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, 2006

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 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 Act). Yes o No ☒

The number of units of limited partnership interest outstanding as of January 31, 2007 was 259,313,247.

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

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GLOSSARY OF CERTAIN DEFINED TERMS

"**AllianceBernstein**" — AllianceBernstein L.P. (Delaware limited partnership formerly known as Alliance Capital Management L.P., "**Alliance Capital**"), 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), 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, a unit of AllianceBernstein that services private clients.

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

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

"**ERISA**" — the Employee Retirement Income Security Act of 1974, as amended.

"**General Partner**"— AllianceBernstein Corporation (Delaware 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).

"**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.

"**NYSE**" — The New York Stock Exchange, Inc.

"**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 (U.K. company), a wholly-owned subsidiary of AllianceBernstein that provides institutional research services primarily in Europe.

"**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 ownership of limited partnership interests in AllianceBernstein.

We use “global” in this Form 10-K to refer to all nations, including the United States; we use “international” or “non-U.S.” to refer to nations other than the United States.

General

Clients

AllianceBernstein provides research, 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 desiring independent institutional research.

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

Our primary objective is to have more investment knowledge and to use it better than our competitors to help our clients achieve their investment goals and financial peace of mind. 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, and to comply with all applicable rules and regulations and internal compliance policies to which our business is subject. We pursue these goals through education of our employees to promote awareness of our fiduciary obligations, incentives that align employees’ interests with those of our clients, and a range of measures, including active monitoring, to ensure regulatory compliance. Some of the specific steps we’ve taken in recent years to help us achieve these goals include:

- revising our code of ethics to better align the interests of our employees with those of our clients;
- forming two committees composed primarily of executive management to oversee and resolve code of ethics and compliance-related issues;
- creating an ombudsman office, where employees and others can voice concerns on a confidential basis; and
- initiating firm-wide compliance and ethics training programs.

Research

Our high-quality, in-depth fundamental research is the foundation of our business. We believe that our global team of research professionals gives us a competitive advantage in achieving investment success for our clients.

Our research disciplines include fundamental research, quantitative research, economic research, and currency forecasting capabilities. In addition, we have created several specialist research units, including one unit that examines global strategic changes that can affect 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 to our clients:

- 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 with mutual funds sponsored by third parties, separately managed account programs that are sponsored by various financial intermediaries worldwide ("Separately Managed Account Programs"), and other investment vehicles (collectively, "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, we offer in-depth, independent, fundamental research, portfolio strategy, trading, and brokerage-related services ("Institutional Research Services").

This broad range of investment services is provided by a group of investment professionals with significant expertise in their respective disciplines. As of December 31, 2006, our 329 research analysts, located around the world, supported our 174 portfolio managers. Our portfolio managers have an average of 19 years of experience in the industry and 10 years of experience with AllianceBernstein. Together, they 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 services include:

- Growth equities, generally targeting stocks with under-appreciated growth potential;

- Value equities, generally targeting stocks that are out of favor and that may trade at bargain prices;

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

- Passive management, including both index and enhanced index strategies; and

- Blend strategies, combining style pure investment components with systematic rebalancing.

We manage these services 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 are an increasingly important component of our product line. As of December 31, 2006, blend AUM were $134 billion (representing 19% of our company-wide AUM), an increase of 52% from $88 billion as of December 31, 2005 and 154% from $53 billion as of December 31, 2004.

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

Global Reach

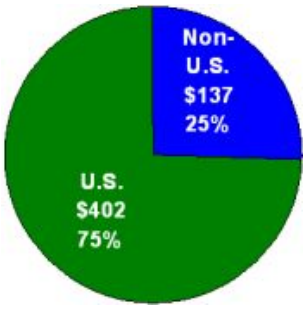
We serve clients in major global markets through operations in 47 cities in 24 countries. Our client base includes investors throughout the Americas, Europe, Asia, Africa, and Australia. We utilize an integrated global investment platform that provides our clients with access to local (country-specific), international, and global research and investment strategies.

Assets under management by client domicile and investment service as of December 31, 2006, 2005, and 2004 were as follows:

By Client Domicile ($ in billions):

December 31, 2006

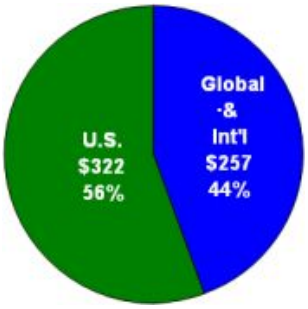
December 31, 2005



December 31, 2004

By Investment Service ($ in billions):

December 31, 2006



December 31, 2005

December 31, 2004

As the above charts indicate, our business continues to become increasingly global. Our international client base increased by 44% during 2006 and 30% during 2005 and, likewise, our global and international AUM increased by 50% during 2006 and 38% during 2005. In addition, approximately 76%, 69%, and 51% of our gross asset inflows (sales / new accounts) during 2006, 2005, and 2004, respectively, were invested in global and international investment services.

Revenues

We earn revenues by charging fees for managing the investment assets of, and providing research to, our clients. We generally calculate investment advisory fees as a percentage of the value of AUM, with such fees varying by type of investment service, 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 AUM generally result from market appreciation, positive investment performance for clients, or net asset inflows from new or existing clients. Similarly, decreases in AUM generally result from market depreciation, negative investment performance for clients, 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, and they are recorded as revenue at the end of the measurement period. Accordingly, as performance-based fees continue to become an increasingly important part of our business, the seasonality and volatility of our revenues and earnings may become more significant.

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

We earn revenues from clients to whom we provide fundamental research, trading, and brokerage-related services, generally in the form of transaction fees calculated as either “cents per share” or a percentage of the value of the securities traded for clients.

For additional information about possible fluctuation in our revenues, *see "Risk Factors" in Item 1A.*

Employees

As of December 31, 2006, we had 4,914 full-time employees, including 329 research analysts, 174 portfolio managers, 61 traders, and 28 professionals with other investment-related responsibilities. We have employed these professionals for an average period of approximately eight years, and their average investment experience is approximately 15 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 one of our joint ventures. Institutional Investment Services include actively managed equity accounts (including growth, value, and blend accounts), fixed income accounts, and balanced accounts (which combine equity and fixed income), 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, 2006, institutional assets under management were $455 billion, or 64% of our company-wide assets under management. For more information concerning institutional AUM, 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 certain of our affiliates (AXA and its subsidiaries), as well as certain sub-advisory relationships with unaffiliated sponsors of various other investment products. We manage approximately 2,200 separate accounts for these clients, which are located in more than 40 countries. As of December 31, 2006, we managed employee benefit plan assets for 47 of the Fortune 100 companies, and we managed public pension fund assets for 37 states and/or municipalities in those states.

Our Institutional Investment Services are becoming increasingly global. As of December 31, 2006, our institutional AUM invested in global and international investment services increased to $269 billion, or 59% of institutional AUM, from $172 billion, or 48% of institutional AUM, as of December 31, 2005, and from $124 billion, or 40% of institutional AUM, as of December 31, 2004. Similarly, as of December 31, 2006, the AUM we invested for clients domiciled outside the United States increased to $214 billion, or 47% of institutional AUM, from $137 billion, or 38% of institutional AUM, as of December 31, 2005, and from $103 billion, or 33% of institutional AUM, as of December 31, 2004.

Retail Services

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; mutual fund sub-advisory relationships; Separately Managed Account Programs; and other investment vehicles ("Retail Products"). As of December 31, 2006, retail AUM, which are determined by subtracting applicable liabilities from AUM, were $167 billion, or 23% 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 contribute to a well-diversified investment portfolio. We distribute our Retail Products through financial intermediaries, including broker-dealers, insurance sales representatives, banks, registered investment advisers, and financial planners.

Our Retail Products include 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 generally not offered to United States persons ("Non-U.S. Funds" and collectively with the U.S. Funds, "AllianceBernstein Funds"). They provide a broad range of investment options, including local and global growth equities, value equities, blend strategies, and fixed income securities. Also among these products are Separately Managed Account Programs, which are sponsored by various financial intermediaries worldwide 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 serves as the principal underwriter and distributor of the U.S. Funds. AllianceBernstein Investments employs approximately 175 sales representatives who devote their time exclusively to promoting the sale of U.S. Funds and certain other Retail Products by financial intermediaries. AllianceBernstein Investments services approximately 3.9 million shareholder accounts.

AllianceBernstein (Luxembourg) S.A. ("AllianceBernstein Luxembourg"), one of our wholly-owned subsidiaries, generally serves as the placing or distribution agent for the Non-U.S. Funds. AllianceBernstein Luxembourg employs approximately 65 sales representatives who devote their time exclusively to promoting the sale of Non-U.S. Funds and other Retail Products by financial intermediaries.

Our Retail Services are also becoming increasingly global. As of December 31, 2006, our retail AUM invested in global and international investment services increased to $86 billion, or 52% of retail AUM, from $65 billion, or 45% of retail AUM, as of December 31, 2005, and from $48 billion, or 30% of retail AUM, as of December 31, 2004. As of December 31, 2006, the AUM we invested for clients domiciled outside the U.S. increased to $40 billion, or 24% of retail AUM, from $39 billion, or 27% of retail AUM, as of December 31, 2005, and from $32 billion, or 19% of retail AUM, as of December 31, 2004.

We offer the following Retail Products to clients domiciled outside the United States:

- Internationally-distributed retail funds that currently offer 35 different portfolios to non-U.S. investors distributed by local financial intermediaries by means of distribution agreements in most major international markets (retail AUM in these funds totaled $23 billion as of December 31, 2006);

- Local-market funds that we distribute through financial intermediaries in specific countries, including Japan, Hong Kong, Singapore, and Taiwan (retail AUM in these funds totaled $5 billion as of December 31, 2006); and

- Retail sub-advisory mandates (AUM in these relationships totaled $12 billion as of December 31, 2006).

Our U.S. Funds, which include retail funds, our variable products series fund (an insurance product), and the Sanford C. Bernstein Funds (principally Private Client Services products), currently offer 124 different portfolios to U.S. investors. As of December 31, 2006, retail U.S. Funds AUM was approximately $58 billion, or 35% of total retail AUM. Because of the way they are marketed and serviced, we report substantially all of the AUM in the Sanford C. Bernstein Funds, which totaled $27 billion as of December 31, 2006, as private client AUM.

Cash Management Services

During June 2005, AllianceBernstein and Federated Investors, Inc. ("Federated") completed a transaction pursuant to which Federated acquired our retail cash management services. For additional information, *see Note 21 to AllianceBernstein's consolidated financial statements in Item 8*.

Private Client Services

Bernstein GWM 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 Alliance Capital. As of December 31, 2006, private client AUM was $95 billion, or 13% of our company-wide AUM. For more information concerning private client AUM, 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 investors with financial assets of $1 million or more, although we have a minimum opening account size of $400,000.

Our Private Client Services are built on a direct sales effort that involves approximately 298 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 diversified 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 situation, and any other relevant factors. Our private clients have access to all of our resources, including research reports, investment planning services, and our Wealth Management Group, which has in-depth knowledge of trust, estate, and tax planning strategies.

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, San Francisco, Seattle, Tampa, Washington, D.C., and West Palm Beach. Financial advisors have also been based in London since the third quarter of 2006. Bernstein GWM added 37 financial advisors in 2006 (a 14.2% increase from 2005), and plans to add additional advisors in 2007.

Non-U.S. investment services have become increasingly important in the private client channel. As of December 31, 2006, our private client AUM invested in global and international investment services increased to $29 billion, or 30% of private client AUM, from $20 billion, or 26% of private client AUM, as of December 31, 2005, and from $14 billion, or 22% of private client AUM, as of December 31, 2004.

Institutional Research Services

Institutional Research Services ("IRS") consist of in-depth, independent, fundamental research, portfolio strategy, trading and brokerage-related services provided to institutional investors such as pension fund, hedge fund, and mutual fund managers, and other institutional investors. Trade execution and brokerage-related services are provided by SCB LLC in the United States and SCBL primarily in Europe. As of December 31, 2006, SCB LLC and SCBL (together, "SCB") served approximately 1,325 clients in the U.S. and approximately 390 clients outside the U.S. For more information concerning the revenues we derive from IRS, *see "Assets Under Management, Revenues, and Fees" in this Item 1*.

SCB provides in-depth fundamental company and industry research, along with disciplined research into securities valuation and factors affecting stock-price movements. Company and industry analysts are consistently among the highest ranked research analysts in industry surveys conducted by third-party organizations. Along with quantitative analysts and portfolio strategists, our IRS research team totals approximately 160 people, including 52 senior analysts.

In 2006, SCB expanded its research capabilities in London and now has 16 published analysts covering industries and companies in Europe. In addition, SCB LLC's trading and brokerage operations were 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 and revenues by distribution channel:

Assets Under Management[1][2]

	December 31,			% Change	
	2006	2005	2004	2006-05	2005-04
	(in millions)				
Institutional Investment Services	$ 455,069	$ 358,545	$ 309,883	26.9%	15.7%
Retail Services	166,928	145,134	134,882	15.0	7.6
Private Client Services	94,898	74,873	63,600	26.7	17.7
	716,895	578,552	508,365	23.9	13.8
Dispositions[3]	—	—	30,399	—	(100.0)
Total	**$ 716,895**	**$ 578,552**	**$ 538,764**	**23.9**	**7.4**

(1) Excludes certain non-discretionary client relationships.
(2) Starting in 2005, we revised the way we classify our AUM to better align publicly reported AUM with our internal reporting. AUM as of December 31, 2004 has been reclassified by investment service and distribution channel, including the fixed income portions of balanced accounts previously reported in equity, to conform to the 2005 and 2006 presentation.
(3) Includes AUM of cash management services, South African joint venture interest, and Indian mutual funds. For information about these dispositions, *see Note 21 to AllianceBernstein's consolidated financial statements in Item 8.*

Revenues[1]

	Years Ended December 31,			% Change	
	2006	2005	2004	2006-05	2005-04
	(in thousands)				
Institutional Investment Services	$ 1,221,780	$ 894,781	$ 727,696	36.5%	23.0%
Retail Services	1,303,849	1,188,553	1,288,939	9.7	(7.8)
Private Client Services	882,881	673,216	543,446	31.1	23.9
Institutional Research Services	375,075	352,757	420,141	6.3	(16.0)
Other	354,655	199,281	108,007	78.0	84.5
Total Revenues	4,138,240	3,308,588	3,088,229	25.1	7.1
Less: Interest Expense	187,833	95,863	32,796	95.9	192.3
Net Revenues	**$ 3,950,407**	**$ 3,212,725**	**$ 3,055,433**	**23.0**	**5.1**

(1) Certain prior-year amounts have been reclassified to conform to our 2006 presentation. *See Note 2 to AllianceBernstein's consolidated financial statements in Item 8.*

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 16%, 19%, and 19% of our company-wide AUM as of December 31, 2006, 2005, and 2004, respectively. We also earned approximately 5% of our company-wide net revenues from them for each of 2006, 2005, and 2004. We manage some of these assets as part of our Institutional Investment Services and some as part of our Retail Services.

Institutional Investment Services

The following tables summarize our Institutional Investment Services AUM and revenues:

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

	December 31			% Change	
	2006	2005	2004	2006-05	2005-04
	(in millions)				
Growth Equity:					
U.S.	$ 36,670	$ 39,721	$ 39,600	(7.7)%	0.3%
Global and International	66,242	39,327	23,326	68.4	68.6
	102,912	79,048	62,926	30.2	25.6
Value Equity:					
U.S.	55,562	50,556	51,006	9.9	(0.9)
Global and International	158,572	101,791	68,595	55.8	48.4
	214,134	152,347	119,601	40.6	27.4
Fixed Income:					
U.S.	73,414	74,964	77,314	(2.1)	(3.0)
Global and International	39,166	27,709	25,859	41.3	7.2
	112,580	102,673	103,173	9.6	(0.5)
Index / Structured:					
U.S.	19,942	20,908	19,297	(4.6)	8.3
Global and International	5,501	3,569	4,886	54.1	(27.0)
	25,443	24,477	24,183	3.9	1.2
Total:					
U.S.	185,588	186,149	187,217	(0.3)	(0.6)
Global and International	269,481	172,396	122,666	56.3	40.5
	455,069	358,545	309,883	26.9	15.7
Dispositions[2]	—	—	1,375	—	(100.0)
Total	**$ 455,069**	**$ 358,545**	**$ 311,258**	**26.9**	**15.2**

(1) Excludes certain non-discretionary client relationships.
(2) Represents AUM of South African joint venture interest. For information about this disposition, *see Note 21 to AllianceBernstein's consolidated financial statements in Item 8.*

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

	Years Ended December 31,			% Change	
	2006	2005	2004	2006-05	2005-04
	(in thousands)				
Investment Advisory and Services Fees:					
Growth Equity:					
U.S.	$ 122,132	$ 126,894	$ 141,264	(3.8)%	(10.2)%
Global and International	226,293	115,403	70,321	96.1	64.1
	348,425	242,297	211,585	43.8	14.5
Value Equity:					
U.S.	154,163	155,046	154,681	(0.6)	0.2
Global and International	570,185	362,181	213,565	57.4	69.6
	724,348	517,227	368,246	40.0	40.5
Fixed Income:					
U.S.	97,452	95,585	113,581	2.0	(15.8)
Global and International	38,825	29,887	24,108	29.9	24.0
	136,277	125,472	137,689	8.6	(8.9)
Index / Structured:					
U.S.	4,993	5,159	5,116	(3.2)	0.8
Global and International	7,177	4,197	5,060	71.0	(17.1)
	12,170	9,356	10,176	30.1	(8.1)
Total Investment Advisory and Services Fees:					
U.S.	378,740	382,684	414,642	(1.0)	(7.7)
Global and International	842,480	511,668	313,054	64.7	63.4
	1,221,220	894,352	727,696	36.5	22.9
Distribution Revenues	560	429	—	30.5	n/m
Total	**$ 1,221,780**	**$ 894,781**	**$ 727,696**	**36.5**	**23.0**

(1) Certain prior-year amounts have been reclassified to conform to our 2006 presentation. We reclassified transaction charge revenues earned from certain Institutional Investment Services clients from investment advisory and services fees to Institutional Research Services.

As of December 31, 2006, 2005, and 2004, Institutional Investment Services represented approximately 64%, 62%, and 58%, respectively, of our company-wide AUM. The fees we earned from these services represented approximately 31%, 28%, and 24% of our company-wide net revenues for 2006, 2005, and 2004, respectively.

We manage assets for AXA and its subsidiaries, which together constitute our largest institutional client. These assets accounted for approximately 17%, 18%, and 20% of our total institutional AUM as of December 31, 2006, 2005, and 2004, respectively, and approximately 7%, 8%, and 9% of our total institutional revenues for 2006, 2005, and 2004, respectively.

The institutional AUM we manage for our affiliates, along with our nine other largest institutional accounts, account for approximately 31% of our total institutional AUM as of December 31, 2006 and approximately 16% of our total institutional net revenues for the year ended December 31, 2006. No single institutional client other than AXA and its subsidiaries accounted for more than approximately 1% of our company-wide net revenues for the year ended December 31, 2006.

We manage the assets of our institutional clients through written investment management agreements or other arrangements, all of which are generally terminable at any time or upon relatively short notice by either party. In general, our written investment management agreements may not be assigned without client consent.

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

We charge performance-based fees on approximately 15% of institutional assets under management. Performance-based fees provide for a relatively low asset-based fee plus an additional fee based on investment performance.

Retail Services

The following tables summarize our Retail Services AUM and revenues:

Retail Services Assets Under Management
(by Investment Service)

	December 31,			% Change	
	2006	**2005**	**2004**	**2006-05**	**2005-04**
		(in millions)			
Growth Equity:					
U.S.	$ 28,587	$ 31,193	$ 33,436	(8.4)%	(6.7)%
Global and International	19,937	19,523	14,670	2.1	33.1
	48,524	50,716	48,106	(4.3)	5.4
Value Equity:					
U.S.	35,749	32,625	32,113	9.6	1.6
Global and International	38,797	16,575	8,600	134.1	92.7
	74,546	49,200	40,713	51.5	20.8
Fixed Income:					
U.S.	11,420	12,053	17,076	(5.3)	(29.4)
Global and International	27,614	27,648	23,742	(0.1)	16.5
	39,034	39,701	40,818	(1.7)	(2.7)
Index / Structured:					
U.S.	4,824	4,230	4,203	14.0	0.6
Global and International	—	1,287	1,042	(100.0)	23.5
	4,824	5,517	5,245	(12.6)	5.2
Total:					
U.S.	80,580	80,101	86,828	0.6	(7.7)
Global and International	86,348	65,033	48,054	32.8	35.3
	166,928	145,134	134,882	15.0	7.6
Dispositions[(1)]	—	—	28,670	—	(100.0)
Total	**$ 166,928**	**$ 145,134**	**$ 163,552**	**15.0**	**(11.3)**

(1) Includes AUM of cash management services and Indian mutual funds. For information about these dispositions, *see Note 21 to AllianceBernstein's consolidated financial statements in Item 8.*

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

	Years Ended December 31,			% Change	
	2006	2005	2004	2006-05	2005-04
	(in thousands)				
Investment Advisory and Services Fees:					
Growth Equity:					
U.S.	$ 143,344	$ 140,428	$ 152,207	2.1%	(7.7)%
Global and International	152,883	119,173	101,088	28.3	17.9
	296,227	259,601	253,295	14.1	2.5
Value Equity:					
U.S.	123,355	119,545	115,907	3.2	3.1
Global and International	133,314	64,718	27,957	106.0	131.5
	256,669	184,263	143,864	39.3	28.1
Fixed Income:					
U.S.[2]	43,705	88,714	177,916	(50.7)	(50.1)
Global and International	186,196	156,068	147,183	19.3	6.0
	229,901	244,782	325,099	(6.1)	(24.7)
Index / Structured:					
U.S.	1,673	1,507	1,661	11.0	(9.3)
Global and International	3,363	3,640	3,130	(7.6)	16.3
	5,036	5,147	4,791	(2.2)	7.4
Total Investment Advisory and Services Fees:					
U.S.	312,077	350,194	447,691	(10.9)	(21.8)
Global and International	475,756	343,599	279,358	38.5	23.0
	787,833	693,793	727,049	13.6	(4.6)
Distribution Revenues[3]	418,780	395,402	445,911	5.9	(11.3)
Shareholder Servicing Fees[3]	97,236	99,358	115,979	(2.1)	(14.3)
Total	**$ 1,303,849**	**$ 1,188,553**	**$ 1,288,939**	**9.7**	**(7.8)**

(1) Certain prior-year amounts have been reclassified to conform to our 2006 presentation. We reclassified transaction charge revenues earned from certain Retail Services clients from investment advisory and services fees to Institutional Research Services.
(2) Reflects disposition of cash management services. *See Note 21 to AllianceBernstein's consolidated financial statements in Item 8.*
(3) For a description of distribution revenues and shareholder servicing fees, *see below*.

Fees for our Retail Products are generally charged as a percentage of average daily AUM. As certain of the U.S. Funds have grown, we have revised our fee schedules to provide lower incremental fees above certain asset levels. Fees paid by the U.S. Funds, EQ Advisors Trust ("EQAT"), AXA Enterprise Multimanager Funds Trust ("AXA Enterprise Trust"), and AXA Premier VIP Trust are reflected in the applicable investment management agreement and generally must be approved 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. 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.

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 relevant regulatory authority depending on the domicile and structure of the fund, and Non-U.S. Fund shareholders must be given advance notice of any fee increases.

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 mutual funds sponsored by the following affiliates: EQAT, AXA Enterprise Trust, AXA Premier VIP Trust, and AXA Asia Pacific Holdings Limited and its subsidiaries ("AXA Asia Pacific"). As of December 31, 2006, the AUM of Variable Products portfolios totaled approximately $58 billion.

EQAT, AXA Enterprise Trust, AXA Premier VIP Trust, AXA Asia Pacific, together with other AXA affiliates, constitute our largest retail client. They accounted for approximately 24%, 29%, and 24% of our total retail AUM as of December 31, 2006, 2005, and 2004, respectively, and approximately 7%, 8%, and 7% of our total retail revenues for 2006, 2005 and 2004, 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, 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 $23.7 million, $21.4 million, and $32.9 million, totaled approximately $98.7 million, $74.2 million, and $44.6 billion during 2006, 2005, and 2004, respectively.

The rules of the National Association of Securities Dealers, Inc. ("NASD") effectively cap the aggregate sales charges that may be 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, 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 to AllianceBernstein Investments. AllianceBernstein Investments has entered into selling and distribution agreements pursuant to which it pays sales commissions to the financial intermediaries that distribute our open-end U.S. Funds. 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 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.

Financial intermediaries sometimes also receive sub-transfer agency or recordkeeping payments from us and our U.S. Funds.

During 2006, the 10 financial intermediaries responsible for the largest volume of sales of open-end AllianceBernstein Funds were responsible for 36% 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 2%, 3%, and 4% of total sales of shares of open-end AllianceBernstein Funds in 2006, 2005, and 2004, 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 6%, 5%, and 6% of open-end AllianceBernstein Fund sales in 2006, 2005, and 2004, respectively. Citigroup Inc. (and its subsidiaries, "Citigroup") was responsible for approximately 5% of open-end AllianceBernstein Fund sales in 2006, 5% in 2005, and 7% in 2004. 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 of the last three years accounted for more than 10% of total sales of shares of our open-end AllianceBernstein Funds.

Based on industry sales data reported by the Investment Company Institute (December 2006), our market share in the U.S. mutual fund industry is 1.14% of total industry assets and we accounted for 0.86% of total open-end industry sales in the U.S. during 2006. The investment performance of the U.S. Funds is an important factor in the sale of their shares, but there are also other factors, including 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 2006, banks and their affiliates accounted for approximately 14% of open-end U.S. Funds and Variable Products sales.

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, 2006, Investor Services employed 239 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 serviced. 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 our 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 record revenues for providing these services to the AllianceBernstein Funds at the rate of approximately $7.0 million per year.

AllianceBernstein Investor Services, a unit of AllianceBernstein Luxembourg (“ABIS Lux”), is the transfer agent of substantially all of the Non-U.S. Funds. As of December 31, 2006, ABIS Lux employed 59 people. ABIS Lux operates in Luxembourg (and is supported by operations in Singapore, Hong Kong, and the United States) and receives a monthly fee for its transfer agency services and a transaction-based fee under various services agreements, which agreements may be terminated by either party upon 60 days’ notice. AllianceBernstein (Luxembourg) S.A. is one of our wholly-owned subsidiaries.

Private Client Services

The following tables summarize Private Client Services AUM and revenues:

Private Client Services Assets Under Management
(by Investment Service)

	December 31,			% Change	
	2006	**2005**	**2004**	**2006-05**	**2005-04**
		(in millions)			
Growth Equity:					
U.S.	$ 13,237	$ 9,986	$ 7,022	32.6%	42.2%
Global and International	9,418	6,390	4,001	47.4	59.7
	22,655	16,376	11,023	38.3	48.6
Value Equity:					
U.S.	27.703	23,725	22,411	16.8	5.9
Global and International	19,091	12,959	9,874	47.3	31.2
	46,794	36,684	32,285	27.6	13.6
Fixed Income:					
U.S.	25,032	21,471	20,111	16.6	6.8
Global and International	328	241	75	36.1	221.3
	25,360	21,712	20,186	16.8	7.6
Index / Structured:					
U.S.	80	101	106	(20.8)	(4.7)
Global and International	9	—	—	—	—
	89	101	106	(11.9)	(4.7)
Total:					
U.S.	66,052	55,283	49,650	19.5	11.3
Global and International	28,846	19,590	13,950	47.2	40.4
	94,898	74,873	63,600	26.7	17.7
Dispositions[(1)]	—	—	354	—	(100.0)
Total	**$ 94,898**	**$ 74,873**	**$ 63,954**	**26.7**	**17.1**

(1) Includes AUM of cash management services. For information about this disposition, *see Note 21 to AllianceBernstein's consolidated financial statements in Item 8.*

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

	Years Ended December 31,			% Change	
	2006	2005	2004	2006-05	2005-04
	(in thousands)				
Investment Advisory and Services Fees:					
Growth Equity:					
U.S.	$ 134,070	$ 93,716	$ 62,892	43.1%	49.0%
Global and International	83,615	58,308	39,086	43.4	49.2
	217,685	152,024	101,978	43.2	49.1
Value Equity:					
U.S.	293,281	256,580	237,796	14.3	7.9
Global and International	260,529	161,793	97,380	61.0	66.1
	553,810	418,373	335,176	32.4	24.8
Fixed Income:					
U.S.	108,418	99,868	104,010	8.6	(4.0)
Global and International	1,188	879	257	35.2	242.0
	109,606	100,747	104,267	8.8	(3.4)
Index / Structured:					
U.S.	75	103	653	(27.2)	(84.2)
Global and International	—	—	—	—	—
	75	103	653	(27.2)	(84.2)
Total Investment Advisory and Services Fees:					
U.S.	535,844	450,267	405,351	19.0	11.1
Global and International	345,332	220,980	136,723	56.3	61.6
	881,176	671,247	542,074	31.3	23.8
Distribution Revenues	1,705	1,969	1,372	(13.4)	43.5
Total	**$ 882,881**	**$ 673,216**	**$ 543,446**	**31.1**	**23.9**

(1) Certain prior-year amounts have been reclassified to conform to our 2006 presentation. We reclassified transaction charge revenues earned from certain Private Client Services clients from investment advisory and services fees to Institutional Research Services.

Private client accounts are managed pursuant to a written investment advisory agreement generally among the client, AllianceBernstein and SCB LLC (sometimes between the client and AllianceBernstein Limited, a wholly-owned subsidiary of ours organized in the U.K.), 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. For providing services to private clients, we are compensated by fees calculated as a percentage of AUM and that vary 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 in addition to asset-based fees. We charge performance-based fees on approximately 7% of private client assets under management, primarily assets held in hedge funds.

We market and distribute our hedge funds globally to high-net-worth clients and, to a lesser extent, institutional investors. Hedge fund AUM totaled $7.2 billion as of December 31, 2006, $5.8 billion of which was private client AUM and $1.4 billion of which was institutional AUM.

We eliminated transaction charges during 2005 on U.S. equity services for most private clients as part of a management initiative that changed the structure of investment advisory and services fees charged for our services. The restructuring eliminated transaction charges for trade execution performed by SCB LLC for most private clients; the transaction charges were replaced by higher asset-based fees. This new fee structure provides greater transparency and predictability of asset management costs for our private clients. The elimination of transaction charges was not the result of the NYAG AoD (*see "Regulation" in this Item 1* for the definition of NYAG AoD and additional information) or an agreement with any other regulator.

Revenues from Private Client Services represented approximately 22%, 21%, and 18% of our company-wide net revenues for the years ended December 31, 2006, 2005, and 2004, respectively.

Institutional Research Services

The following table summarizes Institutional Research Services revenues:

Revenues From Institutional Research Services

	Years Ended December 31,			% Change	
	2006	**2005**	**2004**	**2006-05**	**2005-04**
		(in thousands)			
Transaction Execution and Research:					
U.S. Clients	$ 296,736	$ 290,511	$ 371,127	2.1%	(21.7)%
Non-U.S. Clients	69,279	57,870	45,598	19.7	26.9
	366,015	348,381	416,725	5.1	(16.4)
Other	9,060	4,376	3,416	107.0	28.1
Total	**375,075**	**352,757**	**420,141**	**6.3**	**(16.0)**
Reclassification[(1)]	(1,760)	(31,476)	(116,532)	(94.4)	(73.0)
Without Reclassification	**$ 373,315**	**$ 321,281**	**$ 303,609**	**16.2**	**5.8**

(1) SCB earned revenues of approximately $1.8 million in 2006 from brokerage transactions executed on behalf of AllianceBernstein (acting on behalf of certain of its U.S. asset management clients that have authorized AllianceBernstein to use SCB for trade execution) which previously were reported as investment advisory and services fees. Since January 1, 2006, we have reported all revenues earned by SCB from brokerage transactions executed for these clients as Institutional Research Services revenues. Accordingly, we reclassified $31.5 million and $116.5 million of transaction charge revenue in 2005 and 2004, respectively, from investment advisory and services fees to Institutional Research Services to conform to our 2006 presentation.

We earn revenues for providing investment research to, and executing brokerage transactions for, institutional clients. These clients compensate us principally by directing SCB to execute brokerage transactions, for which we earn transaction charges. These services accounted for approximately 9%, 11%, and 14% of our company-wide net revenues for the years ended December 31, 2006, 2005, and 2004, respectively.

Fee rates charged for brokerage transactions have declined significantly in recent years, but increases in transaction volume and market share in both the U.S. and Europe have more than offset decreases in fee rates. For additional information, *see "Risk Factors" in Item 1A and "Management's Discussion and Analysis of Financial Condition and Results of Operations - Executive Overview" in Item 7*.

Custody and Brokerage

Custody

SCB LLC acts as custodian for the majority of AllianceBernstein's private client AUM and some of AllianceBernstein's hedge fund AUM and institutional AUM. 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 securities 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 strength, 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 commissions paid 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). In 2006, we executed approximately $4.8 million in transactions through SCB. 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 or the sale of fund shares as a factor when selecting brokers to effect transactions.

We have a Brokerage Allocation Committee that covers equities and has 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 name changes to AllianceBernstein L.P. and AllianceBernstein Holding L.P. in February 2006, we applied to register a number of service marks with the U.S. Patent and Trademark Office and various foreign patent offices, including an "AB" design logo and the combination of such logo with the mark "AllianceBernstein".

In connection with the Bernstein Transaction, we acquired all of the rights and title in, and to, the Bernstein service marks, including the mark "Bernstein".

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. SCB LLC and Global Derivatives are also registered with the Commodity Futures Trading Commission as commodity pool operators.

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 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, 2006	
	Required	Actual
	(in millions)	
AllianceBernstein Investments	$ 21.6	$ 42.4
SCB	41.5	154.1
SCBL	16.0	30.7
Total	**$ 79.1**	**$ 227.2**

Holding Units trade publicly on the NYSE under the ticker symbol "AB". Holding is an NYSE listed company and, therefore, subject to the applicable regulations set forth in the NYSE Listed Company Manual.

AllianceBernstein Trust Company, LLC, a wholly-owned subsidiary of AllianceBernstein, is a non-depository trust company chartered under New Hampshire law. AllianceBernstein Trust Company was chartered in order to serve as trustee and investment adviser to company-sponsored collective investment trusts and is authorized to act as trustee, executor, transfer agent, custodian, investment adviser, and in any other capacity authorized for a trust company under New Hampshire law. As a state-chartered trust company exercising fiduciary powers, AllianceBernstein Trust Company must comply with New Hampshire laws applicable to trust company operations (such as NH Revised Statutes Annotated Part 392), certain federal laws (such as ERISA and sections of the Bank Secrecy Act), and the New Hampshire banking laws.

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 and joint ventures 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.

Some of our subsidiaries are subject to the oversight of regulatory authorities in Europe, including the FSA in the U.K., and in Asia, including the Securities and Futures Commission in Hong Kong and the Monetary Authority of Singapore. While the requirements of these foreign regulators are often comparable to the requirements of the SEC and other U.S. regulators, they are sometimes more restrictive and may cause us to incur substantial expenditures of time and money in our effort to comply.

Market Timing Investigations

On December 18, 2003, we entered into agreements with the SEC and the New York State Attorney General ("NYAG") in connection with 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 the Assurance of Discontinuance dated September 1, 2004 ("NYAG AoD"). We took a number of important initiatives to resolve these matters, including:

- establishing a $250 million restitution fund to compensate fund shareholders for the adverse effects of market timing ("Restitution Fund");

- reducing 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 $66 million reduction in 2006 advisory fees, a $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; and

- agreeing to have an independent third party perform a comprehensive compliance review biannually.

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

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 and a proposed distribution plan, which addresses the mechanics of distribution. The Restitution Fund proceeds will not be distributed until after the SEC has issued an order approving the distribution plan. Until then, it is not possible to predict the exact timing, method, or amount of the distribution.

Certain market timing-related litigation to which we are currently subject involves the State of West Virginia. For a description of these matters, *see "Legal Proceedings - Market Timing-related Matters" in Item 3*.

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 Units must not be considered 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 become subject to income tax.

History and Structure

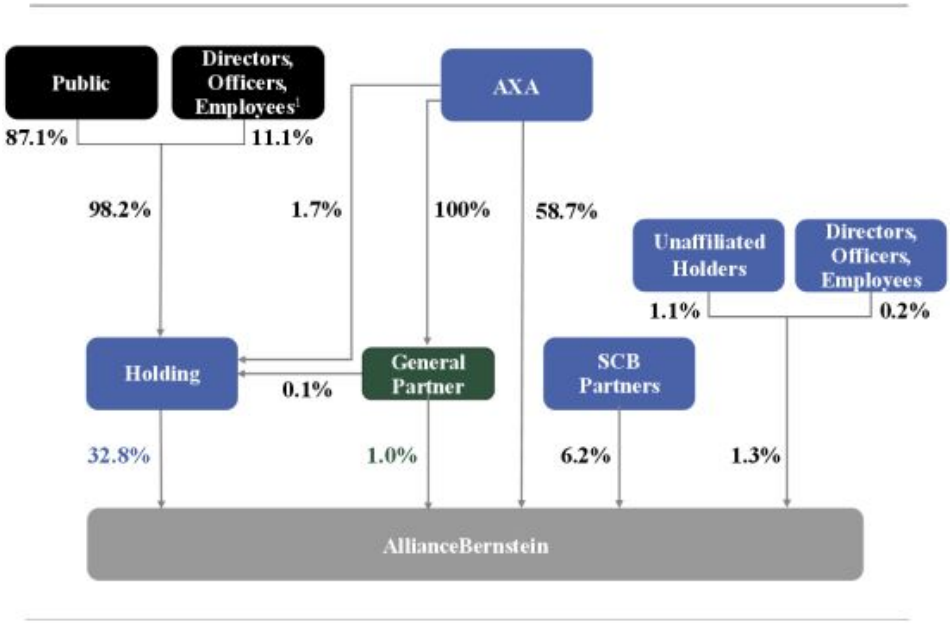
We have been in the investment research and management business for more than 35 years. Alliance Capital was founded in 1971 when the investment management department of Donaldson, Lufkin & Jenrette, Inc. merged with the investment advisory business of Moody's Investor Services, Inc. Bernstein was founded in 1967.

In April 1988, Holding "went public" as a master limited partnership. Holding Units, which trade under the ticker symbol "AB", have been listed on the NYSE since that time.

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. As stated above, Holding Units trade publicly; 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, our two legacy firms, Alliance Capital and Bernstein, combined, bringing together Alliance Capital's expertise in growth equity and corporate fixed income investing, and its family of retail mutual funds, with Bernstein's expertise in value equity and tax-exempt fixed income management, and its private client business. For additional details about our business combination, *see Item 12*.

As of December 31, 2006, the condensed ownership structure of AllianceBernstein was as follows (for a more complete description of our ownership structure, *see Item 12*):



(1) Direct and indirect ownership including unallocated Holding Units held in a trust for our deferred compensation plans.

As of December 31, 2006, AXA, through certain of its subsidiaries (*see Item 12*)**,** beneficially owned approximately 1.7% of the issued and outstanding Holding Units and approximately 59.3% 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, 2006, AXA, through certain of its subsidiaries, had an approximate 60.3% 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's operations are diverse geographically, with major operations in Western Europe, North America, and the Asia/Pacific area and, to a lesser extent, in other regions including the Middle East and Africa. AXA has five operating business segments: life and savings, property and casualty, international insurance (including reinsurance), asset management, and other financial services (including banks).

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 sponsors, 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.

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 we do and are not obligated to provide resources to us.

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 ability to attract, retain, and motivate highly skilled, and often highly specialized, personnel;
- our investment performance for clients;
- the array of investment products we offer;
- the fees we charge;
- our operational effectiveness;
- our ability to further develop and market our brand; and
- our global presence.

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

Competition is an important risk that our business faces and should be considered along with the other risk factors we discuss *in Item 1A 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 & Media Relations" and "Reports & 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 the 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 result in a reduction in assets under management. In addition, a shift towards fixed income products might result in a related decline in revenues and income because we generally earn higher revenues 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 management agreements (or other arrangements) 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 management agreements (and other arrangements) 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 60 days) and do not obligate the financial intermediary to sell any specific amount of fund shares. In addition, investors in AllianceBernstein Funds can redeem their investments without notice. Any termination of, or failure to renew, a significant number of these agreements, or a significant increase in redemption rates, could have a material adverse effect on our revenues, financial condition, results of operations, and business prospects.

Our ability to establish new client relationships and maintain existing ones 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 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. Loss of such access or referrals could have 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 depends on our ability to attract, retain, and motivate highly skilled, and often highly specialized, technical, managerial, and executive personnel; there is no assurance that we will be able to do so.

The market for qualified research analysts, portfolio managers, financial advisers, traders, 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 when clients decide to keep their assets with us or invest additional assets, as well as 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 cause greater fluctuations in our revenues.

We sometimes charge our clients performance-based fees where we earn a relatively low base advisory 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 15% of the assets we manage for our institutional clients and approximately 7% of the assets we manage for private clients. Our performance-based fees are an increasingly important part of our business. As the percentage of our AUM subject to performance-based fees grows, seasonality and volatility of revenue and earnings may become more significant.

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 disrupting our operations, adversely affect our revenues, financial condition, results of operations, and business prospects.

We depend 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.

A failure in our operational systems or infrastructure, or those of third parties, could disrupt our operations, damage our reputation, and reduce our revenues.

Weaknesses or failures in our internal processes, people or systems could lead to disruption of our operations, liability to clients, exposure to disciplinary action, or harm to our reputation. Our business is highly dependent on our ability to process, on a daily basis, large numbers of transactions, many of which are highly complex, across numerous and diverse markets. These transactions generally must adhere to investment guidelines, as well as stringent legal and regulatory standards.

Despite the contingency plans and facilities we have in place, our ability to conduct business may be adversely affected by a disruption in the infrastructure that supports our operations and the communities in which they are located. This may include a disruption involving electrical, communications, transportation or other services used by AllianceBernstein or third parties with which we conduct business. If a disruption occurs in one location and our employees in that location are unable to occupy our offices or communicate with or travel to other locations, our ability to conduct business with and on behalf of our clients may suffer, and we may not be able to successfully implement contingency plans that depend on communication or travel.

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, financial condition, results of operations, 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 substantially impair our ability to maintain or grow our business.

We may not always successfully manage potential conflicts of interest that arise in our business.

Our reputation is one of our most important assets. As our business and client base expand, we increasingly must manage potential conflicts of interest, including situations where our services to a particular client conflict, or are perceived to conflict, with the interests of another client, as well as situations where certain of our employees have access to material non-public information that may not be shared with all employees of our firm. Failure to adequately address potential conflicts of interest could adversely affect our revenues, financial condition, results of operations, and business prospects.

We have procedures and controls that are designed to address and manage conflicts of interest, including those designed to prevent the improper sharing of information. However, appropriately managing conflicts of interest is complex and difficult, and our reputation could be damaged and the willingness of clients to enter into transactions in which such a conflict might arise may be affected if we fail, or appear to fail, to deal appropriately with conflicts of interest. In addition, potential or perceived conflicts could give rise to litigation or enforcement actions.

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

Fee rates charged for brokerage transactions have declined significantly in recent years and this has affected our Institutional Research Services revenues. To date, increases in transaction volume and market share have more than offset decreases in rates, but this may not continue. Brokerage transaction revenues are also 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 and the provision of proprietary research. Also, regulatory changes in the United Kingdom and the United States have resulted or 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.

The costs of insurance are substantial and may increase.

Our insurance expenses increased significantly between 2001 and 2004 and, although they decreased slightly in 2005 and 2006, 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 rising premiums, the assumption of higher deductibles and/or co-insurance liability, a revised premium-sharing arrangement with certain U.S. Funds, and, to the extent certain U.S. Funds purchase separate directors and officers/errors and omissions liability coverage, an increased risk of insurance companies disputing responsibility for joint claims. Higher insurance costs and incurred deductibles reduce our net income.

Our business is subject to pervasive global regulation, the compliance with which could involve substantial expenditures of time and money, and the violation of which could result in material adverse consequences.

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 market, 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 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.

The financial services industry is highly competitive.

The financial services industry is intensely competitive. We compete on the basis of a number of factors, including our array of investment services, our investment performance for our clients, innovation, reputation, and price. As our global presence continues to expand, we may face competitors with more experience and more established relationships with clients, regulators and industry participants in the relevant market, which could adversely affect our ability to expand.

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

We are involved in various matters, including employee arbitrations, regulatory inquiries, administrative proceedings, and litigation, some of which allege material 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. Holding and AllianceBernstein unitholders have more limited voting rights on matters affecting AllianceBernstein than do holders of common stock in a corporation. 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. 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 have filed the transfer program as Exhibit 10.09 to this Form 10-K.

Failure to properly maintain the partnership structure of Holding and AllianceBernstein would have significant tax ramifications.

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% UBT. 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 Units must not be considered 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 would become subject to income tax as set forth above.

Item 1B. Unresolved Staff Comments

Neither AllianceBernstein nor Holding has 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 2029. We currently occupy approximately 837,270 square feet of space at this location. We also occupy approximately 226,374 square feet of space at 135 West 50th Street, New York, New York under a lease expiring in 2029 and approximately 210,756 square feet of space at One North Lexington, White Plains, New York under a lease expiring in 2031. 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 2007 and 2009, respectively. We exercised an early lease termination option, effective 2007, for Secaucus, New Jersey; that lease originally expired in 2016.

We also lease space in 19 other cities in the United States. Our subsidiaries and joint ventures lease space in London, England under leases expiring in 2013, 2015, and 2016, in Tokyo, Japan under leases expiring in 2009, and in 23 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 we determine 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 re Enron Corporation Securities Litigation*, a consolidated complaint (as subsequently amended, "Enron Complaint") was filed in the United States District Court for the Southern District of Texas, Houston Division, against numerous defendants, including AllianceBernstein, alleging that AllianceBernstein violated Sections 11 and 15 of the Securities Act with respect to a registration statement filed by Enron Corp. On January 2, 2007, the court issued a final judgment dismissing the Enron Complaint as the allegations therein pertained to AllianceBernstein. The parties have agreed that there will be no appeal.

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 ("AllianceBernstein 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 AllianceBernstein 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. 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.

Following October 2, 2003, 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. 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 transferred all federal actions to the United States District Court for the District of Maryland ("Mutual Fund MDL"). 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 included substantially identical factual allegations, which appear to be based in large part on the SEC Order and the NYAG AoD.

On April 21, 2006, AllianceBernstein and attorneys for the plaintiffs in the mutual fund shareholder claims, mutual fund derivative claims, and ERISA claims entered into a confidential memorandum of understanding ("MOU") containing their agreement to settle these claims. The agreement will be documented by a stipulation of settlement and will be submitted for court approval at a later date. The settlement amount ($30 million), which we previously accrued and disclosed, has been disbursed. The derivative claims brought on behalf of Holding, in which plaintiffs seek an unspecified amount of damages, remain pending.

We intend to vigorously defend against the lawsuit involving derivative claims brought on behalf of Holding. 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 the plaintiffs did not specify an amount of damages sought in their complaint.

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 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 ("Summary Order") 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 25, 2006, AllianceBernstein and Holding moved to vacate the Summary Order. In early September 2006, the court denied this motion, and the Supreme Court of Appeals in West Virginia denied our petition for appeal. On September 22, 2006, we filed an answer and moved to dismiss the Summary Order with the WV Securities Commissioner.

We intend to vigorously defend against the allegations in the WVAG Complaint and the Summary Order. At the present time, we are unable to predict the outcome or estimate a possible loss or range of loss in respect of these matters 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.

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 alleged shareholders 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.

On February 2, 2005, plaintiffs filed a consolidated amended class action complaint ("Aucoin Consolidated Amended Complaint") that asserted claims substantially similar to the Aucoin Complaint and nine additional subsequently-filed lawsuits. On October 19, 2005, the United States District Court for the Southern District of New York dismissed each of the claims set forth in the Aucoin Consolidated Amended Complaint, except for plaintiffs' 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. On May 31, 2006, the District Court denied plaintiffs' motion for leave to file their amended complaint. On July 5, 2006, plaintiffs filed a notice of appeal, which was subsequently withdrawn subject to plaintiffs' right to reinstate it at a later date.

We believe that plaintiffs' 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 matters, including employee arbitrations, regulatory inquiries, administrative proceedings, and litigation, some of which allege material 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 2006.

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 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 have filed the transfer program as Exhibit 10.09 to this Form 10-K.

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 2 to Holding's financial statements in Item 8*. For additional information concerning distribution of Available Cash Flow by AllianceBernstein, *see Note 2 to AllianceBernstein's consolidated financial statements in Item 8*.

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

The tables set forth below provide the distributions of Available Cash Flow made by AllianceBernstein and Holding during 2006 and 2005 and the high and low sale prices of Holding Units on the NYSE during 2006 and 2005:

	Quarters Ended 2006			
	December 31	September 30	June 30	March 31
Cash distributions per AllianceBernstein Unit[(1)]	$ 1.60	$ 0.96	$ 0.99	$ 0.87
Cash distributions per Holding Unit[(1)]	$ 1.48	$ 0.87	$ 0.89	$ 0.78
Holding Unit prices:				
High	$ 82.92	$ 71.03	$ 72.11	$ 66.60
Low	$ 68.27	$ 56.10	$ 55.50	$ 56.12

	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

(1) Declared and paid during the following quarter.

On January 31, 2007, the closing price of Holding Units on the NYSE was $90.09 per Unit and there were approximately 1,106 Holding Unitholders of record for approximately 90,000 beneficial owners. On January 31, 2007, there were approximately 512 AllianceBernstein Unitholders of record, and we do not believe there are substantial additional beneficial owners.

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

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 Announced Plans or Programs	(d) Maximum Number (or Approximate Dollar Value) of Holding Units that May Yet Be Purchased Under the Plans or Programs
10/1/06-10/31/06[1]	74,405	$ 68.99	—	—
11/1/06-11/30/06	—	—	—	—
12/1/06-12/31/06[2]	40,642	76.98	—	—
Total	**115,047**	**$ 71.81**	**—**	**—**

(1) On October 2, 2006, 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.

(2) On December 1, 2006, 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

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
10/1/06-10/31/06	—	$ —	—	—
11/1/06-11/30/06	—	—	—	—
12/1/06-12/31/06[1]	1,300	79.70	—	—
Total	**1,300**	**$ 79.70**	—	—

(1) On December 7, 2006, AXA Financial purchased a total of 1,300 AllianceBernstein Units from two unaffiliated unitholders in private transactions.

