety (90) days after both the payment in full of all Outstanding Loans, and the termination of the Commitments) and as often as the occasion therefor may arise, pay to such Bank or the Administrative Agent such additional amounts as will be sufficient to compensate such Bank or the Administrative Agent for such additional cost, reduction, payment, foregone

interest or other sum. Subject to the terms specified above in this Section 4.6, the obligations of the Borrower under this Section 4.6 shall survive repayment of the Loans and termination of the Commitments.

4.7 Capital Adequacy. If after the date hereof any Bank or the Administrative Agent determines that (a) the adoption of or change in any Government Mandate (whether or not having the force of law) regarding capital requirements for banks or bank holding companies or any change in the interpretation or application thereof by any Government Authority with appropriate jurisdiction, or (b) compliance by such Bank or the Administrative Agent, or any corporation controlling such Bank or the Administrative Agent, with any Government Mandate (whether or not having the force of law) has the effect of reducing the return on such Bank's or the Administrative Agent's commitment with respect to any Loans to a level below that which such Bank or (as the case may be) the Administrative Agent could have achieved but for such adoption, change, or compliance (taking into consideration such Bank's or the Administrative Agent's then existing policies with respect to capital adequacy and assuming full utilization of such Entity's capital) by any amount reasonably deemed by such Bank or (as the case may be) the Administrative Agent to be material, then such Bank or the Administrative Agent may notify the Borrower of such fact. To the extent that the amount of such reduction in the return on capital is not reflected in the Federal Funds Rate, the Borrower shall pay such Bank or (as the case may be) the Administrative Agent for the amount of such reduction in the return on capital as and when such reduction is determined upon presentation by such Bank or (as the case may be) the Administrative Agent of a certificate in accordance with Section 4.8 hereof (but in any case not later than the first to occur of (I) the date one year after such adoption, change, or compliance causing such reduction, and (II) as to adoptions of or changes in Government Mandates occurring prior to the repayment of the Loans and the termination of the Commitments the date ninety (90) days after both the payment in full of all Outstanding Loans and termination of the Commitments). Each Bank shall allocate such cost increases among its customers in good faith and on an equitable basis. Subject to the terms specified above in this Section 4.7, the obligations of the Borrower under this Section 4.7 shall survive repayment of the Loans and termination of the Commitments.

4.8 Certificate. A certificate setting forth any additional amounts payable pursuant to Section 4.6 or Section 4.7 and a brief explanation of such amounts which are due and in reasonable detail the basis of the calculation and allocation thereof, submitted by any Bank or the Administrative Agent to the Borrower, shall be conclusive evidence, absent manifest error, that such amounts are due and owing.

4.9 Indemnity. The Borrower shall indemnify and hold harmless each Bank from and against any loss, cost, or expense (excluding loss of anticipated profits) that such Bank may sustain or incur as a consequence of (a) default by the Borrower in payment of the principal amount of or any interest on any LIBOR Loans as and when due and payable, including any such loss or expense arising from interest or fees payable by such Bank to lenders of funds obtained by it in order to maintain its LIBOR Loans, (b) default by the Borrower in making a borrowing or conversion after the Borrower has given (or is deemed to have given) a Loan Request or a Conversion Request; or (c) except as otherwise expressly provided in Section 3.2.2, the making of any payment of a LIBOR Loan, the making of any conversion of any such Loan to a Federal Funds Rate Loan or an Alternate Base Rate Loan or the receipt by any Bank of funds in respect of any such Loan in accordance with Section 2.5(b) on a day that is not the last day of the applicable Interest Period with respect thereto, including interest or fees payable by such Bank to lenders of funds obtained by it in order to maintain any such Loans. The obligations of the Borrower under this Section 4.9 shall survive repayment of the Loans and termination of the Commitments.

4.10 Interest After Default. All amounts Outstanding under the Loan Documents that are not paid when due, including all overdue principal and (to the extent permitted by applicable Government Mandate) interest and all other overdue amounts (after giving effect to any applicable grace period), shall

to the extent permitted by applicable Government Mandate bear interest until such amount shall be paid in full (after as well as before judgment) at a rate per annum equal to two percent (2%) above the interest rate otherwise applicable to such amounts in the case of principal and two percent (2%) above the

Alternate Base Rate in the case of other amounts payable hereunder. Any interest accruing under this section on overdue principal or interest shall be due and payable upon demand.

4.11 Taxes.

(a) Payments Free of Taxes. Any and all payments by or on account of any obligation of the Borrower hereunder or under any other Loan Document shall be made free and clear of and without reduction or withholding for any Indemnified Taxes or Other Taxes, provided that if the Borrower shall be required by applicable law to deduct any Indemnified Taxes (including any Other Taxes) from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 4.11) the Administrative Agent or any Bank, as the case may be, receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions and (iii) the Borrower shall timely pay the full amount deducted to the relevant Government Authority in accordance with applicable law.

(b) Payment of Other Taxes by the Borrower. Without limiting the provisions of subsection (a) above, the Borrower shall timely pay any Other Taxes to the relevant Government Authority in accordance with applicable law.

(c) Indemnification by the Borrower. The Borrower shall indemnify the Administrative Agent and each Bank, within 10 days after demand therefor, for the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) paid by the Administrative Agent or such Bank, as the case may be, and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Government Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Bank (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Bank, shall be conclusive absent manifest error.

(d) Evidence of Payments. As soon as practicable after any payment of Indemnified Taxes or Other Taxes by the Borrower to a Government Authority, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Government Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) Status of Banks. Any Foreign Bank that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which the Borrower is resident for tax purposes, or any treaty to which such jurisdiction is a party, with respect to payments hereunder or under any other Loan Document shall deliver to the Borrower (with a copy to the Administrative Agent), at the time or times prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation prescribed by applicable law as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Bank, if requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent as will

enable the Borrower or the Administrative Agent to determine whether or not such Bank is subject to backup withholding or information reporting requirements.

Without limiting the generality of the foregoing, if the Borrower is resident for tax purposes in the United States, any Foreign Bank shall deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Bank becomes a Bank under this Credit Agreement (and from time to time thereafter upon the request of the Borrower or the Administrative Agent, but only if such Foreign Bank is legally entitled to do so), whichever of the following is applicable:

(i) duly completed copies of Internal Revenue Service Form W-8BEN claiming eligibility for benefits of an income tax treaty to which the United States is a party,

(ii) duly completed copies of Internal Revenue Service Form W-8ECI,

(iii) in the case of a Foreign Bank claiming the benefits of the exemption for portfolio interest under section 881(c) of the Code, (A) a certificate to the effect that such Foreign Bank is not (1) a "bank" within the meaning of section 881(c)(3)(A) of the Code, (2) a "10 percent shareholder" of the Borrower within the meaning of section 881(c)(3)(B) of the Code, or (3) a "controlled foreign corporation" described in section 881(c)(3)(C) of the Code and (B) duly completed copies of Internal Revenue Service Form W-8BEN, or

(iv) any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in United States Federal withholding tax duly completed together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower to determine the withholding or deduction required to be made.

(f) Treatment of Certain Refunds. If the Administrative Agent or any Bank, in its sole discretion, that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified by the Borrower or with respect to which the Borrower has paid additional amounts pursuant to this Section 4.11, it shall pay to the Borrower an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower under this Section with respect to the Taxes or Other Taxes giving rise to such refund), net of all reasonable out-of-pocket expenses of the Administrative Agent or such Bank, as the case may be, and without interest (other than any interest paid by the relevant Government Authority with respect to such refund), provided that the Borrower upon the request of the Administrative Agent or such Bank, agrees to repay the amount paid over to the Borrower (plus any penalties, interest or other charges imposed by the relevant Government Authority) to the Administrative Agent or such Bank if the Administrative Agent or such Bank is required to repay such refund to such Government Authority. This subsection shall not be construed to require the Administrative Agent or any Bank to make available its tax returns (or any other information relating to its taxes that it deems confidential) to the Borrower or any other Person.

4.12 Mitigation and Replacement.

(a) Mitigation. At the request of the Borrower, any Bank claiming any additional amounts payable pursuant to Section 4.6, 4.7 or 4.11 or invoking the provisions of Section 4.5 shall use reasonable efforts to change the jurisdiction of its Applicable Lending Office if the making of such a change would avoid the need for, or reduce the amount of, any

such additional amounts which may thereafter accrue and such change would not, in the reasonable judgment of such Bank, be otherwise disadvantageous to such Bank.

(b) Replacement. In the event that a Bank demands payment from the Borrower for amounts owing pursuant to Sections 4.6, 4.7 or 4.11 or invokes the provisions of Section 4.5, the Borrower may, upon payment of such amounts and subject to the requirements of Section 17, substitute for such Bank another financial institution, which financial institution shall be an Eligible Assignee and shall assume the Commitments of such Bank and purchase the Outstanding Loans held by such Bank in accordance with Section 17, provided, however, that (i) the Borrower shall have satisfied all of its obligations in connection with the Loan Documents with respect to such Bank and (ii) if such assignee is not a Bank (A) such assignee is reasonably acceptable to the Administrative Agent and (B) the Borrower shall have paid the Administrative Agent a $3,500 administrative fee.

5. REPRESENTATIONS AND WARRANTIES.

The Borrower represents and warrants to the Banks and the Administrative Agent as follows:

5.1 Corporate Authority.

5.1.1 Incorporation; Good Standing. Each of the Borrower, its Subsidiaries, and the General Partner (a) is a corporation, limited partnership, general partnership, trust or limited liability company, as the case may be, duly organized, validly existing, and, if applicable, in good standing, under the laws of its jurisdiction of organization, (b) has all requisite corporate, partnership or equivalent power to own its material properties and conduct its material business as now conducted and as presently contemplated, and (c) is, if applicable, in good standing as a foreign corporation, limited partnership, general partnership, trust or limited liability company, as the case may be, and is duly authorized to do business in each jurisdiction where it owns or leases properties or conducts any business so as to require such qualification except where a failure to be so qualified would not be likely to have a Material Adverse Effect.

5.1.2 Authorization. The execution, delivery, and performance of this Credit Agreement and the other Loan Documents to which the Borrower, any of its Subsidiaries, or the General Partner is or is to become a party and the transactions contemplated hereby and thereby (a) are within the corporate, partnership, limited liability company or other equivalent power of each such Entity, (b) have been duly authorized by all necessary corporate, partnership, limited liability company or other applicable proceedings on behalf of each such Entity, (c) do not conflict with or result in any breach or contravention of any Government Mandate to which any such Entity is subject, (d) do not conflict with or violate any provision of the corporate charter or bylaws, the limited partnership certificate or agreement, or its governing documents in the case of any general partnership, limited liability company or trust, as the case may be, of any such Entity, and (e) do not violate, conflict with, constitute a default or event of default under, or result in any rights to accelerate or modify any obligations under any Contract to which any such Entity is party or subject, or to which any of its respective assets are subject, except, as to the foregoing clauses (c) and (e) only, where the same would not be likely to have a Material Adverse Effect.

5.1.3 Enforceability. The execution and delivery of this Credit Agreement and the other Loan Documents to which the Borrower, any of its Subsidiaries, or the General Partner is or is to become a party will result in valid and legally binding obligations of such Person enforceable against it in accordance with the respective terms and provisions hereof and thereof, except as enforceability is limited by bankruptcy, insolvency, reorganization, moratorium, or

other laws relating to or affecting generally the enforcement of creditors' rights and by general principles of equity, regardless of whether enforcement is sought in a Proceeding in equity or at law.

5.1.4 Equity Securities. The General Partner is the only general partner of the Borrower. All of the outstanding Equity Securities of the Borrower are validly issued, fully paid, and non-assessable.

5.2 Governmental Approvals. The execution, delivery, and performance by the Borrower, its Subsidiaries, and the General Partner of this Credit Agreement and the other Loan Documents to which the Borrower, any of its Subsidiaries, or the General Partner is or is to become a party and the transactions contemplated hereby and thereby do not require the approval or consent of, or filing with, any Government Authority other than those already obtained and set forth on Schedule 5.2.

5.3 Liens; Leases. The assets reflected in the consolidated balance sheet of the Borrower dated as of December 31, 2004, and delivered to the Administrative Agent and the Banks under Section 5.4 are subject to no Liens except Permitted Liens. Each of the Borrower and its Subsidiaries enjoys quiet possession under all leases relating to Real Estate or personal property to which it is party as a lessee, and each such lease is Fully Effective.

5.4 Financial Statements. There has been furnished to the Administrative Agent and each of the Banks (a) a consolidated balance sheet of the Borrower as at December 31, 2004, and a consolidated statement of income and cash flow of the Borrower for the fiscal year then ended, certified by the Borrower's independent certified public accountants, and (b) unaudited interim condensed consolidated balance sheets of the Borrower and the Consolidated Subsidiaries as at September 30, 2005, and interim condensed consolidated statements of income and of cash flow of the Borrower and the Consolidated Subsidiaries for the respective fiscal periods then ended and as set forth in the Borrower's Quarterly Reports on Form 10-Q for such fiscal quarters. With respect to the financial statement prepared in accordance with clause (a) above, such balance sheet and statement of income have been prepared in accordance with GAAP and present fairly in all material respects the financial position of the Borrower and the Consolidated Subsidiaries as at the close of business on the respective dates thereof and the results of operations of the Borrower and the Consolidated Subsidiaries for the fiscal periods then ended; or, in the case of

the financial statements referred to in clause (b), have been prepared in a manner consistent with the accounting practices and policies employed with respect to the audited financial statements reported in the Borrower's most recent Form 10-K filed with the Securities and Exchange Commission and prepared in accordance with Rule 10-01 of Regulation S-X of the Securities and Exchange Commission, and contain all adjustments necessary for a fair presentation of (A) the results of operations of the Borrower for the periods covered thereby, (B) the financial position of the Borrower at the date thereof, and (C) the cash flows of the Borrower for periods covered thereby (subject to year-end adjustments). There are no contingent liabilities of the Borrower or the Consolidated Subsidiaries as of such dates involving material amounts, known to the executive management of the Borrower that (aa) should have been disclosed in said balance sheets or the related notes thereto in accordance with GAAP and the rules and regulations of the Securities and Exchange Commission, and (bb) were not so disclosed.

5.5 No Material Changes, Etc. No change in the Business of the Borrower and its Consolidated Subsidiaries, taken as a whole, has occurred since December 31, 2004 that has resulted in a Material Adverse Effect.

5.6 Permits. The Borrower and its Subsidiaries have all Permits necessary or appropriate for them to conduct their Business, except where the failure to have such Permits would not be likely to have a Material Adverse Effect. All of such Permits are in full force and effect. Without limiting the

foregoing, the Borrower is duly registered as an "investment adviser" under the Investment Advisers Act of 1940 and under the applicable laws of each state in which such registration is required in connection with the investment advisory business of the Borrower and in which the failure to obtain such registration would be likely to have a Material Adverse Effect; Alliance Distributors is duly registered as a "broker/dealer" under the Securities Exchange Act of 1934 and under the securities or blue sky laws of each state in which such registration is required in connection with the business conducted by Alliance Distributors and where a failure to obtain such registration would be likely to have a Material Adverse Effect, and is a member in good standing of the National Association of Securities Dealers, Inc.; no Proceeding is pending or threatened with respect to the suspension, revocation, or termination of any such registration or membership, and the termination or withdrawal of any such registration or membership is not contemplated by the Borrower or Alliance Distributors, except, only with respect to registrations by the Borrower and Alliance Distributors required under state law, as would not be likely to have a Material Adverse Effect.

5.7 Litigation. There is no Proceeding of any kind pending or threatened, in writing, against the Borrower, any of its Subsidiaries, or the General Partner that questions the validity of this Credit Agreement or any of the other Loan Documents, or any action taken or to be taken pursuant hereto or thereto. Except as may be set forth in information provided pursuant to Section 6.4 hereof or as otherwise disclosed by the Borrower to the Banks, there is no Proceeding of any kind pending or threatened, in writing, against the Borrower, any of its Subsidiaries, or the General Partner that, if adversely determined, is reasonably likely to, either in any case or in the aggregate, result in a Material Adverse Effect or impair or prevent the Borrower's performance and observance of its obligations under this Credit Agreement or the other Loan Documents.

5.8 Material Contracts. Except as would not be likely to have a Material Adverse Effect, each Contract to which any of the Borrower and its Subsidiaries is party or subject, or by which any of their respective assets are bound (including investment advisory contracts and investment company distribution plans) (a) is Fully Effective, (b) is not subject to any default or event of default with respect to the Borrower, any of its Subsidiaries or, to the best knowledge of the executive management of the Borrower, any other party, (c) is not subject to any notice of termination given or received by the Borrower or any of its Subsidiaries, and (d) is, to the best knowledge of the executive management of the Borrower, the legal, valid, and binding obligation of each party thereto other than the Borrower and its Subsidiaries enforceable against such parties according to its terms.

5.9 Compliance with Other Instruments, Laws, Etc. None of the Borrower, its Subsidiaries, and the General Partner is, in any respect material to the Borrower and its Consolidated Subsidiaries taken as a whole, in violation of or default under (a) any provision of its certificate of incorporation or by-laws, or its certificate of limited partnership or agreement of limited partnership, or its governing documents in the case of any general partnership, as the case may be, (b) any Contract to which it is or may be subject or by which it or any of its properties are or may be bound, or (c) any Government Mandate, including Government Mandates relating to occupational safety and employment matters.

5.10 Tax Status. The Borrower and its Subsidiaries (a) have made or filed all federal and state income and all other tax returns, reports, and declarations required by any Government Authority to which any of them is subject, except where the failure to make or file the same would not be likely to have a Material Adverse Effect, (b) have paid all taxes and other governmental assessments and charges due, except those being contested in good faith and by appropriate Proceedings or those where a failure to pay is not reasonably likely to have a Material Adverse Effect, and (c) have set aside on their books provisions reasonably adequate for the payment of all taxes for periods subsequent to the periods to which such returns, reports, or declarations apply. There are no unpaid taxes in any material amount claimed to

be due from the Borrower or any of its Subsidiaries by any Government Authority, and the executive management of the Borrower knows of no basis for any such claim.

5.11 No Event of Default. No Default or Event of Default has occurred and is continuing.

5.12 Investment Company Act. Neither the Borrower nor any of its Subsidiaries (excluding investment companies in which the Borrower or a Consolidated Subsidiary has made "seed money" investments permitted by Section 8.6(b)) is an "investment company", as such term is defined in the 1940 Act.

5.13 Insurance. The Borrower and its Subsidiaries maintain insurance with financially sound and reputable insurers in such coverage amounts, against such risks, with such deductibles and upon such other terms, or are self-insured in respect of such risks (with appropriate reserves to the extent required by GAAP), as is reasonable and customary for firms engaged in businesses similar to those of the Borrower and its Subsidiaries. All policies of insurance maintained by the Borrower or its Subsidiaries are Fully Effective. All premiums due on such policies have been paid or accrued on the books of the Borrower or its Subsidiaries, as appropriate.

5.14 Certain Transactions. Except in connection with transactions occurring in the ordinary course of business, and, taking into account the totality of the relationships involved, with respect to transactions occurring on fair and reasonable terms no less favorable to the Borrower and its Consolidated Subsidiaries taken as a whole than would be obtained in comparable arms' length transactions with Persons that are not Affiliates of the Borrower or its Subsidiaries, none of the officers, directors, partners, or employees of the Borrower or any of its Subsidiaries, or, to the knowledge of the executive management of the Borrower, any Entity (other than a Subsidiary) in which any such officer, director, partner, or employee has a substantial interest or is an officer, director, trustee, or partner, is at present a party to any transaction with the Borrower or any of its Subsidiaries (other than for or in connection with services as officers, directors, partners, or employees, as the case may be), including any Contract providing for the furnishing of services to or by, providing for rental of real or personal property to or from, or otherwise requiring payments to or from any such officer, director, partner, employee, or Entity.

5.15 Employee Benefit Plans. Each contribution required to be made to a Guaranteed Pension Plan, whether required to be made to avoid the incurrence of an accumulated funding deficiency, the notice or lien provisions of §302(f) of ERISA, or otherwise, has been timely made. No waiver of an accumulated funding deficiency or extension of amortization periods has been received with respect to any Guaranteed Pension Plan. No liability to the PBGC (other than required insurance premiums, all of which have been paid) has been incurred by the Borrower or any ERISA Affiliate with respect to any Guaranteed Pension Plan and there has not been any ERISA Reportable Event, or any other event or condition which presents a material risk of termination of any Guaranteed Pension Plan by the PBGC. Based on the latest valuation of each Guaranteed Pension Plan (which in each case occurred within fifteen (15) months of the date of the representation), and on the actuarial methods and assumptions employed for that valuation, the aggregate benefit liabilities of all such Guaranteed Pension Plans within the meaning of §4001 of ERISA did not exceed the aggregate value of the assets of all such Guaranteed Pension Plans by more than $50,000,000, disregarding for this purpose the benefit liabilities and assets of any Guaranteed Pension Plan with assets in excess of benefit liabilities.

5.16 Regulations U and X. The proceeds of the Loans shall be used by the Borrower for general partnership purposes, including, without limitation, for working capital purposes and the support of the Borrower's issuance of commercial paper. No portion of any Loan is to be used for the purpose of purchasing or carrying any "margin security" or "margin stock" as such terms are used in Regulations U and X of the Board of Governors of the Federal Reserve System, 12 C.F.R. Parts 221 and 224.

5.17 Environmental Compliance. To the best of the Borrower's knowledge:

(a) none of the Borrower, its Subsidiaries, the General Partner, and any operator of the Real Estate or any operations thereon is in violation, or alleged violation, of any Government Mandate or Permit pertaining to environmental, safety or public health matters, including the Resource Conservation and Recovery Act ("RCRA"), the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986 ("SARA"), the Federal Clean Water Act, the Federal Clean Air Act, and the Toxic Substances Control Act (hereinafter "Environmental Laws"), which violation would be likely to have a material adverse effect on the environment or a Material Adverse Effect;

(b) neither the Borrower nor any of its Subsidiaries has received notice from any third party, including any Government Authority, (i) that any one of them has been identified by the United States Environmental Protection Agency ("EPA") as a potentially responsible party under CERCLA with respect to a site listed on the National Priorities List, 40 C.F.R. Part 300 Appendix B (1986); (ii) that any hazardous waste, as defined by 42 U.S.C. §9601(5), any hazardous substances as defined by 42 U.S.C. §9601(14), any pollutant or contaminant as defined by 42 U.S.C. §9601(33) and any toxic substances, oil, hazardous materials, or other chemicals or substances regulated by any Environmental Laws ("Hazardous Substances") that any one of them has generated, transported, or disposed of has been found at any site at which a Government Authority or other third party has conducted, or has ordered that other parties conduct, a remedial investigation, removal, or other response action pursuant to any Environmental Law; or (iii) that it is or shall be a named party to any Proceeding (in each case, contingent or otherwise) arising out of any third party's incurrence of costs, expenses, losses, or damages of any kind whatsoever in connection with the release of Hazardous Substances; and

(i) no portion of the Real Estate has been used for the handling, processing, storage, or disposal of Hazardous Substances except in accordance with applicable Environmental Laws;

(ii) no underground tank or other underground storage receptacle for Hazardous Substances is located on any portion of the Real Estate;

(iii) in the course of any activities conducted by any of the Borrower, its Subsidiaries, the General Partner, and operators of any Real Estate, no Hazardous Substances have been generated or are being used on the Real Estate except in accordance with applicable Environmental Laws;

(iv) there have been no releases (i.e. any past or present releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, disposing, or dumping) or threatened releases of Hazardous Substances on, upon, into, or from the Real Estate that would have a material adverse effect on the value of the Real Estate or the environment;

(v) there have been no releases of Hazardous Substances on, upon, from, or into any real property in the vicinity of any of the Real Estate that (A) may have come to be located on the Real Estate through soil or groundwater contamination, and, (B) if so located, would have a material adverse effect on the value of the Real Estate or the environment; and

(vi) any Hazardous Substances that have been generated by any of the Borrower and its Subsidiaries, or on the Real Estate by any other Person, have been transported offsite only by carriers having an identification number issued by the EPA, treated or disposed of only by treatment or disposal facilities maintaining valid Permits as required under applicable Environmental Laws, which transporters and facilities have been and are, to the best of the Borrower's knowledge, operating in compliance with such Permits and applicable Environmental Laws.

5.18 Funded Debt. Schedule 5.19 sets forth as of December 31, 2005 all outstanding Funded Debt of the Borrower and its Subsidiaries.

5.19 General. The Borrower's Annual Report on Form 10-K for the fiscal year ended December 31, 2004, and Quarterly Reports on Form 10-Q referred to in Section 5.4 (a) conform in all material respects to the requirements of the Securities Exchange Act of 1934, as amended, and to all applicable rules and regulations of the Securities and Exchange Commission, and (b) as amended by interim filings, do not contain an untrue statement of any material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they are made, not misleading.

6. AFFIRMATIVE COVENANTS OF THE BORROWER.

The Borrower covenants and agrees that, so long as any Loan or any Note is Outstanding or any Bank has any obligation to make any Loans:

6.1 Punctual Payment. The Borrower will duly and punctually pay or cause to be paid the principal and interest on the Loans, the facility fee, the utilization fee, and all other amounts provided for in this Credit Agreement and the other Loan Documents to which the Borrower is party, all in accordance with the terms of this Credit Agreement and such other Loan Documents.

6.2 Maintenance of Office. The Borrower will maintain its chief executive office in New York, New York, or at such other place in the United States of America as the Borrower shall designate upon prior written notice to the Administrative Agent, where notices, presentations, and demands to or upon the Borrower in respect of the Loan Documents may be given or made.

6.3 Records and Accounts. The Borrower will, and will cause each of its Subsidiaries to, keep complete and accurate records and books of account.

6.4 Financial Statements, Certificates, and Information. The Borrower will deliver to each of the Banks:

(a) as soon as practicable, but in any event not later than ninety-five (95) days after the end of each fiscal year of the Borrower:

(i) the consolidated balance sheet of the Borrower, as at the end of such fiscal year;

(ii) the consolidating balance sheet of the Borrower, listing each Consolidated Subsidiary and each Excluded Fund, as at the end of such fiscal year;

(iii) the consolidated statement of income and consolidated statement of cash flows of the Borrower for such fiscal year; and

(iv) the consolidating statement of income only (and not the consolidating statements of cash flow) of the Borrower, listing each Consolidated Subsidiary and each Excluded Fund for such fiscal year.