Item 6. Selected Financial Data

ALLIANCEBERNSTEIN L.P.
Selected Consolidated Financial Data

	Years Ended December 31,				
	2006	**2005[1]**	**2004[1]**	**2003[1]**	**2002[1]**
	(in thousands, except per unit amounts and unless otherwise indicated)				
INCOME STATEMENT DATA:					
Revenues:					
Investment advisory and services fees	$ 2,890,229	$ 2,259,392	$ 1,996,819	$ 1,769,562	$ 1,724,962
Distribution revenues	421,045	397,800	447,283	436,037	467,463
Institutional research services	375,075	352,757	420,141	380,705	417,824
Dividend and interest income	266,520	152,781	72,743	37,841	52,024
Investment gains (losses)	53,134	28,631	14,499	12,408	(6,933)
Other revenues	132,237	117,227	136,744	148,790	154,323
Total revenues	4,138,240	3,308,588	3,088,229	2,785,343	2,809,663
Less: interest expense	187,833	95,863	32,796	20,415	31,939
Net revenues	3,950,407	3,212,725	3,055,433	2,764,928	2,777,724
Expenses:					
Employee compensation and benefits	1,547,627	1,262,198	1,085,163	914,529	907,075
Promotion and servicing:					
Distribution plan payments	292,886	291,953	374,184	370,575	392,780
Amortization of deferred sales commissions	100,370	131,979	177,356	208,565	228,968
Other	218,944	198,004	202,327	197,079	228,624
General and administrative	583,296	384,339	426,389	339,706	329,059
Interest on borrowings	23,124	25,109	24,232	25,286	27,385
Amortization of intangible assets	20,710	20,700	20,700	20,700	20,700
Charge for mutual fund matters and legal proceedings	—	—	—	330,000	—
	2,786,957	2,314,282	2,310,351	2,406,440	2,134,591
Operating income	**1,163,450**	**898,443**	**745,082**	**358,488**	**643,133**
Non-operating income	20,196	34,446	—	—	—
Income before income taxes	**1,183,646**	**932,889**	**745,082**	**358,488**	**643,133**
Income taxes	75,045	64,571	39,932	28,680	32,155
Net income	**$ 1,108,601**	**$ 868,318**	**$ 705,150**	**$ 329,808**	**$ 610,978**
Basic net income per unit	**$ 4.26**	**$ 3.37**	**$ 2.76**	**$ 1.30**	**$ 2.42**
Diluted net income per unit	**$ 4.22**	**$ 3.35**	**$ 2.74**	**$ 1.29**	**$ 2.39**
Operating margin[2]	29.5%	28.0%	24.4%	13.0%	23.2%
CASH DISTRIBUTIONS PER UNIT[3]	**$ 4.42**	**$ 3.33**	**$ 2.40**	**$ 1.65**	**$ 2.44**
BALANCE SHEET DATA AT PERIOD END:					
Total assets	$ 10,601,105	$ 9,490,480	$ 8,779,330	$ 8,171,669	$ 7,217,970
Debt	$ 334,901	$ 407,291	$ 407,517	$ 405,327	$ 426,907
Partners' capital	$ 4,570,997	$ 4,302,674	$ 4,183,698	$ 3,778,469	$ 3,963,451
ASSETS UNDER MANAGEMENT AT PERIOD END (in millions)	**$ 716,895**	**$ 578,552**	**$ 538,764**	**$ 477,267**	**$ 388,743**

(1) Certain prior-year amounts have been reclassified to conform to our 2006 presentation. *See Note 2 to AllianceBernstein's consolidated financial statements in Item 8* for a discussion of reclassifications.
(2) Operating income as a percentage of net 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.

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

Executive Overview

We were quite pleased with our 2006 full year results. Our firm's organic growth rate, as measured by net new client cash inflows, was very strong. We ended the year with record AUM of $716.9 billion, an increase of 23.9% from year-end 2005, as market appreciation, investment performance, and net inflows contributed $138.3 billion to AUM. Capital markets produced strong gains, driven by a growing global economy and robust corporate earnings. All four major U.S. capital market indices were up significantly, with equity indices posting their strongest year since 2003. The S&P 500's gain of 15.8% for the year was more than 500 basis points ahead of its 15-year average. Non-U.S. capital markets also had an outstanding year. The three major MSCI indices posted twelve-month returns ranging from 20.1% to 32.2%.

In terms of relative performance, our value equity services generally continued to outperform benchmarks, while our fixed income services achieved substantial investment performance improvement. The one-, three-, and five-year relative returns in our value equities were quite strong, and, in certain cases, outstanding. Within our fixed income services, we generally performed above benchmarks for our institutional clients and above Lipper averages for our retail clients, as our investments in research, analytical tools, and portfolio construction continue to benefit these clients.

In our growth equity services, performance materially lagged their respective benchmarks for the year, especially in the U.S. However, we believe the gap in valuation between growth and value equities has reached a point where continued market underperformance by growth relative to value appears unlikely and that our growth services are well-positioned to benefit from an improvement in the relative performance of growth equities.

Institutional Investment Services AUM was $455.1 billion at year end, or 63.5% of our overall AUM. For the year, we achieved record net inflows of more than $27.3 billion. Our value equity and blend strategies services accounted for roughly 71% of new assets, while global and international services accounted for approximately 85% of all new assets - continuing a trend. Our pipeline of won but unfunded new institutional mandates at year-end 2006 remains strong.

Retail Services AUM was up 15.0% for the year, representing $166.9 billion, or 23.3% of our total AUM. Net inflows were $12.1 billion (compared to $1.1 billion of net inflows in 2005), for an organic growth rate of 8.4%, which was our best year since 2000. Significant increases in net asset inflows occurred in our global and international and multi-strategy services. Lastly, 2006 marked the first year of net inflows for U.S. retail mutual funds since 2001.

Private Client Services AUM was $94.9 billion, or 13.2% of our total AUM. AUM of our high-net-worth clients grew by 26.7% year-over-year, primarily as a result of double-digit organic growth and market appreciation. We continued to invest in our Private Client Services in 2006, including the opening of our U.K. office and increasing the number of financial advisors by 37, or 14.2%, to 298.

Our Institutional Research Services recorded revenues of $375.1 million in 2006, a 6.3% increase from 2005. However, after adjusting for a reclassification of transaction fees related to advisory clients, revenues were up 16.2%. Our market share improved in the U.S. primarily due to strong growth in algorithmic trading volumes and increased demand for our highly-ranked research services. These gains, however, were partly offset by pricing pressure and a shift in mix to "low-touch" trading services with lower revenue yields. We also achieved market share gains in Europe, where we plan to launch our algorithmic trading platform in the first quarter of 2007.

The quality of our Institutional Research Services, as ranked in the 2006 *Institutional Investor* "Best U.S. Independents" survey, was once again excellent. Our research analysts were ranked in 26 sectors, including first place finishes in 23 sectors.

Our financial success is the result of providing superior service to, and meeting the investment objectives of, our clients, and we continue to make long-term investments for the future. Looking ahead, we believe our continued focus on these objectives will help us achieve our goal of becoming the most admired investment firm in the world.

Assets Under Management

Effective January 1, 2006, we transferred certain client accounts among distribution channels to reflect changes in the way we service these accounts (shown as transfers in the tables below).

Assets under management by distribution channel were as follows:

	As of December 31,			% Change	
	2006	2005	2004	2006-05	2005-04
	(in billions)				
Institutional Investments	$ 455.1	$ 358.6	$ 311.3	26.9%	15.2%
Retail	166.9	145.1	163.5	15.0	(11.3)
Private Client	94.9	74.9	64.0	26.7	17.1
Total	**$ 716.9**	**$ 578.6**	**$ 538.8**	**23.9**	**7.4**

Assets under management by investment service were as follows:

	As of December 31,			% Change	
	2006	2005	2004	2006-05	2005-04
	(in billions)				
Growth Equity:					
U.S.	$ 78.5	$ 80.9	$ 80.1	(3.0)%	1.1%
Global & international	95.6	65.3	43.2	46.5	51.0
	174.1	146.2	123.3	19.1	18.6
Value Equity:					
U.S.	119.0	106.9	105.5	11.3	1.3
Global & international	216.5	131.3	87.1	64.8	50.8
	335.5	238.2	192.6	40.8	23.7
Fixed Income:					
U.S.	109.9	108.5	143.2	1.3	(24.2)
Global & international	67.1	55.6	50.2	20.7	10.8
	177.0	164.1	193.4	7.9	(15.1)
Index/Structured:					
U.S.	24.8	25.3	23.6	(1.6)	6.9
Global & international	5.5	4.8	5.9	13.5	(18.1)
	30.3	30.1	29.5	0.9	1.9
Total:					
U.S.	332.2	321.6	352.4	3.3	(8.8)
Global & international	384.7	257.0	186.4	49.7	37.9
Total	**$ 716.9**	**$ 578.6**	**$ 538.8**	**23.9**	**7.4**

Changes in assets under management during 2006 were as follows:

	Distribution Channel				Investment Service				
	Institutional Investments	Retail	Private Client	Total	Growth Equity	Value Equity	Fixed Income	Index/ Structured	Total
	(in billions)								
Balance as of January 1, 2006	$ 358.6	$ 145.1	$ 74.9	$ 578.6	$ 146.2	$ 238.2	$ 164.1	$ 30.1	$ 578.6
Long-term flows:									
Sales/new accounts	53.8	44.3	14.4	112.5	33.9	54.8	22.8	1.0	112.5
Redemptions/terminations	(18.1)	(31.1)	(2.9)	(52.1)	(17.5)	(15.9)	(15.5)	(3.2)	(52.1)
Cash flow/unreinvested dividends	(8.4)	(1.1)	(3.1)	(12.6)	(2.6)	(7.4)	(0.5)	(2.1)	(12.6)
Net long-term inflows (outflows)	27.3	12.1	8.4	47.8	13.8	31.5	6.8	(4.3)	47.8
Acquisition	0.3	0.1	—	0.4	0.3	—	0.1	—	0.4
Transfers	7.9	(9.1)	1.2	—	(0.8)	0.8	—	—	—
Market appreciation	61.0	18.7	10.4	90.1	14.6	65.0	6.0	4.5	90.1
Net change	96.5	21.8	20.0	138.3	27.9	97.3	12.9	0.2	138.3
Balance as of December 31, 2006	**$ 455.1**	**$ 166.9**	**$ 94.9**	**$ 716.9**	**$ 174.1**	**$ 335.5**	**$ 177.0**	**$ 30.3**	**$ 716.9**

Changes in assets under management during 2005 were as follows:

	Distribution Channel				Investment Service				
	Institutional Investments	Retail	Private Client	Total	Growth Equity	Value Equity	Fixed Income	Index/ Structured	Total
	(in billions)								
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**

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

	Years Ended December 31,			% Change	
	2006	2005	2004	2006-05	2005-04
	(in billions)				
Distribution Channel:					
Institutional Investments	$ 405.6	$ 325.9	$ 275.9	24.4%	18.1%
Retail	150.8	146.7	156.1	2.8	(6.0)
Private Client	84.6	68.6	57.6	23.5	18.9
Total	**$ 641.0**	**$ 541.2**	**$ 489.6**	**18.4**	**10.5**

	Years Ended December 31,			% Change	
	2006	2005	2004	2006-05	2005-04
	(in billions)				
Investment Service:					
Growth Equity	$ 160.2	$ 128.4	$ 118.9	24.8%	7.9%
Value Equity	281.1	208.9	163.0	34.6	28.2
Fixed Income	169.2	174.5	179.6	(3.1)	(2.9)
Index/Structured	30.5	29.4	28.1	3.8	4.8
Total	**$ 641.0**	**$ 541.2**	**$ 489.6**	**18.4**	**10.5**

Consolidated Results of Operations

	Years Ended December 31,			% Change	
	2006	2005	2004	2006-05	2005-04
	(in millions, except per unit amounts)				
Net revenues	$ 3,950.4	$ 3,212.7	$ 3,055.4	23.0%	5.1%
Expenses	2,786.9	2,314.3	2,310.3	20.4	0.2
Operating income	1,163.5	898.4	745.1	29.5	20.6
Non-operating income	20.2	34.5	—	(41.4)	n/m
Income before income taxes	1,183.7	932.9	745.1	26.9	25.2
Income taxes	75.1	64.6	39.9	16.2	61.7
Net income	$ 1,108.6	$ 868.3	$ 705.2	27.7	23.1
Diluted net income per unit	$ 4.22	$ 3.35	$ 2.74	26.0	22.3
Distributions per unit	$ 4.42	$ 3.33	$ 2.40	32.7	38.8
Operating margin[(1)]	29.5%	28.0%	24.4%		

(1) Operating income as a percentage of net revenues.

In 2006, net income increased $240.3 million, or 27.7%, to $1,108.6 million, and net income per unit increased $0.87, or 26.0%, to $4.22. The increase was due primarily to higher investment advisory and services fees, partially offset by higher employee compensation and benefits expenses and higher general and administrative expenses. Our operating margin expanded 1.5% to 29.5% in 2006, benefiting significantly from the increase in our fee revenues and the moderation of our employee compensation and benefits growth rate.

As contemplated in our January 24, 2007 earnings announcement, our results have been adjusted to include a charge for the estimated cost of reimbursing certain clients for losses arising out of an error we made in processing claims for class action settlement proceeds on behalf of these clients, which include some AllianceBernstein-sponsored mutual funds. The $56.0 million fourth quarter 2006 pre-tax charge ($54.5 million, net of the related income tax benefit), recorded as general and administrative expense, is somewhat larger than the amount contemplated in the earnings announcement, and reflects our identification of additional class actions and client accounts subject to the claim processing error during an extensive review of our procedures. Accordingly, net income and diluted net income per unit for 2006 was $1,108.6 million and $4.22, respectively, compared to the unadjusted amounts of $1,163.1 million and $4.43, respectively, we reported on January 24, 2007. Our estimate of the cost is based on our review to date; as we continue our review, our estimate and the ultimate cost we incur may change. We continue to believe that most of this cost will ultimately be recovered from residual settlement proceeds and insurance.

The fourth quarter distribution of $1.60 per unit paid on February 15, 2007 was based on unadjusted fourth quarter net income per unit of $1.60. As a result, to the extent that all or a portion of the cost is recovered in subsequent periods, we do not anticipate treating those amounts as Available Cash Flow (as defined the AllianceBernstein Partnership Agreement), and would not distribute those amounts to unitholders.

In 2005, net income increased $163.1 million, or 23.1%, to $868.3 million, and diluted 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. The operating margin increase of 3.6% in 2005 primarily reflects increased revenues and the gains we recognized on the dispositions, together with virtually no expense growth.

Net Revenues

The following table summarizes the components of net revenues:

	Years Ended December 31,			% Change	
	2006	2005	2004	2006-05	2005-04
		(in millions)			
Investment advisory and services fees:					
Institutional Investments:					
Base fees	$ 1,108.2	$ 821.3	$ 691.8	34.9%	18.7%
Performance fees	113.0	73.1	35.9	54.7	103.5
	1,221.2	894.4	727.7	36.5	22.9
Retail:					
Base fees	787.5	693.1	728.8	13.6	(4.9)
Performance fees	0.3	0.7	(1.7)	(56.8)	n/m
	787.8	693.8	727.1	13.6	(4.6)
Private Client:					
Base fees	758.8	613.1	483.7	23.8	26.8
Performance fees	122.4	58.1	58.4	110.5	(0.4)
	881.2	671.2	542.1	31.3	23.8
Total:					
Base fees	2,654.5	2,127.5	1,904.3	24.8	11.7
Performance fees	235.7	131.9	92.6	78.7	42.6
	2,890.2	2,259.4	1,996.9	27.9	13.1
Distribution revenues	421.1	397.8	447.3	5.8	(11.1)
Institutional research services	375.1	352.8	420.1	6.3	(16.0)
Dividend and interest income	266.5	152.8	72.7	74.4	110.0
Investment gains (losses)	53.1	28.6	14.5	85.6	97.5
Other revenues	132.2	117.2	136.7	12.8	(14.3)
Total revenues	4,138.2	3,308.6	3,088.2	25.1	7.1
Less: Interest expense	187.8	95.9	32.8	95.9	192.3
Net revenues	**$ 3,950.4**	**$ 3,212.7**	**$ 3,055.4**	**23.0**	**5.1**

Investment Advisory and Services Fees

Investment advisory and services fees, the largest component of our revenues, consist primarily of base fees. These fees are generally calculated as a percentage of the value of assets under management and vary with the type of investment service, 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.

Certain investment advisory contracts provide for a performance 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 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 and seasonality of our revenues and earnings.

Brokerage transaction charges earned by SCB LLC and SCBL for certain private client and institutional investments client transactions previously recorded as investment advisory and services fees are now recorded as Institutional Research Services revenue. Prior period amounts have been reclassified to conform to the current period's presentation**.**

Institutional investments advisory and services fees increased 36.5% in 2006 as a result of increased assets under management, a more favorable fee mix, and an increase in performance fees of $39.9 million. The favorable fee mix reflects increases in average assets under management in our global and international services of 55.5%, where base fee rates are generally higher than domestic rates. During 2005, institutional investments advisory and services fees increased 22.9% as a result of an 18.1% increase in average assets under management, and an increase in performance fees of $37.2 million.

Retail investment advisory and services fees increased 13.6% in 2006 due primarily to an increase of 30.5% in global and international services average assets under management, partially offset by the disposition of our cash management services during the second quarter of 2005. For 2005, these fees decreased 4.6%, primarily as a result of a 6.0% decrease in average assets under management, reflecting the disposition of our cash management services.

Private Client investment advisory and services fees increased 31.3% in 2006 as a result of higher base fees from increased assets under management and a $64.3 million, or 110.5%, increase in performance fees, earned largely from our hedge funds. Private client investment advisory and services fees increased 23.8% in 2005, primarily as a result of increased assets under management.

Distribution Revenues

AllianceBernstein Investments and AllianceBernstein Luxembourg act as distributor and/or placing agent of company-sponsored mutual funds and receive distribution services fees from certain of those funds as partial reimbursement of the distribution expenses they incur. Distribution revenues increased 5.8% in 2006, due primarily to higher non-U.S. and 529 Plan revenues, partially offset by lower U.S. revenues and the disposition of our cash management services during the second quarter of 2005. Distribution revenues decreased 11.1% in 2005, principally due to the disposition of our cash management services.

Institutional Research Services

Institutional Research Services revenue consists principally of brokerage transaction charges received for providing in-depth, independent, fundamental research and brokerage-related services to institutional investors. SCB earned revenues of approximately $1.8 million in 2006 from brokerage transactions executed on behalf of AllianceBernstein (acting on behalf of certain of its U.S. asset management clients that have authorized AllianceBernstein to use SCB for trade execution), which previously were reported as investment advisory and services fees. Since January 1, 2006, we have reported all revenues earned by SCB from brokerage transactions executed for these clients as Institutional Research Services revenues. Accordingly, we reclassified $31.5 million and $116.5 million of transaction charge revenue in 2005 and 2004, respectively, from investment advisory and services fees to Institutional Research Services to conform to our 2006 presentation. The decrease in brokerage transaction charges in 2006 and 2005 is the result of our elimination of transaction charges for most private clients, which was largely offset by increased investment advisory fees.

Revenues from Institutional Research Services, excluding the decline in transaction charges related to the reclassification, increased 16.2% in 2006. U.S. revenues were higher due to increased market volumes and higher market share, partly offset by lower pricing. Revenues in London were also higher due to increased market volumes and higher pricing. Revenues from Institutional Research Services, excluding the decline in transaction charges related to the Reclassification, 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.

Recent declines in commission rates charged by broker-dealers are likely to continue and may accelerate. Increasing use of electronic trading systems and algorithmic trading strategies (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 our Institutional Research Services. *See "Risk Factors" in Item 1A.*

Dividend and Interest Income and Interest Expense

Dividend and interest income consists of investment income, interest earned on United States Treasury Bills and interest earned on collateral given for securities borrowed from brokers and dealers. Interest expense includes interest accrued on cash balances in customer accounts and collateral received for securities loaned. Dividend and interest, net of interest expense, increased $21.8 million in 2006. The increase was due primarily to higher mutual fund dividends and increased stock borrowed income as a result of higher average customer credit balances and interest rates in 2006. In 2005, dividend and interest, net of interest expense, increased $17.0 million as a result of higher stock borrowed income and mutual fund dividends.

Investment Gains (Losses)

In 2006 and 2005, realized and unrealized investment gains (losses) increased $24.5 million and $14.1 million, respectively. The increases were due primarily to higher mark-to-market gains on investments related to deferred compensation plan obligations.

Other Revenues

Other revenues consist of fees earned for transfer agency services provided to our mutual funds, fees earned for administration and recordkeeping services provided to our mutual funds and the general accounts of AXA and its subsidiaries, our equity in the earnings of investments made in limited partnership hedge funds that we sponsor and manage, and other miscellaneous revenues. Other revenues increased 12.8% in 2006, primarily due to higher equity earnings. Other revenues decreased 14.3% in 2005, principally due to lower transfer agency services fees.

Expenses

The following table summarizes the components of expenses:

	Years Ended December 31,			% Change	
	2006	2005	2004	2006-05	2005-04
	(in millions)				
Employee compensation and benefits	$ 1,547.6	$ 1,262.2	$ 1,085.1	22.6%	16.3%
Promotion and servicing	612.2	621.9	753.9	(1.6)	(17.5)
General and administrative	583.3	384.4	426.4	51.8	(9.9)
Interest	23.1	25.1	24.2	(7.9)	3.6
Amortization of intangible assets	20.7	20.7	20.7	—	—
Total	**$ 2,786.9**	**$ 2,314.3**	**$ 2,310.3**	**20.4**	**0.2**

Employee Compensation and Benefits

We had 4,914 full-time employees as of December 31, 2006 compared to 4,312 in 2005 and 4,100 in 2004. Employee compensation and benefits, which represented approximately 56%, 55%, and 47% of total expenses in 2006, 2005, and 2004, respectively, includes base compensation, cash and deferred incentive compensation, commissions, fringe benefits, and other employment costs.

In 2006, base compensation, fringe benefits and other employment costs increased $84.4 million, or 18.5%, primarily as a result of annual merit increases, additional headcount, and higher fringe benefits reflecting increased compensation levels. Incentive compensation increased $111.1 million, or 21.0%, primarily due to higher short-term incentive compensation, reflecting increased headcount and higher earnings, and higher deferred compensation amortization due to vesting of prior-year awards. Commission expense increased $89.9 million, or 32.5%, reflecting higher sales and revenues.

In 2005, base compensation, fringe benefits and other employment costs increased $44.5 million, or 10.8%, primarily as a result of annual merit increases and additional headcount. Incentive compensation increased $89.7 million, or 20.4%, 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 sales and revenues.

Promotion and Servicing

Promotion and servicing expenses, which represent approximately 22%, 27%, and 33% of total expenses in 2006, 2005, and 2004, respectively, include distribution plan payments to financial intermediaries for distribution of company-sponsored mutual funds and cash management services products (in 2005 and 2004) and amortization of deferred sales commissions paid to financial intermediaries for the sale of back-end load shares of our sponsored mutual funds. *See "Capital Resources and Liquidity" in this Item 7 and Notes 11 and 21 to AllianceBernstein's consolidated financial statements in Item 8* for a further discussion of deferred sales commissions and the disposition of 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 1.6% in 2006 and decreased 17.5% in 2005. The decrease in 2006 was primarily due to a $31.6 million decrease in amortization of deferred sales commissions as a result of lower sales of back-end load shares, partly offset by higher travel and entertainment and promotional materials costs. 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.

General and Administrative

General and administrative expenses, which represented approximately 21%, 17%, and 18% of total expenses in 2006, 2005, and 2004, respectively, are costs related to operations, including technology, professional fees, occupancy, communications, minority interests in consolidated subsidiaries, and similar expenses. General and administrative expenses increased $198.9 million, or 51.8% in 2006, and decreased $42.0 million, or 9.9% in 2005.

The increase in 2006 was primarily due to the charge we recorded for the estimated cost of reimbursing certain clients for losses arising out of an error we made in processing claims for class action settlement proceeds on behalf of these clients (*see "Consolidated Results of Operations" in this Item 7* for a discussion of the charge), as well as higher occupancy and legal costs. Occupancy costs increased as a result of the expansion of certain private client offices in the U.S., increased office space in New York, and new office space in London and Hong Kong. Legal costs increased, reflecting our continued efforts to resolve outstanding litigation in 2006, and the fact that 2005 legal costs were substantially offset by an $18.3 million insurance recovery and a $5.1 million reimbursement of litigation expenses we received in connection with a securities law claim we brought on behalf of certain clients. Other increases in general and administrative expenses include higher market data services and data processing costs.

The decrease in 2005 was due primarily to lower legal costs as a result of insurance recoveries, write-offs of obsolete software and leasehold improvements at vacated facilities in 2004, and the impact of selling a consolidated variable interest entity effective December 31, 2004.

Interest on Borrowings

Interest on our borrowings for 2006 decreased $2.0 million, or 7.9%. The decrease in 2006 reflects the retirement of our Senior Notes in August 2006, partly offset by higher short-term borrowing levels in 2006.

Non-operating Income

Non-operating income consists primarily of the gains from the dispositions of our cash management services, Indian mutual funds, and South African joint venture interest in 2005. Non-operating income for 2006 decreased $14.3 million, or 41.4 %. *See Note 21 to AllianceBernstein's consolidated financial statements in Item 8* for information about these dispositions.

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 taxes on income in 2006 is primarily due to higher pre-tax earnings, partially offset by a lower effective tax rate. The increase in 2005 is primarily due to higher pre-tax earnings and a higher effective tax rate.

Capital Resources and Liquidity

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

				% Change	
	2006	**2005**	**2004**	**2006-05**	**2005-04**
	(in millions, except per unit amounts)				
As of December 31:					
Partners' capital	$ 4,571.0	$ 4,302.7	$ 4,183.7	6.2%	2.8%
Cash and cash equivalents	692.7	654.2	1,061.5	5.9	(38.4)
For the years ended December 31:					
Cash flow from operations	1,204.3	460.1	968.2	161.8	(52.5)
Purchases of investments	(54.8)	(7.4)	(27.4)	642.6	(73.1)
Capital expenditures	(97.1)	(72.6)	(57.3)	33.7	26.6
Cash distributions	(1,025.5)	(800.5)	(383.0)	28.1	109.0
Purchases of Holding Units	(22.3)	(33.3)	(45.1)	(32.8)	(26.2)
Issuance of Holding Units	47.2	—	—	n/m	n/m
Additional investments by Holding with proceeds from exercise of compensatory options to buy Holding Units	100.5	42.4	46.7	136.9	(9.2)
Issuance (repayment) of commercial paper, net	328.1	(0.2)	(0.1)	n/m	63.0
Repayment of long-term debt	(408.1)	—	—	n/m	n/m
Available cash flow	1,153.4	858.7	613.8	34.3	39.9
Distributions per AllianceBernstein Unit	4.42	3.33	2.40	32.7	38.8

In 2006 and 2005, cash and cash equivalents increased $38.5 million and decreased $407.3 million, respectively. Cash inflows are primarily provided by operations, the issuance of commercial paper, and the additional investment by Holding with proceeds from exercise of compensatory options to buy Holding Units. Significant cash outflows include cash distributions paid to the General Partner and unitholders, repayment of our Senior Notes, capital expenditures, purchases of investments, purchases of Holding Units to fund deferred compensation plans and the purchase of the remaining interest in our joint venture in Hong Kong.

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 $23.7 million, $21.4 million, and $32.9 million, respectively, totaled approximately $98.7 million, $74.2 million, and $44.6 million during 2006, 2005, and 2004, respectively.

Debt and Credit Facilities

Total available credit, debt outstanding, and weighted average interest rates as of December 31, 2006 and 2005 were as follows:

	December 31,					
	2006			2005		
	Credit Available	Debt Outstanding	Interest Rate	Credit Available	Debt Outstanding	Interest Rate
	(in millions)					
Senior notes	$ 200.0	$ —	—%	$ 600.0	$ 399.7	5.6%
Commercial paper[1]	800.0	334.9	5.3	425.0	—	—
Revolving credit facility[1]	—	—	—	375.0	—	—
Extendible commercial notes	100.0	—	—	100.0	—	—
Other	—	—	—	n/a	7.6	4.6
Total	**$ 1,100.0**	**$ 334.9**	**5.3**	**$ 1,500.0**	**$ 407.3**	**5.6**

(1) Our revolving credit facility supports our commercial paper program; amounts borrowed under the commercial paper program reduce amounts available for other purposes under the revolving credit facility on a dollar-for-dollar basis.

In August 2001, we issued $400 million 5.625% Notes (“Senior Notes”) pursuant to a shelf registration statement that originally permitted us to issue up to $600 million in senior debt securities. The Senior Notes matured in August 2006, and were retired using cash flow from operations and proceeds from the issuance of commercial paper. We currently have $200 million available under the shelf registration statement for future issuances.

In February 2006, we entered into an $800 million five-year revolving credit facility with a group of commercial banks and other lenders. The revolving credit facility is intended to provide back-up liquidity for our commercial paper program, which we increased from $425 million to $800 million in May 2006. Under the 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, 2006.

As of December 31, 2006, we maintained a $100 million extendible commercial notes (“ECN”) program as a supplement to our commercial paper program. ECNs are short-term uncommitted debt instruments that do not require back-up liquidity support.

In 2006, SCB LLC entered into four separate uncommitted credit facility agreements with various banks, each for $100 million. As of December 31, 2006, there were no amounts outstanding under these credit facilities. During January and February of 2007, SCB LLC increased three of the agreements to $200 million each and entered into an additional agreement for $100 million with a new bank.

Our substantial capital 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 2006, we were not required to perform under the agreement and as of December 31, 2006 had no liability outstanding in connection with the agreement.

Aggregate Contractual Obligations

The following table summarizes our contractual obligations as of December 31, 2006:

	Contractual Obligations				
	Total	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years
			(in millions)		
Debt	$ 334.9	$ 334.9	$ —	$ —	$ —
Operating leases, net of sublease commitments	1,866.9	96.8	192.0	187.9	1,390.2
Accrued compensation and benefits	360.6	215.8	79.4	42.7	22.7
Total	**$ 2,562.4**	**$ 647.5**	**$ 271.4**	**$ 230.6**	**$ 1,412.9**

Accrued compensation and benefits amounts above exclude our accrued pension obligation. 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 investment services. Since January 1, 2007, we have made purchases of mutual funds and hedge funds totaling $272.3 million to fund our future obligations resulting from participant elections with respect to 2006 awards. We also allocated Holding Units with an aggregate value of approximately $36.8 million within our deferred compensation trust to fund our future obligations that resulted from participant elections with respect to 2006 awards.

We expect to make contributions to our qualified profit sharing plan of approximately $25.0 million in each of the next four years. We currently expect to contribute an estimated $3.7 million to our qualified, noncontributory, defined benefit plan during 2007.

Acquisitions

On May 2, 2006, we purchased the 50% interest in our Hong Kong joint venture (including its wholly-owned Taiwanese subsidiary) owned by our joint venture partner for $16.1 million in cash. The effect of this acquisition was not material to our consolidated financial condition, results of operations or cash flows.

Dispositions

See Note 21 to AllianceBernstein's consolidated financial statements in Item 8 for a discussion of dispositions.

Contingencies

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

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 recoverability quarterly. 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, 2006, 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 ranged from 24% to 26% for U.S. fund shares and 21% to 29% for non-U.S. fund shares determined by reference to actual redemption experience over the five-year, three-year, and one-year periods ended December 31, 2006, 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. 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. As of December 31, 2006, 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 at least 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, 2006, the impairment test indicated that goodwill was not impaired. Also, as of December 31, 2006, 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 quarterly. 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, 2006, 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. generally accepted accounting principles, 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 50% to 70% for equity securities, and 20% to 40% for debt securities, and 0% to 10% for real estate investment trusts. Exposure of the total portfolio to cash equivalents on average should not exceed 5% of the portfolio's value on a market value basis. The plan seeks to provide a rate of return that exceeds applicable benchmarks over rolling five-year periods. The benchmark for the plan's large cap domestic equity investment strategy is the S&P 500 Index; the small cap domestic equity investment strategy is measured against the Russell 2000 Index; the international equity investment strategy is measured against the MSCI EAFE Index; and the fixed income investment strategy is measured against the Lehman Brothers Aggregate Bond Index. The actual rate of return on plan assets was 9.0%, 13.7%, and 9.0% in 2006, 2005, and 2004, 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 2006 net pension charge of $4.9 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, 2006 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 5.90% discount rate as of December 31, 2006 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 5.94%; and one prepared by Citigroup which produced a rate of 5.89%. The discount rate as of December 31, 2005 was 5.65%, which was used in developing the 2006 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 2006 net pension charge of $4.9 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.

Accounting Pronouncements

See Note 22 to 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" and those listed below 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 disposition of our cash management services to Federated Investors, Inc. ("Disposition"). Litigation is inherently unpredictable, and excessive damage awards do occur. Though we have stated that we do not expect certain legal proceedings to have a material adverse effect on our results of operations or financial condition, any settlement or judgment with respect to 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 Disposition on future earnings, resulting from contingent payments to be received in future periods, will depend on the amount of net revenue earned by Federated Investors, Inc. during these periods on assets under management maintained in Federated's funds by our former cash management clients. The amount of gain ultimately realized from the Disposition depends on whether we receive a final contingent payment payable on the fifth anniversary of the closing of the transaction (*see Note 21 to AllianceBernstein's consolidated financial statements in Item 8*).

The forward-looking statements referred to above also include statements regarding anticipated improvement in the relative performance of growth equities, our estimate of what it will cost us to reimburse certain of our clients for losses arising out of an error we made in processing class action claims, and our ability to recover most of this cost. The actual performance of the capital markets and other factors beyond our control will affect our investment success for clients and asset inflows. Our estimate of the cost to reimburse clients is based on our review to date; as we continue our review, our estimate and the ultimate cost we incur may change. Our ability to recover most of the cost of the error depends, in part, on the availability of funds from the related class-action settlement funds, the amount of which is not known, and the willingness of our insurers to reimburse us under existing policies.

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 and other private investment vehicles.

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, 2006 and 2005. 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,			
	2006		2005	
	Fair Value	Effect of +100 Basis Point Change	Fair Value	Effect of +100 Basis Point Change
	(in thousands)			
Fixed Income Investments:				
Trading	$ 31,669	$ (1,435)	$ 30,502	$ (1,424)
Available-for-sale and other investments	31,957	(1,448)	2,537	(118)

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, 2006 and 2005. 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,			
	2006		2005	
	Fair Value	Effect of -10% Equity Price Change	Fair Value	Effect of -10% Equity Price Change
	(in thousands)			
Equity Investments:				
Trading	$ 432,133	$ (43,213)	$ 282,719	$ (28,272)
Available-for-sale and other investments	251,844	(25,184)	115,656	(11,566)

Debt—Fair Value

As of December 31, 2006 and 2005, the aggregate fair value of our debt was $335.0 million and $409.7 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, 2006 and 2005:

	As of December 31,					
	2006			2005		
	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	$ 335,000	$ 14,372	$ —	$ 409,676	$ 18,190	$ 760

Item 8. Financial Statements and Supplementary Data

ALLIANCEBERNSTEIN L.P.
AND SUBSIDIARIES

Consolidated Statements of Financial Condition

	December 31,	
	2006	**2005**
	(in thousands, except unit amounts)	
ASSETS		
Cash and cash equivalents	$ 692,658	$ 654,168
Cash and securities segregated, at market (cost $1,863,133 and $1,720,295)	1,863,957	1,720,809
Receivables, net:		
Brokers and dealers	2,445,552	2,093,461
Brokerage clients	485,446	429,586
Fees, net	557,280	413,198
Investments	543,653	345,045
Furniture, equipment and leasehold improvements, net	288,575	236,309
Goodwill, net	2,893,029	2,876,657
Intangible assets, net	284,925	305,325
Deferred sales commissions, net	194,950	196,637
Other investments	203,950	86,369
Other assets	147,130	132,916
Total assets	**$ 10,601,105**	**$ 9,490,480**
LIABILITIES AND PARTNERS' CAPITAL		
Liabilities:		
Payables:		
Brokers and dealers	$ 661,790	$ 1,057,274
Brokerage clients	3,988,032	2,929,500
AllianceBernstein mutual funds	266,849	140,603
Accounts payable and accrued expenses	333,007	286,449
Accrued compensation and benefits	392,014	357,321
Debt	334,901	407,291
Minority interests in consolidated subsidiaries	53,515	9,368
Total liabilities	**6,030,108**	**5,187,806**
Commitments and contingencies *(See Note 11)*		
Partners' capital:		
General Partner	46,416	44,065
Limited partners: 259,062,014 and 255,624,870 units issued and outstanding	4,584,200	4,334,207
	4,630,616	4,378,272
Capital contributions receivable from General Partner	(29,590)	(31,775)
Deferred compensation expense	(63,196)	(67,895)
Accumulated other comprehensive income	33,167	24,072
Total partners' capital	**4,570,997**	**4,302,674**
Total liabilities and partners' capital	**$ 10,601,105**	**$ 9,490,480**

See Accompanying Notes to Consolidated Financial Statements.

ALLIANCEBERNSTEIN L.P.
AND SUBSIDIARIES

Consolidated Statements of Income

	Years Ended December 31,		
	2006	**2005**	**2004**
	(in thousands, except per unit amounts)		
Revenues:			
Investment advisory and services fees	$ 2,890,229	$ 2,259,392	$ 1,996,819
Distribution revenues	421,045	397,800	447,283
Institutional research services	375,075	352,757	420,141
Dividend and interest income	266,520	152,781	72,743
Investment gains (losses)	53,134	28,631	14,499
Other revenues	132,237	117,227	136,744
Total revenues	4,138,240	3,308,588	3,088,229
Less: Interest expense	187,833	95,863	32,796
Net revenues	3,950,407	3,212,725	3,055,433
Expenses:			
Employee compensation and benefits	1,547,627	1,262,198	1,085,163
Promotion and servicing:			
Distribution plan payments	292,886	291,953	374,184
Amortization of deferred sales commissions	100,370	131,979	177,356
Other	218,944	198,004	202,327
General and administrative	583,296	384,339	426,389
Interest on borrowings	23,124	25,109	24,232
Amortization of intangible assets	20,710	20,700	20,700
	2,786,957	2,314,282	2,310,351
Operating income	**1,163,450**	**898,443**	**745,082**
Non-operating income	20,196	34,446	—
Income before income taxes	**1,183,646**	**932,889**	**745,082**
Income taxes	75,045	64,571	39,932
Net income	**$ 1,108,601**	**$ 868,318**	**$ 705,150**
Net income per unit:			
Basic	**$ 4.26**	**$ 3.37**	**$ 2.76**
Diluted	**$ 4.22**	**$ 3.35**	**$ 2.74**

See Accompanying Notes to Consolidated Financial Statements.

ALLIANCEBERNSTEIN L.P.
AND SUBSIDIARIES

Consolidated Statements of Changes in Partners' Capital and Comprehensive Income

	General Partner's Capital	Limited Partners' Capital	Capital Contributions Receivable	Deferred Compensation Expense	Accumulated Other Comprehensive Income	Total Partners' Capital
	(in thousands, except per unit amounts)					
Balance as of December 31, 2003	$ **39,195**	$ **3,858,538**	$ **(35,698)**	$ **(111,134)**	$ **27,568**	$ **3,778,469**
Comprehensive income (loss):						
Net income	7,052	698,098	—	—	—	705,150
Other comprehensive income (loss):						
Unrealized gain (loss) on investments, net	—	—	—	—	(236)	(236)
Foreign currency translation adjustment, net	—	—	—	—	14,768	14,768
Comprehensive income (loss)	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 awards	—	—	—	58,647	—	58,647
Compensation plan accrual	32	3,224	(3,256)	—	—	—
Additional investment by Holding with proceeds from exercise of compensatory options to buy Holding Units	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 (loss):						
Net income	8,683	859,635	—	—	—	868,318
Other comprehensive income (loss):						
Unrealized gain (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 awards	—	—	—	53,660	—	53,660
Compensation plan accrual	29	2,884	(2,913)	—	—	—
Additional investment by Holding with proceeds from exercise of compensatory options to buy Holding Units	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**
Comprehensive income (loss):						
Net income	11,086	1,097,515	—	—	—	1,108,601
Other comprehensive income (loss):						
Unrealized gain (loss) on investments, net	—	—	—	—	5,198	5,198
Foreign currency translation adjustment, net	—	—	—	—	10,821	10,821
Comprehensive income (loss)	11,086	1,097,515	—	—	16,019	1,124,620
Adjustment to initially apply FASB Statement No. 158, net	—	—	—	—	(6,924)	(6,924)
Cash distributions to General Partner and unitholders ($3.94 per unit)	(10,255)	(1,015,206)	—	—	—	(1,025,461)
Capital contributions from General Partner	—	—	4,303	—	—	4,303
Purchases of Holding Units to fund deferred compensation plans, net	23	16,734	—	(39,102)	—	(22,345)
Additional investment by Holding through issuance of Holding Units in exchange for cash awards	471	46,690	—	—	—	47,161

made under the Partners Compensation Plan						
Compensatory Holding Unit options expense	—	2,699	—	—	—	2,699
Amortization of deferred compensation awards	—	—	—	43,801	—	43,801
Compensation plan accrual	21	2,097	(2,118)	—	—	—
Additional investment by Holding with proceeds from exercise of compensatory options to buy Holding Units	1,005	99,464	—	—	—	100,469
Balance as of December 31, 2006	**$ 46,416**	**$ 4,584,200**	**$ (29,590)**	**$ (63,196)**	**$ 33,167**	**$ 4,570,997**

See Accompanying Notes to Consolidated Financial Statements.

ALLIANCEBERNSTEIN L.P.
AND SUBSIDIARIES

Consolidated Statements of Cash Flows

	Years Ended December 31,		
	2006	2005	2004
		(in thousands)	
Cash flows from operating activities:			
Net income	**$ 1,108,601**	**$ 868,318**	**$ 705,150**
Adjustments to reconcile net income to net cash provided by operating activities:			
Amortization of deferred sales commissions	100,370	131,979	177,356
Amortization of deferred compensation	76,251	85,437	101,561
Depreciation and other amortization	72,445	67,980	74,878
Other, net	(19,898)	(14,774)	7,859
Changes in assets and liabilities:			
(Increase) in segregated cash and securities	(143,148)	(231,768)	(203,240)
(Increase) decrease in receivable from brokers and dealers	(324,640)	(605,389)	137,052
(Increase) in receivable from brokerage clients	(31,974)	(90,453)	(21,154)
(Increase) in fees receivable, net	(135,821)	(65,861)	(13,187)
(Increase) in trading investments	(125,121)	(135,121)	(56,105)
(Increase) in deferred sales commissions	(98,679)	(74,161)	(44,584)
(Increase) in other investments	(115,317)	(23,045)	(29,996)
(Increase) in other assets	(9,638)	(27,645)	(2,142)
(Decrease) increase in payable to brokers and dealers	(422,492)	279,926	(339,687)
Increase in payable to brokerage clients	1,035,367	268,608	761,098
Increase in payable to AllianceBernstein mutual funds	126,236	14,966	9,488
Increase (decrease) in accounts payable and accrued expenses	72,169	7,158	(267,879)
Increase (decrease) in accrued compensation and benefits, less deferred compensation	39,579	3,927	(28,304)
Net cash provided by operating activities	**1,204,290**	**460,082**	**968,164**
Cash flows from investing activities:			
Purchases of investments	(54,803)	(7,380)	(27,407)
Proceeds from sales of investments	12,812	12,717	38,046
Additions to furniture, equipment and leasehold improvements	(97,073)	(72,586)	(57,313)
Purchase of business, net of cash acquired	(16,086)	—	—
Net cash used in investing activities	**(155,150)**	**(67,249)**	**(46,674)**
Cash flows from financing activities:			
Issuance (repayment) of commercial paper, net	328,119	(150)	(92)
Repayment of long-term debt	(408,149)	—	—
Cash distributions to General Partner and unitholders	(1,025,461)	(800,509)	(382,982)
Capital contributions from General Partner	4,303	4,191	5,901
Additional investment by Holding with proceeds from exercise of compensatory options to buy Holding Units	100,469	42,405	46,705
Purchases of Holding Units to fund deferred compensation plans, net	(22,345)	(33,253)	(45,080)
Net cash used in financing activities	**(1,023,064)**	**(787,316)**	**(375,548)**
Effect of exchange rate changes on cash and cash equivalents	12,414	(12,872)	12,723
Net increase (decrease) in cash and cash equivalents	**38,490**	**(407,355)**	**558,665**
Cash and cash equivalents as of beginning of the period	654,168	1,061,523	502,858
Cash and cash equivalents as of end of the period	**$ 692,658**	**$ 654,168**	**$ 1,061,523**
Cash paid:			
Interest	$ 229,009	$ 122,152	$ 55,102
Income taxes	59,704	56,521	33,516
Non-cash financing activities:			
Additional investment by Holding through issuance of Holding Units in exchange for cash awards made under the Partners Compensation Plan	47,161	—	—

See Accompanying Notes to Consolidated Financial Statements.

ALLIANCEBERNSTEIN L.P.
AND SUBSIDIARIES

Notes to Consolidated Financial Statements

The words "we" and "our" refer collectively to AllianceBernstein Holding L.P. and AllianceBernstein L.P. 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 italics.

1. Organization and Business Description

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

- Institutional Investments 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 (sponsored by AllianceBernstein or our affiliated joint venture companies), and other investment vehicles.

- Retail Services - servicing individual investors, primarily by means of retail mutual funds sponsored by AllianceBernstein or 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 various financial intermediaries worldwide, 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, independent, fundamental 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 equities, generally targeting stocks with under-appreciated growth potential;

- Value equities, generally targeting stocks that are out of favor and that may trade at bargain prices;

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

- Passive management, including both index and enhanced index strategies; and

- Blend strategies, combining style pure investment components with systematic rebalancing.

We manage these services 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.

Our high-quality, in-depth fundamental research is the foundation of our business. AllianceBernstein's research disciplines include fundamental research, quantitative research, economic research, and currency forecasting capabilities. In addition, AllianceBernstein has created several specialist research units, including one unit that examines global strategic changes that can affect multiple industries and geographies, and another dedicated to identifying potentially successful innovations within early-stage companies.

As of December 31, 2006, 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 (a wholly-owned subsidiary of AXA Financial, "AXA Equitable") and certain subsidiaries of AXA Financial, collectively referred to as "AXA and its subsidiaries", owned approximately 1.7% of the issued and outstanding Holding Units.

As of December 31, 2006, the ownership of AllianceBernstein, as a percentage of general and limited partnership interests, was as follows:

AXA and its subsidiaries	59.7%
Holding	32.8
SCB Partners Inc. (a wholly-owned subsidiary of SCB Inc.; formerly known as Sanford C. Bernstein Inc.)	6.2
Other	1.3
	100.0%

AllianceBernstein Corporation (an indirect wholly-owned subsidiary of AXA, "General Partner") is the general partner of both Holding and AllianceBernstein. AllianceBernstein Corporation owns 100,000 general partnership units in Holding and a 1% general partnership interest in AllianceBernstein. Each general partnership unit in Holding is entitled to receive quarterly distributions equal to those received by each limited partnership unit. Including the general partnership interests in AllianceBernstein and Holding, and their equity interest in Holding, as of December 31, 2006, AXA and its subsidiaries had an approximate 60.3% 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 consolidated 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 and its majority-owned and/or controlled subsidiaries. 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 in 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.

Variable Interest Entities

In accordance with FASB Interpretation No. 46 (revised December 2003) ("FIN 46-R"), "*Consolidation of Variable Interest Entities*", management reviews quarterly its 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, hedge funds, structured products, group trusts, and joint ventures.

We derive no 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, 2006, we have significant variable interests in certain structured products and hedge funds with approximately $226.4 million in client assets under management. However, these variable interest entities 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 investment of $0.1 million in these entities.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits and highly liquid investments including money market accounts with actual maturities of three months or less. Due to the short-term nature of these instruments, the 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 recorded 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 the 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. 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.

During the second quarter of 2006, we made an acquisition which resulted in the recognition of approximately $16.4 million of goodwill (*see Note 20*).

In accordance with Statement of Financial Accounting Standards No. 142 ("SFAS No. 142"), *"Goodwill and Other Intangible Assets"*, we test goodwill at least annually, as of September 30, for impairment. As of September 30, 2006, the impairment test indicated that goodwill was not impaired. Also, as of December 31, 2006, 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, Net

Intangible assets consist primarily of costs assigned to investment management contracts of SCB Inc. 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 $414.3 million and $414.0 million as of December 31, 2006 and 2005, respectively, and accumulated amortization was $129.4 million as of December 31, 2006 and $108.7 million as of December 31, 2005, resulting in the net carrying amount of intangible assets subject to amortization of $284.9 million as of December 31, 2006 and $305.3 million as of December 31, 2005. Amortization expense was $20.7 million for each of the years ended December 31, 2006, 2005, and 2004, and estimated amortization expense for each of the next five years is approximately $20.7 million.

Management tests intangible assets for impairment quarterly. As of December 31, 2006, 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.

Deferred Sales Commissions, Net

We pay commissions to financial intermediaries in connection with the sale of shares of open-end company-sponsored mutual funds sold without a front-end sales charge ("back-end load shares"). These commissions are capitalized as deferred sales commissions and amortized over periods not exceeding five and one-half years for U.S. fund shares and four years for non-U.S. fund shares, the periods of time during which deferred sales commissions are generally recovered. We recover these commissions from distribution services fees received from those funds and from contingent deferred sales commissions ("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. 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 performance 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 an impairment exists, a loss would be recorded. The amount of the 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 we determine 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 of assets under management, 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, which 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. Institutional research services revenue consists of brokerage transaction charges received by SCB LLC and SCBL for in-depth research and brokerage-related services provided to institutional investors. Brokerage transaction charges earned and related expenses are recorded on a trade date basis. Distribution revenues, shareholder servicing fees, and interest income 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.

Deferred Compensation Plans

We maintain several unfunded, non-qualified deferred compensation plans under which annual awards to employees are generally made in the fourth quarter. Participants allocate their awards among notional investments in Holding Units, certain of our investment services we provide to our clients, or a money market fund, or investments in options to buy Holding Units. We typically purchase the investments that are notionally elected by the participants and hold such investments, which are classified as trading securities, in a consolidated rabbi trust. Vesting periods for annual awards range from immediate to four years, depending on the terms of the individual awards, the age of the participants, or in the case of our Chairman and CEO, the terms of his employment agreement. Upon vesting, awards are distributed to participants unless they have made a voluntary long-term election to defer receipt. Quarterly cash distributions on unvested Holding Units for which a long-term deferral election has not been made are paid currently to participants. Quarterly cash distributions on notional investments of Holding Units and income credited on notional investments in our investment services or the money market fund for which a long-term deferral election has been made are reinvested and distributed as elected by participants.

Compensation expense for awards under the plans, including changes in participant account balances resulting from gains and losses on notional investments (other than in Holding Units), is recognized on a straight-line basis over the applicable vesting periods. Mark-to-market gains or losses on notional investments (other than in Holding Units) are recognized currently as investment gains (losses) in the consolidated statements of income.

Compensatory Option Plans

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 requires that compensation cost related to share-based payments, based on the fair value of the equity instruments issued, be recognized in financial statements. SFAS No. 123-R supersedes Accounting Principles Board Opinion No. 25 ("APB No. 25"), "*Accounting for Stock Issued to Employees*", and its related implementation guidance. We adopted SFAS No. 123-R effective January 1, 2006 utilizing the modified prospective method. Prior period amounts have not been restated.

Prior to January 1, 2006, we utilized the fair value method of recording compensation expense (including a straight-line amortization policy), related 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 (determined using the Black-Scholes option valuation model) and is recognized over the vesting period.