Each of the balance sheets and statements delivered under this Section 6.4(a) shall (I) set forth in comparative form the figures for the previous fiscal year; (II) be in reasonable detail and prepared in accordance with GAAP based on the records and books of account maintained as provided in Section 6.3; (III) as to items (i) and (iii) above, include footnotes or otherwise be accompanied by information outlining in sufficient detail reasonably satisfactory to the Administrative Agent the effect of consolidating Excluded Funds, if applicable, and be accompanied by (or be delivered concurrently with the financial statements under this Section 6.4(a)) a certification by the principal financial or accounting officer of the Borrower that the information contained in such financial statements presents fairly in all material respects the consolidated financial position of the Borrower on the date thereof and consolidated results of operations and consolidated cash flows of the Borrower for the periods covered thereby; and (IV) as to items (i) and (iii) above, be certified, without limitation as to scope, by KPMG LLP or another firm of independent certified public accountants reasonably satisfactory to the Administrative Agent, and shall be accompanied by (or be delivered concurrently with the financial statements under this Section 6.4(a)) a written statement from such accountants to the effect that in connection with their audit of such financial statements nothing has come to their attention that caused them to believe that the Borrower has failed to comply with the terms, covenants, provisions or conditions of Section 6.3, Section 7, and Section 8 of this Credit Agreement as to accounting matters (provided that such accountants may also state that the audit was not directed primarily toward obtaining knowledge of such noncompliance), or, if such accountants shall have obtained knowledge of any such noncompliance, they shall disclose in such statement any such noncompliance; provided that such accountants shall not be liable to the Banks for failure to obtain knowledge of any such noncompliance;

(b) as soon as practicable, but in any event not later than fifty (50) days after the end of the first three fiscal quarters of each fiscal year of the Borrower, (i) the unaudited interim condensed consolidated balance sheet of the Borrower as at the end of such fiscal quarter, and (ii) the unaudited interim condensed consolidated statement of income and unaudited interim condensed consolidated statement of cash flow of the Borrower for such fiscal quarter and for the portion of the Borrower's fiscal year then elapsed, all in reasonable detail and, with respect to clauses (i) and (ii), prepared in a manner consistent with the accounting practices and policies employed with respect to the audited financial statements reported in the Borrower's most recent Form 10-K filed with the Securities and Exchange Commission (subject to the application of accounting principles as of the implementation date of, and with respect to, Financial Accounting Standards Board Interpretative No. 46-Revised) and prepared in accordance with Rule 10-01 of Regulation S-X of the Securities and Exchange Commission, and including footnotes or otherwise accompanied by information outlining in sufficient detail reasonably satisfactory to the Administrative Agent the effect of consolidating Excluded Funds, if applicable, and concurrently therewith a certification by the principal financial or accounting officer of the Borrower that, in the opinion of management of the Borrower, all adjustments necessary for a fair presentation of (A) the results of operations of the Borrower for the periods covered thereby, (B) the financial position of the Borrower at the date thereof, and (C) the cash flows of the Borrower for periods covered thereby have been made (subject to year-end adjustments);

(c) simultaneously with the delivery of the financial statements referred to in subsections (a) and (b) above, a statement certified by the principal financial officer, treasurer or general counsel of the Borrower in substantially the form of Exhibit F hereto and setting forth

in

reasonable detail computations evidencing compliance with the covenants contained in Section 8 and (if applicable) reconciliations to reflect changes in GAAP since December 31, 2004;

(d) promptly after the same are available, copies of each annual report, proxy, if any, or financial statement or other report or communication sent to the holders of Equity Securities of the Borrower who are not Affiliates of the Borrower, and copies of all annual, interim and current reports and any other report of a material nature (it being understood that filings in the ordinary course of business pursuant to Sections 13(d), (f) and (g) of the Securities Exchange Act of 1934 are not material) which the Borrower may file or be required to file with the SEC under Section 13 or 15(d) of the Securities Exchange Act of 1934, and not otherwise required to be delivered to the Administrative Agent pursuant hereto; and

(e) from time to time such other financial data and information (including accountants' management letters) as the Administrative Agent (having been requested to do so by any Bank) may reasonably request.

(f) Documents required to be delivered pursuant to Section 6.4(a), (b), (c) or (d) (to the extent any such financial statements, reports or proxy statements are included in materials otherwise filed with the SEC) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date (i) on which the Borrower posts such documents, or provides a link thereto on the Borrower's internet website at www.alliancecapital.com or such other replacement website of which the Borrower has given proper notice to the Administrative Agent and each Bank; or (ii) on which such documents are posted on the Borrower's behalf on IntraLinks/IntraAgency or another relevant website, if any, to which each Bank and the Administrative Agent have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent); provided that: (i) the Borrower shall deliver paper copies of such documents to the Administrative Agent or any Bank who requests, in writing, the Borrower to deliver such paper copies until written request to cease delivering paper copies is given by the Administrative Agent or such Bank and (ii) the Borrower shall notify (which may be by facsimile or electronic mail) the Administrative Agent and each Bank of the posting of any such documents. Notwithstanding anything contained herein, in every instance the Borrower shall be required to provide paper copies of the certificates or statements of officers required by Section 6.4(a), (b) or (c)to the Administrative Agent. Except for such certificates or statements of officers, the Administrative Agent shall have no obligation to request the delivery or to maintain copies of the documents referred to above, and in any event shall have no responsibility to monitor compliance by the Borrower with any such request for delivery, and each Bank shall be solely responsible for requesting delivery to it or maintaining its copies of such documents.

6.5 Notices.

6.5.1 Defaults. The Borrower will promptly after the executive management of the Borrower (which for purposes of this covenant shall mean the chairman of the board, president, principal financial officer, treasurer or general counsel of the Borrower) becomes aware thereof (and in any case within three (3) Business Days after the executive management becomes aware thereof) notify the Administrative Agent and each of the Banks in writing of the occurrence of any Default or Event of Default. If any Person shall give any notice in writing of a claimed default (whether or not constituting an Event of Default) under the Loan Documents or any other Contract relating to Funded Debt equal to or in excess of $100,000,000 to which or with respect to which the Borrower or any of its Subsidiaries is a party or obligor, whether as principal, guarantor, surety, or otherwise, the Borrower shall forthwith give written notice thereof

to the Administrative Agent and each of the Banks, describing the notice or action and the nature of the claimed default.

6.5.2 Environmental Events. The Borrower will promptly give notice to the Administrative Agent and each of the Banks (a) of any violation of any Environmental Law that the Borrower or any of its Subsidiaries reports in writing, or that is reportable by any such Person in writing (or for which any written report supplemental to any oral report is made) to any Government Authority, and (b) upon becoming aware thereof, of any Proceeding, including a notice from any Government Authority of potential environmental liability, that has the potential, in the Borrower's reasonable judgment, to have a Material Adverse Effect.

6.5.3 Notice of Proceedings and Judgments. The Borrower will give notice to the Administrative Agent and each of the Banks in writing within ten (10) Business Days of the executive management of the Borrower (as defined in Section 6.5.1) becoming aware of any Proceedings pending affecting the Borrower or any of its Subsidiaries or to which the Borrower or any of its Subsidiaries is or becomes a party that could reasonably be expected by the Borrower to have a Material Adverse Effect (or of any material adverse change in any such Proceedings of which the Borrower has previously given notice). Any such notice will state the nature and status of such Proceedings. The Borrower will give notice to the Administrative Agent and each of the Banks, in writing, in form and detail satisfactory to the Administrative Agent, within ten (10) Business Days of any settlement or any judgment, final or otherwise, against the Borrower or any of its Subsidiaries where the amount payable by the Borrower or any of its Subsidiaries, after giving effect to insurance, is in excess of the lesser of $50,000,000 or 10% of Consolidated Net Worth as at the end of the most recent fiscal quarter.

6.5.4 Notice of Change of Control. In the event the Borrower obtains knowledge of a Change of Control or an impending Change of Control, the Borrower will promptly give written notice (a "Borrower Control Change Notice") of such fact to the Administrative Agent and the Banks at least forty (40) days prior to the proposed Change of Control Date; provided, however, that in no event shall such a Borrower Control Change Notice be delivered to the Administrative Agent and the Banks more than three (3) Business Days after the Change of Control Date. Without limiting the foregoing, upon obtaining actual knowledge of any Change of Control or impending Change of Control, any of the Administrative Agent and the Banks may (but in no case shall any of them be obligated to) deliver written notice to the Borrower of such event, indicating that such event requires the Borrower to prepay the Loans pursuant to Section 3.2.2 (and in any such notice a Bank may make demand for payment of its Loans under Section 3.2.2). Promptly upon receipt of such notice, but in no event later than five (5) Business Days after actual receipt thereof, the Borrower will give written notice (such notice, together with a Borrower Control Change Notice, a "Control Change Notice") of such fact to the Administrative Agent and the Banks (including the Bank that has so notified the Borrower). Any Control Change Notice shall

(a) describe the principal facts and circumstances of such Change of Control known to the Borrower in reasonable detail (including the Change of Control Date or, if the Borrower does not have knowledge of the Change of Control Date, the Borrower's best estimate of such Change of Control Date), (b) make reference to Section 3.2.2 and the rights of the Banks to require the Borrower to prepay the Loans on the terms and conditions provided for therein, and (c) state that each Bank may make a demand for payment of its Loans by providing written notice to the Borrower within fifteen (15) days after the effective date of such Control Change Notice. In the event the Borrower shall not have designated the Change of Control Date in its Control Change Notice, the Borrower shall keep the Administrative Agent and the Banks informed as to any changes in the estimated Change of Control Date and shall provide written

notice to the Administrative Agent and the Banks specifying the Change of Control Date promptly upon obtaining knowledge thereof.

6.6 Existence; Business; Properties.

6.6.1 Legal Existence. The Borrower will, and will cause each of its Consolidated Subsidiaries to do or cause to be done all things necessary to preserve and keep in full force and effect its existence, rights and franchises as a limited partnership, general partnership, corporation, limited liability company or trust, as the case may be, except, with respect to rights and franchises, where the failure to preserve and keep in full force and effect such rights and franchises would not be likely to have a Material Adverse Effect, provided, however, this section shall not prohibit any merger, consolidation, or reorganization of the Borrower or any of its Subsidiaries permitted pursuant to Section 7.2.

6.6.2 Conduct of Business. Except as otherwise disclosed to the Administrative Agent and the Banks in the Borrower's Form 8-Ks for the period prior to the Closing Date, the Borrower will, and will cause each of its Consolidated Subsidiaries to, engage in business related to investment management.

6.6.3 Maintenance of Properties. The Borrower will, and will cause each of its Consolidated Subsidiaries to, cause its properties used or useful in the conduct of its business and which are material to the Business of the Borrower and its Consolidated Subsidiaries taken as a whole to be maintained and kept in good condition, repair, and working order and supplied with all necessary equipment, ordinary wear and tear excepted; provided that nothing in this Section 6.6.3 shall prevent the Borrower or any of its Consolidated Subsidiaries from discontinuing the operation and maintenance of any properties if such discontinuance (i) is, in the judgment of the Borrower or such Subsidiary, desirable in the conduct of its business, and (ii) does not have a Material Adverse Effect.

6.6.4 Status Under Securities Laws. The Borrower shall maintain its status as a registered "investment adviser", under (a) the Investment Advisers Act of 1940 and (b) under the laws of each state in which such registration is required in connection with the investment advisory business of the Borrower and, as to (b) only, where a failure to obtain such registration would be likely to have a Material Adverse Effect. The Borrower shall cause Alliance Distributors (i) to maintain its status as a registered "broker/dealer" under the Securities Exchange Act of 1934 and under the laws of each state in which such registration is required in connection with the business of Alliance Distributors and where a failure to obtain such registration would be likely to have a Material Adverse Effect, and (ii) to maintain its membership in the National Association of Securities Dealers, Inc.

6.7 Insurance. The Borrower will, and will cause each of its Consolidated Subsidiaries to, maintain with financially sound and reputable insurers insurance with respect to its properties and business against such casualties and contingencies, in such amounts, containing such terms, in such forms, and for such periods, or shall be self-insured in respect of such risks (with appropriate reserves to the extent required by GAAP), as shall be customary in the industry for companies engaged in similar activities in similar geographic areas.

6.8 Taxes. The Borrower will, and will cause each of its Consolidated Subsidiaries to, duly pay and discharge, or cause to be paid and discharged, before the same shall become overdue, all taxes, assessments, and other governmental charges imposed upon it or its real property, sales, and activities, or any part thereof, or upon the income or profits therefrom, as well as all claims for labor, materials, or

supplies that if unpaid (a) might by law become a Lien upon any of its property and (b) would be reasonably likely to result in a Material Adverse Effect; provided that any such tax, assessment, charge, levy, or claim need not be paid if the validity or amount thereof shall currently be contested in good faith by appropriate proceedings and if the Borrower or such Subsidiary shall have set aside on its books, if and to the extent permitted by GAAP, adequate accruals with respect thereto.

6.9 Inspection of Properties and Books, Etc.

6.9.1 General. The Borrower shall, and shall cause each of its Subsidiaries to, permit the Banks, through the Administrative Agent or any of the Banks' other designated representatives, to visit and inspect any of the properties of the Borrower or any of its Subsidiaries, to examine the books of account of the Borrower and its Subsidiaries (and to make copies thereof and extracts therefrom), and to discuss the affairs, finances, and accounts of the Borrower and its Subsidiaries with, and to be advised as to the same by, its and their officers, all at such reasonable times and intervals as the Administrative Agent or any Bank may request. The costs incurred by the Administrative Agent and the Banks in connection with any such inspection shall be borne by the Banks making or requesting the inspection (or, if the Administrative Agent makes an inspection on its own initiative after notice to the Banks, by the Banks jointly, on a pro rata basis according to their Outstanding Loans or, if no Loans are Outstanding, their respective Commitments), except as otherwise provided by Section 14(f). Any data and information that is obtained by the Administrative Agent or any Bank pursuant to this Section 6.9.1 shall be held subject to Section 19.

6.9.2 Communication with Accountants. The Borrower authorizes the Administrative Agent and, if accompanied by the Administrative Agent, the Banks to communicate directly with the Borrower's independent certified public accountants and authorizes such accountants to disclose to the Administrative Agent and the Banks any and all financial statements and other supporting financial documents and schedules, including copies of any management letter with respect to the Business of the Borrower or any of its Subsidiaries. The Borrower shall be entitled to reasonable prior notice of any such meeting with its independent certified public accountants and shall have the opportunity to have its

representatives present at any such meeting. At the request of the Administrative Agent, the Borrower shall deliver a letter addressed to such accountants instructing them to comply with the provisions of this Section 6.9.2. Any data and information that is obtained by the Administrative Agent or any Bank pursuant to this Section 6.9.2 shall be held subject to Section 19.

6.10 Compliance with Government Mandates, Contracts, and Permits. The Borrower will and will cause each of its Consolidated Subsidiaries to, comply (if and to the extent that a failure to comply would be likely to have a Material Adverse Effect) with (a) all applicable Government Mandates wherever the business of the Borrower or any such Subsidiary is conducted, including all Environmental Laws and all Government Mandates relating to occupational safety and employment matters; (b) the provisions of the certificate of incorporation and by-laws, or the agreement of limited partnership and certificate of limited partnership, or its governing documents in the case of any general partnership, as the case may be, of the Borrower and such Subsidiary; (c) all Contracts to which the Borrower or any such Subsidiary is party, by which the Borrower or any such Subsidiary is or may be bound, or to which any of their respective properties are or may be subject; and (d) the terms and conditions of any Permit used in the Business of the Borrower or any such Subsidiary. If any Permit shall become necessary or required in order that the Borrower may fulfill any of its obligations hereunder or under any of the other Loan Documents to which the Borrower is a party, the Borrower will immediately take or cause its Subsidiaries to take all reasonable steps within the power of the Borrower and its Subsidiaries to obtain and maintain

in full force and effect such Permit and furnish the Administrative Agent and the Banks with evidence thereof.

6.11 Use of Proceeds. The Borrower will use the proceeds of the Loans solely as provided in Section 5.16.

6.12 Certain Changes in Accounting Principles. In the event of a change after the date of this Credit Agreement in (a) GAAP (as defined in clause (b) of the definition of "GAAP" in Section 1.1) or (b) any regulation issued by the Securities and Exchange Commission (either such event being referred to herein as an "Accounting Change"), that results in a material change in the calculations as to compliance with any financial covenant contained in Section 8 or in the calculation of any item to be taken into account in the calculations as to compliance with any such covenant (the "Affected Computation") in such a manner and to such an extent that, in the good faith judgment of the Chief Financial Officer of the Borrower or the Majority Banks, as evidenced by notice from such Majority Banks to the Borrower and the Administrative Agent (the "Accounting Notice"), the application of the Accounting Change to the Affected Computation would no longer reflect the intention of the parties to this Credit Agreement, then and in any such event:

(a) the Borrower shall, promptly after either a determination by its Chief Financial Officer as provided above or receipt of an Accounting Notice, give written notice thereof to the Administrative Agent and each Bank, which notice shall be accompanied by a copy of any Accounting Notice and a certificate of the Chief Financial Officer of the Borrower:

(i) describing the Accounting Change in question and the particular covenant or covenants that will be affected by such Accounting Change;

(ii) setting forth in reasonable detail (including detailed calculations) the manner and extent to which the covenant or covenants listed in such certificate are affected by such Accounting Change; and

(iii) setting forth in reasonable detail (including detailed calculations) the information required in order to establish that the Borrower would be in compliance with the requirements of the covenant or covenants listed in such certificate if such Accounting Change was not effective (or, if the Borrower would not be so in compliance, setting forth in reasonable detail calculations of the extent of such non-compliance);

(b) the Borrower and the Banks will enter into good faith negotiations with each other for an equitable amendment of such covenant or covenants, and the definition of GAAP set forth in Section 1.1, pursuant to Section 25 so as to place the parties, insofar as possible, in the same relative position as if such Accounting Change had not occurred;

(c) for the period from the date on which such Accounting Change becomes effective (the "Effective Date") to the effective date of an amendment to this Credit Agreement pursuant to Section 25, the Borrower shall be deemed to be in compliance with the covenant or covenants listed in such certificate if and so long as (but only if and so long as) the Borrower would be in compliance with such covenant or covenants if such Accounting Change had not occurred; and

(d) if no amendment to this Credit Agreement has become effective within ninety (90) days after the Effective Date of such Accounting Change, then all accounting

computations required to be made for purposes of this Credit Agreement thereafter shall be made in accordance with GAAP as in effect immediately prior to such Effective Date.

6.13 Broker-Dealer Subsidiaries.

6.13.1 Maintain Net Capital. Each Material Broker-Dealer Subsidiary of the Borrower that is a U.S. regulated broker-dealer shall not fail to maintain net capital in an amount not less than that required by the Net Capital Rule for a period in excess of five (5) Business Days of the date such Material Broker-Dealer Subsidiary knew of such failure, and each Material Broker-Dealer Subsidiary of the Borrower that is a non-U.S. regulated broker-dealer shall not fail to maintain net capital or capital (or the equivalent) in an amount not less than that required by any similar rule, regulation or requirement (including any capital adequacy requirement) of the relevant regulatory authority or authorities in any relevant jurisdiction for a period in excess of five (5) Business Days of the date such Material Broker-Dealer Subsidiary knew of such failure, and

6.13.2 Registration; Qualification. Each Broker-Dealer Subsidiary must maintain its registration or comparable qualification with its applicable Examining Authority to the extent such registration or comparable qualification is material to the business of the Borrower and its

Subsidiaries taken as a whole.

7. CERTAIN NEGATIVE COVENANTS OF THE BORROWER.

The Borrower covenants and agrees that, so long as any Loan or any Note is Outstanding or any Bank has any obligation to make any Loans:

7.1 Disposition of Assets. The Borrower will not, and will not cause, permit, or suffer any of its Consolidated Subsidiaries to, in any single transaction or in multiple transactions within any fiscal year of the Borrower, sell, transfer, assign, or otherwise dispose of assets of the Borrower and its Consolidated Subsidiaries, or enter into any Contract for any such sale, transfer, assignment, or disposition (a "Disposition"), provided, however:

(a) Consolidated Subsidiaries of the Borrower may sell, transfer, assign, or dispose of assets (including 12b-1 Fees) to the Borrower or another Consolidated Subsidiary;

(b) the Borrower and any Consolidated Subsidiary of the Borrower may make any Disposition (other than a Disposition (whether in one or a series of transactions) of all or substantially all of the assets of the Borrower and its Consolidated Subsidiaries) so long as (i) no Default exists or would be caused thereby, (ii) after giving effect to such Disposition the Borrower will, on a pro forma basis, be in compliance with the financial covenants set forth in Section 8 hereof, and (c) the assets disposed of in any fiscal year in the aggregate did not generate more than 33 1/3% of the consolidated revenues of the Borrower during the immediately preceding fiscal four quarters or if such assets generated revenues during the immediately preceding fiscal four quarters that if subtracted from the consolidated revenues of the Borrower during this period would result in consolidated revenues of the Borrower of less than $1,200,000,000; and

(c) the Borrower and any Consolidated Subsidiary of the Borrower may sell, transfer or assign, or dispose of 12b-1 Fees to Persons other than the Borrower and its Consolidated Subsidiaries. Any Indebtedness in respect of obligations of the Borrower and its Consolidated Subsidiaries arising out of such transactions shall constitute "Funded Debt".

This covenant is not intended to restrict the conversion of a short-term investment of the Borrower into cash or into another investment which remains an asset of the Borrower.

7.2 Fundamental Changes. The Borrower will not, and will not cause, permit, or suffer any of its Consolidated Subsidiaries to, become a party to any merger, dissolution or consolidation involving all or substantially all of its assets (whether in one or a series of transactions) (any such transaction, a "Reorganization" and the term "Reorganize"shall have a correlative meaning) or purchase or acquire all or substantially all of the assets or Equity Securities of a Person or a business unit of a Person (whether in one or a series of transactions) (each, an "Acquisition") or enter into any Contract providing for any Reorganization or Acquisition, provided, however, so long as no Default or Event of Default then exists or would be caused thereby:

(a) any Consolidated Subsidiary may merge with (i) the Borrower, provided that the Borrower shall be the continuing or surviving Person, or (ii) any one or more Consolidated Subsidiaries;

(b) any Person may merge with (i) the Borrower provided that (x) the Borrower shall be the continuing or surviving Person, and (y) such Person merging into the Borrower is in the same line of business as the Borrower and its Subsidiaries or a line of business reasonably related thereto, or (ii) any one or more Consolidated Subsidiaries, provided that (x) such Consolidated Subsidiary shall be the continuing or surviving Person, (y) such Person merging into a Consolidated Subsidiary is in the same line of business as the Borrower and its Subsidiaries or a line of business reasonably related thereto; and

(c) the Borrower or any Consolidated Subsidiary may purchase or acquire all or substantially all of the Equity Securities or assets of a Person or a business unit of a Person, provided that (i) such Person is in the same line of business as the Borrower and its Subsidiaries or a line of business related thereto and (ii) after giving effect to such purchase or acquisition, the Borrower will, on a pro forma basis, be in compliance with the financial covenants set forth in Section 8.

7.3 Restrictions on Liens. The Borrower will not, and will not cause, permit, or suffer any of its Consolidated Subsidiaries to (a) create or incur, or cause, permit, or suffer to be created or incurred or to exist, any Lien upon any of its property or assets of any character whether now owned or hereafter acquired, or upon the income or profits therefrom; (b) transfer any of such property or assets or the income or profits therefrom for the purpose of subjecting the same to the payment of Indebtedness or performance of any other obligation in priority to payment of its general creditors; (c) acquire, or agree or have an option to acquire, any property or assets upon conditional sale or other title retention or purchase money security agreement, device, or arrangement; (d) suffer to exist any Indebtedness or claim or demand for a period of time such that the same by Government Mandate or upon bankruptcy or insolvency, or otherwise, would be given any priority whatsoever over its general creditors; or (e) assign, pledge, or otherwise transfer any accounts, contract rights, general intangibles, chattel paper, or instruments, with or without recourse, other than a transfer or assignment in connection with a Disposition permitted under Section 7.1 or Reorganization or Acquisition permitted under Section 7.2 or an Investment permitted under Section 7.4; provided that the Borrower and any Subsidiary of the Borrower may create or incur, or cause, permit, or suffer to be created or incurred or to exist:

(i) Liens imposed by Government Mandate to secure taxes, assessments, and other government charges in respect of obligations not overdue or which are being contested in good faith and by appropriate proceedings diligently conducted, if adequate reserves are maintained in accordance with GAAP;

(ii) statutory Liens of carriers, warehousemen, mechanics, suppliers, laborers, and materialmen, and other like Liens in the ordinary course of business, in each case in respect of obligations not overdue for a period of more than 30 days or which are being contested in good faith and by appropriate proceedings diligently conducted, if adequate reserves are maintained in accordance with GAAP;

(iii) Liens arising out of pledges or deposits in the ordinary course of business in connection with workers' compensation, unemployment insurance and other social security legislation, other than any Lien imposed by ERISA;

(iv) Liens on deposits to secure performance of bids or performance bonds and other similar Liens, in the ordinary course of business;

(v) Liens on Real Estate consisting of easements, rights of way, zoning restrictions, restrictions on the use of real property, defects and irregularities in the title thereto, and other minor Liens, provided, none of such Liens in the reasonable opinion of the Borrower interferes materially with the use of the affected property in the ordinary conduct of the business of the Borrower and its Subsidiaries;

(vi) the rights and interests of landlords and lessors under leases of Real Estate leased by the Borrower or one of its Subsidiaries, as lessee;

(vii) Liens outstanding on the Closing Date and set forth on Schedule 7.3;

(viii) Liens in favor of either the Borrower or a Consolidated Subsidiary on all or part of the assets of any Subsidiary of the Borrower securing Indebtedness owing by such Subsidiary to the Borrower or such Consolidated Subsidiary, as the case may be;

(ix) Liens on interests of the Borrower or its Subsidiaries in partnerships or joint ventures consisting of binding rights of first refusal, rights of first offer, take-me-along rights, third-party offer provisions, buy-sell provisions, other transfer restrictions and conditions relating to such partnership or joint venture interests, and Liens granted to other participants in such partnership or joint venture as security for the performance by the Borrower or its Subsidiaries of their obligations in respect of such partnership or joint venture;

(x) UCC notice filings in connection with non-recourse sales of 12b-1 Fees (other than sales constituting a collateral security device);

(xi) Liens securing purchase money Indebtedness so long as such Liens are only on the asset acquired with such purchase money Indebtedness and secure only the Indebtedness incurred to purchase such asset;

(xii) Liens incurred or otherwise arising in connection with the Securities Trading Activities of the Broker-Dealer Subsidiaries;

(xiii) Liens in favor of the Administrative Agent or any Bank to secure the Obligations; and

(xiv) Liens (in addition to those specified in clauses (i) through (xiii) above) securing Indebtedness in an aggregate amount for the Borrower and all of its Consolidated Subsidiaries taken together not in excess of $80,000,000 outstanding at any point in time (but excluding from the amount of any such Indebtedness that portion which is fully covered by insurance and as to which the insurance company has acknowledged to the Administrative Agent its coverage obligation in writing).

7.4 Restrictions on Investments. The Borrower will not, and will not cause, permit, or suffer any of its Consolidated Subsidiaries to, make or permit to exist or to remain outstanding any Investment except:

(a) Investments in marketable securities, liquid investments, and other financial instruments that are acquired for investment purposes and that have a value that may be readily established, including any such Investment that may be readily sold or otherwise liquidated in any mutual fund for which the Borrower or one of its Subsidiaries serves as investment manager or adviser;

(b) Investments received in connection with the settlement of past due accounts;

(c) Guarantees otherwise constituting permitted Funded Debt;

(d) So long as no Event of Default exists or would be caused thereby, Investments in funds or other vehicles managed by the Borrower or one of its affiliates in the ordinary course;

(e) Investments by the Broker-Dealer Subsidiaries consisting of purchases, borrowings and other acquisitions of securities and other financial instruments in connection with the Securities Trading Activities of the Broker Dealer Subsidiaries;

(f) Investments existing on the Closing Date and set forth on Schedule 7.4; and

(g) Other Investments, so long as no Default exists or would be caused thereby and the Borrower would be, on a pro forma basis, in compliance with the financial covenants set forth in Section 8 hereof; provided, however, that with respect to any acquisition of all or substantially all of the Equity Securities or assets of a Person, such acquisition shall relate solely to Equity Securities in another Person engaged primarily in, or assets of another Person used primarily for, the same line of business as the Borrower and its Subsidiaries or a line of business reasonably related thereto.

7.5 Restrictions on Funded Debt. The Borrower will not cause, permit, or suffer any of the Consolidated Subsidiaries to, create, incur, assume, guarantee, or be or remain liable, contingently or otherwise, with respect to any Funded Debt if as a result the Borrower will not be in compliance with the financial covenants set forth in Section 8 hereof.

7.6 Distributions. The Borrower shall not cause, permit, or suffer any restriction or Lien on the ability of any Consolidated Subsidiary to (a) pay, directly or indirectly, any Distributions to the Borrower or any other Subsidiary of the Borrower, (b) make any payments, directly or indirectly, in

respect of any Indebtedness or other obligation owed to the Borrower or any of its Subsidiaries, (c) make loans or advances to the Borrower or any other Subsidiary of the Borrower, or (d) sell, transfer, assign, or

otherwise dispose of any property or assets to the Borrower or any other Subsidiary of the Borrower, except, in each such case, restrictions or Liens (aa) that exist under or by reason of applicable Government Mandates, including any net capital rules, (bb) that are imposed only, as to Indebtedness of the Borrower or any Consolidated Subsidiary incurred prior to the date hereof, upon a failure to pay when due any of such Indebtedness, or, as to Indebtedness of the Borrower or any Consolidated Subsidiary incurred on or after the date hereof, upon an acceleration of such Indebtedness or a failure to pay the full amount of such Indebtedness at maturity, or (cc) that arise by reason of the maintenance by any Subsidiary that is not a Consolidated Subsidiary of a level of net worth for the purpose of ensuring that limited partnerships for which it serves as general partner will be treated as partnerships for federal income tax purposes. Notwithstanding the foregoing, any portion of net earnings of any Consolidated Subsidiary that is unavailable for payment of dividends to the Borrower or any other Consolidated Subsidiary by reason of a restriction or Lien permitted under any of clauses (aa), (bb), and (cc) shall be excluded from the calculation of Consolidated Net Income (or Loss).

7.7 Transactions with Affiliates. The Borrower will not, and will not cause, permit, or suffer any of its Subsidiaries to, directly or indirectly, enter into any Contract or other transaction with any Affiliate of the Borrower or any of its Subsidiaries that is material to the Borrower and the Consolidated Subsidiaries taken as a whole, unless either: (a) such Contract or transaction relates solely to compensation arrangements with directors, officers, or employees of the Borrower, the General Partner, or the Consolidated Subsidiaries, or (b) such transaction is in the ordinary course of business and is, taking into account the totality of the relationships involved, on fair and reasonable terms no less favorable to the Borrower and the Consolidated Subsidiaries taken as a whole than would be obtained in comparable arm's length transactions with Persons that are not Affiliates of the Borrower or its Subsidiaries, or (c) the Contract or other transaction is in connection with a Reorganization or Acquisition permitted under Section 7.2 hereof.

7.8 Fiscal Year. The Borrower shall not change its fiscal year unless the parties to the Loan Documents shall first enter into amendments to the Loan Documents such that the rights of the parties to the Loan Documents will not be affected by the change in the fiscal year of the Borrower, and the parties shall enter into such amendments as may be required in connection with a change of the Borrower's fiscal year.

7.9 Compliance with Environmental Laws. The Borrower will not, and will not cause, permit, or suffer any of its Subsidiaries to, (a) use any of the Real Estate or any portion thereof for the handling, processing, storage, or disposal of Hazardous Substances, (b) cause, permit, or suffer to be located on any of the Real Estate any underground tank or other underground storage receptacle for Hazardous Substances, (c) generate any Hazardous Substances on any of the Real Estate, (d) conduct any activity at any Real Estate or use any Real Estate in any manner so as to cause a release (i.e., releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, disposing, or dumping) or threatened release of Hazardous Substances on, upon, or into the Real Estate, or (e) otherwise conduct any activity at any Real Estate or use any Real Estate in any manner that would violate any Environmental Law or bring such Real Estate in violation of any Environmental Law, in each case, so as would be likely to have a Material Adverse Effect.

7.10 Employee Benefit Plans. The Borrower will not, and will not cause, permit, or suffer any ERISA Affiliate to:

(a) engage in any "prohibited transaction" within the meaning of §406 of ERISA or §4975 of the Code that could result in a material liability for the Borrower and its Consolidated Subsidiaries taken as a whole;

(b) permit any Guaranteed Pension Plan to incur an "accumulated funding deficiency", as such term is defined in §302 of ERISA, whether or not such deficiency is or may be waived;

(c) fail to contribute to any Guaranteed Pension Plan to an extent that, or terminate any Guaranteed Pension Plan in a manner that, could result in the imposition of a Lien on the assets of the Borrower or any of its Subsidiaries pursuant to §302(f) or §4068 of ERISA; or

(d) permit or take any action that would result in the aggregate benefit liabilities (within the meaning of §4001 of ERISA) of all Guaranteed Pension Plans exceeding the value of the aggregate assets of such Plans by more than $50,000,000, disregarding for this purpose the benefit liabilities and assets of any such Plan with assets in excess of benefit liabilities.

7.11 Amendments to Certain Documents. The Borrower shall not, without the prior written consent of the Administrative Agent in each instance, permit or suffer any material amendments, modifications, supplements, or restatements of its certificate of limited partnership or the Borrower Partnership Agreement (or, following any conversion of the Borrower to a corporation, its certificate of incorporation or by-laws) that (i) relate to the determination of Available Cash Flow or Operating Cash Flow under the Borrower Partnership Agreement, or (ii) could reasonably be expected to materially adversely affect the ability of the Borrower to perform and observe its obligations under the Loan Documents or the legal rights and remedies of the Banks and the Administrative Agent under any of the Loan Documents.

8. FINANCIAL COVENANTS OF THE BORROWER.

The Borrower covenants and agrees that, so long as any Loan or any Note is Outstanding or any Bank has any obligation to make any Loans:

8.1 Consolidated Leverage Ratio. The Borrower will not at any time permit its Consolidated Leverage Ratio to exceed 3.00 to 1.00.

8.2 Minimum Consolidated Net Worth. As of the last day of each calendar quarter, the Borrower shall not permit its Consolidated Net Worth to be less than $1,300,000,000.

8.3 Miscellaneous. For purposes of this Section 8, demand obligations shall be deemed to be due and payable during any fiscal year during which such obligations are outstanding.

9. CLOSING CONDITIONS.

The obligations of the Banks to enter into this Credit Agreement shall be subject to the satisfaction of the following conditions precedent at or before the Closing Date:

9.1 Financial Statements and Material Changes. The Banks shall be reasonably satisfied that (a) the financial statements of the Borrower and the Consolidated Subsidiaries referred to in Section 5.4 fairly present in all material respects the business and financial condition and the results of operations of the Borrower and the Consolidated Subsidiaries as of the dates and for the periods to which such financial statements relate, and (b) there shall have been no material adverse change in the Business of the Borrower and the Consolidated Subsidiaries taken as a whole since the dates of such financial statements.

9.2 Loan Documents. Each of the Loan Documents shall have been duly executed and delivered by the respective parties thereto and shall be in full force and effect. Each Bank and the Administrative Agent shall have received a fully executed copy of each such document.

9.3 Certified Copies of Charter Documents. Each of the Banks and the Administrative Agent shall have received from the Borrower and the General Partner (a) a copy of its certificate of incorporation, certificate of limited partnership, or other charter document duly certified as of a recent date by the Secretary of State of Delaware, (b) a copy, certified by a duly authorized officer of such Entity to be true and complete on the Closing Date, of its by-laws, agreement of limited partnership, or equivalent document as in effect on such date, and (c) a certificate of the Secretary of State of Delaware as to the due organization, legal existence, and good standing of such Entity. The certificate of incorporation and by-laws or partnership agreement and certificate of limited partnership, as the case may be, of the Borrower and the General Partner shall be in all respects satisfactory in form and substance to the Banks and the Administrative Agent.

9.4 Partnership and Corporate Action. All partnership action necessary for the valid execution, delivery, and performance by the Borrower of this Credit Agreement and the other Loan Documents to which it is or is to become a party, and all corporate action necessary for the General Partner to cause the Borrower to execute, deliver, and perform this Credit Agreement and the other Loan Documents to which the Borrower is or is to become a party, shall have been duly and effectively taken, evidence thereof reasonably satisfactory to the Banks and the Administrative Agent shall have been provided to each of the Banks, and such action shall be in full force and effect at the Closing Date.

9.5 Consents. Each party hereto shall have duly obtained all consents and approvals of Government Authorities and other third parties, and shall have effected all notices, filings, and registrations with Government Authorities and other third parties, as may be required in connection with the execution, delivery, performance, and observance of the Loan Documents; all of such consents, approvals, notices, filings, and registrations shall be in full force and effect; and the Banks and the Administrative Agent shall have each received evidence thereof satisfactory to them.

9.6 Opinions of Counsel. Each of the Banks and the Administrative Agent shall have received a favorable opinion addressed to the Banks and the Administrative Agent, dated as of the Closing Date, from Sidley Austin LLP, counsel to the Borrower, in the form of Exhibit G hereto.

9.7 Proceedings. Except as may be disclosed in the Borrower's Quarterly Report on Form 10-Q for the quarter ended September 30, 2005, there shall be no Proceedings pending or threatened the result of which, if adversely determined, is reasonably likely to impair or prevent the Borrower's performance and observance of its obligations under this Credit Agreement and the other Loan Documents.

9.8 Incumbency Certificate. Each of the Banks and the Administrative Agent shall have received from the Borrower an incumbency certificate, dated as of the Closing Date, signed by a duly authorized officer of the Borrower and giving the name and bearing a specimen signature of each individual who shall be authorized: (a) to sign, in the name and on behalf of the Borrower, each of the Loan Documents to which the Borrower is or is to become a party; (b) to make Loan Requests and Conversion Requests; and (c) to give notices and to take other action on behalf of the Borrower under the Loan Documents.

9.9 Fees. The Borrower shall have paid to the Administrative Agent for the accounts of the Banks all fees then payable.

9.10 Representations and Warranties True; No Defaults. The Administrative Agent and the Banks shall have received a certificate of an officer of the General Partner, in form and substance satisfactory to the Administrative Agent and the Banks, to the effect that (i) each of the representations and warranties set forth herein and each of the other Loan Documents is true and correct in all material respects on and as of the Closing Date, and (ii) no material defaults exist under any material contract or agreement of the Borrower, including, without limitation, this Credit Agreement and the other Loan Documents.

9.11 Termination of Prior Credit Agreement. The Administrative Agent and the Banks shall have received evidence, in form and substance satisfactory to the Administrative Agent (it being understood by the Administrative Agent that copies of the notice of termination of such credit facility properly delivered pursuant to the terms thereof shall be deemed to be satisfactory), of the termination of that certain Revolving Credit Agreement, dated as of September 6, 2002 (as amended), among the Borrower, the financial institutions party thereto and Bank of America, as administrative agent, in each case, confirming repayment in full of all obligations arising thereunder.

9.12 Determinations under Section 9. Without limiting the generality of the provisions of Section 13.1.4, for purposes of determining compliance with the conditions specified in this Section 9, each Bank that has signed this Credit Agreement shall be deemed to have consented to, approved, accepted and to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Bank unless the Administrative Agent shall have received notice from such Bank prior to the proposed Closing Date specifying its objection thereto.

10. CONDITIONS TO ALL BORROWINGS.

The obligations of the Banks to make any Loan, whether on or after the Closing Date, shall also be subject to the satisfaction of the conditions precedent set forth below. Each of the submission of a Loan Request by the Borrower and the acceptance by the Borrower of any Loan shall constitute a representation and warranty by the Borrower that the conditions set forth below have been satisfied.

10.1 No Default. No Default or Event of Default shall have occurred and be continuing.

10.2 Representations True. Each of the representations and warranties of the Borrower and its Subsidiaries contained in this Credit Agreement (other than the Borrower's representation and warranty set forth in Section 5.5), the other Loan Documents, or in any document or instrument delivered pursuant to or in connection with this Credit Agreement shall be true and correct in all material respects as of the time of the making of such Loan, with the same effect as if made at and as of that time (except (a) to the extent that such representations and warranties expressly relate to a prior date, in which case they shall be true and correct in all material respects as of such earlier date, and (b) to the extent of changes resulting from transactions contemplated or permitted by this Credit Agreement and the other Loan Documents and changes occurring in the ordinary course of business that singly or in the aggregate are not materially adverse to the Borrower and its Consolidated Subsidiaries taken as a whole).

10.3 Loan Request. The Administrative Agent shall have received a Loan Request as provided in Section 2.8.

10.4 Payment of Fees. Without limiting any other condition, the Borrower shall have paid to the Administrative Agent, for the account of the Banks and the Administrative Agent as appropriate, all fees and other amounts due and payable under the Loan Documents at or prior to the time of the making of such Loan.

10.5 No Legal Impediment. No change shall have occurred in any Government Mandate that in the reasonable opinion of any Bank would make it illegal for such Bank to make such Loan (it being understood that this section shall be a condition only for the Bank or Banks affected by such Government Mandate).

11. EVENTS OF DEFAULT; ACCELERATION; ETC.

11.1 Events of Default and Acceleration. If any of the following events ("Events of Default" or, if the giving of notice or the lapse of time or both is required, then, prior to such notice or lapse of time, "Defaults") shall occur:

(a) the Borrower shall fail to pay any principal of the Loans when the same shall become due and payable, whether at the stated date of maturity or any accelerated date of maturity or at any other date fixed for payment;

(b) the Borrower shall fail to pay any interest on the Loans when the same shall become due and payable, whether at the stated date of maturity or any accelerated date of maturity or at any other date fixed for payment, and such failure shall continue for five (5) days after written notice of such failure has been given to the Borrower by the Administrative Agent;

(c) the Borrower shall fail to perform or observe any of its covenants contained in Sections 6.5.1, 6.6.1, 7.1, 7.2, 7.3(xiv), 7.11, 8, or, if such failure relates to a Lien securing Funded Debt, 7.3;

(d) the Borrower or any of its Subsidiaries shall fail to perform or observe any term, covenant, or agreement contained herein or in any of the other Loan Documents (other than those specified elsewhere in this Section 11) for thirty (30) days after written notice of such failure has been given to the Borrower by the Administrative Agent, provided, that a failure to perform or observe the terms, covenants and agreements set forth in Section 6.4, Section 6.5.3, Section 6.9 or Section 6.13.1 that continues for more than ten (10) days (regardless of whether notice of such failure is given to the Borrower) shall constitute an Event of Default hereunder;

(e) any representation or warranty of the Borrower or any of its Subsidiaries in this Credit Agreement, any of the other Loan Documents, or in any other document or instrument delivered pursuant to or in connection with this Credit Agreement shall prove to have been incorrect in any material respect upon the date when made or deemed to have been made or repeated;

(f) failure to make a payment of principal or interest, or the occurrence of a default, event of default, or other event permitting (with or without the passage of time or the giving of notice) acceleration or exercise of remedies or, with respect to any Swap Contract, as to which the Borrower or any Subsidiary is the defaulting party, permitting early termination thereof shall occur with respect to (i) any Indebtedness for money borrowed, (ii) any Indebtedness in respect of the deferred purchase price of goods or services, (iii) any Capitalized Lease, (iv) any Broker-Dealer Debt, (v) any Swap Contract or (vi) any Synthetic Lease Obligation, of the Borrower or any of its Subsidiaries, having a principal amount (or (x) in the case of a Capitalized Lease, scheduled rental payments with a discounted present value from the last day of the initial term to the date of determination as determined in accordance with generally accepted accounting principles or (y) in the case of a Swap Contract, the Swap Termination Value or (z) in the case of a Synthetic Lease Obligation, the amount of Attributable Indebtedness with respect thereto), (A) in any one case, of $100,000,000 or more, or (B) in the aggregate, of $250,000,000 or more, and

such failure to make a payment of principal or interest, or a default, event of default, or other event shall continue for such period of time as would entitle the holder of such Indebtedness, Capitalized Lease, Swap Contract or Synthetic Lease Obligation (with or without notice) to accelerate such Indebtedness or terminate such Capitalized Lease, Swap Contract or Synthetic Lease Obligation;

(g) any of the Loan Documents shall be cancelled, terminated, revoked, or rescinded otherwise than in accordance with the terms thereof or with the express prior written agreement, consent, or approval of the Banks, or any Proceeding to cancel, revoke, or rescind any of the Loan Documents shall be commenced by or on behalf of the Borrower or any of its Subsidiaries party thereto, or any Government Authority of competent jurisdiction shall make a determination that, or issue a Government Mandate to the effect that, any material provision of one or more of the Loan Documents is illegal, invalid, or unenforceable in accordance with the terms thereof;

(h) the Borrower, Alliance Distributors, the General Partner, or any Material Subsidiary shall make an assignment for the benefit of creditors, or admit in writing its inability to pay or generally fail to pay its debts as they mature or become due, or shall petition or apply

for the appointment of a trustee or other custodian, liquidator, or receiver of the Borrower, Alliance Distributors, the General Partner or any Material Subsidiary or of any substantial part of the assets of the Borrower, Alliance Distributors, the General Partner, or any Material Subsidiary, or shall commence any Proceeding relating to the Borrower, Alliance Distributors, the General Partner, or any Material Subsidiary under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution, liquidation, or similar law of any jurisdiction, now or hereafter in effect, or shall take any action to authorize or in furtherance of any of the foregoing, or if any such petition or application shall be filed or any such Proceeding shall be commenced against the Borrower, Alliance Distributors, the General Partner, or any Material Subsidiary and any of such parties shall indicate its approval thereof, consent thereto, or acquiescence therein;

(i) either (i) an involuntary Proceeding relating to the Borrower, Alliance Distributors, the General Partner, or any Material Subsidiary under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution, liquidation, or similar law of any jurisdiction, now or hereafter in effect is commenced and not dismissed or vacated within sixty (60) days following entry thereof, or (ii) a decree or order is entered appointing any trustee, custodian, liquidator, or receiver described in (h) or adjudicating the Borrower, Alliance Distributors, the General Partner, or any Material Subsidiary bankrupt or insolvent, or approving a petition in any such Proceeding, or a decree or order for relief is entered in respect of the Borrower, Alliance Distributors, the General Partner, or any Material Subsidiary in an involuntary Proceeding under federal bankruptcy laws as now or hereafter constituted;

(j) there shall remain in force, undischarged, unsatisfied, and unstayed, for more than forty-five (45) days, any final judgment or order against the Borrower or any of its Subsidiaries, that, with any other such outstanding final judgments or orders, undischarged, against the Borrower and its Subsidiaries taken together exceeds in the aggregate $50,000,000;

(k) with respect to any Guaranteed Pension Plan, an ERISA Reportable Event shall have occurred and the Majority Banks shall have determined in their reasonable discretion that such event reasonably could be expected to result in liability of the Borrower or any of its Subsidiaries to the PBGC or such Guaranteed Pension Plan in an aggregate amount exceeding $50,000,000 and such event in the circumstances occurring reasonably could constitute

grounds for the termination of such Guaranteed Pension Plan by the PBGC or for the appointment by the appropriate United States District Court of a trustee to administer such Guaranteed Pension Plan; or a trustee shall have been appointed by the United States District Court to administer such Guaranteed Pension Plan; or the PBGC shall have instituted proceedings to terminate such Guaranteed Pension Plan;

(l) any of the following: (i) the Borrower shall fail to be duly registered as an "investment adviser" under the Investment Advisers Act of 1940; or (ii) Alliance Distributors shall cease to be duly registered as a "broker/dealer" under the Securities Exchange Act of 1934 or shall cease to be a member in good standing of the National Association of Securities Dealers, Inc., in each case, to the extent required;

(m) the Borrower, Alliance Distributors, the General Partner, or any Material Subsidiary shall either (i) be indicted for a federal or state crime and, in connection with such indictment, Government Authorities shall seek to seize or attach, or seek a civil forfeiture of, property of the Borrower, Alliance Distributors, the General Partner, or one or more of such Material Subsidiaries having a fair market value in excess of $50,000,000, or (ii) be found guilty of, or shall plead guilty, no contest, or nolo contendere to, any federal or state crime, a punishment for which could include a fine, penalty, or forfeiture of any assets of the Borrower, Alliance Distributors, the General Partner, or such Material Subsidiary having in any such case a fair market value in excess of $50,000,000; or

(n) Alliance Capital Management Corporation shall cease to be the sole general partner of the Borrower, and such circumstance shall continue for thirty (30) days after written notice of such circumstance has been given to the Borrower, provided, that the admission of additional Persons as general partner of the Borrower shall not constitute an Event of Default if, prior to the admission of any such general partner, the Borrower delivers to the Banks (i) the documentation with respect to such general partner that would be required under Section 9.3 if such Person were a General Partner on the Closing Date, (ii) an incumbency certificate for such general partner as required for the Borrower pursuant to Section 9.8, and (iii) an opinion from counsel reasonably acceptable to the Banks, in form and substance reasonably satisfactory to the Banks, as to such general partner's power and authority to act on behalf of the Borrower as a general partner of the Borrower;

then, and in any such event, so long as the same may be continuing, the Administrative Agent shall, at the request of, or may with the consent of, the Majority Banks take one or more of the following actions: (x) declare the Commitment of each Bank to make Loans to be terminated, whereupon such Commitment shall be terminated; and (y) by notice in writing to the Borrower declare all amounts owing with respect to this Credit Agreement, any Notes, and the other Loan Documents to be, and they shall thereupon forthwith become, immediately due and payable without presentment, demand, protest, or other notice of any kind, all of which are hereby expressly waived by the Borrower. In addition, in any such event, so long as the same may be continuing, the Administrative Agent may or, at the request of the Majority Banks, shall exercise on behalf of itself and the Banks all other rights and remedies available to it and the Banks under the Loan Documents or applicable law. Notwithstanding the foregoing, in the event of any Event of Default specified in Section 11.1(h) or Section 11.1(i), all such amounts shall become immediately due and payable automatically and without any requirement of notice from the Administrative Agent or any Bank, and any unused portion of the Total Commitment hereunder shall forthwith terminate and each of the Banks shall be relieved of all obligations to make Loans to the Borrower. Any declaration under this Section 11.1 may be rescinded by the Majority Banks after the Events of Default leading to such declaration are cured or waived.

11.2 Termination of Commitments. No termination of the Total Commitment hereunder shall relieve the Borrower of any of the Obligations or any of its existing obligations to any of the Banks arising under this Credit Agreement, the Notes or the other Loan Documents.

11.3 Application of Monies. In the event that, during the continuance of any Default or Event of Default, the Administrative Agent or any Bank, as the case may be, receives any monies in connection with the enforcement of rights under the Loan Documents, such monies shall be distributed for application as follows:

(a) First, to the payment of, or (as the case may be) the reimbursement of the Administrative Agent and the Banks for or in respect of all costs, expenses, disbursements, and losses that shall have been incurred or sustained by the Administrative Agent and the Banks in connection with the collection of such monies by the Administrative Agent or any such Banks, for the exercise, protection, or enforcement by the Administrative Agent or any such Banks of all or any of the rights, remedies, powers, and privileges of the Administrative Agent or any such Banks under this Credit Agreement or any of the other Loan Documents, or in support of any provision of adequate indemnity to the Administrative Agent or any such Banks against any taxes or Liens that by Government Mandate shall have, or may have, priority over the rights of the Administrative Agent or any such Banks to such monies;

(b) Second, to all other Obligations in such order or preference as the Majority Banks may determine; provided, however, that distributions among Obligations owing to the Banks and the Administrative Agent with respect to each type of Obligation such as interest, principal, fees, and expenses, shall be made among the Banks and the Administrative Agent pro rata according to the respective amounts thereof; and provided, further, that the Administrative Agent may in its discretion make proper allowance to take into account any Obligations not then due and payable; and

(c) Third, the excess, if any, shall be returned to the Borrower or to such other Persons as are entitled thereto.

12. SETOFF.

Regardless of the adequacy of any collateral, during the continuance of any Event of Default, any deposits or other sums credited by or due from any of the Banks to the Borrower and any securities or other property of the Borrower in the possession of such Bank may be applied to or set off by such Bank against the payment of Obligations and any and all other liabilities, direct, or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, of the Borrower to such Bank. Each of the Banks agrees with each other Bank that if such Bank shall receive from the Borrower, whether by voluntary payment, exercise of the right of setoff, counterclaim, cross action, enforcement of the Obligations held by such Bank by Proceedings against the Borrower, by proof thereof in bankruptcy, reorganization, liquidation, receivership, or similar Proceedings, or otherwise, and shall retain and apply to the payment of the Obligations held by such Bank, any amount in excess of its ratable portion of the payments received by all of the Banks with respect to the Obligations held by all of the Banks (exclusive of payments to be made for the account of less than all of the Banks as provided in Sections 3.2.2, 4.6, 4.7, 4.9 and 4.11), such Bank will make such disposition and arrangements with the other Banks with respect to such excess, either by way of distribution, pro tanto assignment of claims, subrogation or otherwise as shall result in each Bank receiving in respect of the Obligations held by it, its proportionate payment as contemplated by this Credit Agreement; provided that if all or any part of such excess payment is thereafter recovered from such Bank, such disposition and arrangements shall be rescinded and the amount restored to the extent of such recovery, but without interest.

13. THE ADMINISTRATIVE AGENT.

13.1.1 Appointment and Authority. Each of the Banks hereby irrevocably appoints Bank of America to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of the Administrative Agent and the Banks, and the Borrower shall not have rights as a third party beneficiary of any of such provisions.

13.1.2 Rights as a Bank. The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Bank as any other Bank and may exercise the same as though it were not the Administrative Agent and the term "Bank" or "Banks" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Banks.

13.1.3 Exculpatory Provisions. (a) The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents. Without limiting the generality of the foregoing, the Administrative Agent:

(i) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(ii) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Majority Banks (or such other number or percentage of the Banks as shall be expressly provided for herein or in the other Loan Documents), provided that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or applicable law; and

(iii) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity.

(b) The Administrative Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Majority Banks (or such other number or percentage of the Banks as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 11 and 25) or (ii) in the absence of its own gross negligence or willful misconduct. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given to the Administrative Agent by the Borrower or a Bank.

(c) The Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Credit Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Credit Agreement, any other Loan Document or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Section 9 or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

13.1.4 Reliance by Administrative Agent. The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan that by its terms must be fulfilled to the satisfaction of a Bank, the Administrative Agent may presume that such condition is satisfactory to such Bank unless the Administrative Agent shall have received notice to the contrary from such Bank prior to the making of such Loan. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

13.1.5 Delegation of Duties. The Administrative Agent may execute any of its duties under this Credit Agreement or any other Loan Document by or through agents, employees or attorneys-in-fact and shall be entitled to advice of counsel and other consultants or experts concerning all matters pertaining to such duties. The Administrative Agent shall not be responsible for the negligence or misconduct of any agent or attorney-in-fact that it selects in the absence of gross negligence or willful misconduct..

13.1.6 Resignation of Administrative Agent. The Administrative Agent may at any time give 60 days prior written notice of its resignation to the Banks and the Borrower. Upon receipt of any such notice of resignation, the Majority Banks shall have the right, in consultation with the Borrower, to appoint a successor, which shall be a Bank with an office in the United States, or an Affiliate of any such Bank with an office in the United States. Any such appointment shall be subject to the consent of the Borrower at all times other than during the existence of an Event of Default (which consent of the Borrower shall not be unreasonably withheld or delayed). If no such successor shall have been so appointed by the Majority Banks and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may on behalf of the Banks, appoint a successor Administrative Agent meeting the qualifications set forth above, which shall be subject to the consent of the Borrower at all times other than during the continuance of an Event of Default (which consent shall not be unreasonably withheld or delayed); provided that if the Administrative Agent shall notify the Borrower and the Banks that no qualifying Person has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice and (a) the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents and (b) all payments, communications and determinations provided to be made by, to or through the Administrative

Agent shall instead be made by or to each Bank directly, until such time as the Majority Banks appoint a successor Administrative Agent as provided for above in this Section. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or retired) Administrative Agent, and the retiring Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this Section 13.1.6). The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring Administrative Agent's resignation hereunder and under the other Loan Documents, the provisions of this Section 13.1 and Sections 14 and 15 shall continue in effect for the benefit of such retiring Administrative Agent and its Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring Administrative Agent was acting as Administrative Agent.

13.1.7 Non-Reliance on Administrative Agent and Other Banks. Each Bank acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Bank or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Credit Agreement. Each Bank also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Bank or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Credit Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

13.1.8 No Other Duties, Etc. Anything herein to the contrary notwithstanding, neither the Arranger nor any Co-Syndication Agent or Co-Documentation Agents listed on the cover page hereof shall have any powers, duties or responsibilities under this Credit Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Administrative Agent or a Bank hereunder.