For compensatory option awards granted prior to 2002, we applied the provisions of APB No. 25, 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 fair value at grant date under SFAS No. 123, net income for 2005 and 2004 would have been reduced to the pro forma amounts indicated below:

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

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 realized foreign currency transaction losses were $0.2 million, $0.7 million, and $1.8 million for 2006, 2005, and 2004, 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 its 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. The General Partner computes cash flow received from operations by determining the sum of:

- net cash provided by operating 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.

On January 24, 2007, the General Partner declared a distribution of $418.7 million, or $1.60 per AllianceBernstein Unit, representing a distribution from Available Cash Flow for the three months ended December 31, 2006. The distribution was paid on February 15, 2007 to holders of record as of February 5, 2007.

Comprehensive Income

Total accumulated other 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, foreign currency translation adjustments, and unrecognized actuarial net losses, prior service cost and transition assets. 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 the current period presentation. These include the following reclassifications in the consolidated statements of income:

- the reclassification of $31.5 million and $116.5 million of transaction charge revenues from investment advisory and services fees to institutional research services for the years ended December 31, 2005 and 2004, respectively;
- gains on dispositions (previously included in other revenues) and related expenses (previously included in employee compensation and benefits and general and administrative) are now classified as non-operating income;
- dividend and interest income, investment gains and losses, and broker-dealer related interest expense, previously included in other revenues, are now shown separately; and

- shareholder servicing fees ($99.4 million and $116.0 million for the years ended December 31, 2005 and 2004, respectively), previously shown separately, are now included in other revenues.

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

As of December 31, 2006 and 2005, $1.9 billion and $1.7 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"). During the first week of January 2007, we deposited an additional $0.2 billion in United States Treasury Bills in this special account pursuant to Rule 15c 3-3 requirements.

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,		
	2006	2005	2004
	(in thousands, except per unit amounts)		
Net income	$ 1,108,601	$ 868,318	$ 705,150
Weighted average units outstanding—basic	257,719	254,883	253,121
Dilutive effect of compensatory options	2,243	1,714	1,644
Weighted average units outstanding—diluted	259,962	256,597	254,765
Basic net income per unit	$ 4.26	$ 3.37	$ 2.76
Diluted net income per unit	$ 4.22	$ 3.35	$ 2.74

As of December 31, 2006, there were no out-of-the-money options (i.e., options with an exercise price greater than the weighted average closing price of a unit for the year). As of December 31, 2005 and 2004, we excluded 3,950,100 and 4,336,500 out-of-the-money options, respectively, from the diluted net income per unit computation due to their anti-dilutive effect.

5. Receivables, Net and Payables

Receivables, net are comprised of:

	December 31,	
	2006	2005
	(in thousands)	
Brokers and dealers:		
Collateral for securities borrowed (fair value $2,117,885 in 2006 and $1,893,594 in 2005)	$ 2,182,167	$ 1,966,000
Other	263,385	127,461
Total brokers and dealers	2,445,552	2,093,461
Brokerage clients	485,446	429,586
Fees, net:		
AllianceBernstein mutual funds	180,260	143,737
Unaffiliated clients (net of allowance of $1,113 in 2006 and $939 in 2005)	369,690	262,279
Affiliated clients	7,330	7,182
Total fees receivable, net	557,280	413,198
Total receivables, net	**$ 3,488,278**	**$ 2,936,245**

Payables are comprised of:

	December 31,	
	2006	2005
	(in thousands)	
Brokers and dealers:		
Collateral for securities loaned (fair value $470,798 in 2006 and $942,985 in 2005)	$ 489,093	$ 976,985
Other	172,697	80,289
Total brokers and dealers	661,790	1,057,274
Brokerage clients	3,988,032	2,929,500
AllianceBernstein mutual funds	266,849	140,603
Total payables	**$ 4,916,671**	**$ 4,127,377**

6. Investments

As of December 31, 2006 and 2005, 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. As of December 31, 2006 and 2005, United States Treasury Bills with a fair market value of $17.0 million and $16.9 million, respectively, were on deposit with various clearing organizations.

The following is a summary of the cost and fair value of investments as of December 31, 2006 and 2005:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	(in thousands)			
December 31, 2006:				
Available-for-sale:				
Equity investments	$ 39,232	$ 8,665	$ (3)	$ 47,894
Fixed income investments	31,476	486	(5)	31,957
	70,708	9,151	(8)	79,851
Trading:				
Equity investments	407,790	34,264	(9,921)	432,133
Fixed income investments	31,155	517	(3)	31,669
	438,945	34,781	(9,924)	463,802
Total investments	**$ 509,653**	**$ 43,932**	**$ (9,932)**	**$ 543,653**
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**

Proceeds from sales of investments available-for-sale were approximately $12.8 million, $12.7 million, and $38.0 million in 2006, 2005, and 2004, respectively. Net realized gains from our sales of available-for-sale investments were $1.0 million, $0.9 million, and $2.4 million in 2006, 2005, and 2004, 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, net are comprised of:

	December 31,	
	2006	2005
	(in thousands)	
Furniture and equipment	$ 426,848	$ 369,092
Leasehold improvements	254,421	217,137
	681,269	586,229
Less: Accumulated depreciation and amortization	(392,694)	(349,920)
Furniture, equipment and leasehold improvements, net	**$ 288,575**	**$ 236,309**

Depreciation and amortization expense on furniture, equipment, and leasehold improvements were $43.8 million, $45.8 million, and $52.7 million for the years ended December 31, 2006, 2005, and 2004, respectively.

8. Deferred Sales Commissions, Net

The components of deferred sales commissions, net for the years ended December 31, 2006 and 2005 were as follows:

	December 31,	
	2006	2005
	(in thousands)	
Gross carrying amount of deferred sales commissions	$ 530,231	$ 692,148
Less: Accumulated amortization	(250,626)	(421,620)
Cumulative CDSC received	(84,655)	(73,891)
Deferred sales commissions, net	**$ 194,950**	**$ 196,637**

Amortization expense was $100.4 million, $132.0 million, and $177.4 million for the years ended December 31, 2006, 2005, and 2004, respectively. Estimated future amortization expense related to the December 31, 2006 net asset balance is as follows (in thousands):

2007	$ 77,776
2008	54,145
2009	39,303
2010	18,334
2011	4,866
2012	526
	$ 194,950

9. Other Investments

Other investments consist of investments made primarily to seed limited partnership hedge funds that we sponsor and manage, securities held by a consolidated venture capital fund, and investments in unconsolidated joint ventures. The components of other investments as of December 31, 2006 and 2005 were as follows:

	December 31,	
	2006	2005
	(in thousands)	
Investments in sponsored partnerships and other investments	$ 168,324	$ 77,856
Securities held by a consolidated venture capital fund	33,996	—
Investments in unconsolidated affiliates	1,630	8,513
Other investments	**$ 203,950**	**$ 86,369**

10. Debt

Total available credit, debt outstanding and weighted average interest rates as of December 31, 2006 and 2005 were as follows:

	December 31,					
	2006			2005		
	Credit Available	Debt Outstanding	Interest Rate	Credit Available	Debt Outstanding	Interest Rate
	(in millions)					
Senior notes	$ 200.0	$ —	—%	$ 600.0	$ 399.7	5.6%
Commercial paper[1]	800.0	334.9	5.3	425.0	—	—
Revolving credit facility[1]	—	—	—	375.0	—	—
Extendible commercial notes	100.0	—	—	100.0	—	—
Other	—	—	—	n/a	7.6	4.6
Total	**$ 1,100.0**	**$ 334.9**	**5.3**	**$ 1,500.0**	**$ 407.3**	**5.6**

(1) Our revolving credit facility supports our commercial paper program; amounts borrowed under the commercial paper program reduce amounts available for other purposes under the revolving credit facility on a dollar-for-dollar basis.

In August 2001, we issued $400 million 5.625% Notes (“Senior Notes”) pursuant to a shelf registration statement that originally permitted us to issue up to $600 million in senior debt securities. The Senior Notes matured in August 2006, and were retired using cash flow from operations and proceeds from the issuance of commercial paper. We currently have $200 million available under the shelf registration statement for future issuances.

In February 2006, we entered into an $800 million five-year revolving credit facility with a group of commercial banks and other lenders. The revolving credit facility is intended to provide back-up liquidity for our commercial paper program, which we increased from $425 million to $800 million in May 2006. Under the 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, 2006.

As of December 31, 2006, we maintained a $100 million extendible commercial notes (“ECN”) program as a supplement to our commercial paper program. ECNs are short-term uncommitted debt instruments that do not require back-up liquidity support.

In 2006, SCB LLC entered into four separate uncommitted credit facility agreements with various banks, each for $100 million. As of December 31, 2006, there were no amounts outstanding under these credit facilities. During January and February of 2007, SCB LLC increased three of the agreements to $200 million each and entered into an additional agreement for $100 million with a new bank.

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, 2006 are as follows:

	Payments	Sublease	Net Payments
		(in millions)	
2007	$ 100.7	$ 3.9	$ 96.8
2008	101.8	3.3	98.5
2009	96.5	3.0	93.5
2010	98.3	3.0	95.3
2011	95.6	3.0	92.6
2012 and thereafter	1,406.3	16.1	1,390.2
Total future minimum payments	**$ 1,899.2**	**$ 32.3**	**$ 1,866.9**

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 $99.7 million, $76.0 million, and $78.5 million, respectively, for the years ended December 31, 2006, 2005, and 2004, respectively, net of sublease income of $3.7 million, $5.9 million, and $5.3 million for the years ended December 31, 2006, 2005, and 2004, respectively.

Deferred Sales Commission Asset

Payments of sales commissions made by AllianceBernstein Investments, Inc. (“AllianceBernstein Investments”), a wholly-owned subsidiary of AllianceBernstein, to financial intermediaries in connection with the sale of back-end load shares under our mutual fund distribution system (the “System”) are capitalized as deferred sales commissions (“deferred sales commission asset”) and amortized over periods not exceeding five and one-half years for U.S. fund shares and four years for non-U.S. fund shares, 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 $195.0 million and $196.6 million as of December 31, 2006 and 2005, 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 $23.7 million, $21.4 million, and $32.9 million, respectively, totaled approximately $98.7 million, $74.2 million, and $44.6 million during 2006, 2005, and 2004, respectively.

Management tests the deferred sales commission asset for recoverability quarterly. 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, 2006, 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 range from 24% to 26% for U.S. fund shares and 21% to 29% for non-U.S. fund shares, determined by reference to actual redemption experience over the five-year, three-year, and one-year periods ended December 31, 2006, 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. 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. As of December 31, 2006, 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 2006, U.S. equity markets increased by approximately 15.8% as measured by the change in the Standard & Poor's 500 Stock Index and U.S. fixed income markets increased by approximately 4.3% as measured by the change in the Lehman Brothers' Aggregate Bond Index. The redemption rate for domestic back-end load shares was 25.0% in 2006. Non-U.S. capital markets increases ranged from 20.1% to 32.2% as measured by the MSCI World, Emerging Market, and EAFE Index. The redemption rate for non-U.S. back-end load shares was 29.1% in 2006. 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 we determine 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 re Enron Corporation Securities Litigation*, a consolidated complaint (as subsequently amended, "Enron Complaint") was filed in the United States District Court for the Southern District of Texas, Houston Division, against numerous defendants, including AllianceBernstein, alleging 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. On January 2, 2007, the court issued a final judgment dismissing the Enron Complaint as the allegations therein pertained to AllianceBernstein. The parties have agreed that there will be no appeal.

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 AllianceBernstein-sponsored mutual funds ("U.S. Funds") that are registered under the Investment Company Act of 1940, as amended ("Investment Company Act"), the registrants and issuers of those funds, certain officers of AllianceBernstein ("AllianceBernstein 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 AllianceBernstein 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.

Following October 2, 2003, 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. 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 transferred all federal actions to the United States District Court for the District of Maryland ("Mutual Fund MDL"). 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 the Employee Retirement Income Security Act of 1974, as amended ("ERISA") by participants in the Profit Sharing Plan for Employees of AllianceBernstein. All four complaints included substantially identical factual allegations, which appear to be based in large part on the Order of the U.S. Securities and Exchange Commission ("SEC") dated December 18, 2003 (as amended and restated January 15, 2004, "SEC Order") and the New York State Attorney General Assurance of Discontinuance dated September 1, 2004 ("NYAG AoD").

On April 21, 2006, AllianceBernstein and attorneys for the plaintiffs in the mutual fund shareholder claims, mutual fund derivative claims, and ERISA claims entered into a confidential memorandum of understanding ("MOU") containing their agreement to settle these claims. The agreement will be documented by a stipulation of settlement and will be submitted for court approval at a later date. The settlement amount ($30 million), which we previously accrued and disclosed, has been disbursed. The derivative claims brought on behalf of Holding, in which plaintiffs seek an unspecified amount of damages, remain pending.

We intend to vigorously defend against the lawsuit involving derivative claims brought on behalf of Holding. 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 the plaintiffs did not specify an amount of damages sought in their complaint.

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 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 ("Summary Order") 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 25, 2006, AllianceBernstein and Holding moved to vacate the Summary Order. In early September 2006, the court denied this motion, and the Supreme Court of Appeals in West Virginia denied our petition for appeal. On September 22, 2006, we filed an answer and moved to dismiss the Summary Order with the WV Securities Commissioner.

We intend to vigorously defend against the allegations in the WVAG Complaint and the Summary Order. At the present time, we are unable to predict the outcome or estimate a possible loss or range of loss in respect of these matters 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.

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 alleged shareholders 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.

On February 2, 2005, plaintiffs filed a consolidated amended class action complaint ("Aucoin Consolidated Amended Complaint") that asserted claims substantially similar to the Aucoin Complaint and nine additional subsequently-filed lawsuits. On October 19, 2005, the United States District Court for the Southern District of New York dismissed each of the claims set forth in the Aucoin Consolidated Amended Complaint, except for plaintiffs' 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. On May 31, 2006, the District Court denied plaintiffs' motion for leave to file their amended complaint. On July 5, 2006, plaintiffs filed a notice of appeal, which was subsequently withdrawn subject to plaintiffs' right to reinstate it at a later date.

We believe that plaintiffs' 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 matters, including employee arbitrations, regulatory inquiries, administrative proceedings, and litigation, some of which allege material 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.

Claims Processing Contingency

During the fourth quarter of 2006, we recorded a $56.0 million pre-tax charge as general and administrative expense for the estimated cost of reimbursing certain clients for losses arising out of an error we made in processing claims for class action settlement proceeds on behalf of these clients, which include some AllianceBernstein-sponsored mutual funds. The charge and related income tax benefit decreased 2006 net income and diluted net income per unit by $54.5 million and $0.21, respectively. Our estimate of the cost is based on our review to date; as we continue our review, our estimate and the ultimate cost we incur may change. We believe that most of this cost will ultimately be recovered from residual settlement proceeds and insurance.

12. Net Capital

SCB LLC, a broker-dealer and a member organization of the New York Stock Exchange (“NYSE”), is subject to the 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. As of December 31, 2006, SCB LLC had net capital of $154.1 million, which was $112.6 million in excess of the minimum net capital requirement of $41.5 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, 2006, $103.7 million was not available for payment of cash dividends and advances.

SCBL is a member of the London Stock Exchange. As of December 31, 2006, SCBL was subject to financial resources requirements of $16.0 million imposed by the Financial Services Authority of the United Kingdom and had aggregate regulatory financial resources of $30.7 million, an excess of $14.7 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, 2006 was $42.4 million, which was $20.8 million in excess of its required net capital of $21.6 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 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 in the accounts 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. Qualified Employee Benefit Plans

We maintain a qualified profit sharing plan (the "Profit Sharing Plan") covering U.S. employees and certain foreign employees. Employer contributions are generally limited to the maximum amount deductible for federal income tax purposes. Aggregate contributions for 2006, 2005, and 2004 were $25.3 million, $22.0 million, and $21.1 million, respectively.

We maintain a qualified, noncontributory, defined benefit retirement plan ("Retirement Plan") covering current and former employees who were employed by AllianceBernstein 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 we can deduct 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,	
	2006	2005
	(in thousands)	
Change in projected benefit obligation:		
Projected benefit obligation at beginning of year	$ 83,815	$ 81,204
Service cost	4,048	4,268
Interest cost	4,578	4,274
Actuarial gains	(4,916)	(3,685)
Benefits paid	(2,842)	(2,246)
Projected benefit obligation at end of year	84,683	83,815
Change in plan assets:		
Plan assets at fair value at beginning of year	47,406	40,665
Actual return on plan assets	4,414	5,487
Employer contribution	4,337	3,500
Benefits paid	(2,842)	(2,246)
Plan assets at fair value at end of year	53,315	47,406
Projected benefit obligation in excess of plan assets	(31,368)	(36,409)
Amounts not recognized:		
Unrecognized net loss from past experience different from that assumed and effects of changes and assumptions	—	13,728
Unrecognized prior service cost	—	307
Unrecognized net plan assets as of January 1, 1987 being recognized over 26.3 years	—	(1,048)
Accrued pension liability included in accrued compensation and benefits	**$ (31,368)**	**$ (23,422)**

We adopted Statement of Financial Accounting Standards No. 158, *"Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans, an amendment of FASB Statements No. 87, 88, 106, and 132(R)"*, ("SFAS No. 158"), as of December 31, 2006. This pronouncement requires an employer to recognize the underfunded status of a defined benefit plan as a liability in its statement of financial position and to recognize changes in that funded status in the year in which the changes occur as a component of other comprehensive income.

The effect of adopting SFAS No. 158 on individual line items in the consolidated statement of financial condition was as follows (in thousands):

	Before Application of SFAS No. 158	Adjustments	After Application of SFAS No. 158
Other assets (deferred tax asset)	$ 146,674	$ 456	$ 147,130
Accrued compensation and benefits	384,634	7,380	392,014
Accumulated other comprehensive income (loss)	40,091	(6,924)	33,167

The amounts included in accumulated other comprehensive income (loss) as of December 31, 2006 were as follows (in thousands):

Unrecognized net loss from experience different from that assumed and effects of changes and assumptions	$ (7,430)
Unrecognized prior service cost	(343)
Unrecognized net plan assets as of January 1, 1987 being recognized over 26.3 years	849
Accumulated other comprehensive income (loss)	**$ (6,924)**

The estimated initial plan assets and prior service cost for the Retirement Plan that will be amortized from accumulated other comprehensive income over the next year is $143,000 and $59,000, respectively.

The accumulated benefit obligation for the plan was $68.4 million and $66.9 million as of December 31, 2006 and 2005, respectively. The accumulated benefit obligation differs from the projected benefit obligation in that it includes no assumption about future compensation levels. We currently estimate we will contribute $3.7 million to the plan during 2007. Contribution estimates, which are subject to change, are based on regulatory requirements, future market conditions and assumptions used for actuarial computations of the Retirement 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, 2006 and 2005 (measurement dates) were made utilizing the following weighted-average assumptions:

	2006	2005
Discount rate on benefit obligations	5.90%	5.65%
Annual salary increases	3.50%	3.35%

The Retirement Plan's asset allocation percentages consisted of:

	December 31,	
	2006	2005
Equity securities	69%	80%
Debt securities	22	19
Real estate	9	—
Other	—	1
	100%	100%

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

2007	$ 3,542
2008	1,932
2009	2,544
2010	3,634
2011	3,505
2012-2016	26,026

Net expense under the Retirement Plan was comprised of:

	Years Ended December 31,		
	2006	2005	2004
		(in thousands)	
Service cost	$ 4,048	$ 4,268	$ 4,925
Interest cost on projected benefit obligations	4,578	4,274	4,109
Expected return on plan assets	(3,800)	(3,225)	(2,853)
Amortization of prior service credit	(59)	(59)	(59)
Amortization of transition asset	(143)	(143)	(143)
Amortization of loss	280	501	438
Net pension charge	**$ 4,904**	**$ 5,616**	**$ 6,417**

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

	Years Ended December 31,		
	2006	2005	2004
Discount rate on benefit obligations	5.65%	5.75%	6.25%
Expected long-term rate of return on plan assets	8.00%	8.00%	8.00%
Annual salary increases	3.50%	3.35%	3.40%

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 50% to 70% for equity securities, 20% to 40% for debt securities, and 0% to 10% for real estate investment trusts. Exposure of the total portfolio to cash equivalents on average should not exceed 5% of the portfolio's value on a market value basis. The plan seeks to provide a rate of return that exceeds applicable benchmarks over rolling five-year periods. The benchmark for the plan's large cap domestic equity investment strategy is the S&P 500 Index; the small cap domestic equity investment strategy is measured against the Russell 2000 Index; the international equity investment strategy is measured against the MSCI EAFE Index; and the fixed income investment strategy is measured against the Lehman Brothers Aggregate Bond Index.

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 of Directors of the General Partner ("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, 2006, 2005, and 2004 were $2.1 million, $2.9 million, and $3.3 million, respectively.

In connection with the Bernstein Transaction, 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. The amounts charged to employee compensation and benefits expense for the years ended December 31, 2006, 2005, and 2004 were $3.6 million, $29.1 million, and $61.3 million, respectively.

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

- Awards made in 1995 vested ratably over three years; awards made from 1996 through 1998 generally vested ratably over eight years.
- Until distributed, liability for the 1995 through 1998 awards increased or decreased through December 31, 2005 based on our earnings growth rate.
- Prior to January 1, 2006, payment of vested 1995 through 1998 benefits was generally made in cash over a five-year period commencing at retirement or termination of employment although, under certain circumstances, partial lump sum payments were made.
- Effective January 1, 2006, participant accounts were converted to notional investments 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. Each participant elected a distribution date, which could be no earlier than January 2007. Holding issued 834,864 Holding Units in January 2006 in connection with this conversion, with a market value on that date of approximately $47.2 million.

- Awards made for 1999 and 2000 are notionally invested 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 eight years to immediate 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.
- For 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 2006 awards, selected senior officers may elect to allocate up to a specified portion of their awards to investments in options to buy Holding Units ("Special Program"); the firm matches this allocation on a two-for-one basis (for additional information about the Special Program, *see Note 16*).

Beginning with 2001 awards, vesting periods range from four years to immediate depending on the age of the participant. Upon vesting, awards are distributed to participants unless a voluntary 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 for which a deferral election has been made and income earned on notional investments in company-sponsored mutual funds are reinvested and distributed as elected by participants.

The Partners Plan may be terminated at any time without cause, in which case our liability would be limited to vested benefits. We made awards in 2006, 2005, and 2004 aggregating $238.5 million, $202.0 million, and $181.8 million, respectively. In January 2007, $9.8 million of the 2006 award was allocated to options to buy Holding Units (*see Note 16*). The amounts charged to employee compensation and benefits expense for the years ended December 31, 2006, 2005, and 2004 were $191.9 million, $133.1 million, and $75.8 million, respectively.

During 2003, we established the AllianceBernstein 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 $40.1 million in 2006, $31.8 million in 2005, and $29.6 million in 2004. The amounts charged to employee compensation and benefits expense for the years ended December 31, 2006, 2005, and 2004 were $27.0 million, $15.8 million, and $6.3 million, respectively.

Effective August 1, 2005, we established the AllianceBernstein 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 $14.5 million and $14.1 million in 2006 and 2005, respectively. The amount charged to employee compensation and benefits expense for the years ended December 31, 2006 and 2005 were $4.2 million and $0.5 million.

In accordance with the terms of the employment agreement between Mr. Sanders, Chairman and CEO, and AllianceBernstein dated October 26, 2006 (and the terms of Mr. Sanders's prior employment agreement), Mr. Sanders is entitled to receive a deferred compensation award of not less than 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 of $19.0 million vests 65% in December 2007 and 35% in December 2008. The amounts charged to employee compensation and benefits expense for the years ended December 31, 2006 and 2005 were $15.0 million and $4.8 million, respectively.

16. Compensatory Unit Award and Option Plans

In 1988, we established an employee unit option plan (the "Unit Option Plan"), under which options to buy Holding Units were granted to certain key employees. Options were granted for terms of up to 10 years and each option has an exercise price of not less than the fair market value of Holding Units on the date of grant. Options are 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, we established the 1993 Unit Option Plan ("1993 Plan"), under which options to buy Holding Units were granted to key employees and independent directors of the General Partner for terms of up to 10 years. Each option has an exercise price of not less than the fair market value of Holding Units on the date of grant. Options are 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 or other awards have been granted under the 1993 Plan since it expired in 2003.

In 1997, we established the 1997 Long Term Incentive Plan ("1997 Plan"), under which options to buy 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 10 years). Options granted to employees are generally 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; options granted to independent directors are generally exercisable at a rate of 33.3% of the Holding Units subject to such options on each of the first three 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, 2006, options to buy 10,796,116 Holding Units, net of forfeitures, had been granted and 1,035,237 Holding Units, net of forfeitures, were subject to other unit awards made under the 1997 Plan (*as described below*). Holding Unit-based awards (including options) in respect of 29,168,647 Holding Units were available for grant as of December 31, 2006.

During 2006, 2005, and 2004, options to buy 9,712, 17,604, and 40,000 Holding Units, respectively, were granted to independent directors of the General Partner under the 1997 Plan; no options were granted to employees. The weighted average fair value of options to buy Holding Units granted during 2006, 2005, and 2004 was $12.35, $7.04, and $8.00, respectively, on the date of grant, determined using the Black-Scholes option valuation model with the following assumptions:

	2006	2005	2004
Risk-free interest rate	4.9%	3.7%	4.0%
Expected cash distribution yield	6.0%	6.2%	3.5%
Historical volatility factor	31.0%	31.0%	32.0%
Expected term	6.5 years	3 years	5 years

The following table summarizes the activity in options under our various option plans:

	Holding Units	Weighted Average Exercise Price Per Holding Unit
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**
Granted	9,712	65.02
Exercised	(2,567,017)	38.40
Forfeited	(73,800)	38.19
Outstanding as of December 31, 2006	**4,819,099**	**41.62**
Exercisable as of December 31, 2004	**7,161,820**	
Exercisable as of December 31, 2005	**6,366,700**	
Exercisable as of December 31, 2006	**4,437,351**	

The total intrinsic value of options exercised during 2006, 2005, and 2004 was $79.0 million, $40.6 million, and $46.0 million, respectively.

The following table summarizes information concerning outstanding and exercisable options as of December 31, 2006:

	Options Outstanding			Options Exercisable	
Range of Exercise Prices:	**Number Outstanding as of 12/31/06**	**Weighted Average Remaining Contractual Life (Years)**	**Weighted Average Exercise Price**	**Number Exercisable as of 12/31/06**	**Weighted Average Exercise Price**
$ 18.47 - $ 25.63	202,000	1.00	$ 18.75	202,000	$ 18.75
25.65 - 30.25	711,550	2.58	28.74	709,550	28.74
32.52 - 48.50	1,875,537	5.27	37.86	1,506,501	38.87
50.15 - 50.56	1,116,800	4.92	50.25	1,115,800	50.25
51.10 - 65.02	913,212	4.02	53.90	903,500	53.78
$ 18.47 - $ 65.02	**4,819,099**	**4.37**	**41.62**	**4,437,351**	**42.24**

The total intrinsic value of options outstanding and exercisable as of December 31, 2006 was $186.9 million and $169.3 million, respectively.

The following table summarizes activity of unvested options during the year ended December 31, 2006:

	Holding Units	Weighted Average Exercise Price Per Holding Unit
Unvested as of January 1, 2006	**1,083,504**	**$ 38.47**
Granted	9,712	65.02
Vested	(637,668)	41.26
Forfeited	(73,800)	38.19
Unvested as of December 31, 2006	**381,748**	**34.53**

The total fair value of options vested during 2006 was $26.3 million.

Under the fair value method, compensation expense is measured at the grant date based on the estimated fair value of the options awarded (determined using the Black-Scholes option valuation model) and is recognized over the vesting period. We recorded compensation expense relating to the option plans of $2.7 million, $2.2 million, and $2.4 million, respectively, for the years ended December 31, 2006, 2005, and 2004. As of December 31, 2006, there was $1.7 million of compensation cost related to unvested share-based compensation arrangements granted under the option plans for unvested awards not yet recognized. That cost is expected to be recognized over a weighted average period of one year.

On January 26, 2007, the Compensation Committee of the Board approved the Special Option Program, under which selected senior officers voluntarily allocate a specified portion of their Partners Plan award to options to buy Holding Units and the company matches this allocation on a two-for-one basis. Also on January 26, 2007, the Compensation Committee granted two separate awards of options to buy Holding Units to 67 participants. The exercise price for both awards is $90.65, the closing price of Holding Units on the grant date. The first grant, with a fair value of $17.69 per option, awarded options to buy 555,985 Holding Units, vesting in equal increments on each of the first five anniversaries of the grant date and expiring in 10 years. The second grant, with a fair value of $17.67 per option, awarded options to buy 1,113,220 Holding Units, vesting in equal annual increments on each of the sixth through tenth anniversaries of the grant date and expiring in 11 years.

Other Unit Awards

Restricted Units

In 2006 and 2005, restricted Holding Units (“Restricted Units”) were awarded to the independent directors of the General Partner. The Restricted Units give the directors, in most instances, all the rights of other Holding Unitholders subject to such restrictions on transfer as the Board may impose. We awarded 1,848 and 2,644 Restricted Units in 2006 and 2005, respectively, with grant date market values of $65.02 and $45.45 per Holding Unit, respectively. All of the Restricted Units vest on the third anniversary of grant date or immediately upon a director’s resignation. We fully expensed these awards on the grant date. As of December 31, 2006, 3,170 Restricted Units, net of distributions made upon retirement of two directors, were outstanding. We recorded compensation expense of $164,000 and $48,000 in 2006 and 2005, respectively, related to Restricted Units.

Century Club Plan

In 1993, we established the Century Club Plan, under which employees of AllianceBernstein 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 2006, awards totaling 36,020 Holding Units with a market value on the date of award of $63.82 per Holding Unit were granted, and 2,605 previously awarded Holding Units were forfeited. In 2005, awards totaling 33,800 Holding Units with a market value on the date of award of $46.60 per Holding Unit were granted, and 4,493 previously awarded Holding Units were forfeited.

The following table summarizes the activity of unvested Century Club units during 2006:

	Holding Units
Unvested as of January 1, 2006	**53,250**
Granted	36,020
Vested	(25,973)
Forfeited	(2,605)
Unvested as of December 31, 2006	**60,692**

We recorded compensation expense relating to the Century Club Plan of $1.5 million, $1.1 million, and $1.0 million, respectively, for the years ended December 31, 2006, 2005, and 2004. As of December 31, 2006, there was $2.1 million of compensation cost related to unvested share-based compensation arrangements granted under the Century Club Plan not yet recognized. That cost is expected to be recognized over a weighted average period of 1.6 years.

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 with separate state and local income tax returns being filed. Foreign corporate subsidiaries are generally subject to taxes in the foreign jurisdictions where they are located.

Income tax expense is comprised of:

	Years Ended December 31,		
	2006	2005	2004
		(in thousands)	
Partnership UBT	$ 23,696	$ 16,365	$ 14,240
Corporate subsidiaries:			
Federal	4,901	7,100	3,687
State and local	374	1,236	479
Foreign	41,061	35,676	18,572
Current tax expense	70,032	60,377	36,978
Deferred tax expense	5,013	4,194	2,954
Income tax expense	**$ 75,045**	**$ 64,571**	**$ 39,932**

The principal reasons for the difference between the effective tax rates and the UBT statutory tax rate of 4.0% are as follows:

	Years Ended December 31,					
	2006		2005		2004	
	(in thousands)					
UBT statutory rate	$ 47,346	4.0%	$ 37,315	4.0%	$ 29,803	4.0%
Corporate subsidiaries' federal, state, local, and foreign income taxes	40,708	3.4	37,114	3.9	20,648	2.8
Other non-deductible and permanent items, primarily income not taxable resulting from use of UBT business apportionment factors	(13,009)	(1.1)	(9,858)	(1.0)	(10,519)	(1.4)
Income tax expense and effective tax rate	**$ 75,045**	**6.3**	**$ 64,571**	**6.9**	**$ 39,932**	**5.4**

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 (liability) asset is as follows:

	December 31,	
	2006	2005
	(in thousands)	
Deferred tax asset:		
Differences between book and tax basis:		
Deferred compensation plans	$ 9,768	$ 9,850
Intangible assets	512	631
Charge for mutual fund matters, legal proceedings, and claims processing contingency	5,612	4,900
Other, primarily revenues taxed upon receipt and accrued expenses deductible when paid	2,452	827
	18,344	16,208
Valuation allowance	(1,761)	(2,113)
Deferred tax asset, net of valuation allowance	16,583	14,095
Deferred tax liability:		
Differences between book and tax basis:		
Furniture, equipment and leasehold improvements	848	142
Investment partnerships	3,136	573
Intangible assets	12,427	10,288
Translation adjustment	2,106	—
Other, primarily undistributed earnings of certain foreign subsidiaries	2,686	1,920
	21,203	12,923
Net deferred tax (liability) asset	**$ (4,620)**	**$ 1,172**

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 deferred tax asset 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, 2006, $159.0 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 $4.7 million would need 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 contained a one-time foreign dividend repatriation provision, which provided 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.

In order to preserve AllianceBernstein's status as a private partnership for federal income tax purposes, AllianceBernstein Units must not be considered 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's net income would be subject to federal and state corporate income tax. Furthermore, 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 would become subject to corporate income tax which would reduce materially Holding's net income and its quarterly distributions to Holding Unitholders.

Effective January 1, 2007, we will adopt the provisions in FIN 48. *See Note 22*.

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 reporting information about operating segments in annual and interim financial statements. It also establishes standards for 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, 2006, 2005, and 2004 were as follows:

Services

Net revenues derived from our various research, investment management and related services were as follows:

	Years Ended December 31,		
	2006	**2005**	**2004**
		(in millions)	
Institutional investments	$ 1,222	$ 895	$ 728
Retail	1,304	1,189	1,289
Private client	883	673	543
Institutional research services	375	353	420
Other	354	199	108
Total revenues	4,138	3,309	3,088
Less: Interest expense	188	96	33
Net revenues	**$ 3,950**	**$ 3,213**	**$ 3,055**

Geographic Information

Net revenues and long-lived assets, related to our U.S. and international operations, as of and for the years ended December 31, were:

	2006	2005	2004
		(in millions)	
Net revenues:			
United States	$ 2,733	$ 2,376	$ 2,398
International	1,217	837	657
Total	**$ 3,950**	**$ 3,213**	**$ 3,055**
Long-lived assets:			
United States	$ 3,619	$ 3,597	$ 3,649
International	42	18	24
Total	**$ 3,661**	**$ 3,615**	**$ 3,673**

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 2%, 3%, and 4% of our open-end mutual fund sales in 2006, 2005, and 2004, respectively. Subsidiaries of Merrill Lynch & Co., Inc. (“Merrill Lynch”) were responsible for approximately 6%, 5%, and 6% of our open-end mutual fund sales in 2006, 2005, and 2004, respectively. Citigroup, Inc. and its subsidiaries (“Citigroup”), was responsible for approximately 5%, 5%, and 7% of our open-end mutual fund sales in 2006, 2005, and 2004, 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, 2006, 2005, and 2004. No single institutional client other than AXA and its subsidiaries accounted for more than 1% of total revenues for the years ended December 31, 2006, 2005, and 2004, 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,		
	2006	2005	2004
		(in thousands)	
Investment advisory and services fees	$ 840,453	$ 728,492	$ 744,663
Distribution revenues	421,045	397,800	447,283
Shareholder servicing fees	97,236	99,358	115,979
Other revenues	6,917	8,014	8,770
Institutional research services	1,414	3,496	5,244

AXA and its Subsidiaries

We provide investment management and certain administration services 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, $0.5 billion, $0.4 billion, for the years ended December 31, 2006, 2005, and 2004, 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,		
	2006	2005	2004
		(in thousands)	
Revenues:			
Investment advisory and services fees	$ 184,122	$ 168,124	$ 156,352
Institutional research services	520	2,051	4,163
Other revenues	736	734	3,231
	$ 185,378	**$ 170,909**	**$ 163,746**
Expenses:			
Commissions and distribution payments to financial intermediaries	$ 5,708	$ 5,500	$ 6,325
Other promotion and servicing	772	858	843
General and administrative	9,533	6,665	8,916
	$ 16,013	**$ 13,023**	**$ 16,084**
Balance Sheet:			
Institutional investment advisory and services fees receivable	$ 7,330	$ 7,182	$ 6,532
Other due (to) from AXA and its subsidiaries	(965)	1,362	(1,405)
	$ 6,365	**$ 8,544**	**$ 5,127**

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 advisory and services fees earned by these companies were approximately $61.1 million, $44.6 million, and $33.3 million for the years ended December 31, 2006, 2005, and 2004, respectively, of which approximately $21.3 million, $19.9 million, and $17.6 million, respectively, were from AXA affiliates and are included in the table above. Minority interest recorded for these companies was $8.8 million, $5.9 million, and $3.7 million, for the years ended December 31, 2006, 2005, and 2004, respectively.

During the fourth quarter of 2006, AllianceBernstein Venture Fund I, L.P. was established as an investment vehicle to achieve long-term capital appreciation through equity and equity-related investments, acquired in private transactions, in early stage growth companies. One of our subsidiaries is the general partner of the fund and, as a result, the fund is included in our consolidated financial statements, with approximately $34 million of investments on the consolidated statement of financial condition as of December 31, 2006. AXA Equitable holds a 10% limited partnership interest in this fund.

Other Related Parties

The consolidated statements of financial condition include a net receivable from Holding and a net receivable or 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, 2006, 2005, and 2004 are as follows:

	December 31,		
	2006	2005	2004
		(in thousands)	
Due from Holding, net	$ 7,149	$ 7,197	$ 7,664
Due from (to) unconsolidated joint ventures, net	$ 376	$ (2,678)	$ (1,287)

20. Acquisition

On May 2, 2006, we purchased the 50% interest in our Hong Kong joint venture (including its wholly-owned Taiwanese subsidiary) owned by our joint venture partner for $16.1 million in cash. The effect of this acquisition was not material to our consolidated financial condition, results of operations or cash flows.

21. 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.

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 which was received in the second quarter of 2005, (2) annual contingent purchase price payments payable over a five-year period ending 2010, 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 during a specified period prior to the closing of the transaction.

The annual contingent purchase price payments are 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. Income is accrued 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 operating income that would have been earned for managing the cash in money market fund customer accounts. 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 $19.4 million pre-tax gain as non-operating income, net of transaction expenses and a "clawback" provision that would have required us to pay Federated up to $7.5 million if average daily transferred assets for the six-month period ended June 29, 2006 had fallen below a certain percentage of initial assets transferred at closing. We were not required to make a payment under the clawback provision and, accordingly, we recognized a gain of $7.5 million during the second quarter of 2006. In addition, we earned contingent purchase price payments of $12.8 million during 2006.

Indian Mutual Funds

In the third quarter of 2005, Alliance Capital Asset Management (India) Pvt. Ltd., 75% owned by AllianceBernstein, whose principal activity was to sponsor and serve as the investment advisor to AllianceBernstein mutual funds in India, transferred those mutual funds and its rights to manage those mutual funds to Birla Sun Life. During 2005, we recorded a pre-tax gain of $8.1 million from this transaction, net of related expenses, as non-operating income.

South African Joint Venture

AllianceBernstein completed a transaction on December 31, 2005 pursuant to which Investec Asset Management (Proprietary) Ltd. 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.

In the fourth quarter of 2005, we recorded a pre-tax gain of $7.0 million as non-operating income consisting of $8.9 million of cash proceeds, offset by $0.3 million of transaction charges and $1.6 million of payments to former minority shareholders.

22. Accounting Pronouncements

During 2006, we adopted SFAS No. 123-R, *"Accounting for Stock-Based Compensation"*, and SFAS No. 158, *"Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans"*. *See Notes 2 and 16* for a discussion of the adoption of SFAS 123-R and *Note 14* for a discussion of the adoption of SFAS 158.

In June 2006, the Financial Accounting Standards Board ("FASB") issued FASB Interpretation No. 48 ("FIN No. 48"), "*Accounting for Uncertainty in Income Taxes*", an interpretation of SFAS No. 109. FIN No. 48 requires that the effects of a tax position be recognized in the financial statements only if, as of the reporting date, it is "more likely than not" to be sustained based solely on its technical merits. In making this assessment, a company must assume that the taxing authority will examine the tax position and have full knowledge of all relevant information. FIN No. 48 became effective on January 1, 2007. We currently estimate that the implementation of FIN No. 48 will not have a material impact on our results of operations, liability for income taxes, or partners' capital in 2007.

23. Quarterly Financial Data (Unaudited)

	Quarters Ended 2006			
	December 31	**September 30**	**June 30**	**March 31**
	(in thousands, except per unit amounts)			
Net revenues	$ 1,186,698	$ 934,711	$ 933,330	$ 895,668
Net income	$ 366,952	$ 252,974	$ 261,102	$ 227,573
Basic net income per unit[(1)]	$ 1.40	$ 0.97	$ 1.00	$ 0.88
Diluted net income per unit[(1)]	$ 1.39	$ 0.96	$ 0.99	$ 0.87
Cash distributions per unit[(2)]	$ 1.60	$ 0.96	$ 0.99	$ 0.87

	Quarters Ended 2005			
	December 31	**September 30**	**June 30**	**March 31**
	(in thousands, except per unit amounts)			
Net revenues	$ 910,586	$ 795,332	$ 756,258	$ 750,549
Net income	$ 289,886	$ 211,928	$ 197,997	$ 168,507
Basic net income per unit[(1)]	$ 1.12	$ 0.82	$ 0.77	$ 0.66
Diluted net income per unit[(1)]	$ 1.12	$ 0.82	$ 0.76	$ 0.65
Cash distributions per unit[(2)]	$ 1.12	$ 0.82	$ 0.76	$ 0.63

(1) Basic and diluted net income per unit are computed independently for each of the periods presented. Accordingly, the sum of the quarterly net income per unit amounts may not agree to the total for the year.

(2) Declared and paid during the following quarter.

Report of Independent Registered Public Accounting Firm

To the General Partner and Unitholders
AllianceBernstein L.P.:

We have completed an integrated audit of AllianceBernstein L.P.'s 2006 consolidated financial statements and of its internal control over financial reporting as of December 31, 2006 in accordance with the standards of the Public Company Accounting Oversight Board (United States). Our opinions, based on our audit, are presented below.

Consolidated financial statements

In our opinion, the accompanying consolidated statement of financial condition and the related consolidated statements of income, changes in partners' capital and comprehensive income and cash flows present fairly, in all material respects, the financial position of AllianceBernstein L.P. ("AllianceBernstein") and its subsidiaries at December 31, 2006 and for the year then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of AllianceBernstein's management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of these statements 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 of financial statements includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Internal control over financial reporting

Also, in our opinion, management's assessment, included in the accompanying *Management's Report on Internal Control over Financial Reporting*, that AllianceBernstein maintained effective internal control over financial reporting as of December 31, 2006, based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), is fairly stated, in all material respects, based on those criteria. Furthermore, in our opinion, AllianceBernstein, maintained, in all material respects, effective internal control over financial reporting as of December 31, 2006, based on criteria established in *Internal Control - Integrated Framework* issued by the COSO. AllianceBernstein's management 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 opinions on management's assessment and on the effectiveness of AllianceBernstein's internal control over financial reporting based on our audit. We conducted our audit of internal control over financial reporting 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. An audit of internal control over financial reporting includes 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 consider necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinions.

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 (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) 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 (iii) 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.

/s/ PricewaterhouseCoopers LLP
New York, New York
February 27, 2007

Report of Independent Registered Public Accounting Firm

The General Partner and Unitholders
AllianceBernstein L.P.:

We have audited the accompanying consolidated statement of financial condition of AllianceBernstein L.P. and subsidiaries ("AllianceBernstein"), formerly Alliance Capital Management L.P., as of December 31, 2005, and the related consolidated statements of income, changes in partners' capital and comprehensive income and cash flows for each of the years in the two-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 the results of their operations and their cash flows for each of the years in the two-year period ended December 31, 2005, in conformity with U.S. generally accepted accounting principles.

/s/ KPMG LLP
New York, New York
February 24, 2006

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

As we disclosed in a Form 8-K filed on March 13, 2006, on March 8, 2006, the Audit Committee ("Audit Committee") of the Board engaged PricewaterhouseCoopers LLP ("PwC") as the independent registered public accountant to audit the financial statements of Holding and the consolidated financial statements of AllianceBernstein for the year ending December 31, 2006 (collectively, "Financial Statements"). The Committee engaged PwC in order to facilitate the audit of the consolidated financial statements of AXA Group, which includes the consolidated financial statements of AllianceBernstein. (PwC is the independent registered public accountant that audits AXA Group's consolidated financial statements.) The Audit Committee reached the decision after considering the facts and circumstances that the Audit Committee considered pertinent, including PwC's professional qualifications, PwC's independence from the Partnerships, and the amount of fees estimated by PwC to be charged for the audits of the Financial Statements. The Audit Committee concluded that the engagement of PwC is in the best interests of the Partnerships and their respective unitholders. Accordingly, on March 8, 2006, the Committee dismissed KPMG LLP as the independent registered public accountant of the Partnerships.

Neither AllianceBernstein nor Holding had any 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 in our reports under the Exchange Act is (i) recorded, processed, summarized and reported in a timely manner, and (ii) accumulated and communicated to management, including the Chief Executive Officer and the Chief Financial Officer, to permit timely decisions regarding our disclosure.

As of the end of the period covered by this report, management carried out an evaluation, 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 evaluation, 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, 2006. 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, 2006, each of Holding and AllianceBernstein maintained effective internal control over financial reporting based on the COSO criteria.

PricewaterhouseCoopers LLP, the registered public accounting firm that audited the 2006 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 2006 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

Both AllianceBernstein and Holding reported all information required to be disclosed on Form 8-K during the fourth quarter of 2006.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

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 general partnership unit in Holding is entitled to receive quarterly distributions equal to those received by each limited partnership unit.

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 2006, 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	60	Chairman of the Board and Chief Executive Officer
Dominique Carrel-Billiard	40	Director
Henri de Castries	52	Director
Christopher M. Condron	59	Director
Denis Duverne	53	Director
Peter Etzenbach	39	Director
Weston M. Hicks	50	Director
Gerald M. Lieberman	60	Director, President and Chief Operating Officer
Lorie A. Slutsky	54	Director
A.W. (Pete) Smith, Jr.	63	Director
Peter J. Tobin	62	Director
Lawrence H. Cohen	45	Executive Vice President
Laurence E. Cranch	60	Executive Vice President and General Counsel
Edward J. Farrell	46	Senior Vice President and Controller
Sharon E. Fay	46	Executive Vice President
Marilyn G. Fedak	60	Executive Vice President
James A. Gingrich	48	Executive Vice President
Mark R. Gordon	53	Executive Vice President
Thomas S. Hexner	50	Executive Vice President
Robert H. Joseph, Jr.	59	Senior Vice President and Chief Financial Officer
Mark R. Manley	44	Senior Vice President, Deputy General Counsel and Chief Compliance Officer
Seth J. Masters	47	Executive Vice President
Marc O. Mayer	49	Executive Vice President
Douglas J. Peebles	41	Executive Vice President
Jeffrey S. Phlegar	40	Executive Vice President
James G. Reilly	45	Executive Vice President
Paul C. Rissman	50	Executive Vice President
Lisa A. Shalett	43	Executive Vice President
David A. Steyn	47	Executive Vice President
Christopher M. Toub	47	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. Before taking on his current roles, he served as Vice Chairman and Chief Investment Officer since the Bernstein Transaction in 2000. Prior to the Bernstein Transaction, Mr. Sanders had served as Chairman and Chief Executive Officer of Bernstein since 1992; he began his career with Bernstein 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 has been Chief Executive Officer of AXA Investment Managers since June 30, 2006. Mr. Carrel-Billiard joined AXA in May 2004 as the Senior Vice President-Business Support and Development in charge of AXA Financial, asset management and reinsurance. Prior to joining AXA, Mr. Carrel-Billiard was a Partner of McKinsey and Company where he specialized in the financial services industry. During the 12 years he spent at McKinsey, Mr. Carrel-Billiard worked on a broad array of topics (including insurance, asset gathering and management, and corporate and investment banking) for the top management of international banks, insurance companies, including AXA, and other financial services groups. Mr. Carrel-Billiard also led the European Retail Savings and Life Insurance practice, with focus on distribution issues for asset gathering products to retail investors. AXA and AXA Financial are parents of AllianceBernstein. AXA Financial and AXA Investment Managers are subsidiaries of AXA.

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. Condron is a member of the Board of Directors of KBW, Inc., a full-service investment bank and broker-dealer. He also serves as Chairman of KBW's compensation committee and as a member of its audit committee and its corporate governance and nominating committee.

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. Etzenbach was elected a Director of the General Partner in May 2006. He is Senior Vice President-Business Support and Development of AXA in charge of AXA Equitable, asset management, and reinsurance. He joined the AXA Group in 2005 as a lead strategic auditor in the AXA Group Audit Department. Prior to joining AXA, Mr. Etzenbach was an Executive Director of Goldman Sachs in investment banking and equity capital markets. During the 13 years he spent at Goldman Sachs, Mr. Etzenbach held various management roles, including Business Unit Manager for the European Investment Banking Division (2001 to 2002) and Chief Operating Officer for the Sovereign Effort, a position which reported to the Vice Chairman of Goldman Sachs International (2004).

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 holding 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. Lieberman was elected 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.

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 which annually grants more than $150 million, since January 1990. Ms. Slutsky has been a Director of AXA Financial, AXA Equitable, and certain other subsidiaries of AXA Financial since September 2006.

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. 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 through 2000, Ms. Fedak was Chief Investment Officer for U.S. Value Equities; in 2003, she named a Co-CIO. Ms. Fedak is also a Director of SCB Inc.

Mr. Gingrich joined Bernstein in 1999 as a senior research analyst covering the U.S. household and personal products industry. He became an Executive Vice President of AllianceBernstein and the Chairman and Chief Executive Officer of SCB LLC in February 2007. Prior to becoming Chairman and CEO of SCB LLC, Mr. Gingrich served as Global Director of Research for SCB LLC's U.S. and European operations. Mr. Gingrich was elected a Senior Vice President of AllianceBernstein in 2002.

Mr. Gordon joined Bernstein in 1983 and currently serves as Director of Global Quantitative Research of AllianceBernstein, co-head of Alternative Investments, 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. An Executive Vice President of AllianceBernstein since 2000, he is Head of Bernstein GWM and oversees the firm's private client business worldwide. Mr. Hexner has been responsible for the firm's private client business since 1996. He was named President of Bernstein Investment Research and Management, a unit of AllianceBernstein, in 2000, and Head of Bernstein GWM in 2006 in recognition of the global expansion of the private client business. 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 13 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. He currently heads the AllianceBernstein Blend Strategies team and is Chief Investment Officer for Style Blend, roles he has held since 2002. Mr. Masters was named Executive Vice President of AllianceBernstein in 2004 and Senior Vice President in 2000. Between 1994 and 2002, Mr. Masters was Chief Investment Officer of Emerging Markets Value equities, a service he took the lead in designing.

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 1998 until 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 1998 until 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, and is currently U.S. Large Cap Growth team leader. 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 earlier this year became our firm's Chief Investment Officer of Growth Equities while continuing as the head of growth equity services, a role he has held since 2004. He had been Director of Research—Global Growth Equities since 2000. Mr. Rissman has been an Executive Vice President of AllianceBernstein since 2000. He led the Relative Value investment team from 1995 to 2004.