13.1.9 Administrative Agent May File Proofs of Claim.. In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Borrower, the Administrative Agent (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered, by intervention in such proceeding or otherwise

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Banks and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Banks and the Administrative Agent and its counsel and all other amounts due the Banks and the Administrative Agent under Sections 2.2, 2.3 and 14) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Bank to make such payments to the Administrative Agent and, if the Administrative Agent shall consent to the making of such payments directly to the Banks, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Sections 2.2, 2.3 and 14.

Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Bank any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Bank or to authorize the Administrative Agent to vote in respect of the claim of any Bank in any such proceeding.

13.2 Other Agents; Arrangers and Managers. None of the Banks or other Persons identified on the facing page or signature pages of this Credit Agreement as a "co-syndication agent," "co-documentation agent," "book manager," or "arranger" shall have any right, power, obligation, liability, responsibility or duty under this Credit Agreement other than, in the case of such Banks, those applicable to all Banks in their individual capacity as parties hereto. Without limiting the foregoing, none of the Banks or other Persons so identified shall have or be deemed to have any fiduciary relationship with any Bank. Each Bank acknowledges that it has not relied, and will not rely, on any of the Banks or other Persons so identified in deciding to enter into this Credit Agreement or in taking or not taking action hereunder.

13.3 Payments.

13.3.1 Payments to Administrative Agent. A payment by the Borrower to the Administrative Agent hereunder or under any of the other Loan Documents for the account of any Bank shall constitute a payment to such Bank. The Administrative Agent shall promptly distribute to each Bank such Bank's pro rata share of payments received by the Administrative Agent for the account of the Banks except as otherwise expressly provided herein or in any of the other Loan Documents.

13.3.2 Distribution by Administrative Agent. If in the reasonable opinion of the Administrative Agent the distribution of any amount received by it in such capacity hereunder, under any Notes, or under any of the other Loan Documents might involve it in liability, it may refrain from making distribution until its right to make the same shall have been adjudicated by a court of competent jurisdiction. If any Government Authority shall adjudge that any amount received and distributed by the Administrative Agent is to be repaid, each Person to whom any such distribution shall have been made shall either repay to the Administrative Agent its proportionate share of the amount so adjudged to be repaid or shall pay over the same in such manner and to such Persons as shall be determined by such Government Authority.

13.3.3 Delinquent Banks. Notwithstanding anything to the contrary contained in this Credit Agreement or any of the other Loan Documents, any Bank that fails (a) to make available to the Administrative Agent its pro rata share of any Loan, or (b) to comply with the provisions of Section 12 with respect to making dispositions and arrangements with the other Banks, where such Bank's share of any payment received, whether by setoff or otherwise, is in excess of its pro rata share of such payments due and payable to all of the Banks, in each case as, when, and to the full extent required by the provisions of this Credit Agreement, shall be deemed delinquent (a "Delinquent Bank") and shall be deemed a Delinquent Bank until such time as such

delinquency is satisfied. A Delinquent Bank shall be deemed to have assigned any and all payments due to it from the Borrower, whether on account of Outstanding Loans, interest, fees, or otherwise, to the remaining nondelinquent Banks for application to, and reduction of, their respective pro rata shares of all Outstanding Loans. The Delinquent Bank hereby authorizes the Administrative Agent to distribute such payments to the nondelinquent Banks in proportion to their respective pro rata shares of all Outstanding Loans. A Delinquent Bank shall be deemed to have satisfied in full a delinquency when and if, as a result of application of the assigned payments to all Outstanding Loans of the non-delinquent Banks, the Banks' respective pro rata shares of all Outstanding Loans have returned to those in effect immediately prior to such delinquency and without giving effect to the nonpayment causing such delinquency.

13.4 Holders of Notes. Subject to Section 17, the Administrative Agent may deem and treat the payee of any Note as the absolute owner thereof for all purposes hereof until it shall have been furnished in writing with a different name by such payee or by a subsequent holder, assignee, or transferee.

13.5 Payments by Borrower; Presumptions by Administrative Agent. Unless the Administrative Agent shall have received notice from the Borrower prior to the time at which any payment is due to the Administrative Agent for the account of the Banks hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Banks the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Banks severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Bank, in immediately available funds with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

14. EXPENSES.

The Borrower shall upon demand either, as the Banks or the Administrative Agent may require and regardless of whether any Loans are made hereunder, pay in the first instance or reimburse the Banks and the Administrative Agent (to the extent that payments for the following items are not made under the other provisions hereof) for (a) the reasonable out-of-pocket costs of producing and reproducing this Credit Agreement, the other Loan Documents, and the other agreements and instruments mentioned herein, (b) reasonable out-of-pocket expenses incurred in connection with the syndication of this facility, (c) the reasonable fees, expenses, and disbursements of the Administrative Agent's special counsel incurred in connection with the preparation, the administration, or interpretation of the Loan Documents, the other instruments mentioned herein, and the term sheet for the transactions contemplated by this Credit Agreement, each closing hereunder, and amendments, modifications, approvals, consents or waivers hereto or hereunder, (d) the reasonable fees, expenses, and disbursement of the Administrative Agent incurred by the Administrative Agent in connection with the preparation, administration, or

interpretation of the Loan Documents and other instruments mentioned herein, and (e) all reasonable out-of-pocket expenses (including reasonable attorneys' fees and costs, which attorneys may be employees of any Bank or the Administrative Agent (provided such fees are non-duplicative of fees of outside counsel), and reasonable consulting, accounting, appraisal, investment banking, and similar professional fees and charges) incurred by any Bank or the Administrative Agent in connection with (i) the enforcement of or preservation of rights under any of the Loan Documents against the Borrower or any of its Subsidiaries or the administration thereof after the occurrence of a Default or Event of Default and (ii) any Proceeding or dispute whether arising hereunder or otherwise, in any way related to any Bank's or the Administrative Agent's relationship with the Borrower or any of its Subsidiaries. The Borrower shall not be responsible

under clause (e) above for the fees and costs of more than one law firm in any one jurisdiction with respect to any one Proceeding or set of related Proceedings for the Administrative Agent and the Banks, unless any of the Administrative Agent and the Banks shall have reasonably concluded that there are legal defenses available to it that are different from or additional to those available to the Borrower or there are other circumstances that in the reasonable judgment of the Administrative Agent and the Banks make separate counsel advisable. The covenants of this Section 14 shall survive payment or satisfaction of all other Obligations and the termination of the Commitments and the Loan Documents.

15. INDEMNIFICATION.

The Borrower shall, regardless of whether any Loans are made hereunder, indemnify and hold harmless the Administrative Agent and the Banks, together with their respective shareholders, directors, agents, officers, Subsidiaries, and Affiliates, from and against any and all damages, losses, settlement payments, obligations, liabilities, claims, causes of action, and Proceedings, and reasonable costs and expenses in connection therewith, incurred, suffered, sustained, or required to be paid by an indemnified party by reason of or resulting, directly or indirectly, from the transactions contemplated by the Loan Documents, including (a) any actual or proposed use by the Borrower or any of its Subsidiaries of the proceeds of any of the Loans, (b) the Borrower or any of its Subsidiaries entering into or performing this Credit Agreement or any of the other Loan Documents, or (c) with respect to the Borrower and its Subsidiaries and their respective properties and assets, the violation of any Environmental Law, the presence, disposal, escape, seepage, leakage, spillage, discharge, emission, release, or threatened release of any Hazardous Substances or any Proceeding brought or threatened with respect to any Hazardous Substances (including claims with respect to wrongful death, personal injury, or damage to property), in each case including the reasonable fees and disbursements of legal counsel and non-duplicative reasonable allocated costs of internal legal counsel incurred in connection with any such Proceeding (collectively, the "Indemnified Liabilities"), provided, however, the Borrower shall not be obligated to indemnify any party for any damages, losses, settlement payments, obligations, liabilities, claims, causes of action, Proceedings, costs, and expenses that were caused directly by (i) the gross negligence or willful misconduct of the indemnified party or (ii) any breach by any Bank of its obligation to fund a Loan pursuant to this Credit Agreement, provided that the Borrower is not then in Default. In Proceedings, or the preparation therefor, the indemnified parties shall be entitled to select their legal counsel and, in addition to the foregoing indemnity, the Borrower shall, promptly upon demand, pay in the first instance, or reimburse the indemnified parties for, the reasonable fees and expenses of such legal counsel. The Borrower shall not be responsible under this section for the fees and costs of more than one law firm in any one jurisdiction for the Borrower and the indemnified parties with respect to any one Proceeding or set of related Proceedings, unless any indemnified party shall have reasonably concluded that there are legal defenses available to it that are different from or additional to those available to the Borrower or there are other circumstances that in the reasonable judgment of the indemnified parties make separate counsel advisable. If, and to the extent that the obligations of the Borrower under this Section 15 are unenforceable for any reason, the Borrower shall make the maximum contribution to the payment in satisfaction of such obligations that is permissible under applicable law. The covenants contained in this Section 15 shall survive payment or satisfaction in full of all other Obligations and the termination of the Commitments and the Loan Documents.

16. SURVIVAL OF COVENANTS, ETC.

All covenants, agreements, representations, and warranties made herein, in any Notes, in any of the other Loan Documents, or in any documents or other papers delivered by or on behalf of the Borrower or any of its Subsidiaries pursuant hereto shall be deemed to have been relied upon by the Banks and the Administrative Agent, notwithstanding any investigation heretofore or hereafter made by any of them, and shall survive the making by the Banks of the Loans, as herein contemplated, and all covenants and

agreements shall continue in full force and effect so long as any amount due under this Credit Agreement or any Notes or any of the other Loan Documents remains outstanding or any Bank has any obligation to make any Loans, and for such further time as may be otherwise expressly specified in this Credit Agreement. All statements contained in any certificate or other paper delivered to any Bank or the Administrative Agent at any time by or on behalf of the Borrower or any of its Subsidiaries pursuant hereto or in connection with the transactions contemplated hereby shall constitute representations and warranties by the Borrower or such Subsidiary hereunder.

17. ASSIGNMENT AND PARTICIPATION.

17.1 Assignments and Participations. (a) Successors and Assigns Generally. The provisions of this Credit Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Bank and no Bank may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an Eligible Assignee in accordance with the provisions of Section 17.1(b), (ii) by way of participation in accordance with the provisions of Section 17.1(d), (iii) by way of pledge or assignment of a security interest subject to the restrictions of Section 17.5, or (iv) to an SPC in accordance with the provisions of Section 17.6 (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Credit Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in subsection (d) of this Section 17.1 and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Banks) any legal or equitable right, remedy or claim under or by reason of this Credit Agreement.

(b) Assignments by Banks. Any Bank may at any time assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Credit Agreement (including all or a portion of its Commitment and the Loans at the time owing to it); provided that

(i) except in the case of an assignment of the entire remaining amount of the assigning Bank's Commitment and the Loans at the time owing to it, the aggregate amount of the Commitment (which for this purpose includes Loans outstanding thereunder) or, if the applicable Commitment is not then in effect, the principal outstanding balance of the Loan of the assigning Bank subject to each such assignment, determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Acceptance, as of the Trade Date, shall not be less than $10,000,000 or in integral multiples of $1,000,000 in excess thereof, unless each of the Administrative Agent and, so long as no Event of Default has occurred and is continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed);

(ii) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Bank's rights and obligations under this Credit Agreement with respect to the Loans or the Commitment assigned;

(iii) any assignment must be approved by the Administrative Agent and, so long as no Event of Default has occurred and is continuing, the Borrower (each such consent not to be unreasonably withheld or delayed, it being understood that the Borrower's consent is not unreasonably withheld if such assignment would result in a reduction of or a withdrawal of the then current ratings of commercial paper notes of the Borrower);

(iv) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Acceptance, together with a processing and recordation fee of $3,500; provided that (A) no such fee shall be payable in the case of an assignment to a Bank, an Affiliate of a Bank or an Approved Fund with respect to a Bank and (B) in the case of contemporaneous assignments by a Bank to one or more Funds managed by the same investment advisor (which Funds are not then Banks hereunder), only a single such $3,500 fee shall be payable for all such contemporaneous assignments;

(v) the Eligible Assignee, if it shall not be a Bank, shall deliver to the Administrative Agent such information regarding its Domestic Lending Office and LIBOR Lending Offices as the Administrative Agent may request; and

(vi) no assignee of a Bank shall be entitled to the benefits of Sections 4.6, 4.9 or 4.11 in relation to circumstances applicable to such assignee immediately following the assignment to it which at such time (if a payment were then due to the assignee on its behalf from the Borrower) would give rise to any greater financial burden on the Borrower under Section 4.6, 4.9 or 4.11 than those which it would have been under the absence of such assignment.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to subsection (c) of this Section 17.1, from and after the effective date specified in each Assignment and Acceptance, the Eligible Assignee thereunder shall be a party to this Credit Agreement and, to the extent of the interest assigned by such Assignment and Acceptance, have the rights and obligations of a Bank under this Credit Agreement, and the assigning Bank thereunder shall, to the extent of the interest assigned by such Assignment and Acceptance, be released from its obligations under this Credit Agreement (and, in the case of an Assignment and Acceptance covering all of the assigning Bank's rights and obligations under this Credit Agreement, such Bank shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 4.6, 4.9, 4.11, 14 and 15 and bound by the provisions of Section 19 with respect to facts and circumstances occurring prior to the effective date of such assignment). Any assignment or transfer by a Bank of rights or obligations under this Credit Agreement that does not comply with this subsection shall be treated for purposes of this Credit Agreement as a sale by such Bank of a participation in such rights and obligations in accordance with Section 17.1(d).

(c) Register. The Administrative Agent, acting solely for this purpose as an agent of the Borrower, shall maintain at the Administrative Agent's Head Office a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Banks, and the Commitments of, and principal amounts of the Loans owing to, each Bank pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, and the Borrower, the Administrative Agent and the Banks may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Bank hereunder for all purposes of this Credit Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by each of the Banks and the Borrower at any reasonable time and from time to time upon reasonable prior notice. In addition, at any time that a request for a consent for a material or other substantive change to the Loan Documents is pending, any Bank may request and receive from the Administrative Agent a copy of the Register.

(d) Participations. Any Bank may at any time, without the consent of, or notice to, the Borrower or the Administrative Agent, sell participations to any Person (other than a natural person or the Borrower or any of the Borrower's Affiliates or Subsidiaries) (each, following any such sale, a "Participant") in all or a portion of such Bank's rights and/or obligations under this Credit Agreement (including all or a portion of its Commitment and/or the Loans owing to it); provided that (i) such Bank's obligations under this Credit Agreement shall remain unchanged, (ii) such Bank shall remain solely

responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Administrative Agent and the other Banks shall continue to deal solely and directly with such Bank in connection with such Bank's rights and obligations under this Credit Agreement. Any agreement or instrument pursuant to which a Bank sells such a participation shall provide that such Bank shall retain the sole right to enforce this Credit Agreement and to approve any amendment, modification or waiver of any provision of this Credit Agreement; provided that such agreement or instrument may provide that such Bank will not, without the consent of the Participant, agree to any amendment, waiver or other modification described in Section 25 that directly affects such Participant. Subject to subsection (e) of this Section 17.1, the Borrower agrees that each Participant shall be entitled to the benefits of Sections 4.6, 4.9 and 4.11 to the same extent as if it were a Bank and had acquired its interest by assignment pursuant to Section 17.1(b). To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 12 as though it were a Bank, provided such Participant agrees to be subject to Section 12 as though it were a Bank.

(e) Limitations upon Participant Rights. A Participant shall not be entitled to receive any greater payment under Sections 4.6, 4.9 or 4.11 than the applicable Bank would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent. A Participant that would be a Foreign Bank if it were a Bank shall not be entitled to the

benefits of Section 4.11 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with Section 4.11 as though it were a Bank.

(f) Electronic Execution of Assignments. The words "execution," "signed," "signature," and words of like import in any Assignment and Acceptance shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

17.2 New Notes. Upon its receipt of an Assignment and Acceptance executed by the parties to such assignment, together with any Note subject to such assignment, the Administrative Agent shall (a) record the information contained therein in the Register, and (b) give prompt notice thereof to the Borrower and the Banks (other than the assigning Bank). Within five (5) Business Days after receipt of such notice, if requested by the Eligible Assignee, the Borrower, at its own expense, shall execute and deliver to the Administrative Agent, in exchange for each surrendered Note, a new Note to the order of such Eligible Assignee in an amount equal to the amount assumed by such Eligible Assignee pursuant to such Assignment and Acceptance and, at the request of the Administrative Agent or the assigning Bank, if the assigning Bank has retained some portion of its obligations hereunder, a new Note to the order of the assigning Bank in an amount equal to the amount retained by it hereunder. Such new Notes shall provide that they are replacements for the surrendered Notes, shall be in an aggregate principal amount equal to the aggregate principal amount of the surrendered Notes, shall be dated the effective date of such Assignment and Acceptance and shall otherwise be in substantially the form of the assigned Notes. The surrendered Notes shall be cancelled and returned to the Borrower.

17.3 Disclosure. Any Bank may disclose information obtained by such Bank pursuant to this Credit Agreement to assignees or participants and potential assignees or participants hereunder subject to Section 19.

17.4 Assignee or Participant Affiliated with the Borrower. If any assignee Bank is an Affiliate of the Borrower, then any such assignee Bank shall have no right to vote as a Bank hereunder or under any of the other Loan Documents for purposes of granting consents or waivers or for purposes of agreeing to amendments or other modifications to any of the Loan Documents or for purposes of making requests to the Administrative Agent pursuant to Section 11, and the determination of the Majority Banks shall for all purposes of this Credit Agreement and the other Loan Documents be made without regard to such assignee Bank's interest in any of the Loans. If any Bank sells a participating interest in any of the Loans to a participant, and such participant is the Borrower or an Affiliate of the Borrower, then such transferor Bank shall promptly notify the Administrative Agent of the sale of such participation. A transferor Bank shall have no right to vote as a Bank hereunder or under any of the other Loan Documents for purposes of granting consents or waivers or for purposes of agreeing to amendments or modifications to any of the Loan Documents or for purposes of making requests to the Administrative Agent pursuant to Section 11 to the extent that such participation is beneficially owned by the Borrower or any Affiliate of the Borrower, and the determination of the Majority Banks shall for all purposes of this Credit Agreement and the other Loan Documents be made without regard to the interest of such transferor Bank in the Loans to the extent of such participation.

17.5 Miscellaneous Assignment Provisions. Any assigning Bank shall retain its rights to be indemnified pursuant to Sections 4.6, 4.9, 14, and 15 with respect to any claims or actions arising prior to the date of the assignment. If any assignee Bank is a Foreign Bank, it shall, prior to the date on which it becomes a Bank hereunder, deliver to the Borrower and the Administrative Agent the documents required to be delivered pursuant to Section 4.11. Anything contained in this Section 17 to the contrary notwithstanding, any Bank may at any time pledge all or any portion of its interest and rights under this Credit Agreement (including all or any portion of its Notes) to any of the twelve Federal Reserve Banks organized under §4 of the Federal Reserve Act, 12 U.S.C. §341. No such pledge or the enforcement thereof shall release the pledgor Bank from its obligations hereunder or under any of the other Loan Documents.

17.6 SPC Provision. Notwithstanding anything to the contrary contained herein, any Bank (a "Granting Lender") may grant to a special purpose funding vehicle identified as such in writing from time to time by the Granting Lender to the Administrative Agent and the Borrower (an "SPC") the option to provide all or any part of any Loan that such Granting Lender would otherwise be obligated to make pursuant to this Credit Agreement; provided that (i) nothing herein shall constitute a commitment by any SPC to fund any Loan, and (ii) if an SPC elects not to exercise such option or otherwise fails to make all or any part of such Loan, the Granting Lender shall be obligated to make such Loan pursuant to the terms hereof. Each party hereto hereby agrees that (i) neither the grant to any SPC nor the exercise by any SPC of such option shall increase the costs or expenses or otherwise increase or change the obligations of the Borrower under this Credit Agreement, (ii) no SPC shall be liable for any indemnity or similar payment obligation under this Credit Agreement for which a Bank would be liable, and (iii) the Granting Lender shall for all purposes, including the approval of any amendment, waiver or other modification of any provision of any Loan Document, remain the Bank of record hereunder. The making of a Loan by an SPC hereunder shall utilize the Commitment of the Granting Lender to the same extent, and as if, such Loan were made by such Granting Lender. In furtherance of the foregoing, each party hereto hereby agrees (which agreement shall survive the termination of this Credit Agreement) that, prior to the date that is one year and one day after the payment in full of all outstanding commercial paper or other senior debt of any SPC, it will not institute against, or join any other Person in instituting against, such SPC any bankruptcy, reorganization, arrangement, insolvency, or liquidation proceeding under the laws of the United States or any State thereof; provided, with respect to such agreement by the Borrower, that the related Granting Lender shall not be in breach of its obligations to make Loans to the Borrower hereunder. Notwithstanding the foregoing, the Granting Lender unconditionally agrees to indemnify the Borrower, the Administrative Agent and each Bank against all liabilities, obligations, losses, damages,

penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be incurred by or asserted against the Borrower, the Administrative Agent or such Bank, as the case may be, in any way relating to or arising as a consequence of any such forbearance or delay in the initiation of any such proceeding against its SPC. Notwithstanding anything to the contrary contained herein, any SPC may (i) with notice to, but without prior consent of the Borrower and the Administrative Agent and without the payment of a registration fee of $3,500, assign all or any portion of its right to receive payment with respect to any Loan to the Granting Lender and (ii) disclose on a confidential basis any non-public information relating to its funding of Loans to any rating agency, commercial paper dealer or provider of any surety or guarantee or credit or liquidity enhancement to such SPC. This Section may not be amended, waived or otherwise modified without the written consent of each Granting Lender all or any part of whose Loans are being funded by a SPC at the time of such amendment, waiver or other modification.

18. NOTICES, ETC.

18.1 Notices.

Except as otherwise expressly provided in this Credit Agreement, all notices and other communications made or required to be given pursuant to this Credit Agreement or any Notes shall be in writing and shall be delivered in hand, mailed by United States registered or certified first class mail, postage prepaid, sent by overnight courier, or sent by telegraph, telecopy or telefax and confirmed by delivery via courier or postal service or (subject to Section 18.2) via electronic mail at the address specified below or on Schedule 1, addressed as follows:

(a) if to the Borrower, at 1345 Avenue of the Americas, New York, New York 10105 (Telecopy Number (212) 823-3250), Attention: Treasurer; with a copy sent via the same means to General Counsel of the Borrower at 1345 Avenue of the Americas, New York, New York 10105 (Telecopy Number (212) 969-1334), or at such other address for notice as any of such Persons shall last have furnished in writing to the Person giving the notice;

(b) if to Bank of America, whether individually or as Administrative Agent, at its address set forth on Schedule 1 hereto or such other address for notice as Bank of America shall last have furnished in writing to the Person giving the notice;

(c) if to any Bank, at such Bank's address set forth on Schedule 1 hereto or in the Assignment and Acceptance pursuant to which it became a party hereto, or such other address for notice as such Bank shall have last furnished in writing to the Person giving the notice.

Any such notice or demand shall be deemed to have been duly given or made and to have become effective (i) if delivered by hand, overnight courier or telecopy to a responsible officer of the party to which it is directed, at the time of the receipt thereof by such officer or the sending of such telecopy, or when delivery (if other than by telecopy) is duly attempted and refused, (ii) if sent by registered or certified first-class mail, postage prepaid, on the third Business Day following the mailing thereof and (iii) if delivered by electronic mail (which form of delivery is subject to Section 18.2), when delivered.

18.2 Electronic Notices. Electronic mail and internet and intranet websites may be used only to the extent permitted by Section 6.4(f) and to distribute Loan Documents for execution by the parties thereto, and may not be used for any other purpose under this Credit Agreement or any other Loan Document.

19. CONFIDENTIALITY.

Each of the Administrative Agent and the Banks agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its and its Affiliates' respective partners, directors, officers, employees, agents, advisors and representatives who need to know such Information to permit such Bank to evaluate, administer or enforce this Credit Agreement (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority purporting to have jurisdiction over it (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable laws or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Credit Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to any permitted assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Credit Agreement, (g) with the consent of the Borrower or (h) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section 19 or (ii) becomes available to the Administrative Agent, any Bank or any of their respective Affiliates on a nonconfidential basis from a source other than the Borrower.

For the purposes of this Section 19, "Information" means all information received from the Borrower relating to the Borrower, its Subsidiaries or their respective businesses, other than any such information that is available to the Administrative Agent or any Bank on a nonconfidential basis prior to disclosure by the Borrower, whether or not the information is marked as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section 19 shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to any other third party information subject to a confidentiality agreement substantially similar to this Section 19.

20. GOVERNING LAW.

THIS CREDIT AGREEMENT AND, EXCEPT AS OTHERWISE SPECIFICALLY PROVIDED THEREIN, EACH OF THE OTHER LOAN DOCUMENTS ARE CONTRACTS UNDER THE LAWS OF THE STATE OF NEW YORK AND SHALL FOR ALL PURPOSES BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED WHOLLY WITHIN SUCH STATE. EACH OF THE ADMINISTRATIVE AGENT THE BANKS, AND THE BORROWER AGREES THAT ANY SUIT FOR THE ENFORCEMENT OF THIS CREDIT AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK OR ANY FEDERAL COURT SITTING THEREIN AND CONSENTS TO THE NONEXCLUSIVE JURISDICTION OF SUCH COURT AND THE SERVICE OF PROCESS IN ANY SUCH SUIT BEING MADE UPON THE BORROWER BY MAIL AT THE ADDRESS SPECIFIED IN SECTION 18. EACH OF THE ADMINISTRATIVE AGENT, THE BANKS, AND THE BORROWER HEREBY WAIVES ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH SUIT OR ANY SUCH COURT OR THAT SUCH SUIT IS BROUGHT IN AN INCONVENIENT COURT.

21. HEADINGS.

The captions in this Credit Agreement are for convenience of reference only and shall not define or limit the provisions hereof.

22. COUNTERPARTS.

This Credit Agreement and any amendment hereof may be executed in several counterparts and by each party on a separate counterpart, each of which when so executed and delivered shall be an original, and all of which together shall constitute one instrument. In proving this Credit Agreement it shall not be necessary to produce or account for more than one such counterpart signed by the party against whom enforcement is sought. Any signatures delivered after the Closing Date by a party by facsimile transmission shall be deemed an original signature hereto.

23. ENTIRE AGREEMENT, ETC.

The Loan Documents and any other documents executed in connection herewith or therewith express the entire understanding of the parties with respect to the transactions contemplated hereby. Neither this Credit Agreement nor any term hereof may be changed, waived, discharged or terminated, except as provided in Section 25.

24. WAIVER OF JURY TRIAL.

EACH OF THE ADMINISTRATIVE AGENT, THE BANKS, AND THE BORROWER HEREBY WAIVES ITS RIGHT TO A JURY TRIAL WITH RESPECT TO ANY PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF ANY DISPUTE IN CONNECTION WITH THIS CREDIT AGREEMENT, THE NOTES, OR ANY OF THE OTHER LOAN DOCUMENTS, AND RIGHTS OR OBLIGATIONS HEREUNDER OR THEREUNDER, OR THE PERFORMANCE OF SUCH RIGHTS AND OBLIGATIONS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EXCEPT AS PROHIBITED BY LAW, EACH OF THE ADMINISTRATIVE AGENT, THE BANKS AND THE BORROWER HEREBY WAIVES ANY RIGHT IT MAY HAVE TO CLAIM OR RECOVER IN ANY PROCEEDING REFERRED TO IN THE PRECEDING SENTENCE ANY SPECIAL, EXEMPLARY, PUNITIVE, OR CONSEQUENTIAL DAMAGES OR ANY DAMAGES OTHER THAN, OR IN ADDITION TO, ACTUAL DAMAGES. EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS CREDIT AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

25. CONSENTS, AMENDMENTS, WAIVERS, ETC.

Except as otherwise expressly provided in this Credit Agreement, any term of this Credit Agreement, the other Loan Documents, or any other instrument related hereto or mentioned herein may be amended with, but only with, the written consent of the Borrower and the Majority Banks. Any consent or approval required or permitted by this Credit Agreement to be given by the Banks may be given, any acceleration of amounts owing under the Loan Documents may be rescinded, and the performance or observance by the Borrower of any terms of this Credit Agreement, the other Loan Documents, or any other instrument related hereto or mentioned herein or the continuance of any Default or Event of Default may be waived (either generally or in a particular instance and either retroactively or prospectively) with, but only with, the written consent of the Majority Banks. Notwithstanding the foregoing, the rate of interest on the Loans (other than interest accruing pursuant to Section 4.10 following the effective date of any waiver by the Majority Banks of the Default or Event of Default relating thereto), the term of the Loans, the definition of Maturity Date, the extension of any scheduled

date of payment of any principal, interest or fees hereunder or any mandatory payment of principal under Section 3.2.1, the pro rata sharing provisions of Section 13.3.1 and the amount of facility fees hereunder may not be changed and the Outstanding principal amount of the Loans, or any portion thereof, may not be forgiven without the written consent of the Borrower and the written consent of Banks holding one hundred percent (100%) of the Outstanding principal amount of the Loans (or, if no Loans are Outstanding, Commitments representing one hundred percent (100%) of the Total Commitment); neither this Section 25 nor the definition of Majority Banks may be amended without the written consent of all of the Banks; the amount of the Administrative Agent's fee and Section 13 may not be amended without the written consent of the Administrative Agent; and the amount of the Commitment of any Bank may not be increased without the consent of such Bank. No waiver shall extend to or affect any obligation not expressly waived or impair any right consequent thereon. No course of dealing or delay or omission on the part of any Bank in exercising any right shall operate as a waiver thereof or otherwise be prejudicial thereto. No notice to or demand upon the Borrower shall entitle the Borrower to other or further notice or demand in similar or other circumstances. Neither the Administrative Agent nor any Bank has any fiduciary relationship with or fiduciary duty to the Borrower arising out of or in connection with this Credit Agreement or any of the other Loan Documents, and the relationship between the Administrative Agent and the Banks, on the one hand, and the Borrower, on the other hand, in connection herewith or therewith is solely that of debtor and creditor.

26. NO WAIVER; CUMULATIVE REMEDIES.

No failure by any Bank or the Administrative Agent or the Borrower to exercise, and no delay by any such Person in exercising, any right, remedy, power or privilege hereunder or any other Loan Document shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided, and provided under each other Loan Document, are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

27. SEVERABILITY.

The provisions of this Credit Agreement are severable and if any one clause or provision hereof shall be held invalid or unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Credit Agreement in any jurisdiction.

28. USA PATRIOT Act Notice.

Each Bank that is subject to the Act (as hereinafter defined) and the Administrative Agent (for itself and not on behalf of any Bank) hereby notifies the Borrower that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act"), it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Bank or the Administrative Agent, as applicable, to identify the Bank in accordance with the Act.

IN WITNESS WHEREOF, the undersigned have duly executed this Credit Agreement as of the date first set forth above.

BORROWER:

ALLIANCE CAPITAL MANAGEMENT L.P.

By: Alliance Capital Management Corporation, its General Partner

By: /s/ John J. Onofrio, Jr.
Name: John J. Onofrio, Jr.
Title: Vice President and Treasurer

ADMINISTRATIVE AGENT :
AND BANKS

BANK OF AMERICA, N.A., as Administrative Agent and a Bank

By: /s/ Sean W. Cassidy
Name: Sean W. Cassidy
Title: Senior Vice President

THE BANK OF NEW YORK, as a Bank

By: Joanne Carey
Name: Joanne Carey
Title: Vice President

CITIBANK, N.A., as a Bank

By: Alexander Duka
Name: Alexander Duka
Title: Managing Director

DEUTSCHE BANK AG, NEW YORK BRANCH, as a Bank

By: Ruth Leung
Name: Ruth Leung
Title: Director

By: Kathleen Bowers
Name: Kathleen Bowers
Title: Director

JPMORGAN CHASE BANK, N.A., as a Bank

By: Jeanne O'Connell Horn
Name: Jeanne O'Connell Horn
Title: Vice President

CREDIT SUISSE, CAYMAN ISLANDS BRANCH as a Bank

By: Jay Chall
Name: Jay Chall
Title: Director

By: James Neira
Name: James Neira
Title: Associate

HSBC BANK USA, NATIONAL ASSOCIATION, as a Bank

By: William J. Wilson
Name: William J. Wilson
Title: Senior Vice President

STATE STREET BANK AND TRUST COMPANY, as a Bank

By: Paul J. Koobatian
Name: Paul J. Koobatian
Title: Vice President

MERRILL LYNCH BANK USA, as a Bank

By: Louis Adler
Name: Louis Adler
Title: Director

ABN AMRO BANK N.V., as a Bank

By: Raymond Walsh
Name: Raymond Walsh
Title: Vice President

By: Bryan Manning
Name: Bryan Manning
Title: Group Vice President

SOCIÉTÉ GÉNÉRALE, as a Bank

By: Barry Groveman
Name: Barry Groveman
Title: Vice President

WACHOVIA BANK, NATIONAL ASSOCIATION, as a Bank

By: Grainne Pergolini
Name: Grainne Pergolini
Title: Vice President

Exhibit 10.2

AWARD AGREEMENT

UNDER THE AMENDED AND RESTATED
ALLIANCE PARTNERS COMPENSATION PLAN

You have been granted an award under the Amended and Restated Alliance Partners Compensation Plan (the "Plan"), as specified below:

Participant: «Name»

Amount of Award: «Award_Amount_Total»

Date of Grant: «Award_Date»

In connection with your award (the "Award"), you, Alliance Capital Management Holding L.P.("Holding") and Alliance Capital Management L.P. ("Alliance") agree as set forth in this agreement (the "Agreement"). The Plan provides a description of the terms and conditions governing the Award. If there is any inconsistency between the terms of this Agreement and the terms of the Plan, the Plan's terms completely supersede and replace the conflicting terms of this Agreement. All capitalized terms have the meanings given them in the Plan, unless specifically stated otherwise in the Agreement.

You will be asked to make an election with respect to the investment of your Award as described in Section 3(b) of the Plan. Once you have made this election in accordance with the terms of the Plan and the election form, your Award will be treated as invested in either restricted Units of Holding, or in one or more designated money-market, debt or equity fund sponsored by Alliance or its Affiliate in accordance with the terms of the Plan applicable to Post-2000 Awards.

It is expressly understood that the Committee is authorized to administer, construe, and make all determinations necessary or appropriate to the administration of the Plan and this Agreement, all of which shall be binding upon you. The Committee is under no obligation to treat you or your award consistently with the treatment provided for other participants in the Plan.

This Agreement does not confer upon you any right to continuation of employment by a Company, nor does this Agreement interfere in any way with a Company's right to terminate your employment at any time.

This Agreement will be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

This Agreement will be governed by, and construed in accordance with, the laws of the state of New York (without regard to conflict of law provisions).

This Agreement and the Plan constitute the entire understanding between you and the Companies regarding this award. Any prior agreements, commitments or negotiations concerning this award are superseded. This Agreement may be amended only by another written agreement, signed by both parties.

BY SIGNING BELOW, YOU AGREE TO ALL OF THE TERMS AND CONDITIONS DESCRIBED ABOVE AND IN THE PLAN.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed effective as of .

Alliance Capital Management L.P.
By: Alliance Capital Management Corporation,
General Partner

/s/ Robert H. Joseph, Jr.
Robert H. Joseph, Jr.

Participant

Signature

«Name»

AWARD AGREEMENT

UNDER THE ALLIANCE
COMMISSION SUBSTITUTION PLAN

You have been granted an Award under the Alliance Commission Substitution Plan (the "Plan"), as specified below:

Participant ("you"):

Projected Amount of Award:

Date of Grant:

In connection with your grant of the Award, you and the Company agree as set forth in this agreement (the "Agreement"). The Plan provides a description of the terms and conditions governing the Award. If there is any inconsistency between the terms of this Agreement and the terms of the Plan, the Plan's terms completely supersede and replace the conflicting terms of this Agreement. All capitalized terms have the meanings given them in the Plan, unless specifically stated otherwise in this Agreement.

It is expressly understood that the Committee is authorized to administer, construe, and make all determinations necessary or appropriate to the administration of the Plan and this Agreement, all of which shall be binding upon you. The Committee is under no obligation to treat you or your Award consistently with the treatment provided for other participants in the Plan. It is further expressly understood and agreed by you that:

(a) This Agreement does not confer upon you any right to continuation of employment by a Company, nor does this Agreement interfere in any way with a Company's right to terminate your employment at any time.

(b) This Agreement will be subject to all applicable laws, rules, and regulations.

(c) This Agreement will be governed by, and construed in accordance with, the laws of the state of New York (without regard to conflict of law provisions).

(d) This Agreement and the Plan constitute the entire understanding between you and the Company regarding this Award. Any prior agreements, commitments or negotiations concerning this Award are superseded.

This Agreement may be amended only by another written agreement, signed by both parties.

BY SIGNING BELOW, YOU AGREE TO ALL OF THE TERMS AND CONDITIONS DESCRIBED ABOVE AND IN THE PLAN.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed effective as of .

Alliance Capital Management L.P.

By: 

Name: Robert H Joseph, Jr.
Title: CFO, Senior Vice President

Participant

_____

Name:

ALLIANCE CAPITAL MANAGEMENT L.P.
FINANCIAL ADVISOR WEALTH ACCUMULATION PLAN

INCENTIVE AWARD AGREEMENT

THIS AGREEMENT, made as of the day of , 20 , by and between Alliance Capital Management L.P., and Alliance Capital Management Holding L.P., both Delaware limited partnerships (collectively, the "Company"), and (the "Participant").

Preliminary Statement

The Board of Directors of Alliance Capital Management Corporation, the general partner of the Company, has authorized this Incentive Award. Unless otherwise indicated, any capitalized term used but not defined herein shall have the meaning ascribed to such term in the Plan. A copy of the Plan has been delivered to the Participant. By signing and returning this Agreement, the Participant acknowledges having received and read a copy of the Plan and agrees to comply with it, this Agreement and all applicable laws and regulations.

Accordingly, the Company and the Participant agree as follows:

1. **Incentive Award**. Subject to the restrictions, terms and conditions of the Plan and this Agreement, the Company hereby awards an Incentive Award to the Participant of $.

2. **Vesting**.

(a) Except as set forth in subsection (b) below, the Incentive Award shall become vested and cease to be forfeitable (but shall remain subject to the other terms of this Agreement) as follows if the Participant has been continuously employed by the Company or an Affiliate until such date:

VESTING DATE	VESTED PERCENTAGE

There shall be no proportionate or partial vesting in the periods prior to the applicable vesting dates and all vesting shall occur only on the appropriate vesting date.

(b) Notwithstanding Paragraph (a), a Participant's Incentive Benefit shall become immediately vested and cease to be forfeitable upon the Participant's death or Disability (as defined in the Plan) or Termination of Employment by the Company without Cause. For purposes of this Section, "Cause" shall mean a termination of employment due to the Participant's insubordination, dishonesty, fraud, moral turpitude, misconduct, refusal to perform his or her duties or responsibilities for any reason other than illness or incapacity or materially unsatisfactory performance of his or her duties for the Company or its Affiliates; the failure to remain licensed (to the extent required by applicable law) to perform his employment duties or the failure of the Participant to obtain all relevant licenses to perform such duties; the violation of any employment rules, policies or procedures of the Company (including internal compliance rules); an act or acts constituting a felony under the laws of the United States or any state thereof; or a violation of the federal or state securities laws.

3. **Forfeiture**. If the Participant's employment with the Company or any Affiliate is terminated for any reason, other than as described in Section 2(b) above, prior to becoming vested in accordance with Section 2(a) above, the Participant shall forfeit to the Company, without compensation, any and all unvested Incentive Benefits.

4. **Payment**. The Participant may make an election using the form attached hereto to elect when and how his vested Incentive Benefits will be paid in lieu of the default payment method provided under the Plan.

5. **Post-Termination Obligations.** The Participant agrees that the Plan and the Incentive Award being made thereunder are in further consideration of the Participant's confidentiality and non-solicitation obligations, which are set forth in Paragraphs 3, 4 and 5 of the Participant's employment agreement with Alliance Capital Management L.P. Accordingly, Participant agrees that the provisions of those Paragraphs 3, 4 and 5 are incorporated in this Agreement by reference as if fully set forth.

6. **Death**. The Participant's Beneficiary shall be the persons designated pursuant to the form attached hereto. The Participant may change his designation of beneficiary(ies) at any time prior to his death by submitting a new beneficiary form to the Company.

7. **Controlling Law**. This Agreement shall be governed by and construed in accordance with the laws of the State of New York without giving effect to conflict of law provisions.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

ALLIANCE CAPITAL MANAGEMENT L.P.

By: Alliance Capital Management Corporation,

General Partner

By /s/ Robert H. Joseph, Jr.
SVP and CFO

Participant

ALLIANCE CAPITAL MANAGEMENT L.P.
FINANCIAL ADVISOR WEALTH ACCUMULATION PLAN

ELECTIVE DISTRIBUTION DATE & ELECTION DISTRIBUTION FORM
ELECTION FORM

The undersigned hereby elects under the Alliance Capital Management L.P. Financial Advisor Wealth Accumulation Plan (the "Plan") as follows:

1. In lieu of receiving my Incentive Benefits in accordance with Section 6.1 of the Plan, I elect to receive (or commence receiving) my vested Incentive Benefits under the Plan on the following Elective Distribution Date:

   o As soon as administratively possible following my Separation of Service, as defined in the Plan.

   o January 31, 20 (this date must be later than date on which the Incentive Benefits will become 100% vested under Agreement).

2. In lieu of receiving my Incentive Benefits in accordance with Section 6.1 of the Plan, I elect to receive my Incentive Benefits under the Plan in the following Elective Distribution Form:

   o Substantially equal annual installments paid over a period of years (not exceeding 10 years).

   o A single lump sum.

These elections, upon becoming effective, shall revoke and supersede all prior elections.

Signature of Participant: _____ **Date**: _____

ALLIANCE COMMISSION SUBSTITUTION PLAN

As Amended And Restated Effective As Of January 1, 2005

Alliance Capital Management L.P. has established this Alliance Commission Substitution Plan (the "**Plan**") to create a compensation program to attract and retain eligible employees expected to make a significant contribution to the future growth and success of Alliance. The Plan was originally effective as of January 1, 2003.

The right to defer Awards hereunder shall be considered a separate plan within the Plan. Such separate plan shall be referred to as the "**ACSP Deferral Plan**." The ACSP Deferral Plan is maintained primarily for the purpose of providing deferred compensation to a select group of management or highly compensated employees (a "**Top Hat Employee**"). No one who is not a Top Hat Employee may defer compensation under the ACSP Deferral Plan.

The Plan has been amended and restated effective as of January 1, 2005 to clarify and reflect administrative practices and to comply in good faith with Section 409A of the Internal Revenue Code (the "**Code**") and the guidance issued thereunder ("**Section 409A**"). Any deferral or payment hereunder is subject to the terms of the Plan and compliance with Section 409A, as interpreted by the Committee in its sole discretion. Notwithstanding the foregoing or anything else herein, none of Alliance, any Affiliate, the Committee nor any of their agents shall have any liability to any Participant or Beneficiary as a result of any tax, interest, penalty or other payment required to be paid or due pursuant to, or because of a violation of, Section 409A. This restatement incorporates and supersedes all of the amendments to the Plan through December 31, 2005.

ARTICLE 1
DEFINITIONS

Section 1.01. *Definitions*. Whenever used in the Plan, each of the following terms shall have the meaning for that term set forth below:

(a) "**Account**" means a separate bookkeeping account established for each Participant for each Award, with such Award, as described in Article 2, credited to the Account maintained for such Award together with Earnings credited thereon.

(b) "**Affiliate**" means (i) any entity that, directly or indirectly, is controlled by Alliance and (ii) any entity in which Alliance has a significant equity interest, in either case as determined by the Committee.

(c) "**Alliance**" means Alliance Capital Management L.P., including any successor to all or substantially all of its business and assets.

(d) "**Approved Fund**" means any money-market, debt or equity fund designated by the Committee from time to time as an Approved Fund.

(e) "**Award**" means any award which the Committee shall grant under Section 2.01 of this Plan.

(f) "**Beneficiary**" means one or more Persons, trusts, estates or other entities, designated in accordance with Section 6.03(a), that are entitled to receive, in the event of a Participant's death, any amount or property to which the Participant would otherwise have been entitled under the Plan.

(g) "**Beneficiary Designation Form**" means the form established from time to time by the Committee that a Participant completes, signs and returns to the Committee to designate one or more Beneficiaries.

(h) "**Board**" means the Board of Directors of the general partner of Holding and Alliance.

(i) "**Cause**" means: (i) an act or acts constituting a felony under the laws of the United States or any state thereof; (ii) willful dishonesty in the performance of a Participant's duties; (iii) acts or omissions by a Participant in the performance of his or her duties which are substantially injurious to the financial condition or business reputation of any of the Companies; (iv) a Participant's continued failure substantially to perform his or her duties; or (v) willful insubordination or failure to follow a lawful directive.

(j) "**Code**" means the Internal Revenue Code of 1986, as amended from time to time.

(k) "**Committee**" means the administrative committee designated by Alliance's management from time to time to administer the plan.

(l) "**Company**" means Alliance and any corporation or other entity of which Alliance or Alliance Capital Management Holding L.P. ("**Holding**") (i) has sufficient voting power (not depending on the happening of a contingency) to elect at least a majority of its board of directors or other governing body, as the case may be, or (ii) otherwise has the power to direct or cause the direction of its management and policies.

(m) "**Deferral Election Form**" means the form(s) established from time to time by the Committee that a Participant completes, signs and returns to the Committee to elect to defer the distribution of an Award, including Earnings thereon, pursuant to Article 5.

(n) "**Disability**" means, with respect to a Participant, a good faith determination by the Committee that the Participant is physically or mentally incapacitated and has been unable for a period of six consecutive months to perform, with or without reasonable accommodation, substantially all of the duties for which the Participant was responsible immediately before the commencement of the incapacity. In order to assist the Committee in making such a determination and as reasonably requested by the Committee, a Participant will (i) make himself or herself available for medical examination by one or more physicians chosen by the Committee and approved by the Participant, whose approval shall not be unreasonably withheld, (ii) grant the Committee and any such physicians access to all relevant medical information relating to the Participant, (iii) arrange to furnish copies of medical records to the Committee and such

physicians, and (iv) use his or her best efforts to cause the Participant's own physicians to be available to discuss the Participant's health with the Committee and its chosen physicians.

(o) "**Earnings**" on any Account during any period means the amounts of gain or loss that would have been incurred with respect to such period if an amount equal to the balance of such Account at the beginning of such period had been actually invested in accordance with a Participant's investment direction.

(p) **"Eligible Employee"** means, for any calendar year commencing on and after January 1, 2005, an active employee of a Company whom the Committee determines to be eligible for an Award. Notwithstanding the foregoing, no Eligible Employee whose Total Compensation for a calendar year is less than such amount, if any, as established by the Committee in writing shall be eligible to participate in the ACSP Plan for that calendar year and any advance deferral election made by such Eligible Employee is made on the condition that such Eligible Employee satisfies the Total Compensation requirement and, if not, such deferral election shall be null and void ab initio.

(q) "**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

(r) "**Fair Market Value**" means, with respect to a Holding Unit as of any given date and except as otherwise expressly provided by the Board or the Committee, the closing price of a Holding Unit on such date as published in the Wall Street Journal or, if no sale of Holding Units occurs on the New York Stock Exchange on such date, the closing price of a Holding Unit on such Exchange on the last preceding day on which such sale occurred as published in the Wall Street Journal.

(s) "**Holding Units**" means units representing assignments of beneficial ownership of limited partnership interests in Holding.

(t) "**Investment Election Form**" means the form established from time to time by the Committee that a Participant completes, signs and returns to the Committee to designate the percentage of such Award to be treated as notionally invested in Restricted Units or Approved Funds, pursuant to Section 2.02.

(u) "**Participant**" means any Eligible Employee of any Company whose principal duties are to sell or market the products or services of a Company, whose compensation is entirely or mostly commission-based, and who has been designated by the Committee as a Participant of the Plan.

(v) "**Person**" means any individual, corporation, partnership, association, joint-stock company, trust, unincorporated organization, government or political subdivision thereof or other entity.

(w) "**Plan**" means the Alliance Commission Substitution Plan, as set forth herein and as amended from time to time.

(x) "**Restricted Unit**" means a right to receive a Holding Unit in the future, as accounted for in an Account, subject to vesting and any other terms and conditions established hereunder or by the Committee.

(y) "**Retirement**" with respect to a Participant means that the employment of the Participant with the Company has terminated on or after the Participant's attaining age 65.

(z) "**Termination of Employment**" means that the Participant involved is no longer performing services as an employee of any Company other than pursuant to a severance or special termination arrangement.

(aa) "**Total Compensation**" for a calendar year means base salary paid during such calendar year, bonus paid for such calendar year even if paid after the end of such calendar year or deferred, commissions paid during such calendar year and the Award for such calendar year.

(bb) "**Unforeseeable Emergency**" means a severe financial hardship to a Participant or former Participant within the meaning of Code Section 409A resulting from (i) an illness or accident of the Participant or former Participant, the spouse of the Participant or former Participant, or a dependent (as defined in Section 152(a) of the Code) of the Participant or former Participant, (ii) loss of property of the Participant or former Participant due to casualty or (iii) other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant or former Participant, all as determined in the sole discretion of the Committee.

(cc) **"Vesting Schedule"** means the "Default Vesting Schedule" or the "Alternative Vesting Schedule," as applicable, as provided for in Section 3.01.

ARTICLE 2
PARTICIPATION

Section 2.01. *Grant*. The Committee shall have the authority to provide from time to time for the grant of Awards to Participants. The amount of any such Award and the identity of any such Participant shall be designated by the Committee in its sole and absolute discretion. The total nominal amount of each Award will be credited to an Account established for such Award for the relevant Participant, as of the end of the calendar year for which the decision to grant such Award is made (the "**Effective Date**" for such Award). An Award, including Earnings thereon, vests in accordance with the terms of Article 3, and any such vested Award will be subject to the rules on distributions and deferral elections under Articles 4 and 5, respectively.

Section 2.02. *Investment Elections.* Each Participant shall submit, in accordance with deadlines and procedures established from time to time by the Committee, an Investment Election Form with respect to each Award. Such Investment Election Form shall designate that percentage of such Participant's Award which shall be treated for purposes of the Plan as notionally invested in (i) Restricted Units and (ii) each of the Approved Funds. The Committee in its sole discretion may, but shall not be obligated to, permit each Participant to reallocate notional investments in each Account among Restricted Units and the various Approved Funds

or just among the Approved Funds, subject to, without limitation, restrictions as to the frequency with which such reallocations may be made. The Committee may determine for each calendar year a minimum percentage and a maximum percentage of each Award that may be treated as notionally invested in Restricted Units and each Approved Fund. As soon as reasonably practicable after the end of each calendar year, a statement shall be provided to each such Participant indicating the current balance in each Account maintained for the Participant as of the end of the calendar year, and the amounts in such Account notionally allocated to Restricted Units and each of the Approved Funds.

Section 2.03. *Earnings on an Account*.

(a) Each Award for which an Investment Election Form has been validly submitted shall be credited to a separate Account in the proportions set forth in such Investment Election Form or as directed by the Committee. The amount of such Account shall be treated as notionally invested in Restricted Units or Approved Funds, as applicable, as of a date determined by the Committee (the "**Earnings Date**"), which shall be no later than forty-five days after the Effective Date. Notwithstanding Sections 2.04 and 2.05, Earnings will be credited or debited, as applicable, beginning from the Earnings Date but will not be credited or debited for any period prior to the Earnings Date.

(b) Not less frequently than as of the end of each calendar year following the year during which an Account is established in connection with an Award, each Account maintained under the Plan will be credited or debited, as applicable, with the amount, if any, necessary to reflect Earnings as of that date.

Section 2.04. *Awards Invested in Approved Funds*.

(a) To the extent the Committee or an Investment Election Form validly directs the notional investment of all or a part of any Award in Approved Funds, that portion of such Award so designated shall, as of a date determined by the Committee, be treated as notionally invested in such Approved Funds. If a cash dividend or other cash distribution is made with respect to Approved Funds, as of a date determined and as calculated by the Committee in its sole discretion, a Participant whose Account is notionally invested in Approved Funds (whether vested or unvested) will have such notional investment increased by an amount equal to the cash dividend or other cash distribution that would have been due on the Account had there actually been an investment in Approved Funds. Such increase shall be proportionately allocated by the Committee in its sole discretion between Approved Funds, as applicable, and such increase shall be vested at all times.

(b) To the extent any Approved Fund is terminated, liquidated, merged with another fund or experiences a major change in investment strategy or other extraordinary event, the Committee may, if so authorized by the Board, in such manner as it may in its sole discretion deem equitable, reallocate or otherwise adjust the amount of any Account under this Article 2 to reflect the occurrence of such event.

Section 2.05. *Awards Invested in Restricted Units*.

(a) To the extent the Committee or an Investment Election Form validly directs the notional investment of all or part of any Award in Restricted Units, that portion of such Award so designated shall, as of a date and based on a Fair Market Value of a Holding Unit as determined by the Committee and pursuant to procedures established by the Committee from time to time, be converted into a whole number of Restricted Units. From and after the date of such conversion, that portion of an Award which has been validly made to notionally invest in Restricted Units shall be denominated, and shall thereafter be treated for all purposes as, a grant of that number of Restricted Units determined pursuant to the preceding sentence.

(b) If a cash dividend or other cash distribution is made with respect to Holding Units, as soon as administratively practicable thereafter, a distribution will be made to a Participant whose Account is credited with Restricted Units (whether vested or unvested) in an amount (the "**Equivalent Distribution Amount**") equal to the number of such Restricted Units credited to the Participant's Account, times the value of the cash dividend or other cash distribution per Holding Unit; *provided, however*, if a Participant defers distribution of his Award under Article 5, the Equivalent Distribution Amount will be converted at such time or times and in accordance with such procedures as shall be established by the Committee, into vested Restricted Units based on the Fair Market Value of a Holding Unit as determined by the Committee, and such converted benefit shall be distributed in accordance with Sections 4.03 and 4.04.

(c) Fractional unit amounts remaining after conversion under this Section 2.05 may be used for any purposes for the benefit of the Participant as determined by the Committee in its sole discretion, including but not limited to the payment of taxes with respect to an Award or deposit in the Approved Funds.

(d) In the event that the Committee determines that any distribution (whether in the form of cash, limited partnership interests, other securities, or other property), recapitalization (including, without limitation, any subdivision or combination of limited partnership interests), reorganization, consolidation, combination, repurchase, or exchange of limited partnership interests or other securities of Holding, issuance of warrants or other rights to purchase limited partnership interests or other securities of Holding, any incorporation of Holding, or other similar transaction or events affects Holding Units such that an adjustment is determined by the Committee to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, then the Committee may, if so authorized by the Board, in such manner as it may deem equitable, adjust the number of Restricted Units or securities of Holding (or number and kind of other securities) subject to outstanding Awards, or, if deemed appropriate, make provision for a cash payment to the holder of an outstanding Award.