Ms. Shalett joined Bernstein in 1995. In February 2007, she became Head of Global Research for Growth Equities. Prior to this role on the buy-side, Ms. Shalett lead our sell-side equity research business as Chair and Chief Executive Officer of SCB LLC, a position she had held since 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, again both on the sell-side. She has been an Executive Vice President of AllianceBernstein since 2002.

Mr. Steyn joined Bernstein in 1999, having been the founding co-Chief Executive Officer 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 Research—Global Growth Equities from 1998 through 2000.

Recent Director Resignations

Stanley B. Tulin resigned from the Board effective January 1, 2007.

Roger Hertog resigned from the Board effective December 31, 2006.

W. Edwin Jarmain resigned from the Board effective February 25, 2006.

Corporate Governance

Board of Directors

The Board holds quarterly meetings, generally in February, May, July/August, and November of each year, and holds special meetings or takes action by unanimous written consent as circumstances warrant. The Board has standing Executive, Corporate Governance, Audit, and Compensation Committees, each of which is described in further detail below. Of the directors, only Mr. Carrel-Billiard attended fewer than 75% of the aggregate of all Board and committee meetings which he was entitled to attend in 2006.

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 four meetings in 2006.

A more complete description of the Executive Committee's functions is set forth in the committee's charter, which is available online at our Internet site (*http://www.alliancebernstein.com*).

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 2006.

A more complete description of the Governance Committee's functions is set forth in the committee's charter, which is available online at our Internet site (*http://www.alliancebernstein.com*).

The Audit Committee of the Board ("Audit Committee") is composed of Messrs. Hicks, 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 registered public accounting firm'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 registered public accounting firm. 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 registered public accounting firm, senior management, the Internal Audit Department, and the Board. The Audit Committee held nine meetings in 2006.

A more complete description of the Audit Committee's functions is set forth in the committee's charter, which is available online at our Internet site (*http://www.alliancebernstein.com*).

The Compensation Committee of the Board ("Compensation Committee") is composed of Messrs. Condron (Chair), Sanders, and Smith, and Ms. Slutsky. For additional information about the Compensation Committee, *see "Executive Compensation - Compensation Discussion & Analysis" in Item 11.*

In 2003, the Board appointed a Special Committee, now consisting of Ms. Slutsky and Mr. Tobin (Chair), to oversee a number of matters relating to investigations by the NYAG, the SEC, and other regulators. The Special Committee remains responsible for overseeing the handling of related unitholder derivative suits and distributing the Restitution Fund (for additional information, *see "Business - Regulation" in Item 1*). 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 in "Executive Compensation - Director Compensation" in Item 11*. The Special Committee met once during 2006.

Audit Committee Financial Expert

The Governance Committee, after reviewing materials prepared by management, recommended that the Board determine 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 so determined at its February 2007 regular meeting. The Board also determined at that meeting that each member of the Audit Committee (Messrs. Hicks, 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.

Independence of Certain Directors

The Governance Committee, after reviewing materials prepared by management, recommended that the Board determine that each of Mr. Hicks, 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), and Ms. Slutsky (relating to contributions made by AllianceBernstein to The New York Community Trust, of which she is President and Chief Executive Officer) and then determined, at its February 2007 regular meeting, that each of Mr. Hicks, Ms. Slutsky, Mr. Smith, and Mr. Tobin is independent within the meaning of the relevant rules.

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 5.05 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

Section 303A.00 of the NYSE Listed Company Manual exempts limited partnerships from compliance with Section 303A.01 (majority of independent directors), 303A.04 (corporate governance committee with only independent directors as its members), and 303A.05 (compensation committee with only independent directors as its members) of the NYSE Listed Company Manual. Holding is a limited partnership (as is AllianceBernstein). In addition, because the General Partner is a wholly-owned subsidiary of AXA Equitable, and the General Partner controls Holding (and AllianceBernstein), we believe we would also qualify for the "controlled company" exemption. Notwithstanding the foregoing, the Board has adopted a Corporate Governance Committee Charter that complies with Section 303A.04 and a Compensation Committee Charter that complies with Section 303A.05. However, not all members of these committees are independent.

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 2006.

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*).

Our Internet site (*www.alliancebernstein.com*), under the heading "Contact our Directors," provides an e-mail address for any interested party, including unitholders, to communicate with the Board of Directors. Our Corporate Secretary reviews e-mails sent to that address and has some discretion in determining how or whether to respond, and in determining to whom such e-mails should be forwarded. In our experience, substantially all of the e-mails received are ordinary client requests for administrative assistance or solicitations of various kinds, and are best addressed by management.

The 2006 Certification by our Chief Executive Officer under NYSE Listed Company Manual Section 303A.12(a) was submitted to the NYSE on March 8, 2006.

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

Management Committees

The Management Executive Committee is composed of Messrs. Cohen, Cranch, Gingrich, Gordon, 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 serves *ex-officio* as 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. The Ethics Committee, which was created pursuant to the SEC Order (*see "Business - Regulation" in 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, which was created pursuant to the SEC Order (*see "Business - Regulation" in Item 1*), meets on a quarterly basis and at such other times as circumstances warrant.

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 2006: (i) all Section 16(a) filing requirements relating to Holding were complied with, except that a Form 4 was filed late for each of Ms. Shalett and Messrs. Cohen, Cranch, Farrell, Hexner, Lieberman, Peebles, and Reilly in respect of each person's decision to notionally invest a portion of his or her 2005 award under the Amended and Restated AllianceBernstein Partners Compensation Plan in Holding Units; and (ii) all Section 16(a) filing requirements relating to AllianceBernstein were complied with. You can find our Section 16 filings under "Investor & Media Relations" / "Reports & SEC Filings" on our Internet site (*http://www.alliancebernstein.com*).

Item 11. Executive Compensation

Compensation Discussion and Analysis ("CD&A")

Overview of Compensation Philosophy and Program

The intellectual capital possessed by our employees is collectively the most important asset of our firm. We invest in people - we hire qualified people, train them, encourage them to give their best thinking to the firm and our clients, and compensate them in a manner designed to retain and motivate them. As a result, employee compensation and benefits are significant, comprising approximately 56% of our operating expenses and approximately 39% of our net revenues for 2006. These percentages are not unusual for companies in the financial services industry. The magnitude of this expense also requires that it be monitored by management, and overseen by the Board, with the particular attention of the Compensation Committee.

We believe that the quality, skill, and dedication of our executive officers are critical factors that enhance the long-term value of our company. Our key compensation goals are to attract highly-qualified executive talent, retain our key leaders, provide rewards for the past year's performance, provide incentives for future performance, and align our executives' long-term interests with those of our clients and, ultimately, our Unitholders. We believe that fundamental success in achieving good results for the firm, and for our Unitholders, must flow from achieving investment success for our clients. Accordingly, in recent years, our deferred incentive compensation award program has encouraged our executives to allocate their awards on a notional basis to the investment products we offer to our clients, in addition to notional investments in Holding Units and, in certain cases (*see below*), investments in options to buy Holding Units.

Historically, we have used a variety of compensation elements to achieve the goals described above. Currently, we use base salary, annual cash bonuses, a deferred compensation plan (the Amended and Restated AllianceBernstein Partners Compensation Plan, "Partners Plan"), a defined contribution plan, and Holding Unit options, all of which are discussed in more detail below.

We do not set financial performance targets for the firm, and management efforts are not directed at meeting any such specific targets. Estimates are developed for budgeting and strategic planning purposes, but no employee or officer compensation is directly tied to "hitting" or "missing" target revenue or income figures, although some salespeople do have compensation incentives based on sales levels.

Decisions about executive officer compensation are based primarily on our assessment of each executive's leadership, operational performance, and potential to enhance investment returns and service for our clients, and in doing so contribute to long-term Unitholder value. We rely upon our judgment about each executive's performance — rather than utilizing quantitative formulas—in determining the amount and mix of compensation elements and whether each particular payment or award provides an appropriate reward for the current year's performance. Key factors that we consider include: performance compared to the operational and strategic goals established for the executive at the beginning of the year; nature, scope, and level of responsibilities; contribution to the company's commitment to create and maintain a fiduciary culture in which clients' interests are paramount; and contribution to our overall financial results.

We also consider each executive's current salary, and prior-year cash bonus and deferred award, the appropriate balance between incentives for long-term and short-term performance, and the compensation paid to the executive's peers within the company. In addition, we review information provided by McLagan Associates, compensation consultants retained by management, about compensation levels at other companies that we believe provide useful comparisons. In general, we believe that employees should be well-compensated, but that significant portions of compensation should be deferred and earned for service in future periods, which provides an incentive for key employees to remain with the firm. Because deferred awards are notionally invested in the firm's investment products (no more than 50% of an award may be allocated to Holding Units and options to buy Holding Units), employees' interests are aligned with client success. The gross amount of incentive compensation available is a function of our overall financial performance; a "bonus pool" is calculated based on annual operating income and institutional research revenues. In 2005 and 2006, we granted incentive compensation awards that, in the aggregate, were significantly less than the bonus pool calculation permitted.

As discussed above, we believe that alignment of the interests of employees and clients is key to providing superior long-term returns for Unitholders. However, there is a relatively small group of individuals to whom we wish to provide additional financial incentives to remain with AllianceBernstein because executive management believes they constitute the next generation of firm leadership or because of their exceptional individual contributions to the company's success. In January 2007, the Compensation Committee approved the Special Option Program ("Special Program"). The Special Program permits selected senior officers to voluntarily allocate up to a specified portion of their annual Partners Plan (*described in greater detail below*) award to options to buy Holding Units; the firm matches this allocation on a two-for-one basis. Only one member of the Management Executive Committee has been selected to participate in the Special Program.

The value allocated to each such option equals the Black-Scholes value of the option calculated on the option grant date. The exercise price for each option is equal to the price of a Holding Unit as reported for NYSE composite transactions at the close of trading on the option grant date. The option grant date was January 26, 2007, the date of the meeting of the Compensation Committee at which it approved the granting of the options. One-third of the options have a 10-year term and vest in equal annual increments on each of the first five anniversaries of the grant date; two-thirds of the options have an 11-year term and vest in equal annual increments on each of the sixth through tenth anniversaries of the grant date.

Options granted pursuant to the Special Program represent the first Holding Unit options granted to employees as part of their year-end compensation packages since December 2002. Independent directors receive annual grants of Holding Unit options and Restricted Units (for additional information about these awards, *see "Director Compensation" below*).

Compensation Elements for Executive Officers

Below we describe the key elements of our executive compensation.

1. Base Salary. Base salaries make up a small portion of executive officers' total compensation, and are maintained at low levels relative to salaries of executive management at peer firms. Each of our chief executive officer and our former vice chairman received a base salary for 2006 in the amount of $275,000; generally no other officer at the firm was paid a base salary greater than $200,000 except for amounts reflecting service in non-U.S. locations and related foreign exchange rates. Within the relatively narrow range of base salaries paid to executive officers, we consider individual experience, responsibilities and tenure with the firm. The salaries we paid during 2006 to our chief executive officer, chief financial officer, and our three most highly compensated executive officers (the "named executive officers") are shown in column (c) of the Summary Compensation Table.

2. Cash Bonus. We pay annual cash bonuses in late December from the cash bonus pool to reward individual performance for the year. These bonuses are based on management's evaluation (subject to the Compensation Committee's review and approval) of each executive's performance during the year, and the performance of the executive's business unit or function, compared to our business, and operational goals established at the beginning of the year, and in the context of our overall performance. The cash bonuses we awarded last year to our named executive officers are shown in column (d) of the Summary Compensation Table.

3. Deferred Compensation. The Partners Plan is an unfunded, non-qualified deferred compensation plan under which awards may be granted to eligible employees. Since 2003, participants have been permitted to allocate their Partners Plan awards in a combination of notional investments in certain of our investment services offered to clients and notional investments in Holding Units. No more than 50% of an annual award may be allocated to Holding Units. As described above, we have created a Special Program which permits a limited number of employees to allocate a portion of their Partners Plan award to options to buy Holding Units. A participant's allocation to options is subject to this 50% limitation.

The value used for Holding Units to effect a participant's allocation to Holding Units (but not to options) depends upon whether the trust related to the Partners Plan holds sufficient unallocated Holding Units to satisfy all such employee allocations. If the trust does hold a sufficient number of Holding Units, then the value used for the allocation is the closing price as reported for NYSE composite transactions on a day shortly following the release of fourth quarter earnings ("Post-Earnings Closing Price"). If the trust does not hold a sufficient number of Holding Units, the company has historically directed the trust to purchase additional Holding Units on the open market, in which case the Holding Units are valued for allocation purposes using the weighted average of the Post-Earnings Closing Price and the cost paid by AllianceBernstein to acquire any additional Holding Units required.

Vesting periods for Partners Plan awards range from four years to immediate, depending on the age of the participant; all awards fully vest if a participant remains in our employ through December 1 in the year during which he or she turns 65. Upon vesting, awards are distributed to participants unless the participant has, in advance, voluntarily elected to defer receipt to future periods. 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 for which a voluntary deferral election has been made, and earnings credited on investment services, are reinvested and distributed as elected by participants.

Mr. Sanders, our chief executive officer, is compensated in accordance with the October 2006 employment agreement between himself and our company. Substantially all of the compensation to be paid to him under that agreement vests on a deferred basis in accordance with the terms of the agreement, and is distributed to Mr. Sanders upon vesting. The deferral of such awards, and the notional investments available for such awards, serve essentially the same function as the deferral of Partners Plan awards. Holding Units are not a permitted investment under this agreement.

4. Special Option Program. As discussed above, the Compensation Committee recently approved the Special Program, which provides for a select group of senior management recommended by management and approved by the Compensation Committee to allocate a portion of their Partners Plan awards to options to buy Holding Units, and to receive a two-for-one match of such allocated amount. Because the Special Program is designed to retain individuals whom we believe will make up the next generation of the firm's leadership, the named executive officers listed in the Summary Compensation Table below were not selected to participate in the Special Program.

5. Defined Contribution Plan. All employees are eligible to participate in the Amended and Restated Profit Sharing Plan for Employees of AllianceBernstein L.P. ("Profit Sharing Plan"), a tax-qualified plan. The Compensation Committee determines the amount of company contributions (both the level of annual matching by the firm of an employee's pre-tax salary deferral contributions and the annual company profit sharing contribution). In recent years, we have matched employee deferral contributions on a one-to-one basis up to five percent of eligible compensation; profit sharing contributions have been an additional five percent of eligible compensation.

Compensation Committee

The Compensation Committee is composed of Messrs. Condron (Chair), Sanders, and Smith, and Ms. Slutsky. As discussed elsewhere (*see "Directors, Executive Officers and Corporate Governance - NYSE Governance Matters" in Item 10*), because it is a limited partnership, Holding is exempt from NYSE rules that require public companies to have a compensation committee made up solely of independent directors. Because AXA owns, indirectly, an approximate 60% economic interest in AllianceBernstein, and because compensation expense is such a significant factor in our financial results, Mr. Condron, President and Chief Executive Officer of AXA Financial, serves as chairman of the Compensation Committee.

The Compensation Committee has general oversight of compensation and compensation-related matters, including, but not limited to: (i) determining cash bonuses; (ii) determining contributions and awards under incentive plans or other compensation arrangements (whether qualified or non-qualified) 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, including equity-based plans; (iii) reviewing and approving corporate goals and objectives relevant to the compensation of our 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 own compensation); and (iv) reviewing the CD&A, and recommending to the Board its inclusion in the Partnerships' Forms 10-K. The Compensation Committee held three meetings in 2006, and approved the Special Program on January 26, 2007.

The Compensation Committee's year-end process has generally focused on the cash bonus and deferred awards granted to management. In respect of year-end 2006, it has given particular attention to the Special Program and awards thereunder. Mr. Sanders plays an active role in the work of the Compensation Committee. Messrs. Lieberman and Sanders, working with other members of senior management, provide recommendations of awards to the Compensation Committee for their consideration. In recent years, management has retained McLagan Associates to assist in providing industry benchmarking data to the Compensation Committee. The Compensation Committee has not retained its own consultants.

Mr. Sanders's annual compensation is determined pursuant to his employment agreement, entered into on October 26, 2006 following its approval by the Compensation Committee. The agreement sets forth minimum amounts of annual base salary and of deferred compensation awards based on the firm's profitability. The Compensation Committee may award amounts in excess of each minimum; they did not do so at year-end 2006. For additional information about Mr. Sanders's employment agreement, *see "Other Information regarding Compensation of Named Executive Officers" in this Item 11*.

A more complete description of the Compensation Committee's functions is set forth in the committee's charter, which is available online at our Internet site (*http://www.alliancebernstein.com*).

Other Compensation-Related Matters

AllianceBernstein and Holding are, respectively, private and public limited partnerships, and are subject to taxes other than federal and state corporate income tax. (*See "Business - Taxes" in Item 1.*) Accordingly, Section 162(m) of the Internal Revenue Code, which limits tax deductions relating to executive compensation otherwise available to entities taxed as corporations, is not applicable to either AllianceBernstein or Holding.

We have amended our qualified and non-qualified plans to the extent necessary to comply with the requirements of Section 409A of the Internal Revenue Code.

All compensation awards that involve the issuance of Holding Units are made under the Amended and Restated 1997 Long Term Incentive Plan ("1997 Plan"), which Holding Unitholders initially approved in 1997. Holding Unitholders approved amendments to the 1997 Plan (increasing the number of Holding Units that may be issued thereunder, and extending its life) in 2000. No more than 41 million Holding Units may be awarded under the 1997 Plan. As of December 31, 2006, 29,168,647 Holding Units are available for future awards under the 1997 Plan.

Compensation Committee Interlocks and Insider Participation

Mr. Condron is the President and Chief Executive Officer of AXA Equitable, the sole stockholder of the General Partner. AXA Equitable and its affiliates own an aggregate 60% economic interest in AllianceBernstein. Mr. Sanders is Chairman and Chief Executive Officer of the General Partner, and accordingly also serves in those positions for AllianceBernstein and Holding. No executive officer of AllianceBernstein served as a member of a compensation committee or a director of another entity, an executive officer of which served as a member of AllianceBernstein's Compensation Committee or Board.

Compensation Committee Report

The members of the Compensation Committee reviewed and discussed with management the Compensation Discussion and Analysis set forth above and, based on such review and discussion, recommended its inclusion in this Form 10-K.

Christopher M. Condron (Chair)	Lewis A. Sanders
Lorie A. Slutsky	A.W. (Pete) Smith, Jr.

Summary Compensation Table

The following table summarizes the total compensation of our named executive officers as of the end of 2006:

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compen-sation ($)	Change in Pension Value and Nonquali-fied Deferred Compensation Earnings ($)	All Other Compen-sation ($)	Total ($)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Lewis A. Sanders Chairman & Chief Executive Officer	2006	275,002	0	0	0	0	0	19,501,985	19,776,987
Gerald M. Lieberman President & Chief Operating Officer	2006	200,000	4,050,000	0	61,192	0	0	6,224,070	10,535,262
Marilyn G. Fedak Executive Vice President	2006	140,769	4,000,000	0	0	0	0	6,123,707	10,264,476
Sharon E. Fay Executive Vice President	2006	150,000	3,900,000	0	0	0	0	6,100,062	10,150,062
Robert H. Joseph, Jr. Senior Vice President & Chief Financial Officer	2006	175,000	1,050,000	0	22,947	0	31,041	868,726	2,147,714

Each named executive officer received a base salary for 2006 and an annual cash bonus at year-end. These amounts are reflected in columns (c) and (d), respectively. For information about how salary and bonus relate to total compensation, *see "Compensation Elements for Executive Officers" in this Item 11*.

Column (f) reflects AllianceBernstein's amortization expense in respect of the vesting of prior years' option grants based on the value of those grants on the grant date. For additional information, *see Note 16 to AllianceBernstein's consolidated financial statements in Item 8*.

Column (h) reflects the change in pension value for Mr. Joseph, the only named executive officer who participates in the Amended and Restated Retirement Plan for Employees of AllianceBernstein L.P. ("Retirement Plan").

Column (i) reflects awards under the Partners Plan, Mr. Sanders's deferred award under his employment agreement, and other items. We report Partners Plan awards and Mr. Sanders's award under column (i) because of their nature. They are designed to provide incentives to recipients, but they cannot be categorized as having been granted under an "incentive plan" under relevant SEC rules because there are no company performance measures that must be met before a participant may receive his or her award. Also, as noted above, any allocation of awards by recipients to equity of the firm is voluntary; we do not unilaterally grant Holding Units. In addition, awards under the Partners Plan are not accounted for under SFAS No. 123-R.

During 2006, we owned fractional interests in two aircraft with an aggregate operating cost of $3,277,654 (including $1,175,531 in maintenance fees, $1,440,963 in usage fees, and $661,160 of amortization based on the original cost of our fractional interests, less estimated residual value). The unamortized value of the fractional interests as of December 31, 2006 was $10,633,385.

Our interests in aircraft facilitate business travel of members of our management executive committee. In 2006, we also permitted our Chief Executive Officer, our President, and our former Vice Chairman to use the aircraft for personal travel. Overall, personal travel constituted approximately 38.1% of our actual use of the aircraft in 2006.

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 (amortization of original cost less estimated residual value, and monthly maintenance fees). We included such amounts in column (i).

We use the Standard Industry Fare Level ("SIFL") methodology to calculate the amount to include in the taxable income of executives for the personal use of company-owned aircraft. Using this methodology, which was approved by our Compensation Committee, limits our ability to deduct the full cost of personal use of company-owned aircraft by our executive officers. Taxable income for the twelve months ended October 31, 2006 for personal use imputed to Mr. Sanders is $66,368 and to Mr. Lieberman is $12,958. Ms. Fedak, Ms. Fay, and Mr. Joseph did not make personal use of company-owned aircraft during those 12 months, so no income was imputed to them.

Column (i) also includes the aggregate incremental cost to our company of certain other expenses and perquisites, including cars, drivers, contributions to the Profit Sharing Plan, life insurance premiums, disability pay, non-U.S. living expenses, tax equalization payments, business club dues, and parking, as applicable.

For 2006, column (i) includes:

for Mr. Sanders, $19,012,000 for his 2006 annual award under his employment agreement, $303,935 for personal use of aircraft, $162,862 for personal use of a car (including lease costs ($38,146), driver salary ($103,339), and other car-related costs ($21,377) such as parking, gas, tolls, and repairs and maintenance), a $22,000 contribution to the Profit Sharing Plan, and $1,188 of life insurance premiums.

for Mr. Lieberman, $6,050,000 for his 2006 Partners Plan award, $11,234 for personal use of aircraft, $142,836 for personal use of a car (including lease costs ($27,355), driver salary ($97,719), and other car-related costs ($17,762) such as parking, gas, tolls, and repairs and maintenance), and a $20,000 contribution to the Profit Sharing Plan.

for Ms. Fedak, $6,100,000 for her 2006 Partners Plan award, $8,755 of sick-pay and short-term disability pay, and a $14,952 contribution to the Profit Sharing Plan.

for Ms. Fay, $5,700,000 for her 2006 Partners Plan award, $199,303 for London living expenses, $185,579 in tax equalization payments to compensate for U.K.-based taxes, a $15,000 contribution to the Profit Sharing Plan, and $180 of life insurance premiums.

for Mr. Joseph, $825,000 for his 2006 Partners Plan award, $13,869 for personal use of a car (including lease costs ($6,516) and other car-related costs ($7,353) such as parking, gas, tolls, and repairs and maintenance), $8,100 in business club dues, a $17,500 contribution to the Profit Sharing Plan, and $4,257 of life insurance premiums.

Grant of Plan-based Awards

We have not granted Holding Units or options to buy Holding Units to the named executive officers for a number of years, and the Partners Plan cannot be categorized as an "incentive plan" under relevant SEC rules. Accordingly, we made no grants of plan-based awards to the named executive officers in 2006, and we have omitted the related table.

Outstanding Equity Awards at Fiscal Year-End

The following table describes any outstanding equity awards as of December 31, 2006 of our named executive officers, if any:

	Option Awards					Stock Awards			
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Lewis A. Sanders	0	0	0	n/a	n/a	0	0	0	0
Gerald M. Lieberman	32,000 40,000	8,000 0	0 0	33.18 50.25	12/06/12 12/07/11	0 0	0 0	0 0	0 0
Marilyn G. Fedak	0	0	0	n/a	n/a	0	0	0	0
Sharon E. Fay	0	0	0	n/a	n/a	0	0	0	0
Robert H. Joseph, Jr.	12,000 15,000 15,000 50,000 15,000 20,000	3,000 0 0 0 0 0	0 0 0 0 0 0	33.18 50.25 53.75 48.50 30.25 26.31	12/06/12 12/07/11 12/11/10 06/20/10 12/06/09 12/10/08	0 0 0 0 0 0	0 0 0 0 0 0	0 0 0 0 0 0	0 0 0 0 0 0

Of the named executive officers, only Messrs. Lieberman and Joseph have been granted options to buy Holding Units. No named executive officer has been awarded Holding Units. The unexercisable options shown in column (c) vest in December 2007.

Option Exercises and Stock Vested

The following table describes all option exercises and stock vesting of our named executive officers during 2006, if any:

	Option Awards		Stock Awards	
Name	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting ($)
(a)	(b)	(c)	(d)	(e)
Lewis A. Sanders	0	0	0	0
Gerald M. Lieberman	0	0	0	0
Marilyn G. Fedak	0	0	0	0
Sharon E. Fay	0	0	0	0
Robert H. Joseph, Jr.	40,000	2,247,332	0	0

Column (c) reflects the pre-tax amount of proceeds, net of payment of exercise price.

Pension Benefits

The following table describes the accumulated benefit under our company pension plan belonging to each of our named executive officers as of December 31, 2006, if any:

Name	Plan Name	Number of Years Credited Service (#)	Present Value of Accumulated Benefit ($)	Payments During Last Fiscal Year ($)
(a)	(b)	(c)	(d)	(e)
Lewis A. Sanders	n/a	0	0	0
Gerald M. Lieberman	n/a	0	0	0
Marilyn G. Fedak	n/a	0	0	0
Sharon E. Fay	n/a	0	0	0
Robert H. Joseph, Jr.	Retirement Plan for Employees of AllianceBernstein L.P.	22	407,866	0

Of the named executive officers, only Mr. Joseph, who was an employee of Alliance Capital Management L.P. prior to the Bernstein Transaction, participates in the Retirement Plan and continues to accrue benefits thereunder. This plan is a qualified, noncontributory, defined benefit retirement plan covering current and former employees who were employed in the United States prior to October 2, 2000. 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 retirement 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.

For additional information regarding interest rates and actuarial assumptions, *see Note 14 to AllianceBernstein's consolidated financial statements in Item 8.*

Non-Qualified Deferred Compensation

The following table describes our named executive officers' non-qualified deferred compensation contributions, earnings, and distributions during 2006 and their non-qualified deferred compensation plan balances as of December 31, 2006:

Name	Executive Contributions in Last FY ($)	Registrant Contributions in Last FY ($)	Aggregate Earnings in Last FY ($)	Aggregate Withdrawals/ Distributions ($)	Aggregate Balance at Last FYE ($)
(a)	(b)	(c)	(d)	(e)	(f)
Lewis A. Sanders	0	19,012,000	3,915,884	(14,426,335)	35,706,588
Gerald M. Lieberman	0	6,050,000	3,072,864	(5,467,209)	21,383,790
Marilyn G. Fedak	0	6,100,000	3,487,064	0	21,700,465
Sharon E. Fay	0	5,700,000	1,502,762	(5,289,529)	13,264,093
Robert H. Joseph, Jr.	0	825,000	1,959,200	(499,494)	8,692,037

For each named executive officer other than Mr. Joseph, the amounts shown reflect the aggregate of the officer's interest in both the SCB Deferred Compensation Award Plan ("SCB Deferred Plan"), under which the last awards were permitted to be made in 2003, and the Partners Plan (and, for Mr. Sanders, awards under his employment agreement and his former employment agreement). Amounts shown for Mr. Joseph reflect the Partners Plan and a de minimis amount in respect of the annual elective deferral plan (a non-qualified deferred compensation plan pursuant to which participants could elect to defer a portion of their 2000 and 2001 annual cash bonus or commission and invest it in Holding Units). For information about the SCB Deferred Plan, the Partners Plan, and Mr. Sanders's employment agreement, *see Note 15 to AllianceBernstein's consolidated financial statements in Item 8.* Amounts in column (c) are also included in column (i) of the Summary Compensation Table. For individuals with notional investments in Holding Units, amounts of distributions on such Holding Units are reflected as earnings in column (d) and, to the extent distributed to the named executive officer, reflected as distributions in column (e).

Column (f) includes the value of all notional investments as of the close of business on December 31, 2006. As of that date, Mr. Lieberman notionally held approximately 55,619 Holding Units in the Partners Plan, Ms. Fay notionally held approximately 13,097 Holding Units in the SCB Deferred Plan, and Mr. Joseph notionally held approximately 57,946 Holding Units in the Partners Plan.

Other Information regarding Compensation of Named Executive Officers

There are no amounts payable to any of the named executive officers upon a change in control of the company.

On October 26, 2006, 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 2006 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 through the Employment Term, including personal use of aircraft and a car and driver (our President is the only other officer entitled to personal use of aircraft and a car and driver).

Mr. Sanders may receive payments upon termination pursuant to his employment agreement. During any year in which we terminate Mr. Sanders without "cause" (as defined below), he is entitled to (i) his annual base salary for that year, (ii) the deferred compensation award described above calculated as of his termination date, (iii) all unvested deferred compensation awards, (iv) health and welfare benefits for Mr. Sanders, his spouse, and his dependents through the end of that year, (v) if the termination occurs prior to December 31, 2007, a cash payment equal to $20,000 times the number of plan years for which Mr. Sanders will not receive a company contribution under the Profit Sharing Plan, and (vi) if the termination occurs prior to December 31, 2007, the continued receipt of perquisites, reimbursements, and support described above through the end of that year. The above elements, assuming 2006 costs, would have resulted in a payment to Mr. Sanders of approximately $36.5 million had he been terminated without cause as of January 1, 2007.

During any year in which Mr. Sanders is terminated for "cause", he is entitled to (i) the pro rata portion of his annual salary for that year for services rendered to the date of termination, to the extent not previously paid, and (ii) all deferred compensation awards described above that have vested prior to such termination. Mr. Sanders would be entitled to no other payments or benefits under the agreement, which defines "cause" as Mr. Sanders's (i) willful failure to perform his duties, (ii) engaging in conduct found by a court to (A) constitute employment disqualification or a felony and which is materially and demonstrably injurious to our business or reputation, or (B) materially violate federal or state securities laws, (iii) absent the finding in clause (ii) above, a good faith determination by the Board that conduct by Mr. Sanders constitutes such a disqualification, felony or violation, and that his continued employment would be materially and demonstrably injurious to our business or reputation, or (iv) breach of the confidentiality or non-competition covenants contained in the agreement, which breach is material to our business.

Director Compensation

The following table describes how we compensated our independent directors during 2006:

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Weston M. Hicks	58,000	30,000	30,000	0	0	0	118,000
W. Edwin Jarmain	16,000	0	0	0	0	0	16,000
Lorie A. Slutsky	68,500	30,000	30,000	0	0	0	128,500
A.W. (Pete) Smith, Jr.	62,500	30,000	30,000	0	0	0	122,500
Peter J. Tobin	88,000	30,000	30,000	0	0	0	148,000

The General Partner only pays fees, and makes equity awards to, directors who are not employed by our company or by any of our affiliates. Such fees and awards consist of:

- an annual retainer of $40,000 (paid quarterly after any quarter during which a director serves on the Board, which is why Mr. Jarmain, who resigned from the Board effective February 25, 2006, received less than $40,000 in 2006);
- a fee of $1,500 for participating in a meeting of the Board, or any 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 Corporate Governance Committee; and
- an annual equity-based grant under the 1997 Plan consisting of:
  - restricted Holding Units having a value of $30,000 based on the closing price of Holding Units on the NYSE as of the grant date; and
  - options to buy Holding Units with a value of $30,000 calculated using the Black-Scholes method.

On May 15, 2006, at a regularly scheduled meeting of the Board, 462 restricted Holding Units and options to buy 2,428 Holding Units at $65.02 per Unit were granted to Ms. Slutsky, and to Messrs. Hicks, Smith, and Tobin. Such grants have generally been made at the May meeting of the Board. The date of the meeting was set at a Board meeting in 2005. The exercise price of the options was the closing price on the NYSE on the grant date. Due to rounding, directors received slightly more than the value of the grant (but in no case greater than approximately $12.35, the Black-Scholes value of each option, in respect of the option grant, or $65.02, the price of the Holding Unit, for the grant of restricted Holding Units). For information about how the Black-Scholes value was calculated, *see Note 16 to AllianceBernstein's consolidated financial statements in Item 8*. Options granted to independent directors vest ratably over three years. Restricted Holding Units granted to independent directors vest after three years. In order to avoid any perception that our directors' independence might be impaired, these options and restricted Holding Units are not forfeitable. Vesting of options continues following a director's resignation from the Board. Restricted Holding Units vest and are distributed immediately following an independent director's resignation from the Board.

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.

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

Securities Authorized for Issuance under Equity Compensation Plans

The following table summarizes the Holding Units to be issued pursuant to our equity compensation plans as of December 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	4,819,099	$ 41.62	29,168,647
Equity compensation plans not approved by security holders	—	—	—
Total	**4,819,099**	**$ 41.62**	**29,168,647**

(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 notionally invest 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. For additional information concerning such plans, *see Note 15 to AllianceBernstein's consolidated financial statements in Item 8.*

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

For information about our equity compensation plans (1993 Unit Option Plan, 1997 Long Term Incentive Plan, Century Club Plan), *see Note 16 to AllianceBernstein's consolidated financial statements in Item 8.*

Principal Security Holders

As of January 31, 2007, we had no information that any person beneficially owned more than 5% of the outstanding Holding Units.

As of January 31, 2007, we had no information that any person beneficially owned more than 5% of the outstanding AllianceBernstein Units except (i) AXA and certain of its wholly-owned subsidiaries as reported on Forms 4 filed with the SEC on December 11, 2006 pursuant to the Exchange Act, (ii) AXA and certain of its wholly-owned subsidiaries as reported on Schedule 13D/A filed with the SEC on December 23, 2004 pursuant to the Exchange Act, and (iii) SCB Inc. and SCB Partners Inc. (SCB Partners Inc. is a wholly-owned subsidiary of SCB Inc.) as reported on Schedule 13D/A filed with the SEC on December 23, 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.

On February 23, 2007, SCB Partners sold to AXA Financial 8,160,000 AllianceBernstein Units pursuant to an agreement (*see Note 6 below*) entered into in connection with the Bernstein Transaction; the beneficial ownership of AllianceBernstein Units discussed in the table below does not reflect this sale.

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	153,581,609	59.2%
SCB Inc.,[5][6] SCB Partners Inc.[5][6]		
50 Main Street, Suite 1000, White Plains, NY 10606	16,320,000	6.3%

(1) Based on information provided by AXA Financial, on December 31, 2006, 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, as of December 31, 2006, 14.26% of the issued ordinary shares (representing 20.65% 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 153,581,609 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 22.13% 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. 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. For additional information about these pecuniary interests, *see "Management" in this Item 12*.

(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 to sell ("Put") 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, December 21, 2004, and February 23, 2007, 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, 2007, Holding was the record owner of 85,919,404, or 33.1%, of the issued and outstanding AllianceBernstein Units.

Management

The following table sets forth, as of January 31, 2007, 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)]	20,000	*
Denis Duverne[(1)]	2,000	*
Peter Etzenbach[(1)]	0	*
Weston M. Hicks	462	*
Gerald M. Lieberman[(1,2)]	120,259	*
Lorie A. Slutsky[(1,3)]	16,750	*
A.W. (Pete) Smith, Jr.	712	*
Peter J. Tobin[(1,4)]	30,590	*
Marilyn G. Fedak[(1)]	0	*
Sharon E. Fay[(1)]	16,745	*
Robert H. Joseph, Jr.[(1,5)]	152,774	*
All directors and executive officers of the General Partner as a group (30 persons)[(6)]	2,167,058	2.5%

* 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, Etzenbach, Lieberman, and Tobin, and Ms. Slutsky, are directors and/or officers of AXA, AXA Financial, and/or AXA Equitable. Messrs. Sanders, Lieberman, and Joseph, and Mesdames Fedak and Fay, are directors and/or officers of the General Partner.

(2) Includes 72,000 Holding Units Mr. Lieberman can acquire within 60 days under an AllianceBernstein option plan.

(3) Includes 14,217 Holding Units Ms. Slutsky can acquire within 60 days under an AllianceBernstein option plan.

(4) Includes 29,467 Holding Units Mr. Tobin can acquire within 60 days under an AllianceBernstein option plan.

(5) Includes 127,000 Holding Units Mr. Joseph can acquire within 60 days under AllianceBernstein option plans.

(6) Includes 862,684 Holding Units the directors and executive officers as a group can acquire within 60 days under AllianceBernstein option plans.

As of January 31, 2007, our directors and executive officers beneficially owned AllianceBernstein Units only 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.

On February 23, 2007, SCB Partners sold to AXA Financial 8,160,000 AllianceBernstein Units pursuant to an agreement (*see Note 6 to "Principal Security Holders" in this Item 12*) entered into in connection with the Bernstein Transaction; the beneficial ownership of AllianceBernstein Units discussed in the table below does not reflect this sale.

Name of Beneficial Owner	Number of AllianceBernstein Units and Nature of Beneficial Ownership	Percent of Class
Lewis A. Sanders	3,199,893	1.2%
Gerald M. Lieberman	92,834	*
Sharon E. Fay	50,773	*
Marilyn G. Fedak	383,420	*
Mark R. Gordon	217,030	*
Thomas S. Hexner	166,589	*
Seth J. Masters	72,609	*
Marc O. Mayer	101,281	*
Lisa A. Shalett	10,950	*
David A. Steyn	1,825	*
All directors and executive officers of the General Partner as a group (30 persons)	4,297,204	1.7%

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

The following table sets forth, as of January 31, 2007, 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)	33,376	*
Henri de Castries(3)	5,807,601	*
Christopher M. Condron(4)	3,575,217	*
Denis Duverne(5)	1,815,226	*
Peter Etzenbach(6)	11,534	*
Weston M. Hicks	0	*
Gerald M. Lieberman	0	*
Lorie A. Slutsky	203	*
A.W. (Pete) Smith, Jr.	0	*
Peter J. Tobin(7)	7,695	*
Marilyn G. Fedak	0	*
Sharon E. Fay	0	*
Robert H. Joseph, Jr.	0	*
All directors and executive officers of the General Partner as a group (30 persons)(8)	11,250,852	*

* 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 30,810 shares Mr. Carrel-Billiard can acquire within 60 days under option plans.

(3) Includes 4,771,410 shares and 292,308 ADSs Mr. de Castries can acquire within 60 days under option plans.

(4) Includes 1,576,208 ADSs Mr. Condron can acquire within 60 days under option plans. Also includes 244,293 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 1,364,031 shares and 99,932 ADSs Mr. Duverne can acquire within 60 days under option plans.

(6) Includes 6,809 shares Mr. Etzenbach can acquire within 60 days under options plans.

(7) Includes 636 ADSs Mr. Tobin can acquire within 60 days under option plans. Also includes 3,540 ADSs Mr. Tobin owns jointly with his spouse.

(8) Includes 6,173,060 shares and 1,969,084 ADSs the directors and executive officers as a group can acquire within 60 days under option plans.

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 authorize 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 "Business - Competition" in Item 1*.) 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 (i) eliminate the implied contractual covenant of good faith and fair dealing, or (ii) limit or eliminate liability for any act or omission that constitutes a bad faith violation of the implied 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. Transactions with Related Persons, Promoters and Certain Control Persons

Policies and Procedures Regarding Transactions with Related Persons

Each of the Holding Partnership Agreement and the AllianceBernstein Partnership Agreement expressly permits AXA and its affiliates, which includes AXA Equitable and its affiliates (collectively, "AXA Affiliates"), to provide services to AllianceBernstein and Holding if the terms of the transaction are "approved by the General Partner in good faith as being comparable to (or more favorable to each such partnership than) those that would prevail in a transaction with an unaffiliated party". This requirement is "conclusively presumed to be satisfied as to any transaction or arrangement that (x) in the reasonable and good faith judgment of the General Partner", meets that unaffiliated party standard, "or (y) has been approved by a majority of those directors of the General Partner who are not also directors, officers or employees of an Affiliate of the General Partner".

In practice, our management pricing committees review investment advisory agreements with AXA Affiliates, which is the manner in which the General Partner reaches a judgment regarding the appropriateness of the fees. Other transactions with AXA Affiliates are submitted to the Audit Committee for their review and approval; the unanimous consent of the Audit Committee constitutes the consent of three of four independent directors on the Board. We are not aware of any transaction during 2006 between our company and any related person with respect to which these procedures were not followed.

We do not have written policies regarding the employment of immediate family members of any of our related persons. Compensation and benefits for all of our employees, including employees who are immediate family members of any of our related persons, is established in accordance with our employment and compensation practices applicable to employees with equivalent qualifications and responsibilities who hold similar positions.

Financial Arrangements with AXA Affiliates

The General Partner has, in its reasonable and good faith judgment (based on its knowledge of, and inquiry with respect to, comparable arrangements with or between unaffiliated parties), approved the following arrangements with AXA Equitable and its affiliates as being comparable to, or more favorable to AllianceBernstein than, those that would prevail in a transaction with an unaffiliated party.

The following tables summarize transactions between AllianceBernstein and related persons during 2006. The first table summarizes services we provide to related persons, and the second table summarizes services our related persons provide to us:

Parties[1]	General Description of Relationship	Amounts Received or Accrued for in 2006
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.	$ 79,376,000
AXA Asia Pacific[2]	We provide investment management services.	$ 39,225,000
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 company subsidiaries.	$ 35,871,000 (of which $272,000 relates to the ancillary services)
MONY Life Insurance Company and its subsidiaries[2][3]	We provide investment management services and ancillary accounting services.	$ 9,628,000 (of which $150,000 relates to the ancillary services)
AXA Group Life Insurance	We provide investment management services.	$ 7,688,000
AXA Sun Life[2]	We provide investment management services.	$ 3,657,000
AXA U.K. Group Pension Scheme	We provide investment management services.	$ 2,924,000
AXA Rosenberg Investment Management Asia Pacific[2]	We provide investment management services.	$ 2,177,000
AXA (Canada)[2]	We provide investment management services.	$ 2,170,000
AXA Corporate Solutions[2]	We provide investment management services.	$ 937,000
AXA France[2]	We provide investment management services.	$ 509,000
AXA Reinsurance Company[2]	We provide investment management services.	$ 487,000
AXA Investment Managers Limited[2]	We provide investment management services.	$ 314,000
AXA Foundation, Inc., a subsidiary of AXA Financial	We provide investment management services.	$ 180,000
Various AXA subsidiaries	We provide investment management services.	$ 235,000

(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 2006
AXA Advisors	AXA Advisors distributes certain of our Retail Products.	$ 5,708,000
AXA Equitable	AXA Equitable provides certain data processing services and related functions.	$ 3,725,000
AXA Equitable	We are covered by various insurance policies maintained by AXA Equitable.	$ 3,139,000
AXA Business Services	AXA Business Services provides data processing services and support for certain investment operations functions.	$ 1,060,000
GIE Informatique AXA (“GIE”)	GIE provides cooperative technology development and procurement services to us and to various other subsidiaries of AXA.	$ 891,000
AXA Advisors	AXA Advisors sells shares of our mutual funds under Distribution Services and Educational Support agreements.	$ 772,000
AXA Technology Services India Pvt. Ltd.	AXA Technology Services India Pvt. Ltd. provides certain data processing services and functions.	$ 763,000

(1) AllianceBernstein is a party to each transaction.
(2) Each entity is a subsidiary of AXA. AXA is an indirect parent of AllianceBernstein.

Additional Transactions with Related Persons

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 $49.4 billion in client assets, and earned $61.1 million in management fees in 2006.

AXA Advisors was our ninth largest distributor of U.S. Funds in 2006, for which we paid AXA Advisors sales concessions on sales of $524 million. Various subsidiaries of AXA distribute certain of our Non-U.S. Funds, for which such entities received aggregate distribution payments of approximately $427,000 in 2006.

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. 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 2006, ACMC Inc. made capital contributions to AllianceBernstein in the amount of approximately $4.3 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.

Arrangements with Immediate Family Members of Related Persons

Two of our executive officers, one of whom is also a director, have immediate family members whom we employ. We established the compensation and benefits 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 4,914 employees.

Gerald M. Lieberman's daughter, Andrea L. Feldman, is employed in AllianceBernstein Institutional Investments and received 2006 compensation of $130,000 (salary and bonus). Mr. Lieberman's son-in-law, Jonathan H. Feldman, the spouse of Andrea L. Feldman, is employed in Retail Services and received 2006 compensation of $225,000 (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 2006 compensation of $2,617,000 (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 PricewaterhouseCoopers LLP ("PwC") for the audit of AllianceBernstein's and Holding's annual financial statements for 2006, and fees for other services rendered by PwC ($ in thousands):

	2006		
	Domestic	International	Total
Audit Fees[1]	$ 6,319	$ 1,356	$ 7,675
Audit Related Fees[2]	1,300	782	2,082
Tax Fees[3]	1,309	361	1,670
All Other Fees[4]	27	30	57
Total	**$ 8,955**	**$ 2,529**	**$ 11,484**

(1) Includes $175,000 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, internal control reviews, and accounting consultation.
(3) Tax fees consist of fees for tax consultation and tax compliance services.
(4) All other fees in 2006 consisted of miscellaneous non-audit 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 fees for other services rendered by KPMG LLP ($ in thousands):

	2005		
	Domestic	International	Total
Audit Fees[1]	$ 6,222	$ 1,051	$ 7,273
Audit Related Fees[2]	712	588	1,300
Tax Fees[3]	524	326	850
All Other Fees[4]	6	—	6
Total	**$ 7,464**	**$ 1,965**	**$ 9,429**

(1) Includes $127,000 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 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 registered public accounting firm. This policy was revised on August 3, 2006. The independent registered public accounting firm 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, 2006, 2005, and 2004. PwC's report regarding the 2006 schedule and KPMG LLP's report regarding the 2005 and 2004 schedules are also attached.

(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
2.01	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).
2.02	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).
3.01	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).
3.02	Amendment No. 1 dated February 24, 2006 to Amended and Restated Agreement of Limited Partnership of Holding (incorporated by reference to Exhibit 3.1 to Form 10-Q for the quarterly period ended September 30, 2006, as filed November 8, 2006).
3.03	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).
3.04	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).
3.05	Amendment No. 1 dated February 24, 2006 to Amended and Restated Agreement of Limited Partnership of AllianceBernstein (incorporated by reference to Exhibit 3.2 to Form 10-Q for the quarterly period ended September 30, 2006, as filed November 8, 2006).
3.06	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).
3.07	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).
3.08	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).
10.01	Amended and Restated AllianceBernstein Partners Compensation Plan.
10.02	Amended and Restated 1997 Long Term Incentive Plan.

10.03	Form of Award Agreement under the Amended and Restated AllianceBernstein Partners Compensation Plan.
10.04	Forms of Award Agreement under the Special Option Program.
10.05	Form of Award Agreement under the AllianceBernstein Commission Substitution Plan.
10.06	Form of Award Agreement under the AllianceBernstein L.P. Financial Advisor Wealth Accumulation Plan.
10.07	Amendment and Restatement of the Profit Sharing Plan for Employees of AllianceBernstein L.P., as amended through November 30, 2006.
10.08	Amendment and Restatement of the Retirement Plan for Employees of AllianceBernstein L.P., as amended through November 30, 2006.
10.09	Guidelines for Transfer of AllianceBernstein L.P. Units and AllianceBernstein L.P. Policy Regarding Partners' Requests for Consent to Transfer of Limited Partnership Interests to Third Parties.
10.10	Letter Agreement entered into by Lewis A. Sanders and AllianceBernstein L.P. on October 26, 2006 (incorporated by reference to Exhibit 99.31 to Form 8-K, as filed October 31, 2006).
10.11	Amended and Restated Commercial Paper Dealer Agreement, dated as of May 3, 2006 (incorporated by reference to Exhibit 10.1 to Form 10-Q for the quarterly period ended March 31, 2006, as filed May 8, 2006).
10.12	Amended and Restated Issuing and Paying Agency Agreement, dated as of May 3, 2006 (incorporated by reference to Exhibit 10.2 to Form 10-Q for the quarterly period ended March 31, 2006, as filed May 8, 2006).
10.13	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" (incorporated by reference to Exhibit 10.1 to Form 10-K for the fiscal year ended December 31, 2005, as filed February 24, 2006).
10.14	AllianceBernstein Commission Substitution Plan, as amended and restated as of January 1, 2005 (incorporated by reference to Exhibit 10.5 to Form 10-K for the fiscal year ended December 31, 2005, as filed February 24, 2006).
10.15	AllianceBernstein 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).
10.16	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).
10.17	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).
10.18	Summary of AllianceBernstein 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).
10.19	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).
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	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).
10.25	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).
10.26	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).
10.27	AllianceBernstein L.P. Century Club Plan (incorporated by reference to Exhibit 4.3 to Form S-8, as filed July 12, 1993).
10.28	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).
12.01	AllianceBernstein Consolidated Ratio of Earnings to Fixed Charges in respect of the years ended December 31, 2006, 2005, and 2004.
21.01	Subsidiaries of AllianceBernstein.
23.01	Consent of PricewaterhouseCoopers LLP.
23.02	Consent of KPMG LLP.
31.01	Certification of Mr. Sanders furnished pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.02	Certification of Mr. Joseph furnished pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.01	Certification of Mr. Sanders furnished for the purpose of complying with Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.02	Certification of Mr. Joseph furnished for the purpose of complying with Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 and 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 27, 2007

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 27, 2007

/s/ Robert H. Joseph, Jr.
Robert H. Joseph, Jr.
Senior Vice President and
Chief Financial Officer

Date: February 27, 2007

/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

/s/ Weston M. Hicks
Weston M. Hicks
Director

/s/ Dominique Carrel-Billiard
Dominique Carrel-Billiard
Director

/s/ Gerald M. Lieberman
Gerald M. Lieberman
Director

/s/ Christopher M. Condron
Christopher M. Condron
Director

/s/ Lorie A. Slutsky
Lorie A. Slutsky
Director

/s/ Henri de Castries
Henri de Castries
Director

/s/ A.W. (Pete) Smith, Jr.
A.W. (Pete) Smith, Jr.
Director

/s/ Denis Duverne
Denis Duverne
Director

/s/ Peter J. Tobin
Peter J. Tobin
Director

/s/ Peter Etzenbach
Peter Etzenbach
Director

SCHEDULE II

AllianceBernstein L.P.
Valuation and Qualifying Account - Allowance for Doubtful Accounts
For the Three Years Ending December 31, 2006, 2005 and 2004

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, 2004	$ 2,922	$ -	$ 1,215	(a)	$ 1,707
For the year ended December 31, 2005	$ 1,707	$ 55	$ 823	(b)	$ 939
For the year ended December 31, 2006	$ 939	$ 251	$ 77	(c)	$ 1,113

(a) Includes accounts written-off as uncollectible of $1,115 and reduction of allowance balance of $100.
(b) Includes accounts written-off as uncollectible of $123 and reduction of allowance balance of $700.
(c) Includes accounts written-off as uncollectible of $93 and a net addition to the allowance balance of $16.