ARTICLE 3
VESTING AND FORFEITURES

Section 3.01. *General*. Subject to Section 3.02, with respect to any Award credited to an Account maintained for a Participant in connection with such Award, the Participant will vest, on each of the first three anniversaries of the date on which the Award is credited to the Account,

in an amount equal to one-third of the relevant Award, plus an aliquot portion of the Earnings thereon (the "**Default Vesting Schedule**"). Notwithstanding the foregoing, at the time of any Award, the Committee may provide for an alternative vesting schedule rather than the Default Vesting Schedule (the "**Alternative Vesting Schedule**"). If a Participant has a Termination of Employment as a result of a termination for Cause or the Participant's resignation for any reason, the Participant shall forfeit the balance of any Account maintained for him or her which has not been vested in accordance with the Default Vesting Schedule or the Alternative Vesting Schedule, as the case may be (the "**Vesting Schedule**") on the effective date of the Participant's Termination of Employment; *provided*, *however*, that, the Committee may determine, in its sole discretion, and only if a Participant executes a release of liability in favor of the Company in a form approved by the Committee and satisfies such other conditions as established by the Committee, that the Participant who has a termination for Cause or has resigned for any reason will continue to vest in the balance of such Account following such Termination of Employment at the same time(s) that such balance would have otherwise vested under the Vesting Schedule. For purposes of this Plan, the "**vesting**" of a Restricted Unit shall mean the lapsing of the restrictions thereon with respect to such Restricted Unit.

Section 3.02. *Death, Disability, Retirement or Termination Without Cause*. Notwithstanding Section 3.01, a Participant's Account will become 100% vested upon the Participant's Termination of Employment due to death, Disability, Retirement or a termination without Cause.

ARTICLE 4
DISTRIBUTIONS

Section 4.01. *General*. Subject to Section 2.05(b), no Award will be distributed unless such distribution is permitted under this Article 4. The payment of the vested portion of an Award, including Earnings thereon, shall be treated as drawn proportionately from the investment alternative(s) in effect as of the relevant payment date. Any such payment shall be made in Holding Units to the extent such payment is attributable to an Award notionally invested in Restricted Units. Any portion of an Award, including Earnings thereon, that is not vested will not be distributed hereunder.

Section 4.02. *Distributions If Deferral Election Is Not In Effect*.

(a) Unless a Participant elects otherwise on a Deferral Election Form under Sections 5.01 or 5.02 (if such election is permitted by the Committee), a Participant who has not had a Termination of Employment will have the vested portion of his Award, including Earnings thereon, distributed to him annually in the form of a lump sum as soon as administratively practicable after such portion vests under the applicable Vesting Schedule of Section 3.01.

(b) Subject to Section 4.04, unless a Participant elects otherwise on a Deferral Election Form under Sections 5.01 or 5.02 (if such election is permitted by the Committee), a Participant who has had a Termination of Employment will have the balance of any vested Award not paid under Section 4.02(a), including Earnings thereon, distributed to him as follows:

(i) In the event of a Participant's Termination of Employment due to the Participant's death, such distribution will be made to the Participant's Beneficiary in a single lump sum payment.

(ii) In the event of a Participant's Termination of Employment due to the Participant's Disability, Retirement or termination without Cause, such distribution will be made to the Participant in a single lump sum payment as soon as administratively practicable following the six month anniversary of any such Termination of Employment, as applicable.

(iii) In the event that the Committee determines in its sole discretion under Section 3.01 that a Participant shall continue to vest following his Termination of Employment, payments with respect to the Award, including Earnings thereon, will be made as the balance vests; *provided*, *however*, that such payments may not commence prior to the six month anniversary of such Termination of Employment.

Section 4.03. *Distributions If Deferral Election Is In Effect.*

(a) Subject to Sections 4.03(b) and 4.04, in the event that a deferral election is in effect with respect to a Participant pursuant to Sections 5.01 or 5.02 and the Participant has a Termination of Employment for any reason other than death or Disability, the vested portion of such Participant's Award, including Earnings thereon, will be distributed to him as soon as administratively practicable following the benefit commencement date specified on such Deferral Election Form and in the form of payment elected on such form.

(b) Subject to Section 4.04, in the event that a Deferral Election Form is in effect with respect to a Participant pursuant to Sections 5.01 or 5.02 and such Participant subsequently has a Termination of Employment due to death or Disability, the elections made by such Participant on his Deferral Election Form shall be disregarded, and the vested portion of such Participant's Award, including Earnings thereon, will be distributed to him as soon as administratively practicable following such Termination of Employment in a single lump sum payment; *provided*, *however*, that with respect to a Termination of Employment due to Disability, no such distribution may be made before the date which is 6 months after such Termination of Employment.

Section 4.04. *Payment Following Death*. Notwithstanding Sections 4.02 and 4.03 to the contrary, in the event of the death of a Participant or a former Participant, any undistributed portion of such individual's vested Award, including Earnings thereon, will be distributed to his Beneficiary in a single lump sum distribution, as soon as administratively practicable following the later of the date the Committee receives (i) written notification in a form satisfactory to it of such individual's death, and (ii) any tax waiver or other document deemed relevant by the Committee with respect to making the payment.

Section 4.05. *Unforeseeable Emergency*. Notwithstanding the foregoing to the contrary, if a Participant or former Participant experiences an Unforeseeable Emergency, such individual may petition the Committee to (i) suspend any deferrals under a Deferral Election Form submitted by such individual and/or (ii) receive a partial or full distribution of a vested Award, including Earnings thereon, deferred by such individual. The Committee shall determine, in its

sole discretion, whether to accept or deny such petition, and the amount to be distributed, if any, with respect to such Unforeseeable Emergency; *provided, however,* that such amount may not exceed the amount necessary to satisfy such Unforeseeable Emergency plus amounts necessary to pay taxes reasonably anticipated as a result of the distribution, after taking into account the extent to which such hardship is or may be relieved through reimbursement or compensation by insurance or otherwise or by liquidation of the individual's assets (to the extent the liquidation of such assets would not itself cause severe financial hardship).

ARTICLE 5
DEFERRALS OF COMPENSATION

Section 5.01. *Initial Deferral Election*. The Committee may permit deferral elections in its sole and absolute discretion in accordance with procedures established by the Committee for this purpose from time to time. If so permitted, a Participant may elect in writing on a Deferral Election Form to have the portion of the Award which vests, including Earnings thereon, distributed as of a distribution commencement date elected by the Participant that occurs following the date that such Award becomes or is scheduled to become 100% vested under the applicable Vesting Schedule, or, if earlier and so permitted by the Committee, six months following such Participant's Termination of Employment. Any such distribution shall be made in such form(s) as permitted by the Committee at the time of deferral (including, if permitted by the Committee, a single lump sum or substantially equal annual installments over a period of up to ten years) as elected by the Participant. If the Participant has failed to properly elect a distribution commencement date, the Participant will be deemed to have elected to have the Award distributed as the Award vests, and if the Participant has failed to properly elect a method of payment, the Participant will be deemed to have elected to have the Award distributed in the form of a lump sum. If deferrals are permitted by the Committee, such Deferral Election Form must submitted to the Committee (or its delegate) no later than the last day of the calendar year prior to the Effective Date of an Award under Section 2.01, except that a Deferral Election Form may also be submitted to the Committee (or its delegate) in accordance with the following:

(a) In the case of the first year in which a Participant becomes eligible to participate in the Plan and with respect to services to be performed subsequent to such deferral election, a Deferral Election Form may be submitted within 30 days after the date the Participant becomes eligible to participate in the Plan.

(b) With respect to the deferral of an Award subject to Section 409A of the Code that relates all or in part to services performed between January 1, 2005 and December 31, 2005, a Deferral Election Form may be submitted by March 15, 2005.

(c) A Deferral Election Form may be submitted at such other time or times as permitted by the Committee in accordance with Section 409A of the Code.

Section 5.02. *Changes in Time and Form of Distribution*. The elections set forth in a Participant's Deferral Election Form governing the payment of the vested portion of an Award, including Earnings thereon, pursuant to Section 5.01 shall be irrevocable as to the Award covered by such election; *provided, however*, if permitted by the Committee, a Participant shall

be permitted to change the time and form of distribution of such Award by making a subsequent election on a Deferral Election Form supplied by the Committee for this purpose in accordance with procedures established by the Committee from time to time, provided that any such subsequent election does not take effect for at least 12 months, is made at least 12 months prior to the scheduled distribution commencement date for such Award and the subsequent election defers commencement of the distribution for at least five years from the date such payment otherwise would have been made.

ARTICLE 6
ADMINISTRATION; MISCELLANEOUS

Section 6.01. *Administration of the Plan*. The Plan is intended to be an unfunded, non-qualified incentive plan and the ACSP Deferral Plan is intended to be an unfunded, non-qualified deferred compensation plan within the meaning of ERISA and shall be administered by the Committee as such. The right of any Participant or Beneficiary to receive distributions under the Plan shall be as an unsecured claim against the general assets of Alliance. Notwithstanding the foregoing, Alliance, in its sole discretion, may establish a "rabbi trust" to pay benefits hereunder. The Committee shall have the full power and authority to administer and interpret the Plan and to take any and all actions in connection with the Plan, including, but not limited to, the power and authority to prescribe all applicable procedures, forms and agreements. The Committee's interpretation and construction of the Plan, including its computation of notional investment returns and Earnings, shall be conclusive and binding on all Persons having an interest in the Plan.

Section 6.02. *Amendment, Suspension and Termination of the Plan*. The Committee reserves the right at any time, without the consent of any Participant or Beneficiary and for any reason, to amend, suspend or terminate the Plan in whole or in part in any manner; provided that no such amendment, suspension or termination shall reduce the balance in any Account prior to such amendment, suspension or termination or impose additional conditions on the right to receive such balance, except as required by law.

Section 6.03. *General Provisions*.

(a) To the extent provided by the Committee, each Participant may file with the Committee a written designation of one or more Persons, including a trust or the Participant's estate, as the Beneficiary entitled to receive, in the event of the Participant's death, any amount or property to which the Participant would otherwise have been entitled under the Plan. A Participant may, from time to time, revoke or change his or her Beneficiary designation by filing a new designation with the Committee. If (i) no such Beneficiary designation is in effect at the time of a Participant's death, (ii) no designated Beneficiary survives the Participant, or (iii) a designation on file is not legally effective for any reason, then the Participant's estate shall be the Participant's Beneficiary.

(b) Neither the establishment of the Plan nor the grant of any Award or any action of any Company, the Board, or the Committee pursuant to the Plan, shall be held or construed to confer upon any Participant any legal right to be continued in the employ of any Company. Each

Company expressly reserves the right to discharge any Participant without liability to the Participant or any Beneficiary, except as to any rights which may expressly be conferred upon the Participant under the Plan.

(c) An Award hereunder shall not be treated as compensation, whether upon such Award's grant, vesting, payment or otherwise, for purposes of calculating or accruing a benefit under any other employee benefit plan except as specifically provided by such other employee benefit plan.

(d) Nothing contained in the Plan, and no action taken pursuant to the Plan, shall create or be construed to create a fiduciary relationship between any Company and any other person.

(e) Neither the establishment of the Plan nor the granting of an Award hereunder shall be held or construed to create any rights to any compensation, including salary, bonus or commissions, nor the right to any other Award or the levels thereof under the Plan.

(f) No Award nor right to receive any payment, including Restricted Units, under the Plan may be transferred or assigned, pledged or otherwise encumbered by any Participant or Beneficiary other than by will, by the applicable laws of descent and distribution or by a court of competent jurisdiction. Any other attempted assignment or alienation of any payment hereunder shall be void and of no force or effect.

(g) If any provision of the Plan shall be held illegal or invalid, the illegality or invalidity shall not affect the remaining provisions of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included in the Plan.

(h) Any notice to be given by the Committee under the Plan to any party shall be in writing addressed to such party at the last address shown for the recipient on the records of any Company or subsequently provided in writing to the Committee. Any notice to be given by a party to the Committee under the Plan shall be in writing addressed to the Committee at the address of Alliance.

(i) Section headings herein are for convenience of reference only and shall not affect the meaning of any provision of the Plan.

(j) The provisions of the Plan shall be governed and construed in accordance with the laws of the State of New York.

(k) There shall be withheld from each payment made pursuant to the Plan any tax or other charge required to be withheld therefrom pursuant to any federal, state or local law. A Company by whom a Participant is employed shall also be entitled to withhold from any compensation payable to a Participant any tax imposed by Section 3101 of the Code, or any successor provision, on any amount credited to the Participant; *provided*, *however*, that if for any reason the Company does not so withhold the entire amount of such tax on a timely basis, the Participant shall be required to reimburse Alliance for the amount of the tax not withheld promptly upon Alliance's request therefore. With respect to Restricted Units: (i) in the event that the Committee determines that any federal, state or local tax or any other charge is required by

law to be withheld with respect to the Restricted Units or the vesting of Restricted Units (a "**Withholding Amount**") then, in the discretion of the Committee, either (X) prior to or contemporaneously with the delivery of Holding Units to the recipient, the recipient shall pay the Withholding Amount to Alliance in cash or in vested Holding Units already owned by the recipient (which are not subject to a pledge or other security interest), or a combination of cash and such Holding Units, having a total fair market value, as determined by the Committee, equal to the Withholding Amount; (Y) Alliance shall retain from any vested Holding Units to be delivered to the recipient that number of Holding Units having a fair market value, as determined by the Committee, equal to the Withholding Amount (or such portion of the Withholding Amount that is not satisfied under clause (X) as payment of the Withholding Amount; or (Z) if Holding Units are delivered without the payment of the Withholding Amount pursuant to either clause (X) or (Y), the recipient shall promptly pay the Withholding Amount to Alliance on at least seven business days notice from the Committee either in cash or in vested Holding Units owned by the recipient (which are not subject to a pledge or other security interest), or a combination of cash and such Holding Units, having a total fair market value, as determined by the Committee, equal to the Withholding Amount, and (ii) in the event that the recipient does not pay the Withholding Amount to Alliance as required pursuant to clause (i) or make arrangements satisfactory to Alliance regarding payment thereof, Alliance may withhold any unpaid portion thereof from any amount otherwise due the recipient from Alliance.

AMENDED AND RESTATED
ALLIANCE PARTNERS COMPENSATION PLAN

As Amended And Restated Effective As Of January 1, 2005

Alliance Capital Management Holding L.P. (together with any successor to all or substantially all of its business and assets, "**Holding**") and its successor and affiliate Alliance Capital Management L.P. (together with any successor to all or substantially all of its business and assets, "**Alliance**") have established this Amended and Restated Alliance Partners Compensation Plan (the "**Plan**") to (i) create a compensation program to attract and retain eligible employees expected to make a significant contribution to the future growth and success of Holding and Alliance, including their respective subsidiaries and (ii) foster the long-term commitment of these employees through the accumulation of capital and increased ownership of equity interests in Holding.

The right to defer Awards hereunder shall be considered a separate plan within the Plan. Such separate plan shall be referred to as the "**APCP Deferral Plan**." The APCP Deferral Plan is maintained primarily for the purpose of providing deferred compensation to a select group of management or highly compensated employees (a "**Top Hat Employee**"). No one who is not a Top Hat Employee may defer compensation under the APCP Deferral Plan.

The Plan has been amended and restated effective as of January 1, 2005 to clarify and reflect administrative practices and to comply in good faith with Section 409A of the Internal Revenue Code (the "**Code**") and the guidance issued thereunder ("**Section 409A**"). Any deferral or payment hereunder is subject to the terms of the Plan and compliance with Section 409A, as interpreted by the Committee in its sole discretion. Notwithstanding the foregoing or anything else herein, none of Alliance, Holding, any Affiliate, the Committee nor any of their agents shall have any liability to any Participant or Beneficiary as a result of any tax, interest, penalty or other payment required to be paid or due pursuant to, or because of a violation of, Section 409A. This restatement incorporates and supersedes all of the amendments to the Plan through December 31, 2005.

ARTICLE 1
DEFINITIONS

Section 1.01 *Definitions*. Whenever used in the Plan, each of the following terms shall have the meaning for that term set forth below:

(a) "**Account**" means a separate bookkeeping account established for each Participant for each Award, with such Award, as described in Article 2, credited to the Account maintained for such Award together with Earnings credited thereon.

(b) "**Affiliate**" means (i) any entity that, directly or indirectly, is controlled by Alliance and (ii) any entity in which Alliance has a significant equity interest, in either case as determined by the Board or, if so authorized by the Board, the Committee.

(c) "**Approved Fund**" means any money-market, debt or equity fund designated by the Committee from time to time as an Approved Fund.

(d) "**Award**" means any Pre-1999 Award, 1999-2000 Award or Post-2000 Award.

(e) "**Beneficiary**" means one or more Persons, trusts, estates or other entities, designated in accordance with Section 8.04(a), that are entitled to receive, in the event of a Participant's death, any amount or property to which the Participant would otherwise have been entitled under the Plan.

(f) "**Beneficiary Designation Form**" means the form established from time to time by the Committee that a Participant completes, signs and returns to the Committee to designate one or more Beneficiaries.

(g) "**Board**" means the Board of Directors of the general partner of Holding and Alliance.

(h) "**Code**" means the Internal Revenue Code of 1986, as amended from time to time.

(i) "**Committee**" means the Board or one or more committees of the Board designated by the Board to administer the Plan.

(j) "**Company**" means Holding, Alliance and any corporation or other entity of which Holding or Alliance (i) has sufficient voting power (not depending on the happening of a contingency) to elect at least a majority of its board of directors or other governing body, as the case may be, or (ii) otherwise has the power to direct or cause the direction of its management and policies.

(k) "**Deferral Election Form**" means the form(s) established from time to time by the Committee that a Participant completes, signs and returns to the Committee to elect to defer the distribution of an Award, including Earnings thereon, pursuant to Article 5.

(l) "**Disability**" means, with respect to a Participant, a good faith determination by the Committee that the Participant is physically or mentally incapacitated and has been unable for a period of six consecutive months to perform, with or without reasonable accommodation, substantially all of the duties for which the Participant was responsible immediately before the commencement of the incapacity. In order to assist the Committee in making such a determination and as reasonably requested by the Committee, a Participant will (i) make himself or herself available for medical examination by one or more physicians chosen by the Committee and approved by the Participant, whose approval shall not be unreasonably withheld, (ii) grant the Committee and any such physicians access to all relevant medical information relating to the Participant, (iii) arrange to furnish copies of medical records to the Committee and such physicians, and (iv) use his or her best efforts to cause the Participant's own physicians to be available to discuss the Participant's health with the Committee and its chosen physicians.

(m) "**Earnings**" on any Account during any period means the amounts of gain or loss that would have been incurred with respect to such period if an amount equal to the balance of such Account at the beginning of such period had been actually invested in accordance with a Participant's investment direction.

(n) "**Effective Date**" of an Award means December 31 of the calendar year for which the Award is initially granted under the Plan.

(o) **"Eligible Employee"** means, for any calendar year commencing on and after January 1, 2005, an active employee of a Company whom the Committee determines to be eligible for an Award. Notwithstanding the foregoing, no Eligible Employee whose Total Compensation for a calendar year is less than such amount, if any, as established by the Committee in writing shall be eligible to participate in the APCP Plan for that calendar year and any advance deferral election made by such Eligible Employee is made on the condition that such Eligible Employee satisfies the Total Compensation requirement and, if not, such deferral election shall be null and void ab initio.

(p) "**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

(q) "**Fair Market Value**" means, with respect to a Holding Unit as of any given date and except as otherwise expressly provided by the Board or the Committee, the closing price of a Holding Unit on such date as published in the Wall Street Journal or, if no sale of Holding Units occurs on the New York Stock Exchange on such date, the closing price of a Holding Unit on such Exchange on the last preceding day on which such sale occurred as published in the Wall Street Journal.

(r) "**Holding Units**" means units representing assignments of beneficial ownership of limited partnership interests in Holding.

(s) "**Investment Election Form**" means the form established from time to time by the Committee that a Participant completes, signs and returns to the Committee to designate the percentage of such Award to be treated as notionally invested in Restricted Units or Approved Funds, pursuant to Section 2.03.

(t) "**1999-2000 Award**" means any Award granted hereunder with respect to calendar years 1999 or 2000, as applicable. Special rules for 1999-2000 Awards are provided in Article 7.

(u) "**Participant**" means any Eligible Employee of any Company who has been designated by the Committee to receive an Award for any calendar year and who thereafter remains employed by a Company.

(v) "**Person**" means any individual, corporation, partnership, association, joint-stock company, trust, unincorporated organization, government or political subdivision thereof or other entity.

(w) "**Plan**" means the Amended and Restated Alliance Partners Compensation Plan, as set forth herein and as amended from time to time.

(x) "**Post-2000 Award**" means any Award granted hereunder with respect to calendar years beginning after December 31, 2000.

(y) "**Pre-1999 Award**" means any Award granted hereunder with respect to calendar years beginning before January 1, 1999. Special rules for Pre-1999 Awards are provided in Article 6.

(z) "**Restricted Unit**" means a right to receive a Holding Unit in the future, as accounted for in an Account, subject to vesting and any other terms and conditions established hereunder or by the Committee.

(aa) "**Retirement**" with respect to a Participant means that the employment of the Participant with the Company has terminated either (i) on or after the Participant's attaining age 65, or (ii) on or after the Participant's attaining age 55 at a time when the sum of the Participant's age and aggregate full calendar years of service with the Company, including service prior to April 21, 1988 with the corporation then named Alliance Capital Management Corporation, equals or exceeds 70.

(bb) "**Termination of Employment**" means that the Participant involved is no longer performing services as an employee of any Company other than pursuant to a severance or special termination arrangement.

(cc) "**Total Compensation**" for a calendar year means base salary paid during such calendar year, bonus paid for such calendar year even if paid after the end of such calendar year or deferred, commissions paid during such calendar year and the Award for such calendar year.

(dd) "**Unforeseeable Emergency**" means a severe financial hardship to a Participant or former Participant within the meaning of Code Section 409A resulting from (i) an illness or accident of the Participant or former Participant, the spouse of the Participant or former Participant, or a dependent (as defined in Section 152(a) of the Code) of the Participant or former Participant, (ii) loss of property of the Participant or former Participant due to casualty or (iii) other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant or former Participant, all as determined in the sole discretion of the Committee.

(ee) "**Vesting Period**" means the applicable vesting period with respect to an Award, as provided for in Section 3.01(a).

ARTICLE 2
PARTICIPATION

Section 2.01 *Eligibility*. The Committee, in its sole discretion, will designate those Eligible Employees employed by a Company who will receive Awards with respect to a calendar year. In making such designation, the Committee may consider any criteria that it deems relevant, which may include an Eligible Employee's position with a Company and the manner in which the Eligible Employee is expected to contribute to the future growth and success of the Company. The Committee may vary the amount of Awards to a particular Participant from year to year and may determine that a Participant who received an Award to a particular year is not eligible to receive any Award with respect to any subsequent year. An Eligible Employee who is a member of the Committee during a particular year shall be eligible to receive an Award for that year only if the Award is approved by the majority of the other members of the Committee.

Section 2.02 *Grant of Awards*. The nominal amount of an Award will be determined by the Committee in its sole and absolute discretion, and such amount will be credited to the Participant's Account as of the Effective Date for such Award. An Award, including Earnings thereon, vests in accordance with the terms of Article 3, and any such vested Award will be subject to the rules on distributions and deferral elections under Articles 4 and 5, respectively.

Section 2.03 *Investment Elections*. Each Participant shall submit, in accordance with deadlines and procedures established from time to time by the Committee, an Investment Election Form with respect to each Award. Such Investment Election Form shall designate that percentage of such Participant's Award which shall be treated for purposes of the Plan as notionally invested in (i) Restricted Units and (ii) each of the Approved Funds. The Committee in its sole discretion may, but shall not be obligated to, permit each Participant to reallocate notional investments in each Account among Restricted Units and the various Approved Funds or just among the Approved Funds, subject to, without limitation, restrictions as to the frequency with which such reallocations may be made. The Committee may determine for each calendar year a minimum percentage and a maximum percentage of each Award that may be treated as notionally invested in Restricted Units and each Approved Fund. As soon as reasonably practicable after the end of each calendar year, a statement shall be provided to each such Participant indicating the current balance in each Account maintained for the Participant as of the end of the calendar year, and the amounts in such Account notionally allocated to Restricted Units and each of the Approved Funds.

Section 2.04 *Earnings on an Account*.

(a) Each Award for which an Investment Election Form has been validly submitted shall be credited to a separate Account in the proportions set forth in such Investment Election Form or as directed by the Committee. The amount of such Account shall be treated as notionally invested in Restricted Units or Approved Funds, as applicable, as of a date determined by the Committee (the "**Earnings Date**"), which shall be no later than forty-five days after the Effective Date. Notwithstanding Sections 2.05 and 2.06, Earnings will be credited or debited, as applicable, beginning from the Earnings Date but will not be credited or debited for any period prior to the Earnings Date.

(b) Not less frequently than as of the end of each calendar year following the year during which an Account is established in connection with an Award, each Account maintained under the Plan will be credited or debited, as applicable, with the amount, if any, necessary to reflect Earnings as of that date.

Section 2.05 *Awards Invested in Approved Funds*.

(a) To the extent the Committee or an Investment Election Form validly directs the notional investment of all or a part of any Award in Approved Funds, that portion of such Award so designated shall, as of a date determined by the Committee, be treated as notionally invested in such Approved Funds. If a cash dividend or other cash distribution is made with respect to Approved Funds, as of a date determined and as calculated by the Committee in its sole discretion, a Participant whose Account is notionally invested in Approved Funds (whether vested or unvested) will have such notional investment increased by an amount equal to the cash

dividend or other cash distribution that would have been due on the Account had there actually been an investment in Approved Funds. Such increase shall be proportionately allocated by the Committee in its sole discretion between Approved Funds, as applicable, and such increase shall be vested at all times.

(b) To the extent any Approved Fund is terminated, liquidated, merged with another fund or experiences a major change in investment strategy or other extraordinary event, the Committee may, if so authorized by the Board, in such manner as it may in its sole discretion deem equitable, reallocate or otherwise adjust the amount of any Account under this Article 2 to reflect the occurrence of such event.

Section 2.06 *Awards Invested in Restricted Units*.

(a) To the extent the Committee or an Investment Election Form validly directs the notional investment of all or part of any Award in Restricted Units, that portion of such Award so designated shall, as of a date and based on a Fair Market Value of a Holding Unit as determined by the Committee and pursuant to procedures established by the Committee from time to time, be converted into a whole number of Restricted Units. From and after the date of such conversion, that portion of an Award which has been validly made to notionally invest in Restricted Units shall be denominated, and shall thereafter be treated for all purposes as, a grant of that number of Restricted Units determined pursuant to the preceding sentence.

(b) If a cash dividend or other cash distribution is made with respect to Holding Units, as soon as administratively practicable thereafter, a distribution will be made to a Participant whose Account is credited with Restricted Units (whether vested or unvested) in an amount (the "**Equivalent Distribution Amount**") equal to the number of such Restricted Units credited to the Participant's Account, times the value of the cash dividend or other cash distribution per Holding Unit; *provided, however*, if a Participant defers distribution of his Award under Article 5, the Equivalent Distribution Amount will be converted at such time or times and in accordance with such procedures as shall be established by the Committee, into vested Restricted Units based on the Fair Market Value of a Holding Unit as determined by the Committee, and such converted benefit shall be distributed in accordance with Sections 4.03 and 4.04.

(c) Fractional unit amounts remaining after conversion under this Section 2.06 may be used for any purposes for the benefit of the Participant as determined by the Committee in its sole discretion, including but not limited to the payment of taxes with respect to an Award or deposit in the Approved Funds.

(d) In the event that the Committee determines that any distribution (whether in the form of cash, limited partnership interests, other securities, or other property), recapitalization (including, without limitation, any subdivision or combination of limited partnership interests), reorganization, consolidation, combination, repurchase, or exchange of limited partnership interests or other securities of Holding, issuance of warrants or other rights to purchase limited partnership interests or other securities of Holding, any incorporation of Holding, or other similar transaction or events affects Holding Units such that an adjustment is determined by the Committee to be appropriate in order to prevent dilution or enlargement of the benefits or

potential benefits intended to be made available under the Plan, then the Committee may, if so authorized by the Board, in such manner as it may deem equitable, adjust the number of Restricted Units or securities of Holding (or number and kind of other securities) subject to outstanding Awards, or, if deemed appropriate, make provision for a cash payment to the holder of an outstanding Award.

ARTICLE 3
VESTING AND FORFEITURES

Section 3.01 *General*.

(a) Subject to Section 3.01(b) below, an Award, including Earnings thereon, shall vest in equal annual installments during the vesting period (the "**Vesting Period**") specified below, as applicable, with respect to each such Award, with the first such installment vesting on the first anniversary of the date determined for this purpose by the Committee in connection with such Award (the "**Grant Date**"), and the remaining installments vesting on subsequent anniversaries of the Grant Date, provided in each case that the Participant is employed by a Company on such anniversary. For purposes of this Plan, the "**vesting**" of a Restricted Unit shall mean the lapsing of the restrictions thereon with respect to such Restricted Unit.

(i) Each Post-2000 Award, including Earnings thereon, shall vest as set forth in the following table, based on the Participant's age as of the Effective Date with respect to such Award, unless the Committee in its sole discretion determines that an alternative Vesting Period should apply with respect to any Post-2000 Award, notwithstanding such table:

Age of Participant As of Effective Date	Vesting Period
Up to and including 61	4 years
62	3 years
63	2 years
64	1 year
65 or older	Fully vested at grant

(ii) Each 1999-2000 Award, including Earnings thereon, shall vest as set forth in the following table, based on the Participant's age as of the Effective Date with respect to such Award:

Age of Participant as of Effective Date	Vesting Period
Up to and including 47	8 years
48	7 years
49	6 years
50-57	5 years
58	4 years
59	3 years
60	2 years
61	1 year
62 or older	Fully vested at grant

(iii) The Vesting Period of each Pre-1999 Award made for 1995, including Earnings thereon, is three years. The Vesting Period of each Pre-1999 Award made for a calendar year after 1995, including Earnings thereon, is eight years.

(b) The unvested portion of any Award held by such Participant shall become 100% vested upon a Participant's Termination of Employment due to death or Disability, and with respect to a Pre-1999 Award only, upon a Participant's Termination of Employment due to Retirement.

Section 3.02 *Forfeitures*. A Participant shall forfeit the balance of any Account maintained for him or her which has not been vested in accordance with the applicable Vesting Period of Section 3.01 on the effective date of the Participant's Termination of Employment for any reason other than death, Disability, and, only with respect to a Pre-1999 Award, the Participant's Termination of Employment due to Retirement; *provided*, *however*, that, the Committee may determine, in its sole discretion, and only if a Participant executes a release of liability in favor of the Company in a form approved by the Committee and satisfies such other conditions as established by the Committee, that such Participant who would otherwise forfeit all or part of his Account following a Termination of Employment will nonetheless continue to vest in the balance of such Account following his Termination of Employment at the same time(s) that such balance would have otherwise vested under Section 3.01(a).

ARTICLE 4
DISTRIBUTIONS

Section 4.01 *General*. Subject to Section 2.06(b), no Award will be distributed unless such distribution is permitted under this Article 4. The payment of the vested portion of an Award, including Earnings thereon, shall be treated as drawn proportionately from the investment alternative(s) in effect as of the relevant payment date. Any such payment shall be made in Holding Units to the extent such payment is attributable to an Award notionally invested in Restricted Units. Any portion of an Award, including Earnings thereon, that is not vested will not be distributed hereunder.

Section 4.02 *Distributions If Deferral Election Is Not In Effect.*

(a) Unless a Participant elects otherwise on a Deferral Election Form under Sections 5.01 or 5.02 (if such election is permitted by the Committee), a Participant who has not had a Termination of Employment will have the vested portion of his Award, including Earnings thereon, distributed to

him annually in the form of a lump sum as soon as administratively practicable after such portion vests under the applicable Vesting Period of Section 3.01.

(b) Subject to Section 4.04, unless a Participant elects otherwise on a Deferral Election Form under Sections 5.01 or 5.02 (if such election is permitted by the Committee), a

Participant who has had a Termination of Employment will have the balance of any vested Award not paid under Section 4.02(a), including Earnings thereon, distributed to him as follows:

(i) In the event of a Participant's Termination of Employment due to the Participant's death, such distribution will be made to the Participant's Beneficiary in a single lump sum payment.

(ii) In the event of a Participant's Termination of Employment due to the Participant's Disability or, with respect to Pre-1999 Awards, Retirement, such distribution will be made to the Participant in a single lump sum payment as soon as administratively practicable following the six month anniversary of any such Termination of Employment, as applicable.

(iii) In the event that the Committee determines in its sole discretion under Section 3.02 that a Participant shall continue to vest following his Termination of Employment, payments with respect to the Award, including Earnings thereon, will be made as the balance vests; provided, however, that such payments may not commence prior to the six month anniversary of such Termination of Employment.

Section 4.03 *Distributions If Deferral Election Is In Effect.*

(a) Subject to Sections 4.03(b) and 4.04, in the event that a deferral election is in effect with respect to a Participant pursuant to Sections 5.01 or 5.02 and the Participant has a Termination of Employment for any reason other than death or Disability, the vested portion of such Participant's Award, including Earnings thereon, will be distributed to him as soon as administratively practicable following the benefit commencement date specified on such Deferral Election Form and in the form of payment elected on such form.

(b) Subject to Section 4.04, in the event that a Deferral Election Form is in effect with respect to a Participant pursuant to Sections 5.01 or 5.02 and such Participant subsequently has a Termination of Employment due to death or Disability, the elections made by such Participant on his Deferral Election Form shall be disregarded, and the vested portion of such Participant's Award, including Earnings thereon, will be distributed to him as soon as administratively practicable following such Termination of Employment in a single lump sum payment; *provided*, *however*, that with respect to a Termination of Employment due to Disability, no such distribution may be made before the date which is 6 months after such Termination of Employment.

Section 4.04 *Payment Following Death.* Notwithstanding Sections 4.02 and 4.03 to the contrary, in the event of the death of a Participant or a former Participant, any undistributed portion of such individual's vested Award, including Earnings thereon, will be distributed to his Beneficiary in a single lump sum distribution, as soon as administratively practicable following the later of the date the Committee receives (i) written notification in a form satisfactory to it of such individual's death, and (ii) any tax waiver or other document deemed relevant by the Committee with respect to making the payment.

Section 4.05 *Unforeseeable Emergency.* Notwithstanding the foregoing to the contrary, if a Participant or former Participant experiences an Unforeseeable Emergency, such individual may petition the Committee to (i) suspend any deferrals under a Deferral Election Form

submitted by such individual and/or (ii) receive a partial or full distribution of a vested Award, including Earnings thereon, deferred by such individual. The Committee shall determine, in its sole discretion, whether to accept or deny such petition, and the amount to be distributed, if any, with respect to such Unforeseeable Emergency; *provided, however*, that such amount may not exceed the amount necessary to satisfy such Unforeseeable Emergency plus amounts necessary to pay taxes reasonably anticipated as a result of the distribution, after taking into account the extent to which such hardship is or may be relieved through reimbursement or compensation by insurance or otherwise or by liquidation of the individual's assets (to the extent the liquidation of such assets would not itself cause severe financial hardship).

ARTICLE 5
DEFERRALS OF COMPENSATION

Section 5.01 *Initial Deferral Election*. The Committee may permit deferral elections of Pre-1999 Awards, 1999-2000 Awards and/or Post-2000 Awards in its sole and absolute discretion in accordance with procedures established by the Committee for this purpose from time to time. If so permitted, a Participant may elect in writing on a Deferral Election Form to have the portion of the Award which vests, including Earnings thereon, distributed as of a distribution commencement date elected by the Participant that occurs following the date that such Award becomes or is scheduled to become 100% vested under the applicable Vesting Period of Section 3.01(a), or if earlier and so permitted by the Committee, six months following such Participant's Termination of Employment. Any such distribution shall be made in such form(s) as permitted by the Committee at the time of deferral (including, if permitted by the Committee, a single lump sum or substantially equal annual installments over a period of up to ten years) as elected by the Participant. If the Participant has failed to properly elect a distribution commencement date, the Participant will be deemed to have elected to have the Award distributed as the Award vests, and if the Participant has failed to properly elect a method of payment, the Participant will be deemed to have elected to have the Award distributed in the form of a lump sum. If deferrals are permitted by the Committee, such Deferral Election Form must submitted to the Committee (or its delegate) no later than the last day of the calendar year prior to the Effective Date of an Award, except that a Deferral Election Form may also be submitted to the Committee (or its delegate) in accordance with the following:

(a) In the case of the first year in which a Participant becomes eligible to participate in the Plan and with respect to services to be performed subsequent to such deferral election, a Deferral Election Form may be submitted within 30 days after the date the Participant becomes eligible to participate in the Plan.

(b) With respect to the deferral of an Award subject to Section 409A of the Code that relates all or in part to services performed between January 1, 2005 and December 31, 2005, a Deferral Election Form may be submitted by March 15, 2005.

(c) A Deferral Election Form may be submitted at such other time or times as permitted by the Committee in accordance with Section 409A of the Code.

Section 5.02 *Changes in Time and Form of Distribution*. The elections set forth in a Participant's Deferral Election Form governing the payment of the vested portion of an Award,

including Earnings thereon, pursuant to Section 5.01 shall be irrevocable as to the Award covered by such election; *provided, however*, if permitted by the Committee, a Participant shall be permitted to change the time and form of distribution of such Award by making a subsequent election on a Deferral Election Form supplied by the Committee for this purpose in accordance with procedures established by the Committee from time to time, provided that any such subsequent election does not take effect for at least 12 months, is made at least 12 months prior to the scheduled distribution commencement date for such Award and the subsequent election defers commencement of the distribution for at least five years from the date such payment otherwise would have been made.

ARTICLE 6
SPECIAL RULES FOR PRE-1999 AWARDS

Section 6.01 *Generally*. Except as otherwise provided in Section 6.02, Articles 1 through 5 hereunder shall apply with respect to Pre-1999 Awards.

Section 6.02 *Pre-1999 Award Election*.

(a) Each Participant whose Account is credited with a Pre-1999 Award may make a one-time election, effective January 1, 2006, conditioned on the Participant's being employed by any of the Companies on such date, in accordance with procedures established by the Committee and on an election form supplied by the Committee, to have all of his Pre-1999 Award Accounts notionally invested in one or both of (i) Restricted Units or (ii) any Approved Fund designated by the Committee from time to time (a "**Pre-1999 Award Election**"). Each such notional investment shall be adjusted for Earnings. The deadline for properly submitting a Pre-1999 Award Election to the Committee (or its delegate) is December 9, 2005.

(b) To the extent that any Pre-1999 Award Election is not effective, such notional investments are not permitted and such Pre-1999 Award is subject to the terms and conditions applicable thereto as specified in the prior restatement of this Plan which is hereby incorporated herein by reference, including the method of adjusting such Award for "earnings" as defined therein.

(c) With respect to any Pre-1999 Award Election designating a notional investment in Restricted Units effective January 1, 2006, the Participant's Pre-1999 Award Account (or portion thereof) is converted into Restricted Units by dividing the proportion of the closing balance of the Pre-1999 Award Account on December 31, 2005 so designated, by the closing price of a Holding Unit on the New York Stock Exchange on December 31, 2005 as published in the Wall Street Journal.

(d) To the extent that a Pre-1999 Award subject to a Pre-1999 Award Election is not vested on January 1, 2006, the notional investment in Restricted Units and Approved Funds, as applicable, shall be subject to the vesting schedule remaining on such Pre-1999 Awards.

(e) Any Participant making a Pre-1999 Award Election shall contemporaneously also elect a distribution commencement date, not earlier than January 31, 2007, for the commencement of the distribution of his vested investment under such Pre-1999 Award Election, in accordance with procedures established by the Committee. Distributions shall

commence as of the distribution commencement date elected, or if earlier and so elected by the Participant at the time the distribution commencement date is elected, the date of the Participant's "separation from service" (within the meaning of Section 409A of the Code), subject to a six month delay following such separation from service in all cases other than in the event of the Participant's death. If the Participant has failed to properly elect a distribution commencement date, the Committee will commence distribution as soon as administratively practicable after January 31, 2007. A Participant may elect to receive the distribution of the amounts deferred under this section in (i) a single lump sum distribution, (ii) substantially equal annual installments over a period of up to 10 years or (iii) a 50% lump sum with the remainder in five annual installments, as elected by the Participant in accordance with procedures established by the Committee. If the Participant has failed to properly elect a method of payment, the method of payment shall be a lump sum. A Participant who has made a Pre-1999 Award Election to utilize Restricted Units shall receive his distribution in the form of Holding Units.

ARTICLE 7
SPECIAL RULES FOR 1999-2000 AWARDS

Section 7.01 *Generally*. Except as otherwise provided in Section 7.02, Articles 1 through 5 hereunder shall apply with respect to 1999-2000 Awards.

Section 7.02 *Notional Investment in Restricted Units*. 1999-2000 Awards are notionally invested in Restricted Units only. Except as otherwise specified by the Committee, Participants receiving such Awards are not permitted to elect to notionally invest any such Award or part thereof in, or reallocate any notional investment in Restricted Units to, any Approved Fund. The use of an Investment Election Form is not applicable with respect to 1999-2000 Awards, and the Committee shall administer such 1999-2000 Awards, including the crediting of a Participant's Account with his Award, and the adjustment of Earnings thereon, without the Participant's submission of such an Investment Election Form; *provided, however,* that the foregoing shall not limit the Committee from requiring such a Participant to submit any other forms or documentation that the Committee requires in its sole discretion.

ARTICLE 8
ADMINISTRATION; MISCELLANEOUS

Section 8.01 *Administration of the Plan*. The Plan is intended to be an unfunded, non-qualified incentive plan and the APCP Deferral Plan is intended to be an unfunded, non-qualified deferred compensation plan within the meaning of ERISA and shall be administered by the Committee as such. The right of any Participant or Beneficiary to receive distributions under the Plan shall be as an unsecured claim against the general assets of Alliance. Notwithstanding the foregoing, Alliance, in its sole discretion, may establish a "rabbi trust" to pay benefits hereunder. The Committee shall have the full power and authority to administer and interpret the Plan and to take any and all actions in connection with the Plan, including, but not limited to, the power and authority to prescribe all applicable procedures, forms and agreements. The Committee's interpretation and construction of the Plan, including its computation of notional investment returns and Earnings, shall be conclusive and binding on all Persons having an interest in the Plan.

Section 8.02 *Authority to Vary Terms of Awards*. The Committee shall have the authority to grant Awards other than as described herein, subject to such terms and conditions as the Committee shall determine in its discretion.

Section 8.03 *Amendment, Suspension and Termination of the Plan*. The Committee reserves the right at any time, without the consent of any Participant or Beneficiary and for any reason, to amend, suspend or terminate the Plan in whole or in part in any manner; provided that no such amendment, suspension or termination shall reduce the balance in any Account prior to such amendment, suspension or termination or impose additional conditions on the right to receive such balance, except as required by law.

Section 8.04 *General Provisions*.

(a) To the extent provided by the Committee, each Participant may file with the Committee a written designation of one or more Persons, including a trust or the Participant's estate, as the Beneficiary entitled to receive, in the event of the Participant's death, any amount or property to which the Participant would otherwise have been entitled under the Plan. A Participant may, from time to time, revoke or change his or her Beneficiary designation by filing a new designation with the Committee. If (i) no such Beneficiary designation is in effect at the time of a Participant's death, (ii) no designated Beneficiary survives the Participant, or (iii) a designation on file is not legally effective for any reason, then the Participant's estate shall be the Participant's Beneficiary.

(b) Neither the establishment of the Plan nor the grant of any Award or any action of any Company, the Board, or the Committee pursuant to the Plan, shall be held or construed to confer upon any Participant any legal right to be continued in the employ of any Company. Each Company expressly reserves the right to discharge any Participant without liability to the Participant or any Beneficiary, except as to any rights which may expressly be conferred upon the Participant under the Plan.

(c) An Award hereunder shall not be treated as compensation, whether upon such Award's grant, vesting, payment or otherwise, for purposes of calculating or accruing a benefit under any other employee benefit plan except as specifically provided by such other employee benefit plan.

(d) Nothing contained in the Plan, and no action taken pursuant to the Plan, shall create or be construed to create a fiduciary relationship between any Company and any other person.

(e) Neither the establishment of the Plan nor the granting of an Award hereunder shall be held or construed to create any rights to any compensation, including salary, bonus or commissions, nor the right to any other Award or the levels thereof under the Plan.

(f) No Award nor right to receive any payment, including Restricted Units, under the Plan may be transferred or assigned, pledged or otherwise encumbered by any Participant or Beneficiary other than by will, by the applicable laws of descent and distribution or by a court of competent jurisdiction. Any other attempted assignment or alienation of any payment hereunder shall be void and of no force or effect.

(g) If any provision of the Plan shall be held illegal or invalid, the illegality or invalidity shall not affect the remaining provisions of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included in the Plan.

(h) Any notice to be given by the Committee under the Plan to any party shall be in writing addressed to such party at the last address shown for the recipient on the records of any Company or subsequently provided in writing to the Committee. Any notice to be given by a party to the Committee under the Plan shall be in writing addressed to the Committee at the address of Alliance.

(i) Section headings herein are for convenience of reference only and shall not affect the meaning of any provision of the Plan.

(j) The provisions of the Plan shall be governed and construed in accordance with the laws of the State of New York.

(k) There shall be withheld from each payment made pursuant to the Plan any tax or other charge required to be withheld therefrom pursuant to any federal, state or local law. A Company by whom a Participant is employed shall also be entitled to withhold from any compensation payable to a Participant any tax imposed by Section 3101 of the Code, or any successor provision, on any amount credited to the Participant; *provided, however*, that if for any reason the Company does not so withhold the entire amount of such tax on a timely basis, the Participant shall be required to reimburse Alliance for the amount of the tax not withheld promptly upon Alliance's request therefore. With respect to Restricted Units: (i) in the event that the Committee determines that any federal, state or local tax or any other charge is required by law to be withheld with respect to the Restricted Units or the vesting of Restricted Units (a "**Withholding Amount**") then, in the discretion of the Committee, either (X) prior to or contemporaneously with the delivery of Holding Units to the recipient, the recipient shall pay the Withholding Amount to Alliance in cash or in vested Holding Units already owned by the recipient (which are not subject to a pledge or other security interest), or a combination of cash and such Holding Units, having a total fair market value, as determined by the Committee, equal to the Withholding Amount; (Y) Alliance shall retain from any vested Holding Units to be delivered to the recipient that number of Holding Units having a fair market value, as determined by the Committee, equal to the Withholding Amount (or such portion of the Withholding Amount that is not satisfied under clause (X) as payment of the Withholding Amount; or (Z) if Holding Units are delivered without the payment of the Withholding Amount pursuant to either clause (X) or (Y), the recipient shall promptly pay the Withholding Amount to Alliance on at least seven business days notice from the

Committee either in cash or in vested Holding Units owned by the recipient (which are not subject to a pledge or other security interest), or a combination of cash and such Holding Units, having a total fair market value, as determined by the Committee, equal to the Withholding Amount, and (ii) in the event that the recipient does not pay the Withholding Amount to Alliance as required pursuant to clause (i) or make arrangements satisfactory to Alliance regarding payment thereof, Alliance may withhold any unpaid portion thereof from any amount otherwise due the recipient from Alliance.

AMENDMENT
TO THE
PROFIT SHARING PLAN FOR EMPLOYEES
OF
ALLIANCE CAPITAL MANAGEMENT L.P.

Amendment (this "**Amendment**"), dated as of December 28, 2005, to the Profit Sharing Plan for Employees of Alliance Capital Management L.P. (the "**Plan**").

WHEREAS, Alliance Capital Management L.P. ("Alliance") desires to amend the Plan as provided herein; and

WHEREAS, pursuant to Section 15.01 of the Plan, Alliance has the authority to amend the Plan, subject to action by the Board of Directors of the general partner of Alliance, or a Committee thereof designated by such Board;

NOW, THEREFORE, the Plan is hereby amended, effective January 1, 2006, unless otherwise specified, as follows:

1. Section 1.24(a)(2) is amended in its entirety to read as follows:

(2) each hour of a period during which no duties are performed due to vacation, holiday, illness, incapacity, layoff, jury duty, military duty or leave of absence, determined in accordance with the following rule: he shall be credited with (45) Hours of Service for each week or partial week of the period of absence.

2. Section 1.24(c) is amended to read as follows:

(c) An Employee's Hours of Service need not be determined from employment records, and such Employee may, in accordance with uniform and non-discriminatory rules adopted by the Committee, be credited with forty-five (45) Hours of Service for each week in which he would be credited with any Hours of Service under the provisions of Subsection (a) or (b).

3. Section 1.28 is amended to read as follows:

Section 1.28. "Leave of Absence" means any absence on leave approved by an Employee's Employer.

4. Section 2.04(c) is amended in its entirety to read as follows:

(c) "Eligible Spouse" means, except to the extent as may otherwise be provided in any "qualified domestic relations order" within the meaning of Code Section 414(p):

(1) in the case of a Member who dies before the commencement of any installment payments pursuant to Section 10.01(b), his lawfully married spouse on the date of his death.

(2) in the case of a Member who dies after the commencement of any installment payments pursuant to Section 10.01(b), his lawfully married spouse on the date such payments commenced.

5. Section 5.01 of the Plan is amended to read as follows:

Section 5.01. Member Salary Deferral Elections.

For each Plan Year beginning after December 31, 2005, any Member may elect to defer the receipt of a portion (or such other amount as the Committee may direct) of his "Salary Reduction Compensation" while a Member for the Plan Year, in such increments that the Committee may decide, and direct the Employer to contribute the amount so deferred into the Trust to be invested in the Investment Fund or Funds designated by the Member. A Member's election shall be made in a form prescribed by the Committee filed with the Member's Employer, prior to the date that the Compensation would, but for the election, be made available to the Member, and the election shall remain in effect until it is modified or terminated, all in accordance with rules established by the Committee. In no event may a Member's salary deferral exceed the $15,000 dollar limitation (or any higher amount that may be allowed by Treasury Regulations), as provided in Code Section 402(g). Any Member's salary deferral for any pay period may be further adjusted, at the Committee's direction and discretion, to comply with the discrimination standards applicable to Code Section 401(k) arrangements in particular, to all plans qualified under Code Section 401(a) in general, and/or with the limitations contained in Article XVI.

"Salary Reduction Compensation" means a Member's base salary, draw, overtime pay, bonuses and commissions received for services rendered to an Employer, which term shall include the amount of a Member's Salary Deferral, but shall not include, by way of example rather than by way of limitation, severance pay, distributions on Units, reimbursement for moving expenses, reimbursement for educational or other expenses, contributions or benefits paid under this Plan or any other plan of deferred compensation, expatriate tax equalization or similar payments, or any other extraordinary item of compensation or income. In addition, Salary Reduction Compensation shall not

---

include amounts paid to non-resident aliens which do not constitute income from United States sources (within the meaning of Code Section 862) except in the case of a non-resident alien who is a Member and for whom the Company so specifies. Salary Reduction Compensation for any Plan Year shall not exceed the applicable Code Section 401(a)(17) dollar limit.

6. Section 5.05(c)(v) is amended by substituting the words “Salary Reduction Compensation” for the word “Compensation” where it appears therein.

7. Section 10.01 is amended to read as follows:

Section 10.01. Retirement Benefits.

Retirement benefits, determined pursuant to Section 9.01, shall be paid in either of the following modes or any combination thereof:

(a) in a single cash sum, valued as of the Accounting Date immediately preceding the payment.

(b) in regular annual installments of approximately equal value in cash, provided that the present value of the payments expected to be distributed to the Member must exceed one-half (½) the amount accumulated in the Member’s Accounts determined as of an Accounting Date coincident with or immediately prior to the Accounting Date immediately preceding the date installments are to commence. An Account being distributed in installments shall be appropriately adjusted in accordance within Section 8.01 until fully distributed.

8. Section 10.03 is amended to read as follows:

Section 10.03. Death Benefits.

Death benefits, determined pursuant to Section 9.03, shall be paid to the Member’s Beneficiary in a single cash sum as soon as reasonably practicable after the Accounting Date coincident with or next following the Member’s Death.

9. Section 10.09 is amended to read as follows:

Section 10.09. Consent to Distributions.

No amount shall be distributed to a Member pursuant to Section 10.01, 10.02 or 10.04 without his written consent, unless the amount to be distributed to the Member is not in excess of $5,000. In the event a Member’s consent to a distribution is required pursuant to this Section 10.09, such distribution shall be made or commence to be made as

soon as reasonably practicable after the Accounting Date coincident with or next following the date on which such consent is received by the Committee.

Effective as of March 28, 2005, the $5,000 referenced in the above paragraph shall be changed to $1,000.

AMENDMENT TO THE
RETIREMENT PLAN FOR EMPLOYEES OF
ALLIANCE CAPITAL MANAGEMENT L.P.

The following Amendment is made to the Retirement Plan for Employees of Alliance Capital Management L.P. (the "Plan").

WHEREAS, Alliance desires to amend the Plan to eliminate the one-year durational requirement that an individual must satisfy to qualify as surviving spouse or domestic partner under the Plan; and

WHEREAS, to comply with certain provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001 pertaining to mandatory rollovers of involuntarily cashed-out small benefit amounts to an IRA, Alliance Capital Management L.P. ("Alliance") desires to amend the Plan to reduce the involuntary cash-out threshold under the Plan from $5,000 to $1,000, obviating the need to administer automatic IRA rollovers; and

WHEREAS, Alliance desires to amend the Plan to adopt the IRS-prescribed model amendment published in Revenue Procedure 2002-29, reflecting the minimum required distribution requirements under Section 401(a)(9) of the Internal Revenue Code and the final regulations thereunder; and

WHEREAS, pursuant to Section 13.01 of the Plan, Alliance has the authority to amend the Plan by action of the Board of Directors of the General Partner of Alliance or its duly designated delegate;

NOW, THEREFORE, the Plan is hereby amended as follows, effective as of the dates specified below:

1. Effective as of January 1, 2006, with respect to all Plan Participants, active or terminated, who have a benefit interest under the Plan as of January 1, 2006, the Plan is amended to eliminate the one-year durational requirement that an individual must satisfy to qualify as surviving spouse or surviving domestic partner of a Participant under the Plan, as follows:

(a) Section 1.18.1 (definition of Domestic Partner) is amended to strike the phrase "during the entire one (1) year period ending on the Participant's date of death" from the end of the first sentence thereof.

(b) Section 1.48 (definition of Spouse) is amended to strike the phrase "during the entire one (1) year period ending on the Participant's date of death" from the end of the first sentence of subparagraph (a) thereof.

2. Effective as of March 28, 2005, Subsection 3.03(a) is amended by adding the following new language at the end thereof:

"Effective as of March 28, 2005, single-sum payments pursuant to sub-paragraph 3.03(a)(2)(A) will be made without the Participant's consent if the amount of the distribution is $1,000 or less and will be made only with the Participant's consent if the amount exceeds $1,000 but is not in excess of $5,000."

3. Effective as of January 1, 2003, the Plan is amended as follows to reflect the final IRS regulations under Section 401(a)(9) of the Internal Revenue Code:

(a) A new Section 6.05(h) is added to the Plan to read as follows:

"(h) Notwithstanding any provision of this Plan to the contrary, the provisions of this Section 6.05 shall be construed in a manner that complies with Section 401(a)(9) of the Code and the final Treasury Regulations thereunder, as reflected in Appendix A to the Plan."

(b) A new Appendix A is added to the end of the Plan to read as follows:

"APPENDIX A"

REQUIRED MINIMUM DISTRIBUTION RULES

Section 1. *General Rules*

1.1. *Effective Date*. The provisions of this Appendix will apply for purposes of determining required minimum distributions for calendar years beginning with the 2003 calendar year.