Report of Independent Registered Public Accounting Firm on Financial Statement Schedule

To the Board of Directors
of AllianceBernstein L.P.

Our audits of the consolidated financial statements, of management's assessment of the effectiveness of internal control over financial reporting and of the effectiveness of internal control over financial reporting referred to in our report dated February 27, 2007 appearing in the 2006 Annual Report to Shareholders of AllianceBernstein L.P. (which report and consolidated financial statements are incorporated by reference in this Annual Report on Form 10-K) also included an audit of the financial statement schedules listed in Item 15(a) of this Form 10-K. In our opinion, based on our audits and the report of other auditors, this financial statement schedule presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

/s/ PricewaterhouseCoopers LLP
New York, New York
February 27, 2007

Report of Independent Registered Public Accounting Firm

The General Partner and Unitholders
AllianceBernstein L.P.:

Under date of February 24, 2006, we reported on the consolidated statement of financial condition of AllianceBernstein L.P. and subsidiaries ("AllianceBernstein") as of December 31, 2005, and the related consolidated statements of income, changes in partners' capital and comprehensive income and cash flows for each of the years in the two-year period ended December 31, 2005, which are included in this Form 10-K. In connection with our audits of the aforementioned consolidated financial statements, we also audited the related consolidated financial statement schedule referenced in Item 15 (a) of this Form 10-K. This financial statement schedule is the responsibility of the General Partner's management. Our responsibility is to express an opinion on this financial statement schedule based on our audits.

In our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly, in all material respects, the information set forth therein.

/s/ KPMG LLP

New York, New York
February 24, 2006

EXHIBIT 10.01

AMENDED AND RESTATED
ALLIANCEBERNSTEIN PARTNERS COMPENSATION PLAN

As Amended and Restated Effective as of January 26, 2007

AllianceBernstein Holding L.P. (together with any successor to all or substantially all of its business and assets, "**Holding**") and its successor and affiliate AllianceBernstein L.P. (together with any successor to all or substantially all of its business and assets, "**AllianceBernstein**") have established this Amended and Restated AllianceBernstein 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 AllianceBernstein, 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 was 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 AllianceBernstein, 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.

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 AllianceBernstein and (ii) any entity in which AllianceBernstein 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 AllianceBernstein.

(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, AllianceBernstein and any corporation or other entity of which Holding or AllianceBernstein (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) **"Option"** means an option to buy Holding Units.

(v) "**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.

(w) "**Person**" means any individual, corporation, partnership, association, joint-stock company, trust, unincorporated organization, government or political subdivision thereof or other entity.

(x) "**Plan**" means the Amended and Restated AllianceBernstein Partners Compensation Plan, as set forth herein and as amended from time to time.

(y) "**Post-2000 Award**" means any Award granted hereunder with respect to calendar years beginning after December 31, 2000.

(z) "**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.

(aa) "**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.

(bb) "**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.

(cc) **"Special Program"** means the granting of permission to certain eligible employees of the Company to allocate a portion of their Awards to Options.

(dd) "**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.

(ee) "**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.

(ff) "**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.

(gg) "**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 (a) notionally invested in (i) Restricted Units and (ii) each of the Approved Funds, and (b) invested in Options through the Special Program. 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. The Committee may also determine for each calendar year a minimum and a maximum percentage of each Award that may be allocated to Options. 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, and the amount in such Account allocated to Options.

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.

Section 2.07 *Awards Invested in Options*

(a) To the extent the Committee or an Investment Election Form validly directs the investment of all or part of any Award in Options, that portion of such Award so designated shall, as of a date and as determined by the Committee, be used to purchase Options having a value calculated in accordance with Black-Scholes methodology ("**Initial Award**"). From and after the date of such conversion, that portion of an Award which has been validly made to invest in Options shall be denominated, and shall thereafter be treated for all purposes as, a grant of that number of Options determined pursuant to the preceding sentence.

(b) To the extent an Award is validly invested in Options under the Special Program, the Committee may authorize an additional award to a Participant, which may be based on such Participant's Initial Award ("**Match**").

ARTICLE 3
VESTING, EXPIRATIONAND 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. For purposes of this Plan and the Special Program, the "**vesting**" of Options shall mean the percentage of Holding Units subject to the Options with respect to which the Options may be exercised by the Participant.

(i) Each Post-2000 Award, including Earnings thereon, but not including any portion of a Post-2000 Award invested in Options, 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) The portion of each Post-2000 Award that is invested in Options shall vest and expire as set forth in the following tables, unless the Committee, in its sole discretion, determines that an alternative Vesting Period or expiration date should apply with respect to such portion of any Post-2000 Award, notwithstanding such tables:

Options	Vesting Period
Initial Award	5 years (20% in each year)
Match	10 years (20% in each of years 6 through 10)

Options	Expiration Date
Initial Award	10 years from grant date
Match	11 years from grant date

(iii) 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

(iv) 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 (except to the extent that any such Award is invested in Options). 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 AllianceBernstein. Notwithstanding the foregoing, AllianceBernstein, 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 AllianceBernstein.

(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 AllianceBernstein for the amount of the tax not withheld promptly upon AllianceBernstein'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 AllianceBernstein 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) AllianceBernstein 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 AllianceBernstein 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 AllianceBernstein as required pursuant to clause (i) or make arrangements satisfactory to AllianceBernstein regarding payment thereof, AllianceBernstein may withhold any unpaid portion thereof from any amount otherwise due the recipient from AllianceBernstein.

EXHIBIT 10.02

Amended and Restated
1997 Long Term Incentive Plan

SECTION 1. *Purpose.*

The purposes of AllianceBernstein L.P.'s 1997 Long Term Incentive Plan (the **"Plan"**) are to promote the interest of AllianceBernstein L.P. (together with any successor thereto, the **"Partnership"**) and its partners by (i) attracting and retaining officers, key employees or directors of the Partnership and its Affiliates, (ii) motivating such employees or directors by means of performance-related incentives to achieve longer-range performance goals, and (iii) enabling such employees or directors to participate in the long-term growth and financial success of the Partnership.

SECTION 2. *Definitions*.

As used in the Plan, the following terms shall have the meanings set forth below:

"**Affiliate"** shall mean (i) any entity that, directly or indirectly, is controlled by the Partnership and (ii) any entity in which the Partnership has a significant equity interest, in either case as determined by the Board or, if so authorized by the Board, the Committee.

"Award" shall mean any Option, Restricted Unit, Phantom Restricted Unit, Performance Award or Other Unit-Based Award.

"Award Agreement" shall mean any written agreement, contract or other instrument or document evidencing any Award, which may, but need not, be executed or acknowledged by a Participant.

"Board" shall mean the Board of Directors of the general partner of the Partnership.

"Committee" shall mean the Board or one or more committees of the Board designated by the Board to administer the Plan.

"Director" shall mean any member of the Board.

"Employee" shall mean (i) an officer or employee of the Partnership of any Affiliate, or (ii) an advisor or consultant to the Partnership or to any Affiliate, in each case as determined by the Committee.

"Exchange Act" shall mean the U.S. Securities Exchange Act of 1934, as amended.

"Fair Market Value" shall mean, as of any given date and except as otherwise expressly provided by the Board: (i) with respect to a Unit, the closing price of a Unit on the New York Stock Exchange on such date or, if no sale of Units occurs on the New York Stock Exchange on such a date, the closing price of a Unit on such Exchange on the last preceding day on which such sale occurred; and (ii) with respect to any other property, the fair market value of such a property as determined by the Board in its sole discretion.

"Non-Employee Director" shall mean a member of the Board who is not an officer or employee of the Partnership or of any of its subsidiaries.

"Option" shall mean an option granted under Section 6(a) of the Plan.

"Other Unit-Based Award" shall mean any right granted under Section 6(d) of the Plan.

"Participant" shall mean any Employee or Director granted an Award under the Plan.

"Performance Award" shall mean any right granted under Section 6(c) of the Plan.

"Person" shall mean any individual, corporation, partnership, association, joint-stock company, trust, unincorporated organization, government or political subdivision thereof or other entity.

"Phantom Restricted Unit" shall mean any Award granted under Section 6(b) of the Plan and designated as a Phantom Restricted Unit.

"Restricted Unit" shall mean any Unit granted under Section 6(b) of the Plan and designated as a Restricted Unit.

"Restoration Option" shall mean an Option granted under Section 6(a)(iv) of the Plan.

"Substitute Awards" shall mean Awards granted in assumption of, or in substitution for, outstanding awards previously granted by a company acquired by the Partnership or its affiliate, or with which the Partnership or its Affiliate combines.

"Units" means units representing assignments of beneficial ownership of limited partnership interests in AllianceBernstein Holding L.P. ("Holding").

SECTION 3. *Administration.*

(a) *Authority of Committee*. The Plan shall be administered by the Committee. Subject to the terms of the Plan and applicable law, in addition to other express powers and authorizations conferred on the Committee by the Plan, and except as otherwise limited by the Board, the Committee shall have full power and authority to (i) designate Participants; (ii) determine the type or types of Awards to be granted to an eligible Employee or, subject to Section 3(b), Director; (iii) determine the number of Units to be covered by, or with respect to which payments, rights, or other matters are to be calculated in connection with, Awards; (iv) determine the terms and conditions of any Award; (v) determine whether, to what extent, and under what circumstances Awards may be exercised, canceled, forfeited, or suspended and the method or methods by which Awards may be exercised, canceled, forfeited, or suspended; (vi) determine whether, to what extent, and under what circumstances Units, other securities, other Awards, other property and other amounts payable with respect to an Award shall be deferred either automatically or at the election of the holder thereof or of the Committee; (vii) interpret and administer the Plan and any instrument or agreement relating to, or Award made under, the Plan; (viii) establish, amend, suspend, or waive such rules and regulations and appoint such agents as it shall deem appropriate for the proper administration of the Plan; and (ix) make any other determination and take any other action that the Committee deems necessary or desirable for the administration of the Plan.

(b) *Grants of Awards to Non-Employee Directors*. Notwithstanding the provisions of Section 3(a), grants of Awards to Non-Employee Directors must be approved by the Board.

(c) *Committee Discretion Binding*. Unless otherwise expressly provided in the Plan, all designations, determinations, interpretations, and other decisions under or with respect to the Plan or any Award shall be within the sole discretion of the Committee, may be made at any time and shall be final, conclusive, and binding upon all Persons, including the Partnership, any Affiliate, any Participant, any holder or beneficiary of any Award, any Unitholder and any Employee or, subject to Section 3(b), Director.

SECTION 4. *Units Available for Awards*.

(a) *Units Available.*

(i) Subject to adjustment as provided in Section 4(c), the number of Units with respect to which Awards may be granted under the Plan shall be 41 million less the excess of (i) the number of Units awarded (and not forfeited) under the Partnership's Century Club Plan (the **"Century Club Plan"**) over (ii) the Pre-1997 Century Club Limit, as defined in the Century Club Plan.

(ii) If, after the effective date of the Plan, any Units covered by an Award granted under the Plan or by an award granted under any prior Unit award plan of the Partnership, or to which such an Award or award related, are forfeited, or if such an Award or award terminates or is canceled without the delivery of Units, then the Units covered by such Award or award, or to which such Award or award relates, or the number of Units otherwise counted against the aggregate number of Units with respect to which Awards may be granted, to the extent of any such forfeiture, termination or cancellation, shall again become Units with respect to which Awards may be granted. In the event that any Option or other Award granted hereunder or any award granted under any prior Unit award plan of the Partnership is exercised through the delivery of Units or in the event that withholding tax liabilities arising from such Award or award are, with the approval of the Board, satisfied by the withholding of Units by the Partnership, the number of Units available for Awards under the Plan shall be increased by the number of Units so surrendered or withheld. Any Units underlying Substitute Awards shall not be counted against the Units available for Awards under the Plan.

(b) *Units Available for Awards other than Options.* Subject to adjustment as provided in Section 4(c), and except as otherwise expressly provided by the Board, of the number of Units with respect to which Awards may be granted in accordance with Section 4(a), the number of Units with respect to which Awards may be granted under Sections 6(b), (c), or (d) of the Plan shall be 2 million. If, after the effective date of the Plan, Awards granted under Sections 6(b), (c), or (d) are forfeited, terminated, or canceled, or if, with the approval of the Board, Units otherwise deliverable pursuant to such Awards are applied to satisfy withholding tax liabilities, then the applicable number of Units shall not be counted against the limit set forth in the preceding sentence, to the same extent such Units again become Units with respect to which Awards may be granted under Section 4(a) or are otherwise not counted against the limit set forth in Section 4(a). Any Units underlying Substitute Awards shall not be counted against the limit set forth in the first sentence of this Section 4(b).

(c) *Adjustments.* 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 the Partnership or Holding, issuance of warrants or other rights to purchase limited partnership interests or other securities of the Partnership or Holding, any incorporation (or other change in form) of the Partnership or Holding, or other similar transaction or event affects the 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 any or all of (i) the number of Units or other securities of the Partnership or Holding (or number and kind of other securities or property) with respect to which Awards may be granted under Sections 4(a) and 4(b), (ii) the number of Units or other securities of the Partnership or Holding (or number and kind of other securities or property) subject to outstanding Awards, and (iii) the grant or exercise price with respect to any Award, or, if deemed appropriate, make provision for a cash payment to the holder of an outstanding Award. In the event of incorporation (or other change in form) of the Partnership or Holding, the Committee may, if so authorized by the Board, make such adjustments as it deems appropriate and equitable with respect to Options for the optionee to purchase stock in the resulting corporation in place of the Options. Any such adjustment or arrangement may provide for the elimination without compensation of any fractional Unit which might otherwise become subject to an Option, and shall be final and binding upon the optionee.

SECTION 5. *Eligibility.*

Subject to Section 3(b), any Employee or Director shall be eligible to be designated a Participant.

SECTION 6. *Awards.*

(a) *Options.*

(i) *Grant.* Subject to the provisions of the Plan, the Committee shall (subject to Section 3(b)) have sole and complete authority to determine the Employees and/or Directors to whom Options shall be granted, the number of Units to be covered by each Option, the exercise price therefor and the conditions and limitations applicable to the exercise of the Option.

(ii) *Exercise Price.* Unless otherwise expressly determined or authorized by the Board, the exercise price of an Option shall be not less than the Fair Market Value of the Units subject to the Option on the date the Option is granted.

(iii) *Exercise.* Unless otherwise determined or authorized by the Committee, (A) no Option (other than a Restoration Option or an Option that is a Substitute Award) shall become initially exercisable at a rate in excess of 20% of the Units subject to the Option on each anniversary of the date of grant beginning with the first such anniversary, and (B) no Option shall be exercisable after the expiration of ten years from the date of grant. The right to exercise an Option shall be cumulative, so that to the extent that an Option is not exercised when it becomes initially exercisable with respect to any Units, it shall be exercisable with respect to such Units at any time thereafter until the expiration of the term of the Option. The Committee may impose such conditions with respect to the exercise of Options, including without limitation, any relating to the application of federal or state securities laws, as it may deem necessary or advisable.

(iv) *Restoration Options.* In the event that any Participant delivers Units in payment of the exercise price of any Option granted hereunder in accordance with Section 7(b), or in the event that the withholding tax liability arising upon exercise of any Option by a Participant is satisfied through the withholding by the Partnership of Units otherwise deliverable upon exercise of the Option, the Committee shall have the authority, if so authorized by the Board, to grant or provide for the automatic grant of a Restoration Option to such Participant. The grant of a Restoration Option shall be subject to the satisfaction of such conditions or criteria as the Committee in its sole discretion shall establish from time to time, to the extent authorized by the Board. A Restoration Option shall entitle the holder thereof to purchase a number of Units equal to the number of such Units so delivered or withheld upon exercise of the original Option, in the discretion of the Committee. A Restoration Option shall have a per Unit exercise price and such other terms and conditions as the Committee in its sole discretion shall determine, to the extent authorized by the Board.

(b) *Restricted Units and Phantom Restricted Units.*

(i) *Grant. S*ubject to the provisions of the Plan, the Committee shall (subject to Section 3(b)) have sole and complete authority to determine the Employees and/or Directors to whom Restricted Units and Phantom Restricted Units shall be granted, the number of Restricted Units and/or the number of Phantom Restricted Units to be granted to each Participant, the duration of the period during which, and the conditions under which, the Restricted Unit and Phantom Restricted Units may be forfeited to the Partnership, and the other terms and conditions of such Awards.

(ii) *Transfer Restrictions*. Restricted Units and Phantom Restricted Units may not be sold, assigned, transferred, pledged or otherwise encumbered, except, in the case of Restricted Units, as provided in the Plan or the applicable Award Agreements. Each certificate issued in respect of Restricted Units with respect to which transfer restrictions remain in effect shall bear a legend describing the restrictions to which the Restricted Units are subject. Upon the lapse of the restrictions applicable to such Restricted Units, the owner thereof may surrender to the Partnership the certificate or certificates representing such Units and receive in exchange therefor a new certificate or certificates representing such Units free of the legend and a certificate or certificates representing the remainder of the Units, if any, with the legend.

(iii) *Payment*. Each Phantom Restricted Unit shall have a value equal to the Fair Market Value of a Unit. Phantom Restricted Units shall be paid in Units, other securities or other property, as determined in the sole discretion of the Committee, upon the lapse of the restrictions applicable thereto, or otherwise in accordance with the applicable Award Agreement.

(iv) *Distributions*. Distributions paid on or in respect of any Restricted Units or Phantom Restricted Units may be paid directly to the Participant, or may be reinvested in additional Restricted Units or in additional Phantom Restricted Units, as determined by the Committee in its sole discretion.

(c) *Performance Awards.*

(i) *Grant*. The Committee shall (subject to Section 3(b)) have sole and complete authority to determine the Employees and/or Directors who shall receive a "Performance Award", which shall consist of a right which is (i) denominated in Units, (ii) valued, as determined by the Committee, in accordance with the achievement of such performance goals during such performance periods as the Committee shall establish, and (iii) payable at such time and in such form as the Committee shall determine.

(ii) *Terms and Conditions*. Subject to the terms of the Plan and any applicable Award Agreement, the Committee shall determine the performance goals to be achieved during any performance period, the length of any performance period, the amount of any Performance Award and the amount and kind of any payment or transfer to be made pursuant to any Performance Award.

(iii) *Payment of Performance Awards*. Performance Awards may be paid in a lump sum or in installments following the close of the performance period or, in accordance with procedures established by the Committee, on a deferred basis.

(d) *Other Unit-Based Awards*. The Committee shall (subject to Section 3(b)) have authority to grant to eligible Employees and/or Directors an "Other Unit-Based Award", which shall consist of any right which is (i) not an Award described in paragraphs (a) through (c) above of this Section 6 and (ii) an Award of Units or an Award denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to, Units (including, without limitation, securities convertible into Units), as deemed by the Committee to be consistent with the purposes of the Plan. Subject to the terms of the Plan and any applicable Award Agreement, the Committee shall determine the terms and conditions of any such Other Unit-Based Award.

SECTION 7. *General Provisions Applicable to Awards*.

(a) *Awards May be Granted Separately or Together*. Awards may, in the discretion of the Committee, be granted either alone or in addition to, in tandem with, or in substitution for any other Award granted under the Plan or any award granted under any other plan of the Partnership or any Affiliate. Awards granted in addition to or in tandem with other Awards or awards granted under any other plan of the Partnership or any Affiliate may be granted either at the same time as or at a different time from the grant of such other Awards or awards.

(b) *Forms of Payment by Partnership Under Awards.* Subject to the terms of the Plan and of any applicable Award Agreement and the requirements of applicable law, payments or transfers to be made by the Partnership or an Affiliate upon the grant, exercise or payment of an Award may be made in such form or forms as the Committee shall determine, including Units, other securities, other Awards or other property, or any combination thereof, and may be made in a single payment or transfer, in installments, or on a deferred basis, in each case in accordance with rules and procedures established by the Committee. Such rules and procedures may include, without limitation, provisions for the payment or crediting of reasonable interest on installment or deferred payments.

(c) *Limits on Transfer of Awards*. Except as otherwise provided by the Committee with respect to any Award, no Award shall be transferable by a holder other than by will or the laws of descent and distribution.

(d) *Terms of Awards*. The term of each Award shall be for such period as may be determined by the Committee.

(e) *Consideration for Grants*. Awards may be granted for no cash consideration, for such nominal cash consideration as may be required by applicable law or for such greater amount as may be established by the Committee.

SECTION 8. *Amendment and Termination*.

(a) *Amendments to the Plan*. The Board may amend, alter, suspend, discontinue, or terminate the Plan or any portion thereof at any time; provided that no such amendment, alteration, suspension, discontinuation or termination shall be made without the approval of the limited partners of the Partnership if such approval is necessary to comply with any tax or regulatory requirement for which or with which the Board deems it necessary or desirable to qualify or comply. Notwithstanding anything to the contrary herein, the Board or, if so authorized by the Board, the Committee may amend the Plan in such manner as may be necessary so as to have the Plan conform with local rules and regulations in any jurisdiction outside the United Sates.

(b) *Amendments to Awards*. The Board or, if so authorized by the Board, the Committee may waive any conditions or rights under, amend any terms of, or alter, suspend, discontinue, cancel or terminate, any Award theretofore granted, prospectively or retroactively; provided that any such waiver, amendment, alteration, suspension, discontinuance, cancellation or termination that would adversely affect the rights of any Participant or any holder or beneficiary of any Award theretofore granted shall not to that extent be effective without the consent of the affected Participant, holder or beneficiary.

(c) *Adjustment of Awards Upon the Occurrence of Certain Unusual or Nonrecurring Events*. The Committee is hereby authorized to make adjustments in the terms and conditions of, and the criteria included in, Awards in recognition of unusual or nonrecurring events (including, without limitation, the events described in Section 4(c) hereof) affecting the Partnership, any Affiliate, or the financial statements of the Partnership or any Affiliate, or of changes in applicable laws, regulations, or accounting principles, whenever the Committee determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan.

(d) *Cancellation*. Any provision of this Plan or any Award Agreement to the contrary notwithstanding, the Committee may, if so authorized by the Board, cause any Award granted hereunder to be canceled in consideration of a cash payment or alternative Award made to the holder of such canceled Award equal in value to the Fair Market Value of such canceled award.

SECTION 9. *Miscellaneous.*

(a) *No Rights to Awards.* No Employee, Director or Participant or other Person shall have any claim to be granted any Award, and there is no obligation for uniformity of treatment of Employees, Directors, Participants, or holders or beneficiaries of Awards. The terms and conditions of Awards need not be the same with respect to each recipient.

(b) *Unit Certificates.* All certificates for Units or other securities of the Partnership or any Affiliate delivered under the Plan pursuant to any Award or the exercise thereof shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the Plan or the rules, regulations, and other requirements of the U.S. Securities and Exchange Commission, any Unit exchange upon which such Units or other securities are then listed, and any applicable Federal or state laws, and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

(c) *Delegation.* Subject to the terms of the Plan and applicable law, the Committee, if so authorized by the Board, may delegate to one or more officers or managers of the Partnership or any Affiliate, or to a committee of such officers or managers, the authority, subject to the terms and limitations as the Committee, as authorized by the Board, shall determine, to grant Awards to, or to cancel, modify or waive rights with respect to, or to alter, discontinue, suspend, or terminate Awards held by, Employees who are not officers or directors of the Partnership for purposes of Section 16 of the Exchange Act, or any successor section thereto, or who are otherwise not subject to such Section.

(d) *Withholding*. A Participant may be required to pay to the Partnership or any Affiliate and the Partnership or any Affiliate shall have the right and is hereby authorized to withhold from any Award, from any payment due or transfer made under any Award or under the Plan or from any compensation or other amount owing to a Participant the amount (in cash, Units, other securities, other Awards or other property) of any applicable withholding taxes in respect of an Award, its exercise, or any payment or transfer under an Award or under the Plan and to take such other actions as may be necessary in the opinion of the Partnership to satisfy all obligations for the payment of such taxes.

(e) *Award Agreements.* Each award hereunder shall be evidenced by an Award Agreement which shall be delivered to the Participant and shall specify the terms and conditions of the Award and any rules applicable thereto, including but not limited to the effect on such Award of the death, retirement or other termination of employment of a Participant.

(f) *No Limit on Other Compensation Arrangements.* Nothing contained in the Plan shall prevent the Partnership or any Affiliate from adopting or continuing in effect other compensation arrangements, including without limitation any such arrangements that provide for the grant of options, restricted Units, Units and other types of Awards provided for hereunder (subject to approval of the limited partners of the Partnership if such approval is required), and such arrangements may be either generally applicable or applicable only in specific cases.

(g) *No Right to Employment or Directorship*. The grant of an Award shall not be construed as giving a Participant the right to be retained in the employ of the Partnership or any Affiliate, or to be retained as a Director. Further, the Partnership or an Affiliate may at any time dismiss a Participant from service, free from any liability or any claim under the Plan, unless otherwise expressly provided in the Plan, in any Award Agreement or in any other agreement between the Partnership or any Affiliate and the Participant.

(h) *No Rights as Unitholder*. Subject to the provisions of the applicable Award, no Participant or holder or beneficiary of any Award shall have any rights as a Unitholder with respect to any Units to be distributed under the Plan until he or she has become the holder of such Units. Notwithstanding the foregoing, in connection with each grant of a Restricted Unit hereunder, the applicable Award shall specify if and to what extent the Participant shall not be entitled to the rights of a Unitholder in respect of such Restricted Unit.

(i) *Governing Law.* The validity, construction, and effect of the Plan and any rules and regulations relating to the Plan shall be determined in accordance with the internal laws of the State of New York.

(j) *Severability*. If any provisions of the Plan or any Award is or becomes or is deemed to be invalid, illegal, or unenforceable in any jurisdiction or as to any Person or Award, or would disqualify the Plan or any Award under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan or the Award, such provision shall be stricken as to such jurisdiction, Person or Award and the remainder of the Plan and any such Award shall remain in full force and effect.

(k) *Additional Powers*. The Committee may refuse to issue or transfer any Units or other consideration under an Award if, acting in its sole discretion, it determines that the issuance or transfer of such Units or such other consideration might violate any applicable law or regulation or entitle the Partnership to recover the same under Section 16(b) of the Exchange Act, and any payment tendered to the Partnership by a Participant, other holder or beneficiary in connection with the exercise of such Award shall be promptly refunded to the relevant Participant, holder or beneficiary. Without limiting the generality of the foregoing, no Award granted hereunder shall be construed as an offer to sell securities of the Partnership, and no such offer shall be outstanding, unless and until the Committee in its sole discretion has determined that any such offer, if made, would be in compliance with all applicable requirements of the U.S. federal securities laws and any other laws to which such offer, if made, would be subject.

(l) *No Trust or Fund Created*. Neither the Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or fiduciary relationship between the Partnership or any Affiliate and a Participant or any other Person. To the extent that any Person acquires a right to receive payments from the Partnership or any Affiliate pursuant to an Award, such right shall be no greater than the right of any unsecured general creditor of the Partnership or any Affiliate.

(m) *No Fractional Units*. No fractional Units shall be issued or delivered pursuant to the Plan or any Award, and the Committee shall determine whether cash, other securities, or other property shall be paid or transferred in lieu of any fractional Units or whether such fractional Units or any rights thereto shall be canceled, terminated or otherwise eliminated.

(n) *Headings*. Headings are given to the Sections and subsections of the Plan solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of the Plan or any provision thereof.

SECTION 10. *Term of the Plan.*

(a) *Effective Date*. This amended Plan shall be effective as of November 20, 1997, subject to approval by the limited partners of the Partnership within one year thereafter.

(b) *Expiration Date*. No Award shall be granted under the Plan after July 26, 2010. However, unless otherwise expressly provided in the Plan or in an applicable Award Agreement, any Award theretofore granted may, and the authority of the Board or the Committee to amend, alter, adjust, suspend, discontinue, or terminate any such Award or to waive any conditions or rights under any such Award shall, extend beyond such date.

EXHIBIT 10.03

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:

Amount of Award:

Date of Grant:

In connection with your award (the "Award"), you, AllianceBernstein Holding L.P.("Holding") and AllianceBernstein 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 .

AllianceBernstein L.P.
By: AllianceBernstein L.P., General Partner

/s/ Robert H. Joseph, Jr.
Signature

Participant

Signature
Name:

EXHIBIT 10.04

SPECIAL OPTION PROGRAM UNDER THE
1997 LONG TERM INCENTIVE PLAN

INITIAL AWARD AGREEMENT

AGREEMENT, dated as of January 26, 2007, among AllianceBernstein L.P. ("Partnership"), AllianceBernstein Holding L.P. ("Holding") and <PARTC_NAME>(Participant"), an employeeof the Partnership or a subsidiaryof the Partnership.

The Compensation Committee ("Committee" or "Administrator") of the Board of Directors ("Board") of AllianceBernstein Corporation ("Corporation")-, pursuant to the Partnership's Amended and Restated 1997 Long Term Incentive Plan ("Plan"), a copy of which has been delivered electronically to the Participant, has granted to the Participant an award ("Award") consisting of (i) options ("Initial Options") to purchase units representing assignments of the benefi-cial ownership of limited partnership interests in Holding ("Units") that vest over the first five anniversaries of grant date, and (ii) options ("Match Options" and, together with the Initial Options, "Options") to purchase Units that vest over the next five anniversaries of grant date.

In accordance with the grant of the Award, and as a condition thereto, the Partnership, Holding and the Participant agree as follows:

1. Grant. Subject to and under the terms and conditions set forth in this Agreement and the Plan, the Committee hereby awards the Participant Initial Options, which permit the Participant to purchase from the Partnership the number of Units set forth in Section 1 of Schedule A, at the per Unit price set forth in Section 2 of Schedule A, subject to the vesting schedule set forth in Section 3 of Schedule A (Match Options are granted pursuant to a Match Award Agreement, dated as of January 26, 2007, among the parties hereto).

2. Term and Vesting Schedule. (a) The Initial Options shall not be exercisable to any extent prior to January 26, 2008 or after January 26, 2017 ("Initial Expiration Date"). Subject to the terms and condi-tions of this Agreement and the Plan, the Participant shall be entitled to exercise the Initial Options prior to the Initial Expiration Date and to purchase Units pursuant to the Initial Options in accordance with the schedule set forth in Section 3 of Schedule A.

(b) The Match Options shall not be exercisable to any extent prior to January 26, 2013 or after January 26, 2018 ("Match Expiration Date"). Subject to the terms and condi-tions of this Agreement and the Plan, the Participant shall be entitled to exercise the Match Options prior to the Match Expiration Date and to purchase Units pursuant to the Match Options in accordance with the schedule set forth in Section 6 of Schedule A.

(c) The right to exercise the Options shall be cumulative so that to the extent the Options are not exercised when they become initially exercisable with respect to any Units, they shall be exercisable with respect to such Units at any time thereafter until their respective Expiration Dates, subject to any guidelines or restrictions in the Partnership's Code of Business Conduct and Ethics or the U.S. federal securities laws. Options awarded hereunder may not be exercised after their respective Expiration Dates (i.e., any Units subject to the Options that have not been purchased on or before the relevant Expiration Date may no longer be purchased). A Unit shall be considered to have been purchased on or before the relevant Expiration Date if the Partnership has been given notice of the purchase and the Partnership has actually received payment therefor, pursuant to Sections 3 and 14, on or before the relevant Expiration Date.

3. Notice of Exercise, Payment, Certificate and Account. Exercise of the Options, in whole or in part, shall be by delivery of a written notice to the Partnership and Holding pursuant to Section 14 which specifies the number of Units being purchased and is accompanied by payment therefor in cash. The Participant may pay the Partnership as many as three business days subsequent to exercise date and may pay the Partnership directly or through a financial intermediary. Promptly after receipt of such notice and purchase price, the Partnership shall cause the Partnership's transfer agent to deliver the number of Units purchased. Units to be issued upon the exercise of the Option may be either authorized and unissued Units or Units that have been reacquired by the Partnership, a subsidiary of the Partnership, Holding, or a subsidiary of Holding.

4. Termination. The Options may be exer-cised by the Participant only while the Participant is employed full-time by the Partnership, except as follows:

(a) Disability. If the Participant's employment with the Partnership terminates because of Disability, the Participant (or the Participant's personal representative) shall have the right to exercise the Options, to the extent that the Participant was entitled to do so on the date of termination of employ-ment, for a period which ends not later than the earlier of (i) three months after such termination, and (ii) the Initial Expi-ration Date for the Initial Options and the Match Expiration Date for the Match Options. "Disability" shall mean a determination by the Administrator that the Participant is physically or mentally incapacitated and has been unable for a period of six con-secutive months to perform the duties for which the Participant was responsible immediately before the onset of incapacity. In order to assist the Administrator in making a determina-tion as to the Disability of the Participant for purposes of this paragraph (a), the Participant shall, as reasonably re-quested by the Administrator, (A) be available for medical examinations by one or more physicians chosen by the Administrator and approved by the Participant, whose approval shall not unreasonably be withheld, and (B) grant the Admin-istrator and any such physicians access to all relevant medical information concerning the Participant, arrange to furnish copies of medical records to them, and use best efforts to cause the Participant's own physicians to be available to discuss the Participant's health with them.

(b) Death. If the Participant dies (i) while in the employ of the Partnership, or (ii) within one month after termination of employment with the Partnership because of Disability (as determined in accordance with paragraph (a) above), or (iii) within one month after the Partnership terminates the Participant's employment for any reason other than for Cause (as determined in accordance with paragraph (c) be-low), the Options may be exercised, to the extent that the Participant was entitled to do so on the date of the Participant's death, by the person or persons to whom the Options shall have been transferred by will or by the laws of descent and distribu-tion, for a period which ends not later than the earlier of (A) six months from the date of the Participant's death, and (B) the Initial Expi-ration Date for the Initial Options and the Match Expiration Date for the Match Options.

(c) Other Termination. If the Partnership terminates the Participant's employment for any reason other than death, Disability or for Cause, the Participant shall have the right to exercise the Options, to the extent that the Participant was entitled to do so on the date of the termination of the Participant's employment, for a period which ends not later than the earlier of (i) three months after such termination, and (ii) the Initial Expi-ration Date for the Initial Options and the Match Expiration Date for the Match Options. "Cause" shall mean (A) the Participant's continuing willful failure to perform the Participant's duties as an employee (other than as a result of total or partial incapacity due to physical or mental illness), (B) gross negligence or malfeasance in the performance of the Participant's duties, (c) a finding by a court or other governmental body with proper jurisdiction that an act or acts by the Participant constitutes (1) a felony under the laws of the United States or any state thereof (or, if the Participant's place of employment is outside of the United States, a serious crime under the laws of the foreign jurisdiction where the Participant is employed, which crime if committed in the United States would be a felony under the laws of the United States or the laws of New York), or (2) a violation of federal or state securities law (or, if the Participant's place of employment is outside of the United States, of federal, state or foreign securities law) by reason of which finding of violation described in this clause (2) the Board determines in good faith that the continued employment of the Participant by the Partnership would be seriously detrimental to the Partnership and its business, (D) in the absence of such a finding by a court or other governmental body with proper jurisdiction, such a determination in good faith by the Board by reason of such act or acts constituting such a felony, serious crime or violation, or (E) any breach by the Participant of any obliga-tion of confidentiality or non-competition to the Partnership.

For purposes of this Agreement, employment by a subsidiary of the Partnership shall be deemed to be employment by the Partnership. A “subsidiary” of the Partnership shall be any corporation or other entity of which the Partnership and/or its subsidiaries (a) have sufficient voting power (not depending on the happening of a contingency) to elect at least a majority of its board of directors, or (b) otherwise have the power to direct or cause the direction of its management and policies.

5. No Right to Continued Employment. The Options shall not confer upon the Participant any right to continue in the employ of the Partnership or any subsidiary of the Partnership, and shall not interfere in any way with the right of the Partnership to terminate the service of the Participant at any time for any reason.

6. Non-Transferability. The Options are not transferable other than by will or the laws of descent and distribution and, except as otherwise provided in Section 4, during the lifetime of the Participant the Options are exercisable only by the Participant; except that Participant may transfer the Options, without consideration, subject to such rules as the Committee may adopt to preserve the purposes of the Plan (including limiting such transfers to transfers by Participants who are senior executives), to a trust solely for the benefit of the Participant and the Participant's spouse, children or grandchildren (including adopted children and grandchildren and step-children and step-grandchildren) (each a “Permitted Transferee”).

7. Payment of Withholding Tax. In the event that the Partnership or Holding determines that any federal, state or local tax or any other charge is required by law to be withheld with respect to the exercise of Options, the Participant shall, either directly or through a financial intermediary, promptly pay to the Partnership, a subsidiary specified by the Partnership, Holding or a subsidiary specified by Holding, no later than the third business day after exercise date, an amount equal to such withholding tax or charge. If the Participant does not promptly so pay the entire amount of such withholding tax or charge in accordance with such notice, or make arrangements satisfactory to the Partnership and Holding regarding payment thereof, the Partnership, any subsidiary of the Partnership, Holding or any subsidiary of Holding may withhold the remaining amount thereof from any amount due the Participant from the Partnership, its subsidiary, Holding or its subsidiary.

8. Dilution and Other Adjustments. The existence of the Award shall not impair the right of the Partnership, Holding or their respective partners to, among other things, conduct, make or effect any change in the Partnership’s or Holding’s business, 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 the Partnership or Holding, issuance of warrants or other rights to purchase limited partnership interests or other securities of the Partnership or Holding, or any incorporation (or other change in form) of the Partnership or Holding. In the event of such a change in the partnership interests of the Partnership or Holding, the Board shall make such adjustments to the Award, including the purchase price of the Units specified in Sections 2 and 5 of Schedule A, as it deems appropriate and equitable. In the event of incorpo-ra-tion (or other change of form) of the Partnership or Holding, the Board shall make such arrangements as it deems appropriate and equitable with respect to the Award for the Participant to purchase stock in the resulting corporation in place of the Units subject to the Options. Any such adjust-ment or arrangement may provide for the elimination of any fractional Unit or shares of stock that might otherwise become subject to the Options. Any decision by the Board under this Section shall be final and binding upon the Participant.

9. Rights as an Owner of a Unit. The Participant (or a transferee of the Options pursuant to Sections 4 and 6 hereof) shall have no rights as an owner of a Unit with respect to any Unit covered by the Options until the Participant becomes the holder of record of such Unit, which shall be deemed to occur at the time that notice of pur-chase is given and payment in full is received by the Partnership and Holding under Sections 3 and 14 of this Agreement. By such actions, the Participant (or such transferee) shall be deemed to have consented to, and agreed to be bound by, all other terms, conditions, rights and obligations set forth in the then current Amended and Restated Agreement of Limited Partnership of Holding and the then current Amended and Restated Agreement of Limited Partnership of the Partnership ("Partnership Agreement"). Except as provided in Section 8 hereof, no adjustment shall be made with respect to any Unit for any distribution for which the record date is prior to the date on which the Participant becomes the holder of record of the Unit, regardless of whether the distribution is ordinary or extraordinary, in cash, securities or other property, or of any other rights.

10. Electronic Delivery. The Plan contemplates that each award under the Plan shall be evidenced by an Award Agreement which shall be delivered to the Participant. It is hereby understood that electronic delivery of this Award Agreement constitutes delivery under the Plan.

11. Administrator. If at any time there shall be no Committee, the Board shall be the Administrator.

12. Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York.

13. Sections and Headings. All section references in this Agreement are to sections hereof for convenience of reference only and are not to affect the meaning of any provision of this Agreement.

14. Interpretation. The Participant accepts this Award subject to all the terms and provisions of the Plan, which shall control in the event of any conflict between any provision of the Plan and this Agreement, and accepts as binding, conclusive and final all decisions or interpretations of the Administrator or Board upon any questions arising under the Plan and/or this Agreement.

15. Notices. Any notice under this Agreement shall be in writing and shall be deemed to have been duly given when deliv-ered personally (whether by hand or by facsimile) or when deposited in the United States mail, registered, postage prepaid, and addressed, in the case of the Partnership and Holding, to the Secretary at 1345 Avenue of the Americas, New York, New York 10105, or if the Partnership should move its principal office, to such principal office, and, in the case of the Participant, to his last permanent address as shown on the Partnership's records, subject to the right of either party to designate some other address at any time hereafter in a notice satisfying the require-ments of this Section.

16. Entire Agreement; Amendment. This Agreement supersedes any and all existing agreements between the Participant, the Partnership and Holding relating to the Options. It may not be amended except by a written agreement signed by both parties.

ALLIANCEBERNSTEIN L.P.
ALLIANCEBERNSTEIN HOLDING L.P.

By: /s/ Gerald M. Lieberman
Gerald M. Lieberman
President and Chief Operating Officer

To accept the terms of this Initial Award Agreement, please click the “Accept” button below:

ACCEPT

DECLINE

SCHEDULE A
TO
SPECIAL OPTION PROGRAM AGREEMENT

INITIAL OPTIONS

1. The number of Units that the Participant is entitled to purchase pursuant to the Initial Options granted under this Agreement is <OPTS_GRANTED>.

2. The per Unit price to purchase Units pursuant to the Initial Options granted under this Agreement is $90.65 per Unit.

3. Percentage of Units With Respect to Which the Initial Options First Become Exercisable on the Date Indicated

1. January 26, 2008	20.0%
2. January 26, 2009	40.0%
3. January 26, 2010	60.0%
4. January 26, 2011	80.0%
5. January 26, 2012	100.0%

SPECIAL OPTION PROGRAM UNDER THE
1997 LONG TERM INCENTIVE PLAN

MATCH AWARD AGREEMENT

AGREEMENT, dated as of January 26, 2007, among AllianceBernstein L.P. ("Partnership"), AllianceBernstein Holding L.P. ("Holding") and <PARTC_NAME>(Participant"), an employeeof the Partnership or a subsidiaryof the Partnership.

The Compensation Committee ("Committee" or "Administrator") of the Board of Directors ("Board") of AllianceBernstein Corporation ("Corporation")-, pursuant to the Partnership's Amended and Restated 1997 Long Term Incentive Plan ("Plan"), a copy of which has been delivered electronically to the Participant, has granted to the Participant an award ("Award") consisting of (i) options ("Initial Options") to purchase units representing assignments of the benefi-cial ownership of limited partnership interests in Holding ("Units") that vest over the first five anniversaries of grant date, and (ii) options ("Match Options" and, together with the Initial Options, "Options") to purchase Units that vest over the next five anniversaries of grant date.

In accordance with the grant of the Award, and as a condition thereto, the Partnership, Holding and the Participant agree as follows:

1. Grant. Subject to and under the terms and conditions set forth in this Agreement and the Plan, the Committee hereby awards the Participant Match Options, which permit the Participant to purchase from the Partnership the number of Units set forth in Section 1 of Schedule A, at the per Unit price set forth in Section 2 of Schedule A, subject to the vesting schedule set forth in Section 3 of Schedule A (Initial Options are granted pursuant to an Initial Award Agreement, dated as of January 26, 2007, among the parties hereto); and

2. Term and Vesting Schedule. (a) The Initial Options shall not be exercisable to any extent prior to January 26, 2008 or after January 26, 2017 ("Initial Expiration Date"). Subject to the terms and condi-tions of this Agreement and the Plan, the Participant shall be entitled to exercise the Initial Options prior to the Initial Expiration Date and to purchase Units pursuant to the Initial Options in accordance with the schedule set forth in Section 3 of Schedule A.

(b) The Match Options shall not be exercisable to any extent prior to January 26, 2013 or after January 26, 2018 ("Match Expiration Date"). Subject to the terms and condi-tions of this Agreement and the Plan, the Participant shall be entitled to exercise the Match Options prior to the Match Expiration Date and to purchase Units pursuant to the Match Options in accordance with the schedule set forth in Section 6 of Schedule A.

(c) The right to exercise the Options shall be cumulative so that to the extent the Options are not exercised when they become initially exercisable with respect to any Units, they shall be exercisable with respect to such Units at any time thereafter until their respective Expiration Dates, subject to any guidelines or restrictions in the Partnership's Code of Business Conduct and Ethics or the U.S. federal securities laws. Options awarded hereunder may not be exercised after their respective Expiration Dates (i.e., any Units subject to the Options that have not been purchased on or before the relevant Expiration Date may no longer be purchased). A Unit shall be considered to have been purchased on or before the relevant Expiration Date if the Partnership has been given notice of the purchase and the Partnership has actually received payment therefor, pursuant to Sections 3 and 14, on or before the relevant Expiration Date.

3. Notice of Exercise, Payment, Certificate and Account. Exercise of the Options, in whole or in part, shall be by delivery of a written notice to the Partnership and Holding pursuant to Section 14 which specifies the number of Units being purchased and is accompanied by payment therefor in cash. The Participant may pay the Partnership as many as three business days subsequent to exercise date and may pay the Partnership directly or through a financial intermediary. Promptly after receipt of such notice and purchase price, the Partnership shall cause the Partnership's transfer agent to deliver the number of Units purchased. Units to be issued upon the exercise of the Option may be either authorized and unissued Units or Units that have been reacquired by the Partnership, a subsidiary of the Partnership, Holding, or a subsidiary of Holding.

4. Termination. The Options may be exer-cised by the Participant only while the Participant is employed full-time by the Partnership, except as follows:

(a) Disability. If the Participant's employment with the Partnership terminates because of Disability, the Participant (or the Participant's personal representative) shall have the right to exercise the Options, to the extent that the Participant was entitled to do so on the date of termination of employ-ment, for a period which ends not later than the earlier of (i) three months after such termination, and (ii) the Initial Expi-ration Date for the Initial Options and the Match Expiration Date for the Match Options. "Disability" shall mean a determination by the Administrator that the Participant is physically or mentally incapacitated and has been unable for a period of six con-secutive months to perform the duties for which the Participant was responsible immediately before the onset of incapacity. In order to assist the Administrator in making a determina-tion as to the Disability of the Participant for purposes of this paragraph (a), the Participant shall, as reasonably re-quested by the Administrator, (A) be available for medical examinations by one or more physicians chosen by the Administrator and approved by the Participant, whose approval shall not unreasonably be withheld, and (B) grant the Admin-istrator and any such physicians access to all relevant medical information concerning the Participant, arrange to furnish copies of medical records to them, and use best efforts to cause the Participant's own physicians to be available to discuss the Participant's health with them.

(b) Death. If the Participant dies (i) while in the employ of the Partnership, or (ii) within one month after termination of employment with the Partnership because of Disability (as determined in accordance with paragraph (a) above), or (iii) within one month after the Partnership terminates the Participant's employment for any reason other than for Cause (as determined in accordance with paragraph (c) be-low), the Options may be exercised, to the extent that the Participant was entitled to do so on the date of the Participant's death, by the person or persons to whom the Options shall have been transferred by will or by the laws of descent and distribu-tion, for a period which ends not later than the earlier of (A) six months from the date of the Participant's death, and (B) the Initial Expi-ration Date for the Initial Options and the Match Expiration Date for the Match Options.

(c) Other Termination. If the Partnership terminates the Participant's employment for any reason other than death, Disability or for Cause, the Participant shall have the right to exercise the Options, to the extent that the Participant was entitled to do so on the date of the termination of the Participant's employment, for a period which ends not later than the earlier of (i) three months after such termination, and (ii) the Initial Expi-ration Date for the Initial Options and the Match Expiration Date for the Match Options. "Cause" shall mean (A) the Participant's continuing willful failure to perform the Participant's duties as an employee (other than as a result of total or partial incapacity due to physical or mental illness), (B) gross negligence or malfeasance in the performance of the Participant's duties, (c) a finding by a court or other governmental body with proper jurisdiction that an act or acts by the Participant constitutes (1) a felony under the laws of the United States or any state thereof (or, if the Participant's place of employment is outside of the United States, a serious crime under the laws of the foreign jurisdiction where the Participant is employed, which crime if committed in the United States would be a felony under the laws of the United States or the laws of New York), or (2) a violation of federal or state securities law (or, if the Participant's place of employment is outside of the United States, of federal, state or foreign securities law) by reason of which finding of violation described in this clause (2) the Board determines in good faith that the continued employment of the Participant by the Partnership would be seriously detrimental to the Partnership and its business, (D) in the absence of such a finding by a court or other governmental body with proper jurisdiction, such a determination in good faith by the Board by reason of such act or acts constituting such a felony, serious crime or violation, or (E) any breach by the Participant of any obliga-tion of confidentiality or non-competition to the Partnership.

For purposes of this Agreement, employment by a subsidiary of the Partnership shall be deemed to be employment by the Partnership. A “subsidiary” of the Partnership shall be any corporation or other entity of which the Partnership and/or its subsidiaries (a) have sufficient voting power (not depending on the happening of a contingency) to elect at least a majority of its board of directors, or (b) otherwise have the power to direct or cause the direction of its management and policies.

5. No Right to Continued Employment. The Options shall not confer upon the Participant any right to continue in the employ of the Partnership or any subsidiary of the Partnership, and shall not interfere in any way with the right of the Partnership to terminate the service of the Participant at any time for any reason.

6. Non-Transferability. The Options are not transferable other than by will or the laws of descent and distribution and, except as otherwise provided in Section 4, during the lifetime of the Participant the Options are exercisable only by the Participant; except that Participant may transfer the Options, without consideration, subject to such rules as the Committee may adopt to preserve the purposes of the Plan (including limiting such transfers to transfers by Participants who are senior executives), to a trust solely for the benefit of the Participant and the Participant's spouse, children or grandchildren (including adopted children and grandchildren and step-children and step-grandchildren) (each a “Permitted Transferee”).

7. Payment of Withholding Tax. In the event that the Partnership or Holding determines that any federal, state or local tax or any other charge is required by law to be withheld with respect to the exercise of Options, the Participant shall, either directly or through a financial intermediary, promptly pay to the Partnership, a subsidiary specified by the Partnership, Holding or a subsidiary specified by Holding, no later than the third business day after exercise date, an amount equal to such withholding tax or charge. If the Participant does not promptly so pay the entire amount of such withholding tax or charge in accordance with such notice, or make arrangements satisfactory to the Partnership and Holding regarding payment thereof, the Partnership, any subsidiary of the Partnership, Holding or any subsidiary of Holding may withhold the remaining amount thereof from any amount due the Participant from the Partnership, its subsidiary, Holding or its subsidiary.

8. Dilution and Other Adjustments. The existence of the Award shall not impair the right of the Partnership, Holding or their respective partners to, among other things, conduct, make or effect any change in the Partnership’s or Holding’s business, 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 the Partnership or Holding, issuance of warrants or other rights to purchase limited partnership interests or other securities of the Partnership or Holding, or any incorporation (or other change in form) of the Partnership or Holding. In the event of such a change in the partnership interests of the Partnership or Holding, the Board shall make such adjustments to the Award, including the purchase price of the Units specified in Sections 2 and 5 of Schedule A, as it deems appropriate and equitable. In the event of incorpo-ra-tion (or other change of form) of the Partnership or Holding, the Board shall make such arrangements as it deems appropriate and equitable with respect to the Award for the Participant to purchase stock in the resulting corporation in place of the Units subject to the Options. Any such adjust-ment or arrangement may provide for the elimination of any fractional Unit or shares of stock that might otherwise become subject to the Options. Any decision by the Board under this Section shall be final and binding upon the Participant.

9. Rights as an Owner of a Unit. The Participant (or a transferee of the Options pursuant to Sections 4 and 6 hereof) shall have no rights as an owner of a Unit with respect to any Unit covered by the Options until the Participant becomes the holder of record of such Unit, which shall be deemed to occur at the time that notice of pur-chase is given and payment in full is received by the Partnership and Holding under Sections 3 and 14 of this Agreement. By such actions, the Participant (or such transferee) shall be deemed to have consented to, and agreed to be bound by, all other terms, conditions, rights and obligations set forth in the then current Amended and Restated Agreement of Limited Partnership of Holding and the then current Amended and Restated Agreement of Limited Partnership of the Partnership ("Partnership Agreement"). Except as provided in Section 8 hereof, no adjustment shall be made with respect to any Unit for any distribution for which the record date is prior to the date on which the Participant becomes the holder of record of the Unit, regardless of whether the distribution is ordinary or extraordinary, in cash, securities or other property, or of any other rights.

10. Electronic Delivery. The Plan contemplates that each award under the Plan shall be evidenced by an Award Agreement which shall be delivered to the Participant. It is hereby understood that electronic delivery of this Award Agreement constitutes delivery under the Plan.

11. Administrator. If at any time there shall be no Committee, the Board shall be the Administrator.

12. Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York.

13. Sections and Headings. All section references in this Agreement are to sections hereof for convenience of reference only and are not to affect the meaning of any provision of this Agreement.

14. Interpretation. The Participant accepts this Award subject to all the terms and provisions of the Plan, which shall control in the event of any conflict between any provision of the Plan and this Agreement, and accepts as binding, conclusive and final all decisions or interpretations of the Administrator or Board upon any questions arising under the Plan and/or this Agreement.

15. Notices. Any notice under this Agreement shall be in writing and shall be deemed to have been duly given when deliv-ered personally (whether by hand or by facsimile) or when deposited in the United States mail, registered, postage prepaid, and addressed, in the case of the Partnership and Holding, to the Secretary at 1345 Avenue of the Americas, New York, New York 10105, or if the Partnership should move its principal office, to such principal office, and, in the case of the Participant, to his last permanent address as shown on the Partnership's records, subject to the right of either party to designate some other address at any time hereafter in a notice satisfying the require-ments of this Section.

16. Entire Agreement; Amendment. This Agreement supersedes any and all existing agreements between the Participant, the Partnership and Holding relating to the Options. It may not be amended except by a written agreement signed by both parties.

ALLIANCEBERNSTEIN L.P.
ALLIANCEBERNSTEIN HOLDING L.P.

By: /s/ Gerald M. Lieberman
Gerald M. Lieberman
President and Chief Operating Officer

To accept the terms of this Initial Award Agreement, please click the “Accept” button below:

ACCEPT

DECLINE

SCHEDULE A
TO
SPECIAL OPTION PROGRAM AGREEMENT

MATCH OPTIONS

1. The number of Units that the Participant is entitled to purchase pursuant to the Initial Options granted under this Agreement is <OPTS_GRANTED>.

2. The per Unit price to purchase Units pursuant to the Initial Options granted under this Agreement is $90.65 per Unit.

3. Percentage of Units With Respect to Which the Match Options First Become Exercisable on the Date Indicated

1. January 26, 2013	20.0%
2. January 26, 2014	40.0%
3. January 26, 2015	60.0%
4. January 26, 2016	80.0%
5. January 26, 2017	100.0%

EXHIBIT 10.05

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 December 31, 2006.

AllianceBernstein L.P.

By: /s/ Robert H. Joseph, Jr.
Name: Robert H Joseph, Jr.
Title: CFO, Senior Vice President

Participant

_____
Name:

EXHIBIT 10.06

ALLIANCEBERNSTEIN L.P.
FINANCIAL ADVISOR WEALTH ACCUMULATION PLAN

INCENTIVE AWARD AGREEMENT

THIS AGREEMENT, made as of the 1st day of December, 2006, by and between AllianceBernstein L.P., a Delaware limited partnership (the "Company"), and (the "Participant").

Preliminary Statement

The Participant has been authorized to receive the following Incentive Award under the AllianceBernstein Financial Advisor Wealth Accumulation Plan (the "Plan"). Unless otherwise indicated, any capitalized term used but not defined herein shall have the meaning ascribed to such term in the Plan and the Administrative Guidelines attached hereto. 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 and this Agreement, the attached Administrative Guidelines 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 (including its attachments), 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
January 1, 2008	14.3%
January 1, 2009	14.3%
January 1, 2010	14.3%
January 1, 2011	14.3%
January 1, 2012	14.3%
January 1, 2013	14.3%
January 1, 2014	14.2%

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 when the participant becomes Disabled or upon 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. **Replacement of Certain Eligible Revenues.** If during the first year of participation in the Plan, the revenues from a single client relationship previously used to calculate the Eligible Revenues decrease due to net asset withdrawals of more than $25 million, the Participant shall replace the lost assets in excess of $25 million with client assets from client relationships not previously used to calculate Eligible Revenues. If in any year of participation any client relationship whose revenues were used to calculate the Eligible Revenues is reassigned to another employee, the Participant shall replace the reassigned client relationships with relationships having equivalent revenues that were not previously used to calculate Eligible Revenues. The Company also shall have the right, in the foregoing circumstances, to deem revenues from other client relationships serviced by the Participant as Eligible Revenues. The Company shall define client relationships in its sole discretion.

5. **Payment**. The Participant may make an election using the form attached hereto to elect when and how his or her vested Incentive Benefits will be paid in lieu of the default payment method provided under the Plan.

6. **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 AllianceBernstein 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.

7. **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.

8. **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.

ALLIANCEBERNSTEIN L.P.

By /s/ Robert H. Joseph, Jr.
Officer

ALLIANCEBERNSTEIN L.P.
FINANCIAL ADVISOR WEALTH ACCUMULATION PLAN

ELECTIVE DISTRIBUTION DATE & ELECTION DISTRIBUTION FORM
ELECTION FORM

The undersigned hereby elects under the AllianceBernstein 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:

   ☐ As soon as administratively possible following my Separation of Service, as defined in the Plan.

   ☐ 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:

   ☐ Substantially equal annual installments paid over a period of _____ years (not exceeding 10 years).

   ☐ A single lump sum.

These elections, upon becoming effective, shall revoke and supersede all prior elections.

Signature of Participant: _____ **Date**: _____

ALLIANCEBERNSTEIN L.P.
FINANCIAL ADVISOR WEALTH ACCUMULATION PLAN

ADMINISTRATIVE GUIDELINES

Plan Eligibility

Individuals who have completed eight years of service as a Financial Advisor, have $500 million or more in assets under management, and service no more than 150 eligible client relationships, as defined by the firm, at the time of any Incentive Award may be selected by the firm to participate in the AllianceBernstein L.P. Financial Advisor Wealth Accumulation Plan (the "Plan"). Unless otherwise indicated, any capitalized term used but not defined herein shall have the meaning ascribed to such term in the Plan and the Award Agreement.

Participation Is Not Mandatory

After being selected, each eligible Financial Advisor may choose whether or not to participate.

Participation Deadlines

A Financial Adviser selected by the firm to participate in the Plan will have 30 days from the notification of his or her selection to accept an Incentive Award, but in all cases must accept the Incentive Award by December 31 prior to the first year of participation. Each Financial Advisor should analyze his or her own circumstances when deciding to participate in the Plan. Incentive Awards are granted as of January 1 of each year. Financial Advisors will be notified of their selection annually.

Determining the Amount of the Incentive Award

The amount of an Incentive Award is based upon the Financial Advisor's Eligible Revenues, which are selected from the new account and base servicing revenue for the trailing four calendar quarters prior to the Incentive Award attributable to eligible client relationships serviced by the Advisor. Seven percent (7%) of the Eligible Revenues are multiplied by the number of years the Financial Advisor elects to be a participant in the Plan. The minimum term of participation is five years and the maximum is seven years. An Incentive Award equal to the resulting amount will be granted and recorded as a book entry in a Plan account on behalf of the Financial Advisor.

The Company determines, in its sole discretion, which revenues are Eligible Revenues. Accounts on which Base Level Servicing revenue is shared among two or more Financial Advisors do not produce Eligible Revenues and may not be included in the calculation of any Incentive Award.

Investment of the Incentive Award

Investment returns on the Incentive Award will be measured pursuant to the participating Financial Advisor's elections in a selected family of investment products. The Financial Advisor will have the ability to change his or her investment measurement allocation with a frequency consistent with firm policies. However, any investment election in AllianceBernstein Holding Units cannot be changed after such election, and investment elections in Hedge Fund products must meet minimum investment requirements and other applicable qualifications, and abide by the Hedge Fund rules for withdrawals.

Available Investment Elections

- AllianceBernstein Holding Units
- AllianceBernstein Small Cap Growth Portfolio
- AllianceBernstein Small/Mid-Cap Value Fund
- AllianceBernstein Real Estate Investment Fund
- Federated Prime Obligation Fund
- Bernstein Strategic Value Portfolio
- Bernstein Strategic Growth Portfolio
- Bernstein International Portfolio
- Bernstein Emerging Markets Fund
- Bernstein Intermediate Duration Fund
- Bernstein Short Duration Fund
- AllianceBernstein Global Style Blend DBT
- Bernstein Advanced Value Hedge Fund
- Bernstein Global Opportunities Hedge Fund
- Bernstein Global Diversified Hedge Fund
- AllianceBernstein Global Diversified Strategies L.P. Hedge Fund A
- AllianceBernstein Global Diversified Strategies L.P. Hedge Fund B
- Bernstein Multi-Strategy Fixed Income Hedge Fund

Incentive Award Vesting Schedule

Each Incentive Award will vest annually on January 1 on a pro-rata basis in equal installments over the term of the Incentive Award. All Incentive Awards shall vest immediately, however, upon the participant's death or if the participant becomes Disabled as defined by the Plan. If the participant's employment is terminated for any reason other than those set forth in the Award Agreement, any portion of the award that has not vested will be forfeited.

Incentive Award Distributions

The vested portion of the Incentive Award will be paid in cash, except portions elected to be invested in AllianceBernstein Holding Units, which will be paid in Holding Units. Payments will be made in the first calendar quarter following the end of the third year and annually thereafter. Subject to the following paragraph, the Financial Advisor may also elect, at the time of the Incentive Award, to defer payments, once 100% vested, until termination of their employment or some date certain in the future. Additionally, they may elect to receive annual payments over an extended period of up to 10 years. Further deferrals are available as described in the plan document.

Any change in either the Elective Distribution Date or form of the distribution requires the Financial Advisor to elect a new distribution date that is no earlier than the fifth anniversary of the Participant's previous Elective Distribution Date (regardless of whether the Participant's new election was solely to change the Elective Distribution Form). Any change in the Elective Distribution Date must be made at least twelve months prior to the Elective Distribution Date that is changing.

Effect of Plan Participation on Commissions

The future Base Level Servicing commissions on client relationships used in the Eligible Revenues calculation will be 3% of Base Servicing Revenue for the period of the award. Upon acceptance of an Incentive Award, Base Level Servicing provisions in the Advisor's employment agreement will be superceded by the foregoing sentence.

New accounts which are opened in the same tax relationship as accounts whose revenue was included in Eligible Revenues will be considered as additions to existing accounts and will receive a Base Level Servicing commission of 3% on those revenues during the vesting period. New accounts which are also new tax relationships will receive a Base Level Servicing payout in accordance with the compensation schedule attached to the Advisor's employment contract, as amended from time to time. Full Production Bonus will be paid on all New Accounts regardless of when the tax relationship was established.

Adjustments To Incentive Awards

Subject to the following paragraph, the firm bears the risk of poor markets or excessive negative cash flow as it relates to the Incentive Award amount. Accordingly, there is no downward adjustment to the Incentive Award due to those reasons. There also is no upward adjustment to the Award in those periods when net asset growth is positive.

If during a Participant's first year of participation in the Plan, the revenues from a single client relationship previously used to calculate the Eligible Revenues decrease due to net asset withdrawals of more than $25 million, the Participant shall replace the lost assets in excess of $25 million with client assets from client relationships not previously used to calculate Eligible Revenues. If in any year of participation any client relationship whose revenues were used to calculate the Eligible Revenues is reassigned to another employee, the Participant shall replace the reassigned client relationships with relationships having equivalent revenues that were not previously used to calculate Eligible Revenues. The Company also shall have the right, in such circumstances, to deem revenues from other client relationships serviced by the Participant as Eligible Revenues. The Company shall define client relationships in its sole discretion.

The Base Level Servicing payout on accounts used to replace Eligible Revenues will be paid at the 3% rate set forth above.

Plan Adminsitration

The Newport Group initially will administer the recordkeeping for the plan and provide monthly statements to each participant. Account access will be available via the internet at any time, and changes in investment elections may be initiated through www.plandestination.com. The firm will inform you of any change of plan administrator.

EXHIBIT 10.07

AMENDMENT AND RESTATEMENT

OF THE

PROFIT SHARING PLAN FOR EMPLOYEES

OF

ALLIANCEBERNSTEIN L.P.

(As amended through November 30, 2006)

TABLE OF CONTENTS

PROFIT SHARING PLAN FOR EMPLOYEES

OF

ALLIANCEBERNSTEIN L.P.

WHEREAS, the Profit Sharing Plan for Employees of AllianceBernstein L.P. (the "Plan") (formerly known as the Profit Sharing Plan for Employees of Alliance Capital Management L.P.) was originally established effective as of January 1, 1972 by the predecessor of Alliance Capital Management L.P.; and

WHEREAS, the Plan was amended and restated from time to time to reflect changes in the predecessor's business, changes in applicable law and the investment in Units of AllianceBernstein Holding L.P. ("AllianceBernstein Holding"); and

WHEREAS, the Plan was amended effective January 1, 1995 to reflect the merger of the Alliance Capital Management L.P. Profit Sharing Plan for Former Employees of Equitable Capital Management Corporation with and into this Plan; and

WHEREAS, the Plan was amended to comply with the Economic Growth and Tax Relief Reconciliation Act of 2001 ("EGTRRA") and other applicable legislation, which provisions reflecting EGTRRA are intended as good faith compliance with the requirements of EGTRRA and are to be construed in accordance with EGTRRA and guidance issued thereunder;

NOW, THEREFORE, the Plan is hereby amended and restated, effective as of January 1, 2006, to incorporate all Plan amendments adopted since the Plan was last amended and restated and certain additional design changes, changes required to comply with applicable law and to reflect the name change of Alliance Capital Management L.P. to AllianceBernstein L.P.

ARTICLE I

DEFINITIONS.

For the purposes of this Plan, except as otherwise herein expressly provided or unless the context otherwise requires, when capitalized:

Section 1.01. "Account" means any one or more of the following accounts maintained by the Committee for a Member:

(a) his Company Contributions Account;

(b) his Member Contributions Account;

(c) his Member Salary Deferral Account; and

(d) his Rollover Account.

Section 1.02. "Act" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

Section 1.03. "Accounting Date" means the last business day of each Plan Year and any other date which may be determined by the Committee under uniform and non-discriminatory procedures established by the Committee.

Section 1.04. "Anniversary Year" means each twelve (12) month period beginning on an Employee's Employment Commencement Date or any annual anniversary thereof.

Section 1.05. "Affiliate" means any corporation or unincorporated business (a) controlled by, or under common control with, the Company within the meaning of Code Sections 414(b) and (c), or (b) which is a member of an "affiliated service group", as defined in Code Section 414(m), of which the Company is a member.

Section 1.06. "Assignor Limited Partner" shall mean Alliance ALP, Inc., a Delaware corporation, or any individual, corporation, association, partnership, joint venture, entity, estate or other entity or organization designated by the general partner of the Company to serve as a substitute therefore.

Section 1.07. "Beneficiary" means the person (including a trust or estate of a Member) designated by a Member, or who may otherwise be entitled under the terms of the Plan to receive the balance, if any, of the Member's Accounts upon the Member's death.

Section 1.08. "Board" means the Board of Directors of the general partner of the Company responsible for the management of the Company's business, or a committee thereof designated by such Board.

Section 1.09. "Break in Service" means, with respect to any Employee, any Anniversary Year ending on or after the date of his Separation from Service and before his date of re-employment, if any, in which he does not complete more than five hundred (500) Hours of Service with Employees or Affiliates.

Section 1.10. "Code" means the Internal Revenue Code of 1986, as amended from time to time.

Section 1.11. "Committee" or "Administrative Committee" means the administrative committee appointed pursuant to Section 11.01. "Investment Committee" means the investment committee appointed pursuant to Section 11.02.

Section 1.12. "Company" means Alliance Bernstein L.P. and any successor thereto; prior to February 24, 2006, known as Alliance Capital Management, L.P.; and prior to April 21, 1988, known as Alliance Capital Management Corporation.

Section 1.13. "Company Contribution" means a contribution for a Plan Year made by an Employer to the Trust pursuant to Section 4.01 or Section 4.02, but not Section 5.01, including any amount to be applied from the Unallocated Forfeitures Account in reduction of the contribution which would otherwise be made for the Plan Year involved.

Section 1.14. "Company Contributions Account" means the Account consisting of the balance attributable to Company Contributions.

Section 1.15. "Compensation" means a Member's base salary (or Draw, if no base salary) received for services rendered to an Employer, which term shall include the amount of a Member's Salary Deferral and any other salary deferrals pursuant to Code Sections 401(k), 125 or 132(f), but shall not include overtime pay, bonuses, severance pay, distributions on Units, reimbursement for moving expenses, reimbursement for educational expenses, reimbursement for any other expenses, contributions or benefits paid under this Plan or any other plan of deferred compensation, or any other extraordinary item of compensation or income; provided that in the case of a Member whose compensation from an Employer includes commissions, commissions shall be included only to the extent that the Member's aggregate compensation taken into account does not exceed $100,000 and provided further that such amount shall be prorated for those Members (based on amount of service as a Member (as defined pursuant to Article IV)) for purposes of Company Profit Sharing Contributions and Company Matching Contributions. In addition, 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. Effective as of January 1, 2006, Compensation of a Member in excess of $220,000 (or such other amount prescribed under Code Section 401(a)(17), including any cost-of-living adjustments) shall not be taken into account under the Plan for the purpose of determining benefits.

Compensation shall include Deemed 125 Compensation. "Deemed 125 Compensation" shall mean, in accordance with Internal Revenue Service Revenue Ruling 2002-27, 2002-20 I.R.B. 925, any amounts not available to a Member in cash in lieu of group health coverage because the Member is unable to certify that he or she has other health coverage. An amount shall be treated as Deemed 125 Compensation only if the Employer does not request or collect information regarding the Member's other health coverage as part of the enrollment process for the health plan.

Section 1.16. "Draw" means compensation received on a regular basis at a consistent rate which may be offset against commissions earned by an Employee who does not receive base salary.

Section 1.17. "ECMC Plan" means the Alliance Capital Management L.P. Profit Sharing Plan for Former Employees of Equitable Capital Management Corporation as in effect immediately prior to January 1, 1995.

Section 1.18. (a) "Employee" means, except as provided in Subsection (c), any person employed by an Employer or an Affiliate.

(b) An Excluded Employee (as defined in Subsection (c)) shall be considered an Employee for all purposes under the Plan except that:

(1) an Excluded Employee may not become a Member while he remains an Excluded Employee; and

(2) a Member who becomes an Excluded Employee shall be an Inactive Member while he remains an Excluded Employee.

(c) An Excluded Employee shall mean an individual in the employ of an Employer or an Affiliate who:

(1) is employed by an Affiliate that is not an Employer; or

(2) included in a unit of employees covered by a collective bargaining agreement between employee representatives and one or more Employers or Affiliates, if retirement benefits were the subject of good faith bargaining between such employee representatives and any such Employer or Affiliate; or

(3) is not an Excluded Employee under Paragraph (4) of this Subsection (c) and is neither a resident nor a citizen of the United States, nor receives "earned income", within the meaning of Code Section 911(b), from an Employer or Affiliate that constitutes income from sources within the United States, within the meaning of Code Section 861(a)(3), unless the individual became a Participant prior to becoming a non- resident alien and the Company stipulates that he shall not be an Excluded Employee; or

(4) is not a citizen of the United States, unless the individual (A) was initially engaged as an Employee by an Employer or an Affiliate to render services entirely or primarily in the United States; or (B) is an Employee of an Employer which is a United States entity, and unless, in the case of an individual referred to in either Subparagraph (A) or (B) of this Paragraph 4, the Company stipulates that he shall not be an Excluded Employee; or

(5) is accruing benefits and/or receiving contributions under a retirement plan of an Affiliate which operates entirely or primarily outside the United States other than this Plan or the Retirement Plan for Employees of AllianceBernstein L.P. unless, in either case, the Company stipulates that he shall not be an Excluded Employee; or

(6) is a "leased employee." For purposes of this Plan, "leased employee" means, any person (other than an Employee of the recipient) who pursuant to an agreement between the recipient and any other person ("leasing organization") has performed services for the recipient (or for the recipient and related persons determined in accordance with Code Section 414(n)(6) on a substantially full time basis for a period of at least one year, and such services are performed under primary direction or control by the recipient employer; or

(7) is classified by the Employer at the time services are provided as either an independent contractor, or an individual who is not classified as an Employee due to an Employer's treatment of any services provided by him as being provided by another entity which is providing such individual's services to the Employer, even if such individual is later retroactively reclassified as an Employee during all or part of such period during which services were provided pursuant to applicable law or otherwise.

Section 1.19. "Employer" means the Company and any Affiliate which, with the consent of the Board, has adopted the Plan as a participant herein, and any successor to any such Employer.

Section 1.20. "Employment Commencement Date" means:

(a) the date on which an Employee first performs an Hour of Service; or

(b) in the case of a former Employee who has incurred a Break in Service, the date on which he first completes an Hour of Service following his Separation from Service.

Section 1.21. "Entry Date" means January 1 and July 1 of each Plan Year after 1988. Notwithstanding the foregoing, as provided in Section 2.01(b), for purposes of a Member's eligibility to make Member Salary Deferrals to a Member Salary Deferral Account established in accordance with the provisions of Article V, "Entry Date" shall mean the first day of the calendar month occurring after the completion of the Member's first regular payroll period.

Section 1.22. "Highly Compensated Employee" means an Employee who, with respect to the "determination year":

(a) owned (or is considered as owning within the meaning of Code Section 318) at any time during the "determination year" or "look-back year" more than five percent of the outstanding stock of the Employer or stock possessing more than five percent of the total combined voting power of all stock of the Employer (the attribution of ownership interest to "Family Members" shall be used pursuant to Code Section 318); or

(b) who received "415 Compensation" during the "look-back year" from the Employer in excess of $80,000 and was in the Top Paid Group of Employees for the "look-back year".

The “determination year” shall be the Plan Year for which testing is being performed. The “look-back year” shall be the Plan Year immediately preceding the “determination year.”

For purposes of this Section, “415 Compensation” shall mean compensation reported as wages, tips and other compensation on Form W-2 and shall include: (i) any elective deferral (as defined in Code Section 402(g)(3)) and (ii) any amount which is contributed or deferred by the Employer at the election of the Employee and which is not includible in the gross income of the Employee by reason of Code Sections 125, 132(f)(4), 401(k) or 457.

The dollar threshold amount specified in (b) above shall be adjusted at such time and in such manner as is provided in Regulations. In the case of such an adjustment, the dollar limits which shall be applied are those for the calendar year in which the “determination year” or “look-back year” begins.

In determining who is a Highly Compensated Employee, Employees who are non-resident aliens and who received no earned income (within the meaning of Code Section 911(d)(2)) from the Employer constituting United States source income within the meaning of Code Section 861(a)(3) shall not be treated as Employees.

Additionally, all Affiliated Employers shall be taken into account as a single employer and Leased Employees within the meaning of Code Sections 414(n)(2) and 414(o)(2) shall be considered Employees unless such Leased Employees are covered by a plan described in Code Section 414(n)(5) and are not covered in any qualified plan maintained by the Employer. The exclusion of Leased Employees for this purpose shall be applied on a uniform and consistent basis for all of the Employer’s retirement plans. Highly Compensated Former Employees shall be treated as Highly Compensated Employees without regard to whether they performed services during the “determination year”.

Section 1.23. “Highly Compensated Former Employee” means a former Employee who had a separation year prior to the “determination year” and was a Highly Compensated Employee in the year of separation from service or in any “determination year” after attaining age 55. Highly Compensated Former Employees shall be treated as Highly Compensated Employees. The method set forth in this Section for determining who is a “Highly Compensated Former Employee” shall be applied on a uniform and consistent basis for all purposes for which the Code Section 414(q) definition is applicable.

Section 1.24. (a) “Hour of Service” means:

(1) each hour for which an Employee is paid, or entitled to payment, by an Employer or Affiliate for the performance of duties for such Employer or Affiliate, credited for the Plan Year or other computation period in which such duties were performed; or

(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.

(3) each hour during the Employee's period of service in the Armed Forces of the United States, credited on the basis of forty (40) Hours of Service for each week, or eight (8) Hours of Service for each weekday, of such service, if the Employee retains re-employment rights under the Military Selective Service Act and is re-employed by an Employer or Affiliate within the period provided by such Act; and

(4) each hour for which an Employee has been awarded, or is otherwise entitled to, back pay from an Employer or Affiliate, irrespective of mitigation of damages, if he is not entitled to credit for such hour under any other paragraph in this Subsection (a).

(5) (A) solely for purposes of Section 1.09, each hour of an Employee's absence commencing on or after January 1, 1985:

(i) by reason of leave pursuant to the FMLA;

(ii) by reason of the pregnancy of such Employee;

(iii) by reason of the birth of a child of such Employee;

(iv) by reason of the placement of a child in connection with the adoption of such child by the Employee; or

(v) for purposes of caring for such child for a period beginning immediately following such birth or placement, determined in accordance with Subparagraphs (B), (C) and (D).

(B) The number of hours credited to an Employee pursuant to Subparagraph (A) shall be:

(i) the number of hours which otherwise would normally have been credited to such Employee but for such absence; or

(ii) in any case in which the Plan cannot determine the number of hours which would normally be credited to such individual, a total of eight (8) Hours of Service for each day of such absence,

except that the total number of Hours of Service credited to an Employee under this Paragraph (5) shall not exceed 501 Hours of Service for any such period of absence.

(C) The Hours of Service credited to an Employee pursuant to this Paragraph (5) shall be credited:

(i) only in the Anniversary Year in which such period of absence began, if such Employee would be prevented from incurring a Break in Service in such Anniversary Year solely because of the crediting of Hours of Service during such period of absence pursuant to this Paragraph (5); or

(ii) in any other case, in the Anniversary Year next succeeding the commencement of such period of absence.

(D) Notwithstanding the foregoing, an Employee shall not be credited with Hours of Service pursuant to this Paragraph (5) unless such Employee shall furnish to the Committee, on a timely basis, such information as the Committee shall reasonably require to establish:

(i) that the absence from work is for a reason described in Subparagraph (A) hereof; and

(ii) the number of days during which such absence continued.

(b) The number of Member's Hours of Service and the Plan Year or other computation period to which they are to be credited shall be determined in accordance with Section 2530.200b-2 of the Rules and Regulations for minimum Standards for Employee Pension Benefit Plans, which Section is hereby incorporated by reference into this Plan.

(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).

Section 1.25. "Inactive Member" means a Member described in Section 2.02(b). An Inactive Member shall be treated as a Member for purposes of Article VII and Section 11.03, but shall not otherwise be deemed a Member of the Plan.

Section 1.26. "Independent Fiduciary" means a person or entity who is not an employee or officer of the Company or its Affiliates who is appointed by the Company pursuant to Section 7.10 to perform the functions described therein.

Section 1.27. "Investment Fund" means those investment funds which may, from time to time, be made available for investment pursuant to Article VII.

Section 1.28. "Leave of Absence" means any absence or leave approved by an Employee's Employer.

Section 1.29. "Loan Account" means the account maintained by the Committee for a "Borrower" as defined in Section 7.07 in which a loan by the Borrower made pursuant to that Section is held.

Section 1.30. "Member" means any person who has been admitted to membership in this plan pursuant to Section 2.01 or 2.03 and whose membership has not terminated pursuant to Section 2.02. In addition, for purposes of Article VII and Section 11.03, the term "Member" includes a former Member or Beneficiary for whom an Account is maintained under the Plan.

Section 1.31. "Member Contributions Account" means the Account maintained for a Member in which are held voluntary contributions made under the Plan by the Member prior to 1989, if any, or (b) "member contributions" (as defined in the ECMC Plan) made under the ECMC Plan prior to January 1, 1995, if any.

Section 1.32. "Member Salary Deferral" means an elective salary deferral made by a Member in accordance with Section 5.01.

Section 1.33. "Member Salary Deferral Account" means the Account of a Member established pursuant to Section 7.02 consisting of the balance attributable to his Member Salary Deferrals.

Section 1.34. "Normal Retirement Date" means the first day of the calendar month coincident with or next following a Member's sixty-fifth (65th) birthday.

Section 1.35. "Permanent Disability" means a physical or mental disability which a licensed physician acceptable to the Company has certified as permanent or likely to be permanent and as rendering the Member unable to perform his customary duties. In the determination of Permanent Disability, the Company shall act in a uniform and non-discriminatory manner with respect to all Employees similarly situated.

Section 1.36. "Plan" means this Profit Sharing Plan, as herein set forth, and as hereafter amended from time to time.

Section 1.37. "Plan Year" means the calendar year.

Section 1.38. "Required Beginning Date" means

(a) for a Member who is not a 5-percent owner (as defined in Code Section 416) in the Plan Year in which he attains age 70½ and who attains age 70½ after December 31, 1998, April 1 of the calendar year following the calendar year in which occurs the later of the Member's (i) attainment of age 70½ or (ii) Retirement.

(b) for a Member who (i) is a 5-percent owner (as defined in Code Section 416) in the Plan Year in which he attains age 70½, or (ii) attains age 70½ before January 1, 1999, April 1 of the calendar year following the calendar year in which the Member attains age 70½.

Notwithstanding the foregoing, effective January 1, 2004, the Required Beginning Date of any Member who attained age 70½ prior to January 1, 1998 is the April 1 of the calendar year following the calendar year in which occurs the later of the Member's (i) attainment of age 70½ or (ii) Separation from Service; provided that, if such a Member who has commenced receiving minimum distributions in accordance with Section 401(a)(9) of the Code does not elect, pursuant to Section 10.08(h) of the Plan, to cease receiving such minimum distributions, the Required Beginning Date of such Member shall be age 70½.

Section 1.39. "Retirement" means a Separation from Service (a) on or after a Member's Normal Retirement Date; or (b) on account of his Permanent Disability.

Section 1.40. "Rollover Account" means the Account attributable to contributions and transfers referred to in Section 5.03.

Section 1.41. "Rollover Contribution" means an amount contributed or transferred to the Trust in accordance with Section 5.03.

Section 1.42. "Separation from Service" means termination of employment with an Employer or Affiliate for any reason; provided, however, that no Separation from Service shall be deemed to occur upon an Employee's transfer from the employ of one Employer or Affiliate to another Employer or Affiliate.

Section 1.43. "Testing Compensation" means income reported as wages, tips and other compensation on Form W-2 plus pre-tax deductions under Code Sections 125, 132(f), 401(k), and 402(g)(3). Testing Compensation shall include Deemed 125 Compensation, as defined in Section 1.15 of the Plan.

Section 1.44. "Top Paid Group" means the top 20 percent of Employees who performed services for the Employer during the applicable year, ranked according to the amount of "415 Compensation" (determined for this purpose in accordance with Section 1.22) received from the Employer during such year. All Affiliated Employers shall be taken into account as a single employer, and Leased Employees within the meaning of Code Sections 414(n)(2) and 414(o)(2) shall be considered Employees unless such Leased Employees are covered by a plan described in Code Section 414(n)(5) and are not covered in any qualified plan maintained by the Employer. Employees who are non-resident aliens and who received no earned income (within the meaning of Code Section 911(d)(2) from the Employer constituting United States source income within the meaning of Code Section 861(a)(3) shall not be treated as Employees. Additionally, for the purpose of determining the number of active Employees in any year, the following additional Employees shall also be excluded; however, such Employees shall still be considered for the purpose of identifying the particular Employees in the Top Paid Group:

(a) Employees with less than six (6) months of service;

(b) Employees who normally work less than 17 ½ hours per week;

(c) Employees who normally work less than six (6) months during a year; and

(d) Employees who have not yet attained age 21.

Section 1.45. "Trust" means the trust established pursuant to the Trust Agreement to hold the assets of the Plan.

Section 1.46. "Trust Agreement" means the trust agreement providing for the Trust Fund.

Section 1.47. "Trust Fund" means all the assets of the Plan which are held by the Trustee under the Trust Agreement.

Section 1.48. "Trustee" means the trustee or trustees from time to time in office under the Trust Agreement.

Section 1.49. "Unallocated Forfeitures Account" means the Account to be maintained by the Committee pursuant to 9.06(b).

Section 1.50. "Unit" means a unit representing the assignment of beneficial ownership of limited partnership interests in AllianceBernstein Holding L.P.

Section 1.51. "Years of Service" means the aggregate period of service with which an Employee is credited under the provisions of Article III.

ARTICLE II

MEMBERSHIP

Section 2.01. Admission to the Plan.

(a) Each individual who was a Member of the Plan on December 31, 1988 and who did not cease to be a Member on that date shall continue to be a Member on January 1, 1989. Each Employee whose Employment Commencement Date was before January 1, 1989 and who prior to January 1, 1989 completed at least one (1) Year of Service shall become a Member on January 1, 1989, or on the first Entry Date subsequent to the date on which he attains his twenty-first (21st) birthday, whichever is later, provided he is an Employee on such January 1, 1989 or other Entry Date, as applicable. Each Employee who would have been eligible to participate in the ECMC Plan as of January 1, 1995, if the ECMC Plan had not been merged with and into this Plan effective that date, shall become a Member of this Plan on January 1, 1995. Any person who was either (i) a participant in the SCB Savings or Cash Option Plan for Employees prior to December 31, 2003 or (ii) eligible to participate in the SCB Savings or Cash Option Plan for Employees prior to December 31, 2003, shall become a Member for all purposes of the Plan on January 1, 2004, or if not an Employee on January 1, 2004, on the Employee's rehire date.

(b) (i) Except as otherwise provided in Section 2.01(a) or 2.03, an Employee of an Employer shall become a Member of the Plan solely for purposes of eligibility to make Member Salary Deferrals to a Member Salary Deferral Account established in accordance with the provisions of Article V, on the first Entry Date subsequent to the Employee's Employment Commencement Date (and, prior to January 1, 2007, or, if later, the first Entry Date subsequent to the date on which he attains his twenty-first (21st) birthday).

(ii) Except as otherwise provided in Section 2.01(a) or 2.03, an Employee of an Employer shall become a Member of the Plan, solely for purposes of eligibility to receive Company Contributions under Articles IV and VI, on the later of:

(A) the first Entry Date subsequent to the date on which he attains his twenty-first (21st) birthday, or

(B) the first Entry Date subsequent to the first Anniversary Year in which he completes one (1) Year of Service.

(c) Each Employee who is employed by an Affiliate that is not an Employer and who subsequently becomes an Employee of an Employer shall become a Member of the Plan:

(1) immediately upon becoming an Employee of such Employer, if he previously satisfied the age (if any) and service requirements of Subsection (b); or

(2) in accordance with Subsection (b), if he does not become a Member pursuant to Subsection (c)(1).

Section 2.02. Termination of Membership and Inactive Membership.

(a) A Member shall cease to be a Member as of the date of his Separation from Service, if he incurs a Break in Service in the Anniversary Year of such Separation from Service or in the following Anniversary Year.

(b) A Member shall become an Inactive Member as of the last day of his first Anniversary Year in which he completes five hundred (500) or fewer Hours of Service without having incurred a Separation from Service. An Inactive Member shall continue to be such until either (1) the date on which he ceases to be a Member pursuant to Subsection (a) or (2) the date on which he again becomes a Member pursuant to Section 2.03.

Section 2.03. Readmission to the Plan.

A former Member shall again become a Member coincident with or immediately after the date he becomes an employee, provided he is an Employee of an Employer on such rehire date. An Inactive Member shall become a Member coincident with or immediately after the date he returns to active employment.

Section 2.04. Designation of Beneficiary.

(a) Each Member may designate in writing on a form prescribed by and filed with the Committee, a Beneficiary to receive the aggregate balance of his Accounts and his Loan Account, if any, in the event that his death should occur before the entire amount of such balance has been paid to him, except that if the Member has an Eligible Spouse, such designation shall not be effective unless the Eligible Spouse has consented in writing to the designation of a Beneficiary other than such Eligible Spouse and such consent is witnessed by a member of the Committee or a Notary Public. In addition, such designation may include the designation of a secondary Beneficiary to receive such death benefit if the primary Beneficiary does not qualify or survive.

(b) If no Beneficiary has been designated, or if, for any reason no person qualifies as a Beneficiary at the time of the Member's death, or if no designated Beneficiary survives the Member, the interest of the deceased Member shall be paid to the Eligible Spouse. If the Member has no Eligible Spouse, the Committee may, but shall not be required to, designate a Beneficiary, but only from among the Member's spouse, descendants (including adoptive descendants), parents, brothers and sisters or nephews and nieces and may consider requests from any Beneficiary which it designates as to the manner of payment of the benefit. If the Committee declines to make such designation, the benefit payable hereunder upon the Member's death shall be paid in a lump sum to his estate.

(c) "Eligible Spouse" means, subject to applicable federal law and 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.

Section 2.05. Qualified Military Service Provisions.

Notwithstanding any provision of this Plan to the contrary, effective as of December 12, 1994, contributions, benefits and service credit with respect to qualified military service will be provided in accordance with Code Section 414(u).

ARTICLE III

Crediting of Service

Section 3.01 Year of Service.

Each Employee shall be credited with one Year of Service for each Anniversary Year ending after December 31, 1975 during which he completes more than five hundred (500) Hours of Service; provided, however, that:

(a) if an individual becomes a Member of the Plan after December 31, 1975, he shall not receive credit for a Year of Service for any Anniversary Year before the Anniversary Year in which he first completes one thousand (1,000) Hours of Service; and

(b) an Employee shall be credited with a Year of Service for the last Anniversary Year during which he is an Employee only if he completes at least one thousand (1,000) Hours of Service in such Anniversary Year.

Section 3.02 Number of Years of Service.

An Employee's aggregate number of Years of Service shall be computed by adding (a) his number of Years of Service completed since his last Break in Service, if any, and (b) the number of Years of Service restored pursuant to Section 3.03.

Section 3.03. Restoration of Service.

(a) If a former Member again becomes a Member after having incurred a Break in Service, he shall be credited with the Years of Service which he had completed prior to such Break in Service for all purposes.

(b) If a former Member:

(1) has incurred a number of consecutive Breaks in Service which equals or exceeds the greater of (A) five (5) or (B) the number of his Years of Service before such Breaks in Service;

(2) had no vested interest in his Salary Deferral Account or Company Contributions Account at the time of such Break in Service; and

(3) again becomes a Member, his Years of Service prior to such Breaks in Service shall be disregarded for all purposes under this Plan.

Section 3.04. Service with Non-employer Affiliates.

Any Years of Service completed by an Employee while in the employ of an Affiliate that is not an Employer shall be credited under this Article III on the same basis as service with an Employer.

Section 3.05. Service with Equitable Capital Management Corporation.

For purposes of determining an Employee's eligibility to participate in the Plan under Article II and vesting under Section 9.04, the Employee shall be credited under the Plan with the number of "hours of service" and "years of service", as such terms are defined in the ECMC Plan, credited to that Employee for the corresponding purpose under the ECMC Plan immediately prior to January 1, 1995, including service credited under the Equitable Investment Plan for Employees, Managers and Agents maintained by The Equitable Life Assurance Society of the United States, but disregarding in determining such Employee's eligibility to participate and vesting under this Plan any periods of service which were disregarded under the ECMC Plan, such as service disregarded due to "breaks in service", as defined in the ECMC Plan. Notwithstanding anything to the contrary in this Section 3.05 or elsewhere in the Plan, no period shall be taken into account more than once in determining the Hours of Service and Years of Service of any Employee by reason of this Section 3.05.

Section 3.06. Service with Shields and Regent.

For purposes of determining an Employee's eligibility to participate in the Plan under Article II and vesting under Section 9.04, in the case of an Employee who was an employee of either Shields Asset Management, Incorporated ("Shields") or Regent Investor Services Incorporated ("Regent") on March 4, 1994 and on that date became an Employee of an Employer or an Affiliate, the Employee's service with Shields or Regent on or prior to such date shall be considered as service with an Employer or an Affiliate.

Section 3.07. Cursitor Service.

For purposes of determining an Employee's eligibility to participate in the Plan under Article II and vesting under Section 9.04, in the case of an Employee who was an employee of Cursitor Holdings, L.P. or Cursitor Holdings Limited (individually and collectively, "Cursitor") on February 29, 1996, and on that date either was employed by or continued in the employment of Cursitor Al1iance LLC, Cursitor Holdings Limited, Draycott Partners, Ltd. or Cursitor-Eaton Asset Management Company, the Employee's service with Cursitor on or prior to that date shall be considered as service with an Emp1oyer or an Affiliate.

Section 3.08. Sanford Bernstein Participants.

With respect to each Employee who was an employee of either Sanford C. Bernstein & Co, Inc. ("SCB") or Bernstein Technologies Inc. ("BTI") or one of their respective subsidiaries and who became an Employee of an Employer or an Affiliate on or after October 2, 2000, the Employee's service with SCB, BTI and their respective subsidiaries on or prior to such date shall be considered as service with an Employer or Affiliate.

ARTICLE IV

COMPANY CONTRIBUTIONS

Section 4.01. Company Profit Sharing Contributions.

The Board shall determine the Company Contribution, if any, which shall be contributed to the Trust Fund out of the Company's current and accumulated earnings and allocated to the Members' Company Contributions Accounts pursuant to Article VI in respect of each Plan Year. No Company Contribution under this Section 4.01 or Section 4.02 may be made which cannot be allocated under the provisions of Article XVI. For purposes of this Section 4.01 and Section 4.02, "current and accumulated earnings" means current and accumulated net income for book purposes. Notwithstanding anything herein to the contrary, a Member for purposes of Article IV means only those Employees who have satisfied the applicable age and service requirements of Sections 2.01(a), (b)(ii) or (c).

Section 4.02. Company Matching Contributions.

Effective for Plan Years beginning after December 31, 1989, the Company shall contribute to the Trust Fund out of the Company's current and accumulated earnings an amount equivalent to that percentage, not to exceed 100% of each Member's Member Salary Deferral elected for the Plan Year involved, such percentage to be fixed by the Board; provided that the Company may establish a limit on the amount of Member Salary Deferrals that are so matched specified either as a dollar amount or as a percentage of Compensation and provided further that any such limit may be established based on the period in which any individual is a Member of the Plan. The contribution determined under this Section 4.02 for a particular Member shall be allocated to the Member's Company Contributions Account on the basis of that Member's Member Salary Deferrals for that Plan Year, subject to any Company-established limits on Member Salary Deferrals to be matched for that Plan Year. For purposes of this Section 4.02, no contribution shall be made pursuant to this Section 4.02 with respect to Catch-up Contributions.

Section 4.03. Time of Contributions.

Contributions may be made in one or more installments at such time or times during the Plan Year, or during any additional period provided by law for the making of contributions in respect of such Plan Year, as the Company shall determine. Except as otherwise provided in the Plan, for purposes of valuing the Trust Fund and making allocations to Accounts, all contributions in respect of any Plan Year shall be deemed to have been made on the last Accounting Date of the Plan Year, regardless of the actual date of contribution.

Section 4.04. Irrevocability of Contributions.

(a) Except as provided in Subsection (b), any and all contributions made by the Company shall be irrevocable and shall be transferred to the Trustee to be used in accordance with the provisions of this Plan for providing the benefits and paying the expenses thereof. Neither such contributions nor any income therefrom shall be used for, or diverted to, purposes other than for the exclusive benefit of Members or their Beneficiaries and payment of expenses of this Plan and the Trust.

(b) (1) If any contribution is made to this Plan by a mistake of fact, such contribution shall be returned to the Company within one (1) year following the date that such contribution is made.

(2) Each Company Contribution made to this Plan is conditioned upon its deductibility under Code Section 404. Each contribution, to the extent disallowed as a deduction, may be returned to the Company within one (1) year following the date of disallowance.

ARTICLE V

MEMBER SALARY DEFERRAL ELECTIONS, SALARY DEFERRAL CONTRIBUTIONS AND ROLLOVER CONTRIBUTIONS

Section 5.01. Member Salary Deferral Elections.

(a) 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.

(b) "Salary Reduction Compensation" means a Member's base salary, Draw and other draws, overtime pay, bonuses and commissions received for services rendered to an Employer, which term shall include the amount of a Member's Salary Deferral and any other salary deferrals pursuant to Code Sections 401(k), 125 or 132(f), 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 shall include Deemed 125 Compensation, as defined in Section 1.15 of the Plan. Salary Reduction Compensation for any Plan Year shall not exceed the applicable Code Section 401(a)(17) dollar limit.

Section 5.02. Allocation of Member Salary Deferral Elections.

A Salary Deferral Election made in accordance with Section 5.01 shall be allocated among the Investment Funds in accordance with the provisions of Section 7.03.

Section 5.03. Rollover Contributions.

(a) An Employee may, with the consent of the Committee, contribute to the Plan, or authorize the plan sponsor, administrator or trustee of a qualified employee benefit plan in which he previously participated to transfer to the Trust, any distribution or other payment or amount which is permitted to be contributed or transferred to the Trust in accordance with Code Section 402, 403(a) or 408(d)(3)(A)(ii) or any other applicable provision of the Code or the regulations or rulings thereunder permitting the contribution or transfer. Any such Rollover Contribution shall be received by the Trustee subject to the condition precedent that its transfer complies in all respects with the requirements of the applicable Code provisions, regulations or rules pertaining thereto and, upon any discovery that any such contribution or transfer does not so comply, the amount of the Rollover Contribution, together with all changes in the value of the Trust Fund allocated thereto, shall revert to the individual by or on whose behalf it was made as of the next following Accounting Date. The decision of the Committee for the Trust to accept a Rollover Contribution shall not give rise to any liability by the Committee, the Company, the Plan or the Trustee to the Employee or any other party on account of a subsequent determination that such Rollover Contribution does not qualify to be held in the Trust. A Rollover Contribution may, subject to the consent of the Committee, be made at any time during the Plan Year, shall not be subject to the limitations of Article XVI, and shall as of the Accounting Date next following receipt of the Rollover Contribution by the Trustee be allocated in full to the Member's Rollover Account except as regards the amount thereof equal to the Member's voluntary contributions, if any, to a qualified plan, which amount shall be allocated to the Member's Member Contributions Account. Until so allocated the amount of a Rollover Contribution shall be held unallocated in the Trust Fund.

Notwithstanding the foregoing provisions of this Section, effective January 1, 2004, the Plan will accept a Rollover Contribution from a qualified plan described in Sections 401(a) or 403(a) of the Code, an annuity contract described in Section 403(b) of the Code and an eligible plan under Section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and the portion of a distribution from an individual retirement account or annuity described in Section 408(a) or 408(b) of the Code that is eligible to be rolled over and would otherwise be includible in the Member's taxable gross income; provided that, the Plan shall not accept a Rollover Contribution of any after-tax employee contributions that would not otherwise be includible in the Member's taxable gross income.

(b) Each Employee or former Employee who becomes a participant in a pension, profit sharing or stock bonus plan described in Code Section 401(a) (a "transferee plan") may, not later than thirty (30) days (or such lesser period as is acceptable to the Committee) prior to any Accounting Date, request the Committee to direct the Trustees to, and upon such request, the Committee in its sole discretion may direct the Trustees to, transfer in cash the nonforfeitable balance in such Employee's Accounts to an account maintained by any such transferee plan on the Employee's behalf, as of such Accounting Date; provided, however, that such transferee plan permits such transfer.

(c) Any Employee who makes or causes to be made a contribution or transfer pursuant to Subsection (a) and who has not become a Member pursuant to the provisions of Article II shall, except for purposes of Sections 4.01, 5.01 and 6.01, be considered a Member of this Plan.

Section 5.04. Return of Excess Member Salary Deferral Elections.

(a) Notwithstanding any other provisions of the Plan, a Member may request the Committee in writing by no later than the March 1 following the end of the preceding calendar year, to have distributed to the Member from the Trust the amount of the Member's Member Salary Deferrals which are in excess of the amount permitted under Code Section 402(g) for such calendar year ("Excess Deferrals").

(b) Excess Deferrals claimed under subsection (a) and any income allocable to such amount including, as of January 1, 2006, income attributable to the period between the end of the Plan Year and the date of distribution, in accordance with applicable Treasury Regulations, shall be distributed from the Plan no later than April 15 of the calendar year in which the request was made. This Section 5.04 shall also apply to amounts deferred under the terms of Section 6.02(c) for Plan Years beginning after December 31, 1986.

Section 5.05. Actual Deferral Percentage Test.

(a) As used in this Section 5.05, each of the following terms shall have the meaning for that term set forth in this Section 5.05:

(i) Actual Deferral Percentage means the ratio (expressed as a percentage) of Member Salary Deferrals (other than Excess Deferrals of non-Highly Compensated Employees made under plans maintained by the Company or an Affiliate) on behalf of the Member for the Plan Year to the Member's Testing Compensation for the Plan Year.

(ii) Average Actual Deferral Percentage means the average (expressed as a percentage) of the Actual Deferral Percentages of the Members in a group, including those Members whose Actual Deferral Percentage is zero.

(b) For each Plan Year, the amount of Member Salary Deferrals shall be subject to the following:

(i) For Plan Years beginning on or after January 1, 2001, the Average Actual Deferral Percentage for Members who are Highly Compensated Employees for the Plan Year must satisfy one of the following tests:

(A) The Average Actual Deferral Percentage for Members who are Highly Compensated Employees for the Plan Year shall not exceed the Average Actual Deferral Percentage for Members who are non-Highly Compensated Employees for the Plan Year multiplied by 1.25; or

(B) The Average Actual Deferral Percentage for Members who are Highly Compensated Employees for the Plan Year shall not exceed the Average Actual Deferral Percentage for Members who are non-Highly Compensated Employees for the Plan Year multiplied by 2.0, provided that the Average Actual Deferral Percentage for Members who are Highly Compensated Employees does not exceed the Average Actual Deferral Percentage for Members who are non-Highly Compensated Employees by more than two (2) percentage points.

(ii) For Plan Years prior to 1997, the Excess Contributions (as defined in Section 5.06) under the Plan shall be eliminated by reducing the Member Salary Deferral of each Highly Compensated Employee in order of Actual Deferral Percentage beginning with the highest percentage. For Plan Years after 1996, the Excess Contributions (as defined in Section 5.06) under the Plan shall be eliminated by reducing the Member Salary Deferral of each Highly Compensated Employee in order of the dollar amount of Member Salary Deferrals on behalf of such Highly Compensated Employee, beginning with the highest dollar amount.

(c) For purposes of determining the Actual Deferral Percentage of a Member for a Plan Year, a Member Salary Deferral shall be taken into account only if such Member Salary Deferral: (i) is attributed to the Member's Account as of a date within the Plan Year; (ii) is not contingent upon any subsequent event (except as may be necessary to comply with the Code); (iii) is actually paid to the Trust within one year of the end of the Plan Year; and (iv) relates to Salary Reduction Compensation which would have been received by the Member in the Plan Year but for the Member's election to defer. Any Member Salary Deferral that fails to satisfy the foregoing requirements shall be treated as a contribution by the Employer which is not subject to Code Section 401(k) or 401(m).