1.2. *Scope.* This Appendix A describes the required distribution rules for Participants who have reached their Required Beginning Date, as those terms are defined in the Plan, as well as the incidental death benefit requirements. The terms of this Appendix A shall apply solely to the extent required under Code Section 401(a)(9) and shall be null and void to the extent that they are not required under Section 401(a)(9) of the Code. This Appendix A is not intended to defer the timing of a distribution beyond the date otherwise required under the Plan or to create any benefits (including but not limited to death benefits) or distribution forms that are not otherwise offered under the Plan. Any capitalized terms not otherwise defined in this Appendix A have the meaning given those terms in the Plan.

1.3. *Precedence*. The requirements of this Appendix A will take precedence over any inconsistent provisions of the plan.

1.4. *Requirements of Treasury Regulations Incorporated.* All distributions required under this Appendix A will be determined and made in accordance with the Treasury Regulations under section 401(a)(9) of the Internal Revenue Code.

1.5. TEFRA Section 242(b)(2) Elections. Notwithstanding the other provisions of this Appendix A, other than section 1.4, distributions may be made under a designation made before January 1, 1984, in accordance with section 242(b)(2) of the Tax Equity and Fiscal Responsibility Act (TEFRA) and any provisions of the Plan that relate to section 242(b)(2) of TEFRA.

Section 2. *Time and Manner of Distribution.*

2.1. *Required Beginning Date*. The Participant's entire interest will be distributed, or begin to be distributed, to the Participant no later than the Participant's Required Beginning Date.

2.2. *Death of Participant Before Distributions Begin*. If the Participant dies before distributions begin, the Participant's entire interest will be distributed, or begin to be distributed, no later than as follows:

(a) If the Participant's surviving Spouse is the Participant's sole designated beneficiary, then distributions to the surviving Spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, or by December 31 of the calendar year in which the Participant would have attained age 70 1/2, if later.

(b) If the Participant's surviving Spouse is not the Participant's sole designated beneficiary, then distributions to the designated beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died.

(c) If there is no designated beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(d) If the Participant's surviving Spouse is the Participant's sole designated beneficiary and the surviving Spouse dies after the Participant but before distributions to the surviving Spouse begin, this section 2.2, other than section 2.2(a), will apply as if the surviving Spouse were the Participant.

For purposes of this section 2.2 and section 5, distributions are considered to begin on the Participant's Required Beginning Date (or, if section 2.2(d) applies, the date distributions are required to begin to the surviving Spouse under section 2.2(a)). If annuity payments irrevocably commence to the Participant before the Participant's Required Beginning Date (or to the Participant's surviving Spouse before the date distributions are required to begin to the surviving Spouse under section 2.2(a)), the date distributions are considered to begin is the date distributions actually commence.

2.3. *Form of Distribution*. Unless the Participant's interest is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the Required Beginning Date, as of the first distribution calendar year distributions will be made in accordance with sections 3, 4 and 5 of this Appendix A. If the Participant's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of section 401(a)(9) of the Code and the Treasury Regulations. Any part of the Participant's interest which is in the form of an individual account described in section 414(k) of the Code will be distributed in a manner satisfying the requirements of section 401(a)(9) of the Code and the Treasury Regulations that apply to individual accounts.

Section 3. *Determination of Amount to be Distributed Each Year*.

3.1. *General Annuity Requirements*. If the Participant's interest is paid in the form of annuity distributions under the plan, payments under the annuity will satisfy the following requirements:

(a) the annuity distributions will be paid in periodic payments made at intervals not longer than one year;

(b) the distribution period will be over a life (or lives) or over a period certain not longer than the period described in section 4 or 5;

(c) once payments have begun over a period certain, the period certain will not be changed even if the period certain is shorter than the maximum permitted;

(d) payments will either be nonincreasing or increase only as follows:

(1) by an annual percentage increase that does not exceed the annual percentage increase in a cost-of-living index that is based on prices of all items and issued by the Bureau of Labor Statistics;

(2) to the extent of the reduction in the amount of the Participant's payments to provide for a survivor benefit upon death, but only if the Beneficiary whose life was being used to determine the distribution period described in section 4 dies or is no longer the Participant's Beneficiary pursuant to a qualified domestic relations order within the meaning of section 414(p);

(3) to provide cash refunds of employee contributions upon the Participant's death; or

(4) to pay increased benefits that result from a plan amendment.

3.2. *Amount Required to be Distributed by Required Beginning Date*. The amount that must be distributed on or before the Participant's Required Beginning Date (or, if the Participant dies before distributions begin, the date distributions are required to begin under section 2.2(a) or (b)) is the

payment that is required for one payment interval. The second payment need not be made until the end of the next payment interval even if that payment interval ends in the next calendar year. Payment intervals are the periods for which payments are received, e.g., bi-monthly, monthly, semi-annually, or annually. All of the Participant's benefit accruals as of the last day of the first distribution calendar year will be included in the

calculation of the amount of the annuity payments for payment intervals ending on or after the Participant's Required Beginning Date.

3.3. *Additional Accruals After First Distribution Calendar Year*. Any additional benefits accruing to the Participant in a calendar year after the first distribution calendar year will be distributed beginning with the first payment interval ending in the calendar year immediately following the calendar year in which such amount accrues.

Section 4. *Requirements For Annuity Distributions That Commence During Participant's Lifetime.*

4.1. *Joint Life Annuities Where the Beneficiary Is Not the Participant's Spouse.* If the Participant's interest is being distributed in the form of a joint and survivor annuity for the joint lives of the Participant and a nonspouse Beneficiary, annuity payments to be made on or after the Participant's Required Beginning Date to the designated beneficiary after the Participant's death must not at any time exceed the applicable percentage of the annuity payment for such period that would have been payable to the Participant using the table set forth in Q&A-2 of section 1.401(a)(9)-6T of the Treasury Regulations. If the form of distribution combines a joint and survivor annuity for the joint lives of the Participant and a nonspouse Beneficiary and a period certain annuity, the requirement in the preceding sentence will apply to annuity payments to be made to the designated beneficiary after the expiration of the period certain.

4.2. *Period Certain Annuities*. Unless the Participant's Spouse is the sole designated beneficiary and the form of distribution is a period certain and no life annuity, the period certain for an annuity distribution commencing during the Participant's lifetime may not exceed the applicable distribution period for the Participant under the Uniform Lifetime Table set forth in section 1.401(a)(9)-9 of the Treasury Regulations for the calendar year that contains the annuity starting date. If the annuity starting date precedes the year in which the Participant reaches age 70, the applicable distribution period for the Participant is the distribution period for age 70 under the Uniform Lifetime Table set forth in section 1.401(a)(9)-9 of the Treasury Regulations plus the excess of 70 over the age of the Participant as of the Participant's birthday in the year that contains the annuity starting date. If the Participant's Spouse is the Participant's sole designated beneficiary and the form of distribution is a period certain and no life annuity, the period certain may not exceed the longer of the Participant's applicable distribution period, as determined under this section 4.2, or the joint life and last survivor expectancy of the Participant and the Participant's Spouse as determined under the Joint and Last Survivor Table set forth in section 1.401(a)(9)-9 of the Treasury Regulations, using the Participant's and Spouse's attained ages as of the Participant's and

Spouse's birthdays in the calendar year that contains the annuity starting date.

Section 5. *Requirements For Minimum Distributions Where Participant Dies Before Date Distributions Begin*.

5.1. *Participant Survived by Designated Beneficiary.* If the Participant dies before the date distribution of his or her interest begins and there is a designated beneficiary, the Participant's entire interest will be distributed, beginning no later than the time described in section 2.2(a) or (b), over the life of the designated beneficiary or over a period certain not exceeding:

(a) unless the annuity starting date is before the first distribution calendar year, the life expectancy of the designated beneficiary determined using the Beneficiary's age as of the Beneficiary's birthday in the calendar year immediately following the calendar year of the Participant's death; or

(b) if the annuity starting date is before the first distribution calendar year, the life expectancy of the designated beneficiary determined using the Beneficiary's age as of the Beneficiary's birthday in the calendar year that contains the annuity starting date.

5.2. *No Designated Beneficiary.* If the Participant dies before the date distributions begin and there is no designated beneficiary as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

5.3. *Death of Surviving Spouse Before Distributions to Surviving Spouse Begin.* If the Participant dies before the date distribution of his or her interest begins, the Participant's surviving Spouse is the Participant's sole designated beneficiary, and the surviving Spouse dies before distributions to the surviving Spouse begin, this section 5 will apply as if the surviving Spouse were the Participant, except that the time by which distributions must begin will be determined without regard to section 2.2(a).

Section 6. *Definitions*.

6.1. *Designated beneficiary*. The individual who is designated as the Beneficiary under section 1.09 of the Plan and is the designated beneficiary under section 401(a)(9) of the Internal Revenue Code and section 1.401(a)(9)-1, Q&A-4, of the Treasury Regulations.

6.2. *Distribution calendar year*. A calendar year for which a minimum distribution is required. For distributions beginning before the Participant's

death, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the Participant's Required Beginning Date. For distributions beginning after the Participant's death, the first distribution calendar year is the calendar year in which distributions are required to begin pursuant to section 2.2.

6.3 *Life expectancy*. Life expectancy as computed by use of the Single Life Table in section 1.401(a)(9)-9 of the Treasury Regulations.

6.4. *Required Beginning Date*. The date specified in section 1.43 of the Plan."

Exhibit 12.1

AllianceBernstein L.P.
Consolidated Ratio Of Earnings To Fixed Charges
(In Thousands)

	Years Ended		
	12/31/2005	12/31/2004	12/31/2003
Fixed Charges:			
Interest Expense	$ 25,109	$ 24,232	$ 25,286
Estimate of Interest Component In Rent Expense (1)	—	—	—
Total Fixed Charges	$ 25,109	$ 24,232	$ 25,286
Earnings:			
Income Before Income Taxes	$ 932,889	$ 745,082	$ 358,488
Other	5,664	14,030	1,236
Fixed Charges	25,109	24,232	25,286
Total Earnings	$ 963,662	$ 783,344	$ 385,010
Consolidated Ratio Of Earnings To Fixed Charges	38.38	32.33	15.23

(1) AllianceBernstein L.P. has not entered into financing leases during these periods.

Exhibit 21.1

Subsidiaries of
ALLIANCEBERNSTEIN

Each of the entities listed below are wholly-owned subsidiaries of AllianceBernstein, unless a specific percentage ownership is indicated:

AllianceBernstein Corporation of Delaware
(Delaware)

Sanford C. Bernstein & Co., LLC
(Delaware)

AllianceBernstein Investments, Inc.
(Delaware)

AllianceBernstein Investor Services, Inc.
(Delaware)

AllianceBernstein Global Derivatives Corporation
(Delaware)

Alliance Corporate Finance Group Incorporated
(Delaware)

AllianceBernstein Oceanic Corporation
(Delaware)

ACM Software Services Ltd.
(Delaware)

Alliance Capital Management (Asia) Ltd.
(Delaware)

Alliance Eastern Europe Inc.
(Delaware)

Alliance Barra Research Institute, Inc.
(Delaware)

Cursitor Alliance LLC
(Delaware)

Meiji-Alliance Capital Corporation
(Delaware; 50% owned)

Alliance Capital Management LLC
(Delaware)

Alliance Capital Management Funding LLC
(Delaware)

AllianceBernstein Canada, Inc.
(Canada)

AllianceBernstein Latin America Ltda.
(Brazil)

AllianceBernstein International (Argentina) SRL
(Argentina)

AllianceBernstein Limited
(UK)

AllianceBernstein Services Limited
(UK)

AllianceBernstein Fixed Income Limited
(UK)

ACM Investments Limited

(UK)

Sanford C. Bernstein Limited
(UK)

Sanford C. Bernstein (CREST Nominees) Limited
(UK)

Whittingdale Holdings Limited
(UK)

Alliance Capital (Luxembourg) S.A.
(Luxembourg)

ACM Bernstein International (France) SAS
(France)

ACM Bernstein GmbH
(Germany)

ACM Bernstein International (Deutschland) GmbH
(Germany)

AllianceBernstein Investment Research (Proprietary) Limited
(South Africa)

AllianceBernstein Investment Research and Management (India) Pvt. Ltd.
(India)

ACAM Trust Company Private Limited
(India)

Alliance Capital (Mauritius) Private Limited
(Mauritius)

AllianceBernstein Investment Management Australia Limited
(Australia)

AllianceBernstein Australia Limited
(Australia; 50% owned)

AllianceBernstein New Zealand Limited
(New Zealand; 50% owned)

AllianceBernstein (Singapore) Ltd.
(Singapore)

Alliance Capital (Taiwan) Ltd.
(Taiwan)

Far Eastern-Alliance Asset Management Ltd.
(Taiwan; 20% owned)

AllianceBernstein Japan Ltd.
(Japan)

New-Alliance Asset Management (Asia) Limited (“New-Alliance”)
(Hong Kong; 50% owned)

ACM New-Alliance (Luxembourg) S.A.
(Luxembourg; 99% owned by New-Alliance)

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

General Partner and Unitholders
AllianceBernstein L.P.:

We consent to the incorporation by reference in the registration statements (No. 333-64886) on Form S-3 and (No. 333-47192) on Form S-8 of AllianceBernstein L.P. and subsidiaries ("AllianceBernstein"), formerly Alliance Capital Management L.P., of our reports dated February 24, 2006, with respect to the consolidated statements of financial condition of AllianceBernstein as of December 31, 2005 and 2004, and the related consolidated statements of income, changes in partners' capital and comprehensive income and cash flows for each of the years in the three-year period ended December 31, 2005, management's assessment of the effectiveness of internal control over financial reporting as of December 31, 2005 and the effectiveness of internal control over financial reporting as of December 31, 2005, which reports appear in the December 31, 2005 annual report on Form 10-K of AllianceBernstein. We also consent to the incorporation by reference of our report dated February 24, 2006 relating to the financial statement schedule, that is referenced in Item 15 (a) of this Form 10-K.

/s/ KPMG LLP

New York, New York
February 24, 2006

Exhibit 24.1

POWER-OF-ATTORNEY

KNOWN TO ALL MEN BY THESE PRESENTS, that the person whose signature appears below hereby revokes all prior powers granted by the undersigned to the extent inconsistent herewith and constitutes and appoints Laurence E. Cranch and Adam R. Spilka, and each of them, to act severally as attorneys-in-fact and agents, with full power of substitution and re-substitution, for the undersigned in any and all capacities, for the purposes of signing the AllianceBernstein L.P. Annual Report on Form 10-K and the AllianceBernstein Holding L.P. Annual Report on Form 10-K for the fiscal year ended December 31, 2005, and any amendments thereto, and filing the same, with exhibits thereto, and other documents in connection therewith, with the U.S. Securities and Exchange Commission, hereby ratifying and confirming all that said attorneys-in-fact, or their substitute or substitutes, may do or cause to be done by virtue hereof.

Date: February 15, 2006

/s/ Dominique Carrel-Billiard
Dominique Carrel-Billiard

Exhibit 24.2

POWER-OF-ATTORNEY

KNOWN TO ALL MEN BY THESE PRESENTS, that the person whose signature appears below hereby revokes all prior powers granted by the undersigned to the extent inconsistent herewith and constitutes and appoints Laurence E. Cranch and Adam R. Spilka, and each of them, to act severally as attorneys-in-fact and agents, with full power of substitution and re-substitution, for the undersigned in any and all capacities, for the purposes of signing the AllianceBernstein L.P. Annual Report on Form 10-K and the AllianceBernstein Holding L.P. Annual Report on Form 10-K for the fiscal year ended December 31, 2005, and any amendments thereto, and filing the same, with exhibits thereto, and other documents in connection therewith, with the U.S. Securities and Exchange Commission, hereby ratifying and confirming all that said attorneys-in-fact, or their substitute or substitutes, may do or cause to be done by virtue hereof.

Date: February 15, 2006

/s/ Henri de Castries
Henri de Castries

Exhibit 24.3

POWER-OF-ATTORNEY

KNOWN TO ALL MEN BY THESE PRESENTS, that the person whose signature appears below hereby revokes all prior powers granted by the undersigned to the extent inconsistent herewith and constitutes and appoints Laurence E. Cranch and Adam R. Spilka, and each of them, to act severally as attorneys-in-fact and agents, with full power of substitution and re-substitution, for the undersigned in any and all capacities, for the purposes of signing the AllianceBernstein L.P. Annual Report on Form 10-K and the AllianceBernstein Holding L.P. Annual Report on Form 10-K for the fiscal year ended December 31, 2005, and any amendments thereto, and filing the same, with exhibits thereto, and other documents in connection therewith, with the U.S. Securities and Exchange Commission, hereby ratifying and confirming all that said attorneys-in-fact, or their substitute or substitutes, may do or cause to be done by virtue hereof.

Date: February 15, 2006

/s/ Christopher M. Condron
Christopher M. Condron

Exhibit 24.4

POWER-OF-ATTORNEY

KNOWN TO ALL MEN BY THESE PRESENTS, that the person whose signature appears below hereby revokes all prior powers granted by the undersigned to the extent inconsistent herewith and constitutes and appoints Laurence E. Cranch and Adam R. Spilka, and each of them, to act severally as attorneys-in-fact and agents, with full power of substitution and re-substitution, for the undersigned in any and all capacities, for the purposes of signing the AllianceBernstein L.P. Annual Report on Form 10-K and the AllianceBernstein Holding L.P. Annual Report on Form 10-K for the fiscal year ended December 31, 2005, and any amendments thereto, and filing the same, with exhibits thereto, and other documents in connection therewith, with the U.S. Securities and Exchange Commission, hereby ratifying and confirming all that said attorneys-in-fact, or their substitute or substitutes, may do or cause to be done by virtue hereof.

Date: February 15, 2006

/s/ Denis Duverne
Denis Duverne

Exhibit 24.5

POWER-OF-ATTORNEY

KNOWN TO ALL MEN BY THESE PRESENTS, that the person whose signature appears below hereby revokes all prior powers granted by the undersigned to the extent inconsistent herewith and constitutes and appoints Laurence E. Cranch and Adam R. Spilka, and each of them, to act severally as attorneys-in-fact and agents, with full power of substitution and re-substitution, for the undersigned in any and all capacities, for the purposes of signing the AllianceBernstein L.P. Annual Report on Form 10-K and the AllianceBernstein Holding L.P. Annual Report on Form 10-K for the fiscal year ended December 31, 2005, and any amendments thereto, and filing the same, with exhibits thereto, and other documents in connection therewith, with the U.S. Securities and Exchange Commission, hereby ratifying and confirming all that said attorneys-in-fact, or their substitute or substitutes, may do or cause to be done by virtue hereof.

Date: February 15, 2006

/s/ Roger Hertog
Roger Hertog

Exhibit 24.6

POWER-OF-ATTORNEY

KNOWN TO ALL MEN BY THESE PRESENTS, that the person whose signature appears below hereby revokes all prior powers granted by the undersigned to the extent inconsistent herewith and constitutes and appoints Laurence E. Cranch and Adam R. Spilka, and each of them, to act severally as attorneys-in-fact and agents, with full power of substitution and re-substitution, for the undersigned in any and all capacities, for the purposes of signing the AllianceBernstein L.P. Annual Report on Form 10-K and the AllianceBernstein Holding L.P. Annual Report on Form 10-K for the fiscal year ended December 31, 2005, and any amendments thereto, and filing the same, with exhibits thereto, and other documents in connection therewith, with the U.S. Securities and Exchange Commission, hereby ratifying and confirming all that said attorneys-in-fact, or their substitute or substitutes, may do or cause to be done by virtue hereof.

Date: February 15, 2006

/s/ Weston M. Hicks
Weston M. Hicks

Exhibit 24.7

POWER-OF-ATTORNEY

KNOWN TO ALL MEN BY THESE PRESENTS, that the person whose signature appears below hereby revokes all prior powers granted by the undersigned to the extent inconsistent herewith and constitutes and appoints Laurence E. Cranch and Adam R. Spilka, and each of them, to act severally as attorneys-in-fact and agents, with full power of substitution and re-substitution, for the undersigned in any and all capacities, for the purposes of signing the AllianceBernstein L.P. Annual Report on Form 10-K and the AllianceBernstein Holding L.P. Annual Report on Form 10-K for the fiscal year ended December 31, 2005, and any amendments thereto, and filing the same, with exhibits thereto, and other documents in connection therewith, with the U.S. Securities and Exchange Commission, hereby ratifying and confirming all that said attorneys-in-fact, or their substitute or substitutes, may do or cause to be done by virtue hereof.

Date: February 15, 2006

/s/ W. Edwin Jarmain
W. Edwin Jarmain

Exhibit 24.8

POWER-OF-ATTORNEY

KNOWN TO ALL MEN BY THESE PRESENTS, that the person whose signature appears below hereby revokes all prior powers granted by the undersigned to the extent inconsistent herewith and constitutes and appoints Laurence E. Cranch and Adam R. Spilka, and each of them, to act severally as attorneys-in-fact and agents, with full power of substitution and re-substitution, for the undersigned in any and all capacities, for the purposes of signing the AllianceBernstein L.P. Annual Report on Form 10-K and the AllianceBernstein Holding L.P. Annual Report on Form 10-K for the fiscal year ended December 31, 2005, and any amendments thereto, and filing the same, with exhibits thereto, and other documents in connection therewith, with the U.S. Securities and Exchange Commission, hereby ratifying and confirming all that said attorneys-in-fact, or their substitute or substitutes, may do or cause to be done by virtue hereof.

Date: February 15, 2006

/s/ Gerald M. Lieberman
Gerald M. Lieberman

Exhibit 24.9

POWER-OF-ATTORNEY

KNOWN TO ALL MEN BY THESE PRESENTS, that the person whose signature appears below hereby revokes all prior powers granted by the undersigned to the extent inconsistent herewith and constitutes and appoints Laurence E. Cranch and Adam R. Spilka, and each of them, to act severally as attorneys-in-fact and agents, with full power of substitution and re-substitution, for the undersigned in any and all capacities, for the purposes of signing the AllianceBernstein L.P. Annual Report on Form 10-K and the AllianceBernstein Holding L.P. Annual Report on Form 10-K for the fiscal year ended December 31, 2005, and any amendments thereto, and filing the same, with exhibits thereto, and other documents in connection therewith, with the U.S. Securities and Exchange Commission, hereby ratifying and confirming all that said attorneys-in-fact, or their substitute or substitutes, may do or cause to be done by virtue hereof.

Date: February 15, 2006

/s/ Nicolas Moreau
Nicolas Moreau

Exhibit 24.10

POWER-OF-ATTORNEY

KNOWN TO ALL MEN BY THESE PRESENTS, that the person whose signature appears below hereby revokes all prior powers granted by the undersigned to the extent inconsistent herewith and constitutes and appoints Laurence E. Cranch and Adam R. Spilka, and each of them, to act severally as attorneys-in-fact and agents, with full power of substitution and re-substitution, for the undersigned in any and all capacities, for the purposes of signing the AllianceBernstein L.P. Annual Report on Form 10-K and the AllianceBernstein Holding L.P. Annual Report on Form 10-K for the fiscal year ended December 31, 2005, and any amendments thereto, and filing the same, with exhibits thereto, and other documents in connection therewith, with the U.S. Securities and Exchange Commission, hereby ratifying and confirming all that said attorneys-in-fact, or their substitute or substitutes, may do or cause to be done by virtue hereof.

Date: February 15, 2006

/s/ Lorie A. Slutsky
Lorie A. Slutsky

Exhibit 24.11

POWER-OF-ATTORNEY

KNOWN TO ALL MEN BY THESE PRESENTS, that the person whose signature appears below hereby revokes all prior powers granted by the undersigned to the extent inconsistent herewith and constitutes and appoints Laurence E. Cranch and Adam R. Spilka, and each of them, to act severally as attorneys-in-fact and agents, with full power of substitution and re-substitution, for the undersigned in any and all capacities, for the purposes of signing the AllianceBernstein L.P. Annual Report on Form 10-K and the AllianceBernstein Holding L.P. Annual Report on Form 10-K for the fiscal year ended December 31, 2005, and any amendments thereto, and filing the same, with exhibits thereto, and other documents in connection therewith, with the U.S. Securities and Exchange Commission, hereby ratifying and confirming all that said attorneys-in-fact, or their substitute or substitutes, may do or cause to be done by virtue hereof.

Date: February 15, 2006

/s/ A.W. (Pete) Smith, Jr.
A.W. (Pete) Smith, Jr.

Exhibit 24.12

POWER-OF-ATTORNEY

KNOWN TO ALL MEN BY THESE PRESENTS, that the person whose signature appears below hereby revokes all prior powers granted by the undersigned to the extent inconsistent herewith and constitutes and appoints Laurence E. Cranch and Adam R. Spilka, and each of them, to act severally as attorneys-in-fact and agents, with full power of substitution and re-substitution, for the undersigned in any and all capacities, for the purposes of signing the AllianceBernstein L.P. Annual Report on Form 10-K and the AllianceBernstein Holding L.P. Annual Report on Form 10-K for the fiscal year ended December 31, 2005, and any amendments thereto, and filing the same, with exhibits thereto, and other documents in connection therewith, with the U.S. Securities and Exchange Commission, hereby ratifying and confirming all that said attorneys-in-fact, or their substitute or substitutes, may do or cause to be done by virtue hereof.

Date: February 15, 2006

/s/ Peter J. Tobin
Peter J. Tobin

Exhibit 24.13

POWER-OF-ATTORNEY

KNOWN TO ALL MEN BY THESE PRESENTS, that the person whose signature appears below hereby revokes all prior powers granted by the undersigned to the extent inconsistent herewith and constitutes and appoints Laurence E. Cranch and Adam R. Spilka, and each of them, to act severally as attorneys-in-fact and agents, with full power of substitution and re-substitution, for the undersigned in any and all capacities, for the purposes of signing the AllianceBernstein L.P. Annual Report on Form 10-K and the AllianceBernstein Holding L.P. Annual Report on Form 10-K for the fiscal year ended December 31, 2005, and any amendments thereto, and filing the same, with exhibits thereto, and other documents in connection therewith, with the U.S. Securities and Exchange Commission, hereby ratifying and confirming all that said attorneys-in-fact, or their substitute or substitutes, may do or cause to be done by virtue hereof.

Date: February 15, 2006

/s/ Stanley B. Tulin
Stanley B. Tulin

Exhibit 31.1

I, Lewis A. Sanders, Chief Executive Officer, certify that:

1. I have reviewed this annual report on Form 10-K of Alliance Capital Management L.P. (to be known as AllianceBernstein L.P.);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 22, 2006

/s/ Lewis A. Sanders

Lewis A. Sanders
Chief Executive Officer
Alliance Capital Management Corporation (to be known as AllianceBernstein Corporation), General Partner of
Alliance Capital Management L.P.

Exhibit 31.2

I, Robert H. Joseph, Jr., Chief Financial Officer, certify that:

1. I have reviewed this annual report on Form 10-K of Alliance Capital Management L.P. (to be known as AllianceBernstein L.P.);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 22, 2006

/s/ Robert H. Joseph, Jr.
Robert H. Joseph, Jr.
Chief Financial Officer
Alliance Capital Management Corporation (to be known as AllianceBernstein Corporation), General Partner of
Alliance Capital Management L.P.

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Alliance Capital Management L.P. (to be known as AllianceBernstein L.P., the "Company") on Form 10-K for the period ended December 31, 2005 to be filed with the Securities and Exchange Commission on or about February 24, 2006 (the "Report"), I, Lewis A. Sanders, Chief Executive Officer of Alliance Capital Management Corporation (to be known as AllianceBernstein Corporation), general partner of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 22, 2006

/s/ Lewis A. Sanders
Lewis A. Sanders
Chief Executive Officer
Alliance Capital Management Corporation

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Alliance Capital Management L.P. (to be known as AllianceBernstein L.P., the "Company") on Form 10-K for the period ended December 31, 2005 to be filed with the Securities and Exchange Commission on or about February 24, 2006 (the "Report"), I, Robert H. Joseph, Jr., Chief Financial Officer of Alliance Capital Management Corporation (to be known as AllianceBernstein Corporation), general partner of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 22, 2006

/s/ Robert H. Joseph, Jr.
Robert H. Joseph, Jr.
Chief Financial Officer
Alliance Capital Management Corporation