(d) (i) For purposes of this Section 5.05, the Actual Deferral Percentage for any Member who is a Highly Compensated Employee for the Plan Year and who is eligible to have elective deferrals allocated to his or her account under two or more plans or arrangements described in Code Section 401(k) that are maintained by the Company or an Affiliate shall be determined as if all such elective deferrals were made under a single arrangement.

(ii) If two or more plans are aggregated for purposes of Code Section 410(b) or 401(a)(4), such plans shall be aggregated for purposes of the Average Actual Deferral Percentage test.

Section 5.06. Return of Excess Contributions.

(a) Notwithstanding any other provision of the Plan, any amount determined by the Committee to be an "Excess Contribution" as determined under Section 5.05(b)(ii), shall be distributed to Members who are Highly Compensated Employees by no later than the last day of the Plan Year following the Plan Year in which the Excess Contribution occurred.

(b) "Excess Contribution" for purposes of this Section 5.06 means a Member Salary Deferral attributable to a Highly Compensated Employee which exceeds the maximum amount of such deferral permitted under Code Section 401(k)(3)(A)(ii), and which is described in Code Section 401(k)(8)(B), plus the income allocable to such amount. The allocable income shall be calculated by multiplying the total income earned on all of the Member's Member Salary Deferrals for the Plan Year in which the Excess Contribution is being returned by a fraction, the numerator being the Member Salary Deferral in excess of the permitted amount and the denominator being the Member's account balance in his Member Salary Deferral Account on the Accounting Date of the prior Plan Year. The Excess Contribution otherwise distributable under this Section 5.06 shall be adjusted for investment losses and for prior distributions to the Members affected, as permitted by Treasury Regulations. Effective with respect to nondiscrimination testing for Plan Years beginning on and after January 1, 2006, income shall be allocated to Excess Contributions during the period between the end of the Plan Year and the date of distribution of the Excess Contributions in accordance with guidance published by the Internal Revenue Service. The Excess Contributions attributable to all Highly Compensated Employees, in the aggregate, shall be determined as the sum of the Excess Contributions (if any) determined for each Highly Compensated Employee, as follows: The amount (if any) by which the Member Salary Deferral of each Highly Compensated Employee must be reduced for the Member's Actual Deferral Percentage to equal the highest permitted Actual Deferral Percentage under the Plan shall be determined. To calculate the highest permitted Actual Deferral Percentage under the Plan, the Actual Deferral Percentage of the Highly Compensated Employee with the highest Actual Deferral Percentage is reduced by the amount required to cause the Employee's Actual Deferral Percentage to equal the Actual Deferral Percentage of the Highly Compensated Employee with the next highest Actual Deferral Percentage. If a lesser reduction would enable the Plan to satisfy the Actual Deferral Percentage test, only this lesser reduction may be made. This process must be repeated until the Plan would satisfy the Actual Deferral Percentage test. The sum of the foregoing reductions determined for each Highly Compensated Employee shall equal the dollar amount of the Excess Contributions attributable to all Highly Compensated Employees, in the aggregate.

Section 5.07. Catch-up Contributions.

(a) Notwithstanding any other provision of the Plan (other than this Section 5.07), in accordance with election procedures established by the Committee, a Catch-up Eligible Member may make additional Member Salary Deferrals for any Plan Year, without regard to (i) the limitations on Member Salary Deferral Elections set forth in Section 5.01; (ii) the limitations provided in Code section 401(a)(30), 402(h), 403(b)(1)(E), 404(h), 408(k), 408(p), 415 or 457; or (iii) the Actual Deferral Percentage limitations described in Article 5 of the Plan and Code section 401(k)(3), but only, in the case of clause (iii) as applied to a Member who is a Highly Compensated Employee, to the extent of the highest amount of Member Salary Deferrals that could be retained under the Plan by such Member for such year in accordance with Article 5 and Code section 401(k)(8)(C) (the "Applicable Maximum"). To the extent the Member Salary Deferrals by a Catch-up Eligible Member for any year exceed the Applicable Maximum, such Member's Salary Deferrals shall be deemed to be Catch-up Contributions under the Plan.

(b) The Catch-up Contributions by any Member during any Plan Year shall not exceed $3,000 for any year beginning with 2004 or such other amount as provided under Code section 414(v).

(c) Notwithstanding any other provision of the Plan (other than this Section 5.07), Catch-up Contributions shall not be taken into account in applying the limits of Code sections 401(a)(30), 402(h), 403(b), 408, 415(c) or 457 under the Plan or any other plan maintained by the Employer. In addition, Catch-up Contributions shall not be taken into account in applying any provision under the Plan which effectuates any of the foregoing limitations, including without limitation the provisions of Articles 5, 16 and 17.

(d) This Section 5.07 is intended to comply with Code section 414(v), Treasury Regulation Section 1.414(v)-1, and any successor or other guidance issued by the Department of Treasury, and accordingly shall be interpreted consistently with such intention.

(e) "Catch-up Contribution" means a contribution under the Plan by a Catch-up Eligible Member, pursuant to Section 5.07.

(f) "Catch-up Eligible Member" means a Member who (a) is eligible to make Member Salary Deferrals pursuant to Section 5.01 and (b) is age 50 or older. For purposes of paragraph (b) above, a Member who is projected to attain age 50 before the end of the Plan Year shall be deemed to be age 50 as of January 1 of such Plan Year. The determination of a "Catch-up Eligible Member" shall be made in accordance with the requirements of Treasury Regulation Section 1.414(v)-1 and any successor or other guidance provided under Code Section 414(v) by the Department of Treasury.

ARTICLE VI

ALLOCATIONS OF COMPANY CONTRIBUTIONS AND FORFEITURES

Section 6.01. Contributions.

(a) Members Eligible to Share in Company Contributions.

The Company Contribution for each Plan Year shall be allocated and credited to the Members' Company Contributions Account in accordance with this Article as of the last Accounting Date of the Plan Year (immediately following the allocation of income and appreciation in accordance with Section 8.01) among those Members who are Employees of an Employer or an Affiliate on the Accounting Date. Notwithstanding anything herein to the contrary, a Member for purposes of Article VI means only those Employees who have satisfied the applicable age and service requirements of Sections 2.01(a), (b)(ii) or (c).

(b) Allocation of Company Contribution.

The Company Contribution under Section 4.01 for each Plan Year, determined without regard to Section 6.02(c), shall be allocated among the Members eligible for allocation in the proportion which each such Member's Compensation for such Plan Year while a Member bears to the total Compensation for all Members eligible to share in allocations pursuant to Subsection (a). The Company Contribution under Section 4.02 shall be allocated on the same basis upon which it was determined.

Section 6.02. Allocation to Company Contributions Accounts.

Effective for Plan Years beginning after December 31, 1989, the entire amount allocated under Section 6.01(b) to a Member for a Plan Year shall be credited to his Company Contributions Account.

Section 6.03. Actual Contribution Percentage Test.

(a) As used in this Section 6.03, each of the following terms shall have the meaning for that term set forth below:

(i) Average Contribution Percentage means the average (expressed as a percentage) of the Contribution Percentages of the Members in a group, including those Members whose Contribution Percentage is zero.

(ii) Company Matching Contribution means the Company Contribution described in Section 4.02 of the Plan.

(iii) Contribution Percentage means the ratio (expressed as a percentage) of a Member's Company Matching Contributions (excluding Company Matching Contributions forfeited hereunder to correct Excess Aggregate Contributions or because the contributions to which they relate are Excess Deferrals, Excess Contributions or Excess Aggregate Contributions) to the Member's Testing Compensation for the Plan Year.

(b) Company Matching Contributions for each Plan Year must satisfy one of the following tests:

(i) For Plan Years beginning on or after January 1, 2001, the Average Contribution Percentage for Members who are Highly Compensated Employees for the Plan Year shall not exceed the Average Contribution Percentage for Members who are non-Highly Compensated Employees for the Plan Year multiplied by 1.25; or

(ii) For Plan Years beginning on or after January 1, 2001, the Average Contribution Percentage for Members who are Highly Compensated Employees for the Plan Year shall not exceed the Average Contribution Percentage for Members who are non-Highly Compensated Employees for the Plan Year multiplied by 2.0, provided that the Average Contribution Percentage for Members who are Highly Compensated Employees does not exceed the Average Contribution Percentage for Members who are non-Highly Compensated Employees by more than 2 percentage points.

In satisfying the Actual Contribution Percentage Test set forth above, Member Salary Deferrals may be treated as if they were Company Matching Contributions, provided that the requirements of Treasury Regulation Section 1.401(m)-2(a)(6)(ii) are satisfied. If used to satisfy the Actual Contribution Percentage Test, such Member Salary Deferrals shall not be used to help other Member Salary Deferrals satisfy the Actual Deferral Per-centage Test (as described in Section 401(k)(2) of the Code), set forth in Sec-tion 5.05 hereof except as other-wise permitted by applicable law.

(c) For purposes of determining the Contribution Percentage of a Member for a Plan Year, the Member's Company Matching Contributions shall be taken into account only if such Company Matching Contributions (i) are based on the Member's Member Salary Deferrals for such Plan Year; (ii) are attributed to the Member's Account as of a date within such Plan Year; and (iii) are paid to the Trust by the end of the twelfth month following the close of such Plan Year. Any Company Matching Contribution that fails to satisfy the foregoing requirements shall be treated as a contribution which is not subject to Code Section 401(m).

(d) (i) For purposes of this Section 6.03, the Contribution Percentage for any Member who is a Highly Compensated Employee for the Plan Year and who is eligible to receive Company Matching Contributions or to make Employee after-tax contributions under one or more other plans described in Code Section 401(a) that are maintained by the Company or an Affiliate shall be determined as if all such contributions were made under a single plan.

(ii) If two or more plans are aggregated for purposes of Code Section 410(b) or 401(a)(4), such plans shall be aggregated for purposes of the Average Contribution Percentage test.

Section 6.04. Return of Excess Aggregate Contributions.

(a) Notwithstanding any other provision of the Plan, any amount determined by the Committee to be an "Excess Aggregate Contribution" as defined in Subsection (b), shall be distributed to Members who are Highly Compensated Employees by no later than the last day of the Plan Year following the Plan Year in which the Excess Aggregate Contribution occurred. For Plan Years prior to 1997, the Excess Aggregate Contributions (as defined in Section 6.04(b)) under the Plan shall be eliminated by reducing the Company Matching Contributions of each Highly Compensated Employee in order of Contribution Percentage beginning with the highest percentage. For Plan Years after 1996, the Excess Aggregate Contributions (as defined in Section 6.04(b)) under the Plan shall be eliminated by reducing the Company Matching Contributions of each Highly Compensated Employee in order of the dollar amount of Company Matching Contributions on behalf of such Highly Compensated Employee, beginning with the highest dollar amount.

(b) "Excess Aggregate Contribution" for purposes of this Section 6.04 means a Company Matching Contribution attributable to a Highly Compensated Emp1oyee which exceeds the maximum amount of such Company Matching Contributions permitted under Code Section 401(m)(3), and which is described in Code Section 401(m)(6)(B), plus the income allocable to such amount. The allocable income shall be calculated by multiplying the total income earned on all of the Member's Company Matching Contributions for the Plan Year in which the Excess Aggregate Contribution is being returned by a fraction, the numerator being the Member Company Matching Contributions in excess of the permitted amount and the denominator being the Member's account balance in his Company Contribution Account attributable to Company Matching Contributions on the Accounting Date of the prior Plan Year. The Excess Contribution otherwise distributable under this Section 6.04 shall be adjusted for investment losses and for prior distributions to the Members affected, as permitted by Treasury Regulations. Effective with respect to nondiscrimination testing for Plan Years beginning on and after January 1, 2006, income shall be allocated to Excess Aggregate Contributions during the period between the end of the Plan Year and the date of distribution of the Excess Aggregate Contributions in accordance with guidance published by the Internal Revenue Service. The Excess Aggregate Contributions attributable to all Highly Compensated Employees, in the aggregate, shall be determined as the sum of the Excess Aggregate Contributions (if any) determined for each Highly Compensated Employee, as follows: The amount (if any) by which the Company Matching Contribution of each Highly Compensated Employee must be reduced for the Member's Contribution Percentage to equal the highest permitted Contribution Percentage under the Plan shall be determined. To calculate the highest permitted Contribution Percentage under the Plan, the Contribution Percentage of the Highly Compensated Employee with the highest Contribution Percentage is reduced by the amount required to cause the Employee's Contribution Percentage to equal the Contribution Percentage of the Highly Compensated Employee with the next highest Contribution Percentage. If a lesser reduction would enable the Plan to satisfy the Actual Contribution Percentage Test, only this lesser reduction may be made. This process must be repeated until the Plan would satisfy the Actual Contribution Percentage Test. The sum of the foregoing reductions determined for each Highly Compensated Employee shall equal the dollar amount of the Excess Aggregate Contributions attributable to all Highly Compensated Employees, in the aggregate.

ARTICLE VII

ACCOUNTS, ALLOCATIONS AND LOANS

Section 7.01. Investment Funds.

Subject to the provisions of any applicable state and Federal securities laws and to the regulations and rulings of any regulatory agencies administering such laws, the Trustee shall, at the direction of the Committee, establish separate Investment Funds within and as a part of the Trust Fund for the purpose of investing the balances held in the Accounts and in the Unallocated Forfeitures Account.

Section 7.02. Separate Accounts.

The Committee shall maintain a separate Company Contributions Account, Member Contributions Account, Member Salary Deferral Account, Rollover Account and Loan Account for each Member as relevant. Any amount transferred from a Member's "Company Matching Contribution Account" under the ECMC Plan (as defined thereunder) shall be held in the Member's Rollover Account. The Committee shall maintain records of each Member's balance in each such Account and each Investment Fund in which the Account is invested in order to provide an accurate and current statement to the Member pursuant to Section 8.07. Effective January 1, 1995, each account of a participant or beneficiary under the ECMC Plan shall automatically be deemed an Account of the corresponding type under the Plan for the Member or Beneficiary for whom such account was maintained under the ECMC Plan.

Section 7.03. Investing of the Company Contributions.

All contributions allocated to a Member's Account as well as the portion of a Rollover Contribution allocated to a Member's Member Contribution Account shall be allocated among the Investment Funds in accordance with the then current investment election. If no proper election is on file governing the contributions involved, such contributions shall be invested in the Investment Fund specified for such purpose by the Investment Committee.

Section 7.04. Elections.

(a) The Committee shall prescribe such rules as it deems appropriate regarding the form, filing frequency and timeliness of elections under Section 7.03 as well as concerning the percentage or amounts of a contribution which may be invested in an Investment Fund. In these rules, the Committee may specify that each Account of a Member be invested in the Investment Funds selected by the Member in the same proportion. An election properly on file shall remain in force until changed. Effective July 1, 2004, each Member shall be permitted to make no more than one transfer pursuant to this paragraph in any calendar quarter.

Section 7.05. Inter-Account Transfers.

(a) A Member may elect, on a form provided by and timely filed with the Committee, to transfer all or a portion of the balance of any Account which is invested in an Investment Fund to one or more other Investment Funds. The Committee shall prescribe such rules as it deems appropriate regarding the frequency and timeliness of elections and the percentage of or amount from an Account which may be so transferred.

(b) A transfer made pursuant to an election pursuant to Subsection (a) shall be effected as of the last Accounting Date of the calendar quarter (or such other dates as the Committee shall prescribe from time to time) immediately following timely receipt by the Committee of the election.

Section 7.06. Unallocated Forfeiture Account.

The amount held from time to time in the Unallocated Forfeiture Account shall be allocated among the Investment Funds as specified by the Committee.

Section 7.07. Loans.

(a) Notwithstanding anything in this Plan to the contrary, the Committee, in its discretion, may authorize a loan to a Member who is a "party in interest" with respect to the Plan within the meaning of Section 3(14) of the Act under the circumstances listed in Subsection (b) below:

(b) (1) loans shall be made available on a reasonably equivalent basis; (2) loans shall not be made available to Highly Compensated Employees in a manner that is more favorable than the manner loans are made available to other Members; (3) loans shall bear a reasonable rate of interest; (4) loans shall be adequately secured; and (5) loans shall provide for repayment over a reasonable period of time.

(c) Loans made pursuant to this Section (when added to the outstanding balance of all other loans made by the Plan to the Member) shall be limited to the lesser of:

(1) $50,000 reduced by the excess (if any) of the highest outstanding balance of loans from the Plan to the Member during the one-year period ending on the day before the date on which such loan is made, over the outstanding balance of loans from the Plan to the Member on the date on which such loan was made, or

(2) one-half (1/2) of the present value of the non-forfeitable accrued benefit of the Member under the Plan.

For purposes of this limit, all plans of the Employer shall be considered one plan.

(d) Loans shall provide for level amortization with payment to be made not less frequently than quarterly over a period not to exceed five (5) years, unless the loan is for the purpose of acquiring a dwelling unit used within a reasonable time as the principal residence of the Member. All loans shall be due and payable upon termination of employment.

(e) All loans shall be made pursuant to a Member loan program. Such loan program shall be established in writing by the Committee and must include, but need not be limited to, the following:

(1) the identity of the person(s) or position(s) authorized to administer the Member loan program;

(2) a procedure for applying for loans;

(3) the basis on which loans will be approved or denied;

(4) limitations, if any, on the types and amounts of loans offered;

(5) the procedure under the program for determining a reasonable rate of interest;

(6) the types of collateral which may secure a Member loan; and

(7) the events constituting default and the steps that will be taken to preserve Plan assets.

Such Member loan program shall be contained in a separate written document which, when properly executed, is hereby incorporated by reference and made a part of the Plan. Furthermore, such Member loan program may be modified or amended by the Committee in writing from time to time without the necessity of amending this Section.

(f) Notwithstanding any other provision to the contrary, a Borrower who has a loan (or loans) outstanding under the SCB Savings or Cash Option Plan for Employees on December 31, 2003 which is transferred to the Plan as a result of the merger of SCB Savings or Cash Option Plan for Employees into the Plan shall be entitled to keep such loan (or loans) outstanding under the Plan until the loan (or loans) is repaid pursuant to the terms of such outstanding loan (or loans).

ARTICLE VIII

VALUATION

Section 8.01. Valuation of Trust Fund.

All changes in the value of each Investment Fund as determined by the Trustee in accordance with the Trust Agreement (including income and expenses and realized and unrealized appreciation and depreciation of assets of the Investment Fund, determined in the case of mutual funds by reference to the net asset value of such mutual funds on the Accounting Date, but excluding Company Contributions, Member Salary Deferrals and contributions or transfers pursuant to Section 5.03 made or allocated subsequent to the last preceding Accounting Date), shall be allocated by the Committee among the Company Contributions Accounts, Member Contributions Accounts, Member Salary Deferral Accounts and Rollover Accounts, portions of which are held in the Investment Fund as of each Accounting Date pro rata to the value of all such Accounts, respectively, at the last preceding Accounting Date, but first reducing the balance of each such Account as of the last preceding Accounting Date by any distributions from the Account since that Accounting Date.

Section 8.02. Valuation of Company Contributions Accounts.

The value of a Member's Company Contributions Account as of any Accounting Date shall be the aggregate of the portions of such Account invested in each Investment Fund as of that date. The value of that portion of such Account invested in an Investment Fund shall be the sum of:

(a) the value of such portion as of the last preceding Accounting Date, plus or minus

(b) all changes in the value of the Investment Fund since the last preceding Accounting Date allocable thereto pursuant to Section 8.01, plus

(c) the amount of transfer, if any, into such portion and the amount of the Company Contribution, if any, allocable thereto since the last preceding Accounting Date pursuant to Article VI, minus

(d) any distributions from, and transfers out of, such portion since the last preceding Accounting Date.

Section 8.03. Valuation of Member Contributions Account.

The value of a Member's Member Contributions Account as of any Accounting Date shall be the aggregate of the portions of such Account invested in each Investment Fund as of that date. The value of that portion of such Account invested in an Investment Fund shall be the sum of:

(a) the value of such portion as of the last preceding Accounting Date, plus or minus

(b) all changes in the value of the Investment Fund since the last preceding Accounting Date allocable thereto pursuant to Section 8.01, plus

(c) the amount, if any, transferred into such portion pursuant to Section 5.04 in an amount equal to voluntary contributions by the Member to the transferor qualified plan or pursuant to Section 7.05, minus

(d) any distributions from, and transfers out of, such portion since the last preceding Accounting Date.

Section 8.04. Valuation of Member Salary Deferral Accounts.

The value of a Member's Member Salary Deferral Account as of any Accounting Date shall be the aggregate of the portions of such Account invested in each Investment Fund as of that date. The value of that portion of such Account invested in an Investment Fund shall be the sum of:

(a) the value of such portion as of the last preceding Accounting Date, plus or minus

(b) all changes in the value of the Investment Fund since the last preceding Accounting Date allocable thereto pursuant to Section 8.01, plus

(c) the amount, if any, transferred into such portion pursuant to Section 7.05 and the amount of Member Salary Deferrals, if any, allocable thereto since the last preceding Accounting Date, minus

(d) any distributions from, and transfers out of, such portion since the last preceding Accounting Date.

Section 8.05. Valuation of Rollover Accounts.

The value of a Member's Rollover Account as of any Accounting Date shall be the aggregate of the portions of such Account invested in each Investment Fund as of that date. The value of that portion of such Account invested in an Investment Fund shall be the sum of:

(a) the value of such portion as of the last preceding Accounting Date, plus or minus

(b) all changes in the value of the Investment Fund since the last preceding Accounting Date allocable thereto pursuant to Section 8.01, plus

(c) the amount of transfer, if any, into such portion since the last preceding Accounting Date pursuant to Section 5.03, minus

(d) any distributions from, and transfers out of, such portion since the preceding Accounting Date.

Section 8.06. Valuation of Loan Accounts.

The value of a Member's Loan Account as of any Accounting Date shall be the amount of the outstanding principal and accrued interest on the loan held therein plus the amount of any cash held therein as of an Accounting Date.

Section 8.07. Statement to Members.

Within two hundred ten (210) days after the last Accounting Date of each Plan Year, the Committee shall mail or deliver to each Member a statement of the value of his Accounts and his Loan Account, if any, as of such Accounting Date.

Section 8.08. Unallocated Forfeitures Account

The value of the Unallocated Forfeitures Account shall be determined as provided in Section 8.02 applied as if the addition to the Unallocated Forfeitures Account was a Company Contributions Account.

ARTICLE IX

DETERMINATION OF BENEFITS

Section 9.01. Retirement.

Upon a Member's Retirement on or after his Normal Retirement Date, he shall become entitled, at the time specified in Article X, to a distribution of his Accounts and his Loan Account, if any, valued as of the Accounting Date specified in Section 10.01.

Section 9.02. Disability.

Upon a Member's Retirement on account of his Permanent Disability, the Member shall become entitled, at the time specified in Article X, to a distribution of his Accounts and his Loan Account, if any, valued as of the Accounting Date applicable under Section 10.02.

Section 9.03. Death.

Upon a Member's death, his Eligible Spouse or, if there is no Eligible Spouse or the Eligible Spouse consents in the manner required under Section 2.04(a) to the designation of a Beneficiary, that Beneficiary shall become entitled, at the time specified in Article X, to a distribution of the then balance of such Member's Accounts and his Loan Account, if any, valued as of the Accounting Date applicable under Section 10.03; provided, however, that if a valuation date was already fixed for payment pursuant to Article X due to the Member's Retirement or Permanent Disability, that date shall be used.

Section 9.04. Vesting.

Any Member who has Company Contributions credited to his Account as of December 31, 1988 shall at all times be fully (100%) vested in the balance in his Accounts. Effective for Plan Years beginning after December 31, 1988, any individual who becomes a Member after that date shall not be vested to any extent in any balance in his Company Contributions Account except the amount thereof, until his completion of three (3) Years of Service which shall be calculated from the Member's Employment Commencement Date. After completion of three (3) Years of Service as so calculated, each such Member shall be fully (100%) vested at all times in the balance in his Company Contributions Account. However, a Member who is not otherwise vested shall, upon reaching his Normal Retirement Date, become and thereafter at all times be fully (100%) vested in the balance in his Company Contributions Account. A Member shall be at all times fully (100%) vested in the balance in his Member Contributions Account, if any, his Member Salary Deferral Account, if any, his Rollover Account, if any, and his Loan Account, if any. Notwithstanding any other provision to the contrary, each Member who was a participant in the SCB Savings or Cash Option Plan for Employees prior to December 31, 2003 shall be fully vested in his Account.

Section 9.05. Other Separation From Service.

In the event of a Member's Separation from Service other than by reason of death, Retirement or Permanent Disability, he shall be entitled to a distribution of the entire balance in his Member Contributions Account, if any, his Member Salary Deferral Account, if any, his Loan Account, if any, his Rollover Account, if any, and the vested balance in his Company Contributions Account, if any, determined as of the Accounting Date applicable under Section 10.04. Such distributions shall be made in the manner and at the time provided in Article X. The unvested portion of the Member's Company Contributions Account shall be forfeited upon the Accounting Date coincident with or immediately following the Member's Separation from Service.

Section 9.06. Forfeitures.

(a) A Member who separates from service prior to the full vesting of his entire Company Contributions Account, shall forfeit the unvested balance in that Account upon the Accounting Date coincident with or immediately following the Member's Separation from Service. If the Member subsequently recommences employment prior to incurring five (5) consecutive Breaks in Service, he shall be recredited with the forfeited amounts upon recommencement of employment, provided that he repays any distribution made to him hereunder.

(b) Any Company Contributions Account balance forfeited by a Member shall be held in an Unallocated Forfeiture Account until applied to reduce the Company Contribution to be made to the Trust as of or following the date the forfeiture occurs. Any Company Contributions made to the Plan by mistake, other than contributions made by reason of mistake of fact which may be properly repaid to the Company, may be held in a subaccount under the Unallocated Forfeiture Account until applied to reduce the Company Contribution to be made to the Trust as of or following the date the mistake occurs.

(c) Effective January 1, 1995, amounts credited to the "unallocated forfeitures account" (as defined under the ECMC Plan) under the ECMC Plan shall be transferred to the Unallocated Forfeitures Account.

ARTICLE X

TIME AND MANNER OF PAYMENT OF BENEFITS

Section 10.01. Retirement Benefits.

Retirement benefits, determined pursuant to Section 9.01, shall be paid in a single cash sum, valued as of the Accounting Date immediately preceding the payment.

Such distribution shall be made to the Member on or as soon as administratively feasible following the benefit starting date selected by the Member as provided below. The Member may only select a benefit starting date which may not be more than ninety (90) days after such election and, except as provided below, may not be less than thirty (30) days after such election. Except as provided in the next sentence, the Committee shall provide the Member with a notice as to his or her rights and benefits under the Plan not more than ninety (90) days or less than thirty (30) days prior to the Member's Accounting Date. Notwithstanding the foregoing, a Member may elect a benefit starting date earlier than thirty (30) days after receiving such notice from the Company, provided that:

(1) the Committee clearly informs the Member that the Member has a right to a period of at least thirty (30) days after receiving the notice to consider the decision of whether or not to elect a distribution; and

(2) the Member, after receiving the notice, affirmatively elects a distribution.

Section 10.02. Disability Benefits.

Disability benefits, determined pursuant to Section 9.02 shall be paid or commence to be paid at the time and in the manner provided in Section 10.01 (substituting Permanent Disability for Retirement).

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 Member's death.

Section 10.04. Termination Benefits.

The benefits payable to a Member upon his Separation from Service, determined pursuant to Section 9.05, shall, subject to Section 10.09, be paid or commence to be paid at the time and in the manner provided in Section 10.01 (substituting Separation from Service for Retirement).

Section 10.05. Direct Rollover Distributions.

(a) Upon receiving directions from a Member who is eligible to receive a distribution from the Plan pursuant to the provisions of this Article X which constitutes an "eligible rollover distribution," as defined in Code Section 402(c)(4), to transfer all or any part of such distribution to an "eligible retirement plan," as defined in Code Section 402(c)(8)(B), the Committee shall cause the portion of the distribution which the Member has elected to so transfer to be transferred directly to such "eligible retirement plan"; provided, however, that the Member shall be required to notify the Committee of the identity of the eligible retirement plan at the time and in the manner that the Committee shall prescribe and the Committee may require the Member or the eligible retirement plan to provide a statement that the eligible retirement plan is intended to be qualified under Code Section 401(a) (if the plan is intended to be so qualified) or otherwise meets the requirements necessary to be an "eligible retirement plan."

(b) Upon receiving instructions from a Beneficiary who is the Member's Eligible Spouse or an alternate payee under a "qualified domestic relations order" as defined in Code Section 414(p), in either case who is eligible to receive a distribution pursuant to the provisions of Article VII that constitutes an "eligible rollover distribution" as defined in Code Section 402(c)(4), to transfer all or any part of such distribution to a plan that constitutes an "eligible retirement plan" under Code Section 402(a)(5) with respect to that distribution, the Committee shall cause the portion of the distribution which such Eligible Spouse or alternate payee has elected to so transfer to the eligible retirement plan so designated.

(c) The Committee may accomplish the direct transfer described in subsection (a) or (b), as applicable, by delivering a check to the Member, Eligible Spouse or alternate payee (in each case, a "Distributee") which is payable to the trustee, custodian or other appropriate fiduciary of the "eligible retirement plan," or by such other means as the Committee may in its discretion determine. The Committee may establish such rules and procedures regarding minimum amounts which may be the subject of direct transfers and other matters pertaining to direct transfers as it deems necessary from time to time.

Section 10.06. Latest Commencement of Benefits.

Notwithstanding other provision of the Plan to the contrary, a Member shall be eligible to receive payment, or to commence payment, under the Plan of his benefits no later than sixty (60) days after the end of the Plan Year in which the latest of the following occurs:

(a) the Member's attainment of age his Normal Retirement Date;

(b) The tenth (10th) anniversary of the year in which the Member began participation in the Plan; or

(c) The Member's Separation from Service.

Section 10.07. Indirect Payment of Benefits.

If any Member or Beneficiary is, in the judgment of the Committee, legally, physically or mentally incapable of personally receiving and receipting for any payment due hereunder, payment may be made to the guardian or other legal representative of such Member or Beneficiary or, if none, to any other person or institution, which, in the opinion of the Committee, is then maintaining or has custody of such Member or Beneficiary. Such payment shall constitute a full discharge with respect to the obligations hereunder.

Section 10.08. Limitations on Distributions.

Notwithstanding anything to the contrary contained in this Plan:

(a) The entire interest of each Member must either:

(1) be paid to him not later than the Required Beginning Date; or

(2) commence to be paid to him by not later than the Required Beginning Date and paid, in accordance with regulations prescribed by the Secretary of the Treasury, over a period not extending beyond the life expectancy of the Member or the joint and last survivor life expectancy of the Member and his Designated Beneficiary; provided, however, that if the distribution of a Member's Account balances has commenced in accordance with this Paragraph (2), any portion remaining to be distributed at the Member's death shall continue to be distributed at least as rapidly as under the method of distribution in effect as of such Member's death.

(b) If a Member dies prior to the commencement of distributions to him in accordance with Paragraph (a)(2), the entire interest of the Member shall be distributed:

(1) not later than December 31 of the calendar year which contains the fifth anniversary of the Member's death; or

(2) where distribution is to be made to the Member's Designated Beneficiary, commencing

(A) on or before December 31 of the calendar year immediately following the calendar year in which the Member died; or

(B) if the Designated Beneficiary is the Member's surviving Spouse, no later than the later of the date described in Paragraph (A), above or December 31 of the calendar year in which such Member would have attained age seventy and one-half (70-1/2), and payable, in accordance with regulations prescribed by the Secretary of the Treasury, over a period not extending beyond the life expectancy of such Designated Beneficiary.

(c) For purposes of Paragraphs (a)(2) and (b)(2), prior to the Required Beginning Date, the Member (or his spouse, if the spouse is the Member's Beneficiary) may make an irrevocable election to have the Member's (and/or his spouse's) life expectancy recalculated not more frequently than annually. If no such election is made prior to the Member's Required Beginning Date, the Member's (and/or his spouse's) life expectancy shall automatically be recalculated annually.

(d) Under regulations prescribed by the Secretary of the Treasury, any amount paid to a Member's child shall be treated as if it had been paid to such Member's surviving spouse if such amount will become payable to such spouse upon the child reaching maturity or such other designated event which may be permitted under such regulations.

(e) For purposes of this Section 10.08, the term "Designated Beneficiary" shall mean a Member's surviving spouse or an individual designated by the Member pursuant to Section 2.04.

(f) Notwithstanding any provision of this Plan to the contrary, the provisions of this Section 10.08 shall be construed in a manner that complies with Code Section 401(a)(9) and, with respect to distributions made on or after January 1, 2001, the Plan will apply the minimum distribution requirements of Code Section 401(a)(9) in accordance with the Treasury Regulations thereunder that were proposed in January 2001, the provisions of which are hereby incorporated by reference. This Subsection (f) shall continue in effect until the end of the last calendar year beginning before the effective date of the final regulations under Code Section 401(a)(9) or such other date as may be specified in guidance published by the Internal Revenue Service.

(g) Effective as of January 1, 2003, notwithstanding anything to the contrary contained in this Plan, distributions shall be made in a manner that complies with Code Section 401(a)(9) and Appendix A attached hereto.

(h) Each Member who (i) attained age 70-½ before January 1, 1999, (ii) commenced distributions pursuant to Code Section 401(a)(9) and (iii) is an Employee of the Employer on January 1, 2004, may make an irrevocable affirmative election, subject to the terms of any applicable "qualified domestic relations order" as defined in Section 414(p) of the Code, to cease receiving such distributions at any time prior to the Member's Separation from Service.

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 $1,000 ($5,000 prior to March 28, 2005). 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.

Section 10.10. Pre-Retirement Distribution.

(a) On or after a Member's attainment at age 59-½, the Committee, at the election of the Member, shall direct the Trustees to make an in-service distribution of any portion of the vested balance of the Member's Account.

(b) Each Member who was a participant in the SCB Savings or Cash Option Plan for Employees may elect to withdraw his Member Contributions Account and the actual earnings thereon at any time but not more than once in any Plan Year.

(c) In the event that the Committee makes a distribution pursuant to this Section 10.10 the Member shall continue to be eligible to participate in the Plan on the same basis as any other Employee. Any distribution made pursuant to this Section 10.10 shall be made in a manner consistent with other applicable provisions of this Article X, including, but not limited to, all notice and consent requirements of Code Section 411(a)(11) and the Regulations thereunder.

ARTICLE XI

ADMINISTRATION OF THE PLAN

Section 11.01. Administrative Committee.

There is hereby created an Administrative Committee for the Plan. The general administration of the Plan on behalf of the Plan Administrator shall be placed in the Administrative Committee. The Administrative Committee shall operate in accordance with the terms of the Plan, including the Charter for the Administrative Committee which is attached to the Plan as Exhibit A and incorporated herein.

Section 11.02. Investment Committee.

There is hereby created an Investment Committee for the Plan. The Investment Committee shall operate in accordance with the terms of the Plan, including the Charter for the Investment Committee which is attached to the Plan as Exhibit B and incorporated herein.

Section 11.03. Payment of Benefits (Administrative Committee).

The Administrative Committee shall advise the Trustee in writing with respect to all benefits which become payable under the terms of the Plan and shall direct the Trustee to pay such benefits on order of the Administrative Committee. In the event that the Trust Fund shall be invested in whole or in part in one or more insurance contracts, the Administrative Committee shall be authorized to give to any insurance company issuing such a contract such instructions as may be necessary or appropriate in order to provide for the payment of benefits in accordance with the Plan.

Section 11.04. Powers and Authority; Action Conclusive (Administrative Committee).

Except as otherwise expressly provided in the Plan or in the Trust Agreement, or by the Investment Committee, the Administrative Committee shall have the exclusive right, power, and authority, in its sole and absolute discretion, to administer, apply and interpret the Plan, Trust Agreement and any other Plan documents and to decide all matters arising in connection with the operation or administration of the Plan and the Trust. Subject to the immediately preceding sentence, the Administrative Committee shall have all powers necessary or helpful for the carrying out of its responsibilities, and the decisions or action of the Administrative Committee in good faith in respect of any matter hereunder shall be conclusive and binding upon all parties concerned.

Without limiting the generality of the foregoing, the Administrative Committee has the complete authority, in its sole and absolute discretion, to:

(1) Determine all questions arising out of or in connection with the interpretation of the terms and provisions of the Plan except as otherwise expressly provided herein;

(2) Make rules and regulations for the administration of the Plan which are not inconsistent with the terms and provisions of the Plan, and fix the annual accounting period of the trust established under the Trust Agreement as required for tax purposes;

(3) Construe all terms, provisions, conditions of and limitations to the Plan;

(4) Determine all questions relating to (A) the eligibility of persons to receive benefits hereunder, (B) the periods of service, including Hours of Service, Credited Service and Years of Service, and the amount of Compensation of a Participant during any period hereunder, and (C) all other matters upon which the benefits or other rights of a Participant or other person shall be based hereunder; and

Determine all questions relating to the administration of the Plan (A) when disputes arise between the Employer and a Participant or his Beneficiary, Spouse or legal representatives, and (B) whenever the Administrative Committee deems it advisable to determine such questions in order to promote the uniform administration of the Plan.

All determinations made by the Administrative Committee with respect to any matter arising under the Plan Trust Agreement and any other Plan documents shall be final and binding on all parties. The foregoing list of powers is not intended to be either complete or exclusive and the Administrative Committee shall, in addition, have such powers as the Plan Administrator deems appropriate and delegates to it and such powers as may be necessary for the performance of its duties under the Plan and the Trust Agreement.

Section 11.05. Reliance on Information (Administrative Committee).

The members of the Administrative Committee and any Employer or affiliate thereof (including the Company) and its officers, directors and employees shall be entitled to rely upon all tables, valuations, certificates, opinions and reports furnished by any accountant, trustee, insurance company, counsel or other expert who shall be engaged by the Company or an affiliate thereof or the Committee, and the members of the Committee and any Employer or affiliate thereof (including the Company) and its officers, directors and employees shall be fully protected in respect of any action taken or suffered by them in good faith in reliance thereon, and all action so taken or suffered shall be conclusive upon all persons affected thereby.

Section 11.06. Actions to be Uniform; Regular Personnel Policies to be Followed.

Any discretionary actions to be taken under this Plan by the Administrative Committee or Investment Committee with respect to the classification of the Employees, contributions, or benefits shall be uniform in their nature and applicable to all Employees similarly situated. With respect to service with the Employer, leaves of absence and other similar matters, the Committee shall administer the Plan in accordance with the Employer’s regular personnel policies at the time in effect.

Section 11.07. Fiduciaries.

Any person or group of persons may serve in more than one fiduciary capacity with respect to the Plan. Any Named Fiduciary under the Plan, and any fiduciary designated by a Named Fiduciary to whom such power is granted by a Named Fiduciary under the Plan, may employ one or more persons to render advice with regard to any responsibility such fiduciary has under the Plan.

Section 11.08. Plan Administrator.

The Company shall be the administrator of the Plan, as defined in Section 3(16)(A) of ERISA, and shall be responsible for the preparation and filing of any required returns, reports, statements or other filings with appropriate governmental agencies. The Company or its authorized designee shall also be responsible for the preparation and delivery of information to persons entitled to such information under any applicable law.

Section 11.09. Notices and Elections (Administrative Committee).

A Participant shall deliver to the Administrative Committee all directions, orders, designations, notices or other communications on appropriate forms to be furnished by the Administrative Committee. The Administrative Committee shall also receive notices or other communications directed to Participants from the Trustee and transmit them to the Participants. All elections which may be made by a Participant under this Plan shall be made in a time, manner and form determined by the Administrative Committee unless a specific time, manner or form is set forth in the Plan.

Section 11.10. Misrepresentation of Age.

In making a determination or calculation based upon a Participant's age, the Administrative Committee shall be entitled to rely upon any information furnished by the Participant. If a Participant misrepresents the Participant's age, and the misrepresentation is relied upon by a Member Company, an affiliate thereof (including the Company) or the Administrative Committee, the Administrative Committee will adjust the Participant's benefit to conform to the Participant's actual age and offset future monthly payments to recoup any overpayments caused by the Participant's misrepresentation.

Section 11.11. Decisions of Administrative Committee are Binding.

The decisions of the Administrative Committee with respect to any matter it is empowered to act on shall be made in the Administrative Committee's sole discretion and shall be final, conclusive and binding on all persons, based on the Plan documents. In carrying out its functions under the Plan, the Administrative Committee shall endeavor to act by general rules so as to administer the Plan in a uniform and nondiscriminatory manner as to all persons similarly situated.

Section 11.12. Spouse's Consent.

In addition to when such consent is expressly required by the terms of this Plan, the Committee may in its sole discretion also require the written consent of the Employee's Spouse to any other election or revocation of election made under this Plan before such election or revocation shall be effective.

Section 11.13. Accounts and Records.

The Administrative Committee and Investment Committee shall maintain such accounts and records regarding the fiscal and other transactions of the Plan and such other data as may be required to carry out its functions under the Plan and to comply with all applicable laws. The Administrative Committee shall report annually to the Board on the performance of its responsibilities and on the performance of any trustee or other persons to whom any of its powers and responsibilities may have been delegated and on the administrative operation of the Plan for the preceding year. The Investment Committee shall report annually to the Board on the performance of its responsibilities and on the performance of any trustee, investment manager, insurance carrier or persons to whom any of its powers and responsibilities may have been delegated and on the financial condition of the Plan for the preceding year.

Section 11.14. Forms.

To the extent that the form or method prescribed by the Administrative Committee to be used in the operation and administration of the Plan does not conflict with the terms and provisions of the Plan, such form shall be evidence of (a) the Administrative Committee's interpretation, construction and administration of this Plan and (b) decisions or rules made by the Administrative Committee pursuant to the authority granted to the Committee under the Plan.

Section 11.15. Liability.

The functions of the Trustees, Administrative Committee, the Investment Committee, the Board, and the Employer under the Plan are fiduciary in nature and each shall be carried out solely in the interest of the Participants and other persons entitled to benefits under the Plan for the exclusive purpose of providing the benefits under the Plan (and for the defraying of reasonable expenses of administering the Plan). The Administrative Committee, the Investment Committee, the Board, and the Employer shall carry out their respective functions in accordance with the terms of the Plan with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. No member of the Administrative Committee or Investment Committee and no officer, director, or employee of the Employer shall be liable for any action or inaction with respect to his functions under the Plan unless such action or inaction is adjudicated to be a breach of the fiduciary standard of conduct set forth above. Further, no member of the Administrative Committee or Investment Committee shall be personally liable merely by virtue of any instrument executed by him or on his behalf as a member of the Administrative Committee or Investment Committee.

Section 11.16. Claim and Appeal Procedure.

(a) Initial Claim.

(i) Any claim by an Employee, Member or Beneficiary ("Claimant") with respect to eligibility, participation, contributions, benefits or other aspects of the operation of the Plan shall be made in writing to the Committee (or its designee) for such purpose. The Committee (or its designee) shall provide the Claimant with the necessary forms and make all determinations as to the right of any person to a disputed benefit. If a Claimant is denied benefits under the Plan, the Committee (or its designee) shall notify the Claimant in writing of the denial of the claim within ninety (90) days (or within forty-five (45) days if the claim involves a determination of a claim for disability benefits) after the Committee receives the claim, provided that in the event of special circumstances such period may be extended.

(ii) In the event of special circumstances, the maximum period in which a claim must be determined may be extended as follows:

(A) With respect to any claim, other than a claim that involves a determination of a claim for disability benefits, the ninety (90) day period may be extended for a period of up to ninety (90) days (for a total of one hundred eighty (180) days). If the initial ninety (90) day period is extended, the Committee or its designee shall notify the Claimant in writing within ninety (90) days of receipt of the claim. The written notice of extension shall indicate the special circumstances requiring the extension of time and provide the date by which the Committee expects to make a determination with respect to the claim. If the extension is required due to the Claimant's failure to submit information necessary to decide the claim, the period for making the determination shall be tolled from the date on which the extension notice is sent to the Claimant until the earlier of (i) the date on which the Claimant responds to the Committee's request for information, or (ii) expiration of the forty-five (45) day period commencing on the date that the Claimant is notified that the requested additional information must be provided.

(B) With respect to a claim that involves a determination of a claim for disability benefits, the forty-five (45) day period may be extended as follows:

(I) Initially, the forty-five (45) day period may be extended for a period to up to an additional thirty (30) days (the "Initial Disability Extension Period"), provided that the Committee determines that such an extension is necessary due to matters beyond the control of the Plan and, within forty-five (45) days of receipt of the claim, the Committee or its designee notifies the Claimant in writing of such extension, the special circumstances requiring the extension of time, the date by which the Committee expects to make a determination with respect to the claim and such information as required under clause (III) below.

(II) Following the Initial Disability Extension Period the period for determining the Claimant's claim may be extended for a period of up to an additional thirty (30) days, provided that the Committee determines that such an extension is necessary due to matters beyond the control of the Plan and within the Initial Disability Extension Period, notifies the Claimant in writing of such additional extension, the special circumstances requiring the extension of time, the date by which the Committee expects to make a determination with respect to the claim and such information as required under clause (III) below.

(III) Any notice of extension pursuant to this Paragraph (B) shall specifically explain the standards on which entitlement to a benefit is based, the unresolved issues that prevent a decision on the claim, and the additional information needed to resolve those issues, and the Claimant shall be afforded forty-five (45) days within which to provide the specified information.

(IV) If an extension is required due to the Claimant's failure to submit information necessary to decide the claim, the period for making the determination shall be tolled from the date on which the extension notice is sent to the Claimant until the earlier of (i) the date on which the Claimant responds to the Committee's request for information, or (ii) expiration of the forty-five (45) day period commencing on the date that the Claimant is notified that the requested additional information must be provided.

(iii) If notice of the denial of a claim is not furnished within the required time period described herein, the claim shall be deemed denied as of the last day of such period.

(iv) If a claim is wholly or partially denied, the notice to the Claimant shall set forth:

(A) The specific reason or reasons for the denial;

(B) Specific reference to pertinent Plan provisions upon which the denial is based;

(C) A description of any additional material or information necessary for the Claimant to complete the claim request and an explanation of why such material or information is necessary;

(D) Appropriate information as to the steps to be taken and the applicable time limits if the Claimant wishes to submit the adverse determination for review; and

(E) A statement of the Claimant's right to bring a civil action under Section 502(a) of ERISA following an adverse determination on review.

(b) Claim Denial Review.

(i) If a claim has been wholly or partially denied, the Claimant may submit the claim for review by the Committee. Any request for review of a claim must be made in writing to the Committee no later than sixty (60) days (or within one hundred and eighty (180) days if the claim involves a determination of a claim for disability benefits) after the Claimant receives notification of denial or, if no notification was provided, the date the claim is deemed denied. The Claimant or his duly authorized representative may:

(A) Upon request and free of charge, be provided with reasonable access to, and copies of, relevant documents, records, and other information relevant to the Claimant's claim; and

(B) Submit written comments, documents, records, and other information relating to the claim. The review of the claim determination shall take into account all comments, documents, records, and other information submitted by the Claimant relating to the claim, without regard to whether such information was submitted or considered in the initial claim determination.

(ii) The decision of the Committee upon review shall be made within sixty (60) days (or within forty-five (45) days if the claim involves a determination of a claim for disability benefits) after receipt of the Claimant's request for review, unless special circumstances (including, without limitation, the need to hold a hearing) require an extension. In the event of special circumstances, the maximum period in which a claim must be determined may be extended as follows:

(A) With respect to any claim, other than a claim that involves a determination of a claim for disability benefits, the sixty (60) day period may be extended for a period of up to one hundred twenty (120) days.

(B) With respect to a claim that involves a determination of a claim for disability benefits, the forty-five (45) day period may be extended for a period of up to forty-five (45) days.

If the sixty (60) day period (or forty-five (45) day period where the claim involves a determination of a claim for disability benefits) is extended, the Committee or its designee shall, within sixty (60) days (or within forty-five (45) days if the claim involves a determination of a claim for disability benefits) of receipt of the claim for review, notify the Claimant in writing. The written notice of extension shall indicate the special circumstances requiring the extension of time and provide the date by which the Committee expects to make a determination with respect to the claim upon review. If the extension is required due to the Claimant's failure to submit information necessary to decide the claim, the period for making the determination shall be tolled from the date on which the extension notice is sent to the Claimant until the earlier of (i) the date on which the Claimant responds to the Committee's request for information, or (ii) expiration of the forty-five (45) day period commencing on the date that the Claimant is notified that the requested additional information must be provided.

(iii) If notice of the decision upon review is not furnished within the required time period described herein, the claim on review shall be deemed denied as of the last day of such period.

(iv) The Committee, in its sole discretion, may hold a hearing regarding the claim and request that the Claimant attend. If a hearing is held, the Claimant shall be entitled to be represented by counsel.

(v) The Committee's decision upon review on the Claimant's claim shall be communicated to the Claimant in writing. If the claim upon review is denied, the notice to the Claimant shall set forth:

(A) The specific reason or reasons for the decision, with references to the specific Plan provisions on which the determination is based;

(B) A statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claim; and

(C) A statement of the Claimant's right to bring a civil action under Section 502(a) of ERISA.

(vi) Any review of a claim involving a determination of a claim for disability benefits shall not afford deference to the initial adverse benefit determination and shall not be determined by any individual who made the initial adverse benefit determination or a subordinate of such individual. In deciding a review of any adverse benefit determination that is based in whole or in part on a medical judgment, including determinations with regard to whether a particular treatment, drug, or other item is experimental, investigational, or not medically necessary or appropriate, the Committee shall consult with a health care professional who has appropriate training and experience in the field of medicine involved in the medical judgment.

(c) All interpretations, determinations and decisions of the Committee with respect to any claim, including without limitation the appeal of any claim, shall be made by the Committee, in its sole discretion, based on the Plan and comments, documents, records, and other information presented to it, and shall be final, conclusive and binding.

(d) The claims procedures set forth in this section are intended to comply with United States Department of Labor Regulation § 2560.503-1 and should be construed in accordance with such regulation. In no event shall it be interpreted as expanding the rights of Claimants beyond what is required by United States Department of Labor Regulation § 2560.503-1.

Section 11.17. Elections by Former Employees of Equitable Capital Management Corporation.

Any designation or election by a Member or the beneficiary of a Member who had an account balance under the ECMC Plan on December 31, 1994, including, without limitation, a designation of one or more beneficiaries, investment elections or an election to receive a distribution that was in effect under the ECMC Plan as of that date for the corresponding purpose under this Plan shall continue to be effective under this Plan, as if made in respect of this Plan, until otherwise changed in accordance with the terms of this Plan or any rules or procedures established by the Committee.

ARTICLE XII

THE TRUST FUND

Section 12.01. The Trust Agreement.

The Company shall enter into a Trust Agreement for the establishment of the Trust with one or more individuals or with a bank or trust company organized and doing business under the laws of the United States or of any state and authorized under the laws of its jurisdiction of incorporation to exercise corporate trust powers. The Trust Agreement shall be deemed to form a part of the Plan, and all rights which may accrue to any Person under the Plan shall be subject to the terms of the Trust Agreement.

Section 12.02. Trustee's Power and Duties.

The Trustee shall manage and control the Trust Fund in accordance with the terms of the Trust Agreement.

Section 12.03. Use of Trust Fund.

The Trust Fund shall be used to provide the benefits and pay the expenses of this Plan and of the Trustee, and no part of the corpus or income shall be used for or diverted to purposes other than for the exclusive benefit of Members and their Beneficiaries under this Plan and the payment of expenses of the Plan and Trust.

Section 12.04. Payment of Expenses.

All administrative and other expenses of the Plan and Trust shall be paid out of the Trust Fund unless paid by the Company. Taxes related to the unrelated business taxable income of the Trust that are paid out of the Trust Fund, shall be paid from and charged solely to the Account or Accounts involved, either on a specific or proportionate basis, as determined by the Committee.

ARTICLE XIII

CERTAIN RIGHTS AND OBLIGATIONS OF THE COMPANY

Section 13.01. Disclaimer of Liability.

(a) Although it is the intention of the Company to continue this Plan and to make substantial and regular contributions each year, nothing contained in this Plan or the Trust Agreement shall be deemed to require the Company to make any contributions whatsoever under this Plan or to continue the Plan.

(b) Nothing in this Plan shall be construed as the assumption by the Company of the obligation for any payment of any benefits or claims hereunder, and Members and their Beneficiaries, and all persons claiming under or through them, shall have recourse only to the Trust Fund for payment of any benefit hereunder.

(c) The rights of the Members, their Beneficiaries and all other persons are hereby expressly limited to those stated in, and shall be construed only in accordance with, the Provisions of the Plan.

Section 13.02. Termination.

The Company reserves the right in its sole discretion to terminate this Plan at any time. A "termination" shall be deemed to take place if the Company terminates the Plan, partially terminates it (within the meaning of Code Section 411(d)(3)(A)) or completely discontinues contributions under this Plan. (For this purpose a suspension of contributions which is merely temporary shall not be deemed a complete discontinuance.) In the event of a termination, the Company may direct the Trustee to continue to maintain the Trust, and the assets thereof shall be applied at the continued direction of the Committee in accordance with this Plan. Upon termination of the Trust, distribution to each Member shall be made as soon as practicable thereafter in one of the manners described in Section 10.01. Until fully distributed, Members' accounts shall be revalued from time to time in accordance with Section 8.01. Upon termination or partial termination of the Plan, the rights of all affected Members to the amounts credited to their Accounts to the date of such termination shall become non-forfeitable.

Section 13.03. Employer-Employee Relationship.

The adoption of this Plan shall in no way be construed as conferring any legal or other rights upon any Employee or any Person with respect to continuation of employment, nor shall it in any way interfere with the right of an Employer to discharge any Employee or otherwise act with respect to him. Any Employer may take any action (including discharge) with respect to any Employee or other Person without regard to the effect which such action might have upon his rights as a Member of this Plan.

Section 13.04. Merger, Etc.

(a) The merger or consolidation of an Employer with or into another company or the acquisition of its assets by any other Person shall not of itself cause the termination of this Plan or be deemed a termination of employment as to any Employee, nor shall anything in this Plan prevent the consolidation or merger of any Employer with or into any corporation or prevent the sale by any Employer of any of its assets. The merger of this Plan with another retirement plan shall not of itself cause the termination of this Plan.

(b) In the event of the dissolution, merger, consolidation or reorganization of the Company, provision may be made by which the Plan and Trust will be continued by the successor; and in such event such successor shall be substituted for the Company under the Plan. The substitution of the successor shall constitute an assumption of Plan liabilities by the successor, and the successor shall have all of the powers, duties and responsibilities of the Company under the Plan.

(c) In the event of any merger or consolidation of the Plan with, or transfer in whole or in part of the assets and liabilities of the Trust Fund to, another trust fund held under any other plan of deferred compensation maintained or to be established for the benefit of all or some of the Members of this Plan, the assets of the Trust Fund applicable to such members shall be transferred to such other trust fund only if:

(1) the values of the Accounts and the vested percentage of the Company Contributions Account of each Member, immediately after the merger, consolidation or transfer, shall be equal to or greater than such values and percentage immediately before the merger, consolidation or transfer;

(2) resolutions of the general partner referred to in Section 1.08 and of the governing body any new or successor employer of the affected Members shall authorize such transfer of assets; and, in the case of the new or successor employer of the affected Members, its resolutions shall include an assumption of liabilities with respect to such Members' inclusion in the new employer's plan; and

(3) such other plan and trust are qualified under Code Sections 401(a) and 501(a).

Section 13.05. Determination Final.

Any determinations made hereunder shall be made in a manner consistent with the Company's accounting practices and shall be final and conclusive for all purposes, notwithstanding any late adjustments in the tax returns of the Company.

ARTICLE XIV

NON-ALIENATION OF BENEFITS

Section 14.01. Provisions with Respect to Assignment and Levy.

Except as may be required under the terms of a "qualified domestic relations order" as defined in Code Section 414(p), no benefit under this Plan shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, garnishment, attachment, levy or charge and any attempt to so anticipate, alienate, sell, transfer, assign, pledge, encumber, garnish, attach, levy upon or charge the same shall be void; nor shall any benefit be in any manner liable for or subject to the debts or other liabilities of the Person entitled thereto.

Section 14.02. Alternate Application.

If any Member or Beneficiary under this Plan becomes bankrupt or attempts to anticipate, alienate, sell, transfer, assign, pledge, encumber or charge any benefit under this Plan, except as specifically provided herein, or if any benefit shall be garnished, attached or levied upon other than pursuant to a qualified domestic relations order as defined in Code Section 414(p), then such benefits shall, in the discretion of the Committee, cease, and the Committee may hold or apply the same or any part thereof to or for the benefit of such Member or Beneficiary, his spouse, children or other dependents or any of them in such manner and in such proportion as the Committee may deem proper.

Section 14.03. Exceptions.

Notwithstanding anything herein to the contrary, effective August 5, 1997, the provisions of this Article XIV shall not apply to any offset of a Member's benefits provided under the Plan against an amount that the Member is ordered or required to pay to the Plan under any of the circumstances set forth in Code Section 401(a)(13)(C) and Sections 206(d)(4) and 206(d)(5) of the Act.

ARTICLE XV

AMENDMENTS

Section 15.01. Company's Rights.

(a) The Company reserves the right, at any time and from time to time, by action of the Board, to modify or amend in whole or in part any or all of the provisions of this Plan; provided, however, that no such modification or amendment may (i) result in a retroactive reduction in the then value of any Member's Account or Loan Account; or (ii) except to the extent as may be provided in regulations promulgated by the Secretary of the Treasury, have the effect of eliminating an optional form of benefit. Notwithstanding anything in this Plan to the contrary, the Board, in its sole discretion, may make any modifications, amendments, additions or deletions in this Plan, as to benefits or otherwise and retroactively or prospectively and regardless of the effect on the rights of any particular Members, which it deems appropriate in order to bring this Plan into conformity with or to satisfy any conditions of the Act and in order to continue or maintain the qualification of the Plan and Trust under Code Section 401(a) and to have the Trust declared exempt and maintained exempt from taxation under Code Section 501(a).

(b) No amendment may change the vesting schedule under Section 9.04, either directly or indirectly, unless each Member having not less than three Years of Service is permitted to elect, within a reasonable period specified by the Committee after the adoption of such amendment, to have his or her vested percentage computed without regard to such amendment. The period during which the election may be made shall commence with the date the amendment is adopted and shall end as of the later of:

(i) sixty days after the amendment is adopted;

(ii) sixty days after the amendment becomes effective; or

(iii) sixty days after the Member is issued written notice by the Committee.

Section 15.02. Provision Against Diversion.

No part of the assets of the Trust Fund shall, by reason of any modification or amendment or otherwise, be used for, or diverted to, purposes other than for the exclusive benefit of Members or their Beneficiaries under this Plan and the payment of the administrative expenses of this Plan.

ARTICLE XVI

LIMITATIONS ON BENEFITS AND CONTRIBUTIONS

Section 16.01. The limitations of Code Section 415 applicable to "defined contribution plans" as defined in Code Section 414(i) are hereby incorporated by reference in this Plan; provided, however, that where the Code so provides, contribution limitations in effect under prior law shall be applicable to account balances accrued as of the last effective day of such prior law.

Section 16.02.

(a) Other than as provided in Subsection (b), if, with respect to any Plan Year before 1992, contributions to a Member's Account must be reduced to conform to the limitations on "annual additions" as explained and defined in Code Sections 415(c) (1) and 415(c) (2), Members' Salary Deferrals made pursuant to Section 5.01, and any allocable earnings thereon, shall be distributed to the Member on a timely basis; next, Company Contributions for the Plan Year made pursuant to Section 4.02 shall be reduced until the limitations are met or this category of contributions is exhausted, whichever first occurs; next, if such contributions were made for the Plan Year, Company Contributions made pursuant to Section 4.01 shall likewise be reduced; and last, Member Salary Deferrals made pursuant to Section 6.02(c), and allocable earnings thereon, shall be distributed to the affected Member on a timely basis.

(b) If, with respect to 1990 and any Plan Year after 1991, contributions to a Member's Account must be reduced to conform to the limitations referred to in Subsection (a), the reduction shall be achieved first by the distribution to the affected Member on a timely basis of Member Salary Deferrals made pursuant to Section 5.01, together with allocable earnings thereon, until the limitations are met or this category of contributions is exhausted, whichever first occurs. Concurrent with the return of such Member Salary Deferrals, Company Contributions made pursuant to Section 4.02 attributable to such returned Member Salary Deferrals shall be reduced. Finally, if necessary, Company Contributions for the Plan Year made pursuant to Section 4.01 shall be reduced.

Section 16.03. In the case of a Member who is, or has ever been, a participant in one or more "defined benefit plans" as defined in Code Section 414(j), maintained by an Employer or any predecessor of the Employer, if Contributions or benefits need to be reduced due to the application of Code Section 415(e), then benefits under the defined benefit plans shall be reduced with respect to that Member before any contributions credited to the Member under this Plan, or any other defined contribution plan maintained by the Employer, shall be reduced. Notwithstanding the foregoing, the limitations of Code Section 415(e) shall cease to apply as of the first day of the first Plan Year beginning on or after January 1, 2000.

ARTICLE XVII

TOP-HEAVY PLAN YEARS

Section 17.01. For purposes of this Article XVII, the following definitions shall apply:

(a) "Determination Date" means, for any Plan Year subsequent to the first Plan Year, the last day of the preceding Plan Year. For the first Plan Year of a plan, the last day of that year.

(b) "Employee" means any employee of an Employer and any beneficiary of such an employee.

(c) "Employer" means the Employer and any Affiliate.

(d) "Key Employee" means an Employee as defined in Section 416(i)(1) and the Regulations thereunder. For Plan Years beginning after December 31, 2001, "Key Employee" means any Employee or former Employee (including any deceased Employee) who at any time during the Plan Year that includes the "Determination Date" was an officer of the Employer having annual compensation greater than $130,000 (as adjusted under Code Section 416(i)(1) for Plan Years beginning after December 31, 2002), a 5-percent owner of the Employer or a 1-percent owner of the Employer having annual compensation of more than $150,000. As used in this definition, "annual compensation" means compensation within the meaning of Code Section 415(c)(3). For Plan Years beginning before December 31, 2001, "Key Employee" means any Employee or former Employee (and the Beneficiaries of such Employee) who, at any time during the determination period, was an officer of the Employer if such individual's Top-Heavy Compensation exceeds 50% of the dollar limitation under Code Section 415(b) (1) (A), an owner (or considered an owner under Code Section 318) of one of the ten largest interests in the Employer if such individual's Top-Heavy Compensation exceeds 100% of such dollar limitation, a 5 percent owner of the Employer, or a 1 percent owner of the Employer who has annual Top-Heavy Compensation of more than $150,000. The determination period is the Plan Year containing the Determination Date and the 4 preceding Plan Years.

(e) "Permissive Aggregation Group" means the Required Aggregation Group of plans plus any other plan or plans of the Employer which, when considered as a group with the Required Aggregation Group, would continue to satisfy the requirements of Code Sections 401(a)(4) and 410.

(f) "Required Aggregation Group" means (1) each qualified plan of the Employer in which at least one Key Employee participates; and (2) any other qualified plan of the Employer which enables a plan described in (1) to meet the requirements of Code Sections 401(a)(4) or 410.

(g) "Top-Heavy Compensation" means the Employee's compensation as defined in Code Section 414(q)(7). Top-Heavy Compensation shall include Deemed 125 Compensation, as defined in Section 1.15 of the Plan.

(h) "Top-Heavy Ratio" means:

(1) If, in addition to this Plan, the Employer maintains one or more other defined contribution plans (including any simplified employee pension plan) and the Employer has not maintained any defined benefit plan which, during the 1-year period ending on the Determination Date, has or has had accrued benefits, the top-heavy ratio for this Plan alone or for the Required or Permissive Aggregation Group, as appropriate, is a fraction, the numerator of which is the sum of the account balances of all Key Employees as of the Determination Date (including any part of any account balance distributed in the 1-year period ending on the Determination Date), and the denominator of which is the sum of all account balances (including any part of any account balance distributed in the 1-year period ending on the Determination Date), both computed in accordance with Code Section 416 and the regulations thereunder. Both the numerator and denominator of the Top-Heavy Ratio are adjusted to reflect any contribution not actually made as of the Determination Date, but which is required to be taken into account on that date under Code Section 416 and the regulations thereunder.

(2) If, in addition to this Plan, the Employer maintains one or more defined contribution plans (including any simplified employee pension plan), and the Employer maintains or has maintained one or more defined benefit plans which, during the 5-year period ending on the Determination Date, has or has had any accrued benefits, the Top-Heavy Ratio for any Required or Permissive Aggregation Group, as appropriate, is a fraction, the numerator of which is the sum of account balances under the aggregated defined contribution plan or plans for all Key Employees, determined in accordance with (1) above, and the present value of accrued benefits under the aggregated defined benefit plan or plans for all Key Employees as of the Determination Date, and the denominator of which is the sum of the account balances under the aggregated defined contribution plan or plans for all participants, determined in accordance with (1) above, and the present value of accrued benefits under the defined benefit plan or plans for all participants as of the Determination Date, all determined in accordance with Code Section 416 and the regulations thereunder. The accrued benefits under a defined benefit plan in both the numerator and denominator of the Top-Heavy Ratio are adjusted for any distribution of an accrued benefit made in the 1-year period ending on the Determination Date.

(3) For purposes of (1) and (2) above, the value of account balances and the present value of accrued benefits will be determined as of the most recent Valuation Date that falls within or ends with the 12-month period ending on the Determination Date, except as provided in Code Section 416 and the regulations thereunder for the first and the second plan years of a defined benefit plan. The account balances and accrued benefits of a participant (x) who is not a Key Employee but who was a Key Employee in a prior year; or (y) who has not received any Top-Heavy Compensation from any Employer maintaining the Plan at any time during the 5-year period ending on the Determination Date, will be disregarded. Notwithstanding the above, for Plan Years beginning after December 31, 2001, the accrued benefits and accounts of any participant who has not performed services for the Employer during the 1-year period ending on the Determination Date will be disregarded. The calculation of the Top-Heavy Ratio, and the extent to which distributions, rollovers, and transfers are taken into account will be made in accordance with Code Section 416 and the regulations thereunder. Deductible Employee contributions will not be taken into account for purposes of computing the Top-Heavy Ratio. When aggregating plans the value of account balances and accrued benefits will be calculated with reference to the Determination Dates that fall within the same calendar year.

(4) For purposes of (1) and (2) above, in the case of a distribution from the Plan made for any reason other than separation from service, death or disability, "5-year period" shall be substituted for "1-year period" wherever such term is found.

(i) "Valuation Date" means the last day of the Plan Year.

Top-Heavy Compensation shall include Deemed 125 Compensation, as defined in Section 1.15 of the Plan.

Section 17.02. If the Plan is or becomes top-heavy in any Plan Year, the provisions of Section 17.04 will automatically supersede any conflicting provision of the Plan.

Section 17.03. The Plan shall be considered top-heavy for any Plan Year if any of the following conditions exists:

(a) If the Top-Heavy Ratio for this Plan exceeds 60 percent and this Plan is not part of any Required Aggregation Group or Permissive Aggregation Group of plans.

(b) If this Plan is part of a Required Aggregation Group of plans but not part of a Permissive Aggregation Group and the Top-Heavy Ratio for the group of plans exceeds 60 percent.

(c) If this Plan is part of a Required Aggregation Group of plans and part of a Permissive Aggregation Group and the Top-Heavy Ratio for the Permissive Aggregation Group exceeds 60 percent.

Section 17.04.

(a) Except as provided in subsection (b), the amount of the Company contribution made on behalf of each Member who is not a Key Employee for any Plan Year for which the Plan is a Top-Heavy Plan shall be at least equal to the lesser of:

(1) three percent (3%) of such Member's Top-Heavy Compensation less any amount contributed on behalf of the Member under any other defined contribution plan maintained by an Employer or an Affiliate; or

(2) the percentage of Top-Heavy Compensation represented by the Company Contributions and Member Salary Deferrals made on behalf of the Key Employee for whom such percentage is the highest for such Plan Year, determined by dividing the sum of the Company Contribution and Member Salary Deferrals made on behalf of each such Key Employee by so much of his Top-Heavy Compensation as does not exceed $200,000.

(3) Where the inclusion of this Plan in a Permissive Aggregation Group or Required Aggregation Group pursuant to Section 17.01(e) or 17.01(f) enables a defined benefit plan described in Section 17.01(f) to meet the requirements of Code Sections 401(a)(4) or Section 410, the minimum contribution required under this Section 17.04 shall be the amount specified in Section 17.04(a)(1).

ARTICLE XVIII

MISCELLANEOUS

Section 18.01. Binding on Heirs, Etc.

This Plan shall extend to and be binding upon the heirs, executors, administrators, successors and assigns of the Members and their Beneficiaries and all successors to the Company by way of merger, consolidation, acquisition of assets or otherwise.

Section 18.02. Governing Law.

All questions pertaining to the validity, construction and administration of the Plan shall be determined in accordance with the laws of the State of New York, except to the extent that such laws have been superseded by the Act.

Section 18.03. Separability.

If any provision of this Plan shall be held illegal or invalid for any reason, such illegality or invalidity shall not affect the remaining parts of this Plan, and the Plan shall be construed and enforced as if such illegal and invalid provisions had never been inserted herein.

Section 18.04. Captions and Gender.

The captions herein are for convenience of reference only and are not to be construed as part of the Plan. As used herein, the masculine shall include the feminine and the neuter and vice versa, as the context requires.

Section 18.05. Merger of SCOPE.

Effective January 1, 2004, the SCB Savings or Cash Option Plan for Employees is merged into and with the Plan and the balances held in participants' accounts under SCOPE shall be transferred into the corresponding accounts under the Plan to be maintained on behalf of such Members. Unless otherwise provided herein, the benefits of each participant in the SCB Savings or Cash Option Plan for Employees who is not credited with an hour of service after December 31, 2003 shall be governed by the terms of such plan as of the date of the participant's termination of employment. Any election made under SCOPE by a participant shall be deemed to have been made under the Plan; provided that a salary deferral election made under SCOPE shall be applied under the Plan as if it were a salary deferral election made with respect to Compensation, as defined under 1.15 of the Plan, and shall be reduced, to the extent necessary to avoid exceeding the maximum limits on the amount that may be deferred pursuant to Section 5.01 by a Member.

APPENDIX A

REQUIRED DISTRIBUTION RULES

Section 1. *General*. Pursuant to Section 10.08 of the Plan, this Appendix A describes the required distribution rules for Members 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. Any capitalized terms not otherwise defined in this Appendix A have the meaning given those terms in the Plan. Notwithstanding any other provision of the Plan, distributions must be made in compliance with Treasury Regulations under Code Section 401(a)(9).

Section 2. *Required Distributions*. As of any Member's Required Beginning Date, the Member must begin to receive distributions of his or her benefits under the Plan.

Section 3. *Single-Sum Distribution*. A Member may satisfy the requirements of this Appendix A by receiving a single lump-sum distribution on or before his or her Required Beginning Date.

Section 4. *Time and Manner of Distribution*.

4.1. Death of Member Before Distributions Begin. If the Member dies before distributions begin, the Member's entire interest must be distributed, or begin to be distributed no later than as follows:

(a) If the Member's surviving spouse is the Member'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 Member died, or by December 31 of the calendar year in which the Member would have attained age 70½, if later.

(b) If the Member's surviving spouse is not the Member'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 Member died.

(c) If there is no designated beneficiary as of September 30 of the year following the year of the Member's death, the Member's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Member's death.

(d) If the Member's surviving spouse is the Member's sole designated beneficiary and the surviving spouse dies after the Member but before distributions to the surviving spouse begin, this Section 4.1, other than Section 4.1(a), will apply as if the surviving spouse were the Member.

For purposes of this Section 4.1 and Section 6, unless Section 4.1(d) applies, distributions are considered to begin on the Member's Required Beginning Date. If Section 4.1(d) applies, distributions are considered to begin on the date distributions are required to begin to the surviving spouse under Section 4.1(a).

4.2. Forms of Distribution. Unless the Member's interest is distributed in a single sum on or before the Required Beginning Date, as of the first Distribution Calendar Year distributions must be made no slower than required under Sections 5 and 6 of this Appendix A.

Section 5. *Required Minimum Distributions During Member's Lifetime*.

5.1. Amount of Required Minimum Distribution for Each Distribution Calendar Year. During the Member's lifetime, the minimum amount that will be distributed for each Distribution Calendar Year is the lesser of:

(a) the quotient obtained by dividing the Participant's Account Balance by the distribution period in the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the Treasury Regulations, using the Member's age as of the Member's birthday in the Distribution Calendar Year, or

(b) if the Member's sole designated beneficiary for the Distribution Calendar Year is the Member's spouse, the quotient obtained by dividing the Participant's Account Balance by the number in the Joint and Last Survivor Table set forth in Section 1.401(a)(9)-9 of the Treasury Regulations, using the Member's and spouse's attained ages as of the Member's and spouse's birthdays in the Distribution Calendar Year.

5.2. Lifetime Required Minimum Distributions Continue Through Year of Member's Death. Required minimum distributions will be determined under this Section 5 beginning with the first Distribution Calendar Year and up to and including the Distribution Calendar Year that includes the Member's date of death.

Section 6. *Required Minimum Distributions After Member's Death*.

6.1. Death On or After Date Distributions Begin.

(a) Member Survived by Designated Beneficiary. If the Member dies on or after the date distributions begin and there is a designated beneficiary, the minimum amount that will be distributed for each Distribution Calendar Year after the year of the Member's death is the quotient obtained by dividing the Participant's Account Balance by the longer of the remaining Life Expectancy of the Member or the remaining Life Expectancy of the Member's designated beneficiary, determined as follows:

(1) The Member's remaining Life Expectancy is calculated using the age of the Member in the year of death, reduced by one for each subsequent year.

(2) If the Member's surviving spouse is the Member's sole designated beneficiary, the remaining Life Expectancy of the surviving spouse is calculated for each Distribution Calendar Year after the year of the Member's death using the surviving spouse's age as of the spouse's birthday in that year. For Distribution Calendar Years after the year of the surviving spouse's death, the remaining Life Expectancy of the surviving spouse is calculated using the age of the surviving spouse as of the spouse's birthday in the calendar year of the spouses death, reduced by one for each subsequent calendar year.

(3) If the Member's surviving spouse is not the Member's sole designated beneficiary, the designated beneficiary's remaining Life Expectancy is calculated using the age of the beneficiary in the year following the year of the Member's death, reduced by one for each subsequent year.

(b) No Designated Beneficiary. If the Member dies on or after the date distributions begin and there is no designated beneficiary as of September 30 of the year after the year of the Member's death, the minimum a mount that will be distributed for each Distribution Calendar Year after the year of the Member's death is the quotient obtained by dividing the Participant's Account Balance by the Member's remaining Life Expectancy calculated using the age of the Member in the year of death, reduced by one for each subsequent year.

6.2. Death Before Date Distributions Begin.

(a) Member Survived by Designated Beneficiary. If the Member dies before the date distributions begin and there is a designated beneficiary, the minimum amount that will be distributed for each Distribution Calendar Year after the year of the Member's death is the quotient obtained by dividing the Participant's Account Balance by the remaining Life Expectancy of the Member's designated beneficiary, determined as provided in Section 6.1.

(b) No Designated Beneficiary. If the Member dies before the date distributions begin and there is no designated beneficiary as of September 30 of the year following the year of the Member's death, distribution of the Member's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the Member's death.

(c) Death of Surviving Spouse Before Distributions to Surviving Spouse Are Required to Begin. If the Member dies before the date distributions begin, the Member's surviving spouse is the Member's sole designated beneficiary, and the surviving spouse dies before distributions are required to begin to the surviving spouse under Section 4.1(a), this Section 6.2 will apply as if the surviving spouse were the Member.

6.3. Election to Apply 5-Year Rule to Distributions to Designated Beneficiaries. If the Member dies before distributions begin and there is a designated beneficiary, distribution to the designated beneficiary is not required to begin by the date specified in Section 4 of this Appendix, but the Member's entire interest will be distributed to the designated beneficiary by December 31 of the calendar year containing the fifth anniversary of the Member's death. If the Member's surviving spouse is the Member's sole designated beneficiary and the surviving spouse dies after the Member but before distributions to either the Member or the surviving spouse begin, this election will apply as if the surviving spouse were the Member.

Section 7. *Definitions*.

7.1. Designated Beneficiary. The individual who is designated as the beneficiary under Section 2.04 of the Plan and is the designated beneficiary under Section 401(a)(9) of the Internal Revenue Code and Section 1.401(a)(9)-4, Q&A-1, of the Treasury Regulations.

7.2. Distribution Calendar Year. A calendar year for which a minimum distribution is required. For distributions beginning before the Member's death, the first Distribution Calendar Year is the calendar year immediately preceding the calendar year which contains the Member's Required Beginning Date. For distributions beginning after the Member's death, the first Distribution Calendar Year is the calendar year in which distributions are required to begin under Section 4.1. The required minimum distribution for the Member's first Distribution Calendar Year will be made on or before the Member's Required Beginning Date. The required minimum distribution for other Distribution Calendar Years, including the required minimum distribution for the Distribution Calendar Year in which the Member's Required Beginning Date occurs, will be made on or before December 31 of that Distribution Calendar Year.

7.3. Life Expectancy. Life expectancy as computed by use of the Single Life Table in Section 1.401(a)(9)-9 of the Treasury Regulations.

7.4. Member's Account Balance. The account balance as of the last valuation date in the calendar year immediately preceding the Distribution Calendar Year (valuation calendar year) increased by the amount of any contributions made and allocated or forfeitures allocated to the account balance as of dates in the valuation calendar year after the valuation date and decreased by distributions made in the valuation calendar year after the valuation date. The account balance for the valuation calendar year includes any amounts rolled over or transferred to the plan either in the valuation calendar year or in the Distribution Calendar Year if distributed or transferred in the valuation calendar year.

7.5. Required Beginning Date. The date specified in Section 1.38 of the plan.

Section 8. Under regulations prescribed by the Secretary of the Treasury, any amount paid to a Member's child shall be treated as if it had been paid to such Member's surviving spouse if such amount will become payable to such spouse upon the child reaching maturity or such other designated event which may be permitted under such regulations.

Section 9. *TEFRA Section 242(b)(2) Elections*. Notwithstanding the other provisions of this Appendix A, other than the last sentence of Section 1 of this Appendix A, 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 the provisions of the plan that relate to Section 242(b)(2) of TEFRA.

Section 10. This Appendix is not intended to defer the timing of 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.

CHARTER

OF THE

PROFIT SHARING PLAN ADMINISTRATIVE COMMITTEE

1. **Purpose**. The primary purpose of the Administrative Committee (the "Committee") is to act on behalf of AllianceBernstein L.P. (the "Company") in the Company's role as the administrator of the Profit Sharing Plan for Employees of AllianceBernstein L.P. (the "Plan") in accordance with the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

2. **Composition and Term**. The Committee shall be composed of at least two members. The members of the Committee shall be appointed by the Compensation Committee of the board of directors (the "Board") of AllianceBernstein Corporation, the general partner of the Company (the "General Partner"), and each such member shall serve at the pleasure of the Board. The Compensation Committee of the Board may remove any member of the Committee at any time, with or without cause. The Compensation Committee of the Board shall appoint a new member of the Committee as soon as is reasonably possible after such a removal. Until a new appointment is made, the remaining members of the Committee shall have full authority to act, subject to the limitation set forth in the last sentence of this Section. No person shall be ineligible to be a member of the Committee because he or she is, was or may become entitled to benefits under the Plan or because he or she is a member of the Board and/or an officer of the Company or related entity or a trustee for the Plan; provided that, no member of the Committee shall participate in any determination by the Committee specifically relating to the disposition of his or her benefits under the Plan.

3. **Appointment to and Resignation From the Committee**. Any person appointed to be a member of the Committee shall signify his or her acceptance in writing to the Secretary of the General Partner. Any member of the Committee may resign by delivering his or her written resignation to the Secretary of the General Partner. Such resignation shall become effective upon delivery or at any later date specified therein.

4. **Internal Structure of Committee**. The members of the Committee may elect from their number a Chairman. The Committee may designate any member of the Committee to execute documents on its behalf as it deems necessary or appropriate to carry out its responsibilities hereunder. The Committee may form and delegate authority to subcommittees (which may consist of only one member of the Committee, and which may include persons who are not members of the Committee) to the extent the Committee deems necessary or appropriate.

5. **Reimbursement of Committee Expenses**. The members of the Committee shall serve without compensation for their services as such members. The Plan shall pay or reimburse the members of the Committee for all reasonable expenses incurred in connection with their duties with respect to the Plan unless the Company or other affiliate participating in the Plan pays or reimburses the members of the Committee for such expenses. Such expenses shall include any expenses incidental to the operation of the Plan, including, but not limited to, fees of legal counsel, actuaries, accountants, investment advisors and other agents or specialists and similar costs, provided that any such advisor shall be retained only as approved by the majority of the members of the Committee except to the extent that an issue involves a breach of fiduciary duty and the majority of members of the Committee has refused to retain appropriate advisors. To the extent that the members of the Committee are required to serve subject to a bond, the Company shall pay the premiums thereon.

6. **Action by Majority of the Committee**. A majority of the members of the Committee at the time in office may do any act which the Plan authorizes or requires the Committee to do, and the action of such majority of the members expressed from time to time by a vote at a meeting, shall constitute the action of the Committee and shall have the same effect for all purposes as if assented to by all the members. Persons may participate in meetings by means of telephone conference or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. All of the members of Committee at any time in office, acting unanimously, may do any act which the Plan authorizes or requires the Committee to do, which act may be evidenced by a writing without a meeting (and such writing may include facsimile transmissions, e-mail or other forms of electronic writing). The writing evidencing each action taken without a meeting shall require the signature or other affirmative indication of consent of each member of the Committee at the time in office. The Secretary of the Committee shall maintain minutes reflecting the Committee's meetings and shall cause each action taken in writing without a meeting to be included in the minutes of the Committee. Minutes of each meeting shall be distributed to the entire Committee.

Except in extraordinary circumstances as determined by the Chairman of the Committee, notice shall be delivered to all Committee members at least 48 hours in advance of the scheduled meeting. Attendance at any meeting, whether in person or telephonically, by a member of the Committee shall be a conclusive waiver of any objection to the notice of such meeting given to such member.

7. **Administrative Matters**. The Committee shall meet at such times and from time-to-time as it deems appropriate. The Committee may request members of management or others, including, without limitation, legal counsel, actuaries, accountants, investment advisors and internal auditors, to attend meetings and provide pertinent information as necessary.

The Committee may establish procedures for (i) the allocation of fiduciary responsibilities (other than "trustee responsibilities," as defined in Section 405(c) of ERISA) under the Plan among its members and (ii) the designation of persons other than named fiduciaries to carry out fiduciary responsibilities (other than trustee responsibilities) under the Plan. If any fiduciary responsibility is allocated or if any person is designated to carry out any responsibility pursuant to the preceding sentence, the named fiduciary will not be liable for any act or omission of such person in carrying out such responsibility, except as provided in Section 405(c)(2) of ERISA.

8. **Counsel and Agents**. The Committee may employ such advisors, including legal counsel, actuaries, accountants, investment advisors, and such other service providers as it may require in carrying out the provisions of the Plan or their duties to the Plan. Unless otherwise provided by law, any person so employed by the Committee may be legal or other counsel to the Company or an affiliate thereof, a member of the Committee or an officer or member of the governing board of a participating entity or an affiliate thereof, including the Board.

9. **ERISA Fiduciary Responsibility**. The Committee shall be the "Named Fiduciary," as defined in Section 402(a)(2) of ERISA, for the Plan except with respect to the control and management of the assets of the Plan and the appointment of investment managers (with respect to which the Investment Committee is the named fiduciary).

10. **Powers of the Committee**. Subject to the limitations of the Plan and as set forth in Section 9 above, the Committee shall have, without exclusion, all powers conferred on it under the terms of the Plan, including, without limitation, the following powers with respect to the Plan (it being intended that these powers be construed in the broadest possible manner):

(a) To make such rules and regulations as it deems necessary or proper for the administration of the Plan and the transaction of business thereunder which are not inconsistent with the terms and provisions of the Plan and which relate to the duties or responsibilities of the Committee;

(b) To appoint and monitor the performance of insurance carriers, investment managers, investment consultants or other entities as it deems necessary for the proper administration and operation of the Plan and to assign and reassign assets to and among such insurance carriers and investment managers;

(c) To take such other action or make such determinations in accordance with the Plan as it deems appropriate;

(d) To make or obtain such analyses, evaluations, advice or opinions, and retain such legal counsel, actuaries, accountants, investment advisors and other persons, including persons employed by the Company, as it may deem necessary or advisable;

(e) To designate one or more persons, other than a member of the Committee, to whom the Committee may delegate, and among whom the Committee may allocate, specified fiduciary responsibilities; provided that any such delegation shall be in writing, shall specify the person so designated and the terms of the delegation and shall be terminable by the Committee or the Board;

(f) To designate any of the members of the Committee to execute and deliver on its behalf documents and instruments of such types and bearing on such matters as may be specified in a resolution, and any such document or instrument may be accepted and relied upon as the act of the Committee;

(g) To report to the Compensation Committee of the Board, not less often than annually, on the performance of its responsibilities and on the performance of any trustee, investment manager, insurance carrier or other persons to whom any of its powers and responsibilities may have been delegated pursuant to this Charter and on the financial condition of the Plan for the preceding year; and

(h) To recommend to the Compensation Committee of the Board changes to this Charter.

The foregoing list of powers is not intended to be either complete or exclusive, and the Committee shall, in addition, have such powers as may be necessary for the performance of its duties under the Plan and its trust agreement.

11. **Accounts and Records**. The Committee shall maintain such accounts and records regarding the fiscal and other transactions of the Plan and such other data as may be required to carry out its functions under the Plan and to comply with all applicable laws.

12. **Standard of Conduct**. The members of the Committee shall discharge their duties with respect to the Plan solely in the interests of the participants in the Plan and their beneficiaries, and

(a) for the exclusive purpose of providing benefits to participants and their beneficiaries and defraying reasonable expenses of administering the Plan;

(b) with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person, acting in like capacity and familiar with such matters, would use in the conduct of an enterprise of a like character and with like aims; and

(c) in accordance with the documents and instruments governing the Plan, insofar as such documents and instruments are consistent with the provisions of ERISA.

13. **Limitation of Committee Role**. While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to make investment related decisions with respect to the Plan, including the appointment of one or more investment managers for the Plan, or establish or carry out, an investment policy with respect to the Plan. These are the responsibilities of the Investment Committee for the Plan. Nor is it the duty of the Committee to approve amendments to the Plan that are “settlor” in nature.

14. **Integration with Plan**. This Charter constitutes a part of the Plan and may be amended only by action of the Compensation Committee of the Board.

CHARTER

OF THE

PROFIT SHARING PLAN INVESTMENT COMMITTEE

1. **Purpose**. The primary purpose of the Investment Committee (the "Committee") is to oversee the investment of the assets of the Profit Sharing Plan for Employees of AllianceBernstein L.P. (the "Plan") and subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), on behalf of AllianceBernstein L.P. (the "Company").

2. **Composition and Term**. The Committee shall be composed of at least two members. The members of the Committee shall be appointed by the Compensation Committee of the board of directors (the "Board") of AllianceBernstein Corporation, the general partner of the Company (the "General Partner"), and each such member shall serve at the pleasure of the Board. The Compensation Committee of the Board may remove any member of the Committee at any time, with or without cause. The Compensation Committee of the Board shall appoint a new member of the Committee as soon as is reasonably possible after such a removal. Until a new appointment is made, the remaining members of the Committee shall have full authority to act, subject to the limitation set forth in the last sentence of this Section. No person shall be ineligible to be a member of the Committee because he or she is, was or may become entitled to benefits under the Plan or because he or she is a member of the Board and/or an officer of the Company or related entity or a trustee for the Plan; provided that, no member of the Committee shall participate in any determination by the Committee specifically relating to the disposition of his or her benefits under the Plan.

3. **Appointment to and Resignation From the Committee**. Any person appointed to be a member of the Committee shall signify his or her acceptance in writing to the Secretary of the General Partner. Any member of the Committee may resign by delivering his or her written resignation to the Secretary of the General Partner. Such resignation shall become effective upon delivery or at any later date specified therein.

4. **Internal Structure of Committee**. The members of the Committee may elect from their number a Chairman. The Secretary or any Assistant Secretary of the General Partner shall be the Secretary of the Committee. The Committee may designate any member of the Committee to execute documents on its behalf as it deems necessary or appropriate to carry out its responsibilities hereunder. The Committee may form and delegate authority to subcommittees (which may consist of only one member of the Committee, and which may include persons who are not members of the Committee) to the extent the Committee deems necessary or appropriate.

5. **Reimbursement of Committee Expenses**. The members of the Committee shall serve without compensation for their services as such members. The Plan shall pay or reimburse the members of the Committee for all reasonable expenses incurred in connection with their duties with respect to the Plan unless the Company or other affiliate participating in the Plan pays or reimburses the members of the Committee for such expenses. Such expenses shall include any expenses incidental to the operation of the Plan, including, but not limited to, fees of legal counsel, actuaries, accountants, investment advisors and other agents or specialists and similar costs, provided that any such advisor shall be retained only as approved by the majority of the members of the Committee except to the extent that an issue involves a breach of fiduciary duty and the majority of members of the Committee has refused to retain appropriate advisors. To the extent that the members of the Committee are required to serve subject to a bond, the Company shall pay the premiums thereon.

6. **Action by Majority of the Committee**. A majority of the members of the Committee at the time in office may do any act which the Plan authorizes or requires the Committee to do, and the action of such majority of the members expressed from time to time by a vote at a meeting, shall constitute the action of the Committee and shall have the same effect for all purposes as if assented to by all the members. Persons may participate in meetings by means of telephone conference or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. All of the members of Committee at any time in office, acting unanimously, may do any act which the Plan authorizes or requires the Committee to do, which act may be evidenced by a writing without a meeting (and such writing may include facsimile transmissions, e-mail or other forms of electronic writing). The writing evidencing each action taken without a meeting shall require the signature or other affirmative indication of consent of each member of the Committee at the time in office. The Secretary of the Committee shall maintain minutes reflecting the Committee's meetings and shall cause each action taken in writing without a meeting to be included in the minutes of the Committee. Minutes of each meeting shall be distributed to the entire Committee.

Except in extraordinary circumstances as determined by the Chairman of the Committee, notice shall be delivered to all Committee members at least 48 hours in advance of the scheduled meeting. Attendance at any meeting, whether in person or telephonically, by a member of the Committee shall be a conclusive waiver of any objection to the notice of such meeting given to such member.

7. **Administrative Matters**. The Committee shall meet at such times and from time to time as it deems appropriate. The Committee may request members of management or others, including, without limitation, legal counsel, actuaries, accountants, investment advisors and internal auditors, to attend meetings and provide pertinent information as necessary.

The Committee may establish procedures for (i) the allocation of fiduciary responsibilities (other than "trustee responsibilities," as defined in Section 405(c) of ERISA) under the Plan among its members and (ii) the designation of persons other than named fiduciaries to carry out fiduciary responsibilities (other than trustee responsibilities) under the Plan. If any fiduciary responsibility is allocated or if any person is designated to carry out any responsibility pursuant to the preceding sentence, the named fiduciary will not be liable for any act or omission of such person in carrying out such responsibility, except as provided in Section 405(c)(2) of ERISA.

8. **Counsel and Agents**. The Committee may employ such advisors, including legal counsel, actuaries, accountants, investment advisors, and such other service providers as it may require in carrying out the provisions of the Plan or their duties to the Plan. Unless otherwise provided by law, any person so employed by the Committee may be legal or other counsel to the Company or an affiliate thereof, a member of the Committee or an officer or member of the governing board of a participating entity or an affiliate thereof, including the Board.

9. **ERISA Fiduciary Responsibility**. The Committee shall be the "Named Fiduciary," as defined in Section 402(a)(2) of ERISA, for the Plan with respect to the control and management of the assets of the Plan and the appointment of investment managers.

10. **Powers of the Committee**. Subject to the limitations of the Plan and as set forth in Section 9 above, the Committee shall have, without exclusion, all powers conferred on it under the terms of the Plan, including, without limitation, the following powers with respect to the Plan (it being intended that these powers be construed in the broadest possible manner):

(a) To adopt a statement of investment policy for the Plan;

(b) To make such rules and regulations as it deems necessary or proper for the administration of the Plan and the transaction of business thereunder which are not inconsistent with the terms and provisions of the Plan and which relate to the duties or responsibilities of the Committee;

(c) To control and manage the assets of the Plan consistent with the purpose and terms of the Plan, including, but not by way of limitation, the investment policy of the Plan, taking into account short-term and long-term liquidity needs;

(d) To designate, add, remove or change investment alternatives under the Plan, which may include mutual funds or other investment vehicles that are managed by the Company or its affiliates and securities issued by the Company or its affiliates, among which participants may elect to invest their accounts under the Plan and to consider the appropriateness of complying with Section 404(c) of ERISA;

(e) To appoint and monitor the performance of insurance carriers, investment managers, investment consultants or other entities as it deems necessary for the proper administration and operation of the Plan and to assign and reassign assets to and among such insurance carriers and investment managers;

(f) To take such other action or make such determinations in accordance with the Plan as it deems appropriate;

(g) To make or obtain such analyses, evaluations, advice or opinions, and retain such legal counsel, actuaries, accountants, investment advisors and other persons, including persons employed by the Company, as it may deem necessary or advisable;

(h) To designate one or more persons, other than a member of the Committee, to whom the Committee may delegate, and among whom the Committee may allocate, specified fiduciary responsibilities; provided that any such delegation shall be in writing, shall specify the person so designated and the terms of the delegation and shall be terminable by the Committee or the Board;

(i) To designate any of the members of the Committee to execute and deliver on its behalf documents and instruments of such types and bearing on such matters as may be specified in a resolution, and any such document or instrument may be accepted and relied upon as the act of the Committee;

(j) To report to the Compensation Committee of the Board, not less often than annually, on the performance of its responsibilities and on the performance of any trustee, investment manager, insurance carrier or persons to whom any of its powers and responsibilities may have been delegated pursuant to this Charter and on the financial condition of a plan for the preceding year; and

(k) To recommend to the Compensation Committee of the Board changes to this Charter.

The foregoing list of powers is not intended to be either complete or exclusive, and the Committee shall, in addition, have such powers as may be necessary for the performance of its duties under the Plan and its trust agreement.

11. **Accounts and Records**. The Committee shall maintain such accounts and records regarding the fiscal and other transactions of the Plan and such other data as may be required to carry out its functions under the Plan and to comply with all applicable laws.

12. **Standard of Conduct**. The members of the Committee shall discharge their duties with respect to the Plan solely in the interests of the participants in the Plan and their beneficiaries, and

(a) for the exclusive purpose of providing benefits to participants and their beneficiaries and defraying reasonable expenses of administering the Plan;

(b) with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person, acting in like capacity and familiar with such matters, would use in the conduct of an enterprise of a like character and with like aims;

(c) by diversifying the investments of the Plan so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so; and

(d) in accordance with the documents and instruments governing the Plan, insofar as such documents and instruments are consistent with the provisions of ERISA.

13. **Limitation of Committee Role**. While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to take other administration-related actions or decisions with respect to the Plan. These are the responsibilities of the Administrative Committee of the Plan. Further it is not the duty of the Committee to approve amendments to the Plan that are “settlor” in nature.

14. **Integration with Plan**. This Charter constitutes a part of the Plan and may be amended only by action of the Compensation Committee of the Board.

EXHIBIT 10.08

AMENDMENTAND RESTATEMENT

OF THE

RETIREMENT PLAN FOR EMPLOYEES

OF

ALLIANCEBERNSTEIN L.P.

(As Amended through November 30, 2006)

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RETIREMENT PLAN FOR EMPLOYEES

OF

ALLIANCEBERNSTEIN L.P.

WHEREAS, the Retirement Plan for Employees of AllianceBernstein L.P. (the "Plan") (formerly known as the Retirement Plan for Employees of Alliance Capital Management L.P.) was originally established effective as of January 1, 1980 by the predecessor of Allied Capital Management L.P.; and

WHEREAS, the Plan was amended and restated from time to time to reflect changes in the predecessor's business, certain other changes and changes in applicable law; and

WHEREAS, the Plan was amended to comply with the Economic Growth and Tax Relief Reconciliation Act of 2001 ("EGTRRA") and other applicable legislation, and the provisions reflecting EGTRRA are intended as good faith compliance with the requirements of EGTRRA and are to be construed in accordance with EGTRRA and guidance issued thereunder; and

WHEREAS, any Employee of the Company hired on or after October 2, 2000, is not eligible to participate in the Plan.

NOW, THEREFORE, the Plan is hereby amended and restated, effective as of January 1, 2006, to incorporate all Plan amendments adopted since the Plan was last amended and restated and certain additional design changes, changes required to comply with applicable law and to reflect the name change of Alliance Capital Management L.P. to AllianceBernstein L.P.

ARTICLE I

DEFINITIONS

The following words and phrases as used herein shall, when initially capitalized, have the following meanings unless a different meaning is required by the context:

1.01 "ACCRUED BENEFIT" as of any specified date, means the Retirement Pension, commencing on his Normal Retirement Date, earned by a Participant as of such date, which shall be equal to the Retirement Pension, computed in accordance with Section 3.02, to which he would have been entitled had he continued as an Employee until his Normal Retirement Date, had been credited with one (1) Year of Service in each year of employment during such period and had the same Average Final Compensation, Final Average Compensation and Past Final Average Compensation, as applicable, at his date of Retirement as that which he would have had if his Average Final Compensation, Final Average Compensation and Past Final Average Compensation, as applicable, had been computed as of the date of computation of his Accrued Benefit, such amounts to be multiplied by a fraction, the numerator of which is his number of years of Credited Service as of the specified date, and the denominator of which is the number of such years which he would have completed as of his Normal Retirement Date.

1.02 "ACTUARIAL EQUIVALENT" means, except as provided below, a benefit of equivalent value that is actuarially calculated based on an annual investment rate of 6% compounded annually and mortality determined in accordance with the UP-1984 mortality table with ages set back one year.

Notwithstanding the foregoing, for purposes of determining actuarial equivalent with respect to any distribution under the Plan after December 31, 1995:

(a) whether the consent of the Participant (and if applicable, the Participant's Spouse) is necessary prior to distribution of the Participant's benefit;

(b) the single sum value of the Participant's benefit; and

(c) the value of a benefit under Option 4 or Option 5 provided for in Section 6.01;

a benefit of equivalent value shall be the greater of that determined in accordance with the assumptions set forth above, and that determined by applying the Applicable Interest Rate for the month of September of the Plan Year immediately preceding the Plan Year with respect to which the benefit is being determined and the Applicable Mortality Table; provided, however, in no event shall the single sum value of the Participant's benefit distributed during the 1996 calendar year be less than would result by applying the Applicable Interest Rate for January 1996 and the Applicable Mortality Table.

1.03 "ADMINISTRATIVE COMMITTEE" or "COMMITTEE" means the administrative committee appointed by the Board pursuant to Section 15.02. The term "Investment Committee" shall mean the investment committee appointed by the Board pursuant to Section 18.02.

1.04 “AFFILIATE” means any corporation or unincorporated business (i) controlled by, or under common control with, the Company within the meaning of Sections 414(b) and (c) of the Code; provided, however, that for all purposes of the Plan, “Affiliate” status shall be determined by application of Section 415(h) of the Code, or (ii) which is a member of an “affiliated service group”, as defined in Section 414(m)(2) of the Code, of which the Company is a member.

1.05 “ANNUITY PURCHASE RATE” means, effective as of July 1, 1994, (a) the interest rate which would be used by the Pension Benefit Guaranty Corporation as of the first day of the Plan Year of the date of the distribution involved for the purpose of determining the present value of a single sum distribution in connection with the termination of the Plan if the present value of the applicable vested Accrued Benefit (using such rate) does not exceed $25,000, or (b) one hundred twenty percent of the rate used by the Pension Benefit Guaranty Corporation for that purpose if the present value of the vested Accrued Benefit, as determined in accordance with clause (a) exceeds $25,000, provided that in no event shall the present value of a Participant’s vested Accrued Benefit determined by application of this clause (b) be less than $25,000; provided that the Annuity Purchase Rate with respect to the Accrued Benefit as of such first day of the Plan Year shall not be larger than the Annuity Purchase Rate which would have been computed under the definition of Annuity Purchase Rate in effect immediately prior to July 1, 1994.

1.06 “APPLICABLE INTEREST RATE” means an annual investment rate equal to the annual interest rate on 30-year Treasury securities as specified by the Commissioner of Internal Revenue.

1.07 “APPLICABLE MORTALITY TABLE” means the mortality table based on the then prevailing standard table (described in Section 807(d)(5)(A) of the Code) used to determine reserves for group annuity contracts issued as of the date as of which the value of the benefit involved is determined (without regard to any other subparagraph of Section 807(d)(5) of the Code) that is prescribed by the Commissioner of Internal Revenue for purposes of determining the value of benefits.

1.08 (a) “AVERAGE FINAL COMPENSATION” means an amount obtained by totaling the Compensation of a Participant for the five (5) consecutive full calendar years preceding the date of his Retirement or other Termination of Employment, whichever is applicable, in which he received his highest aggregate Compensation (or his Compensation for his consecutive full calendar Years of Service, if less than five (5)), and dividing the sum thus obtained by five (5) (or the number of his full calendar Years of Service if less than five (5)). Notwithstanding the foregoing, partial calendar Years of Service, other than the year of termination of employment, shall be taken into account in determining Average Final Compensation, if the Participant completed at least 750 Hours of Service in each of such partial years. If any partial Year of Service is to be taken into account under the preceding sentence, the Compensation for such year shall be included in the calculation of Average Final Compensation as follows: The Compensation for any such partial Year of Service shall be added to the Compensation for the full calendar years included in calculating Average Final Compensation, and the total of such Compensation shall be divided by the sum of (i) the number of full calendar years included in calculating Average Final Compensation and (ii) the fraction whose numerator is the number of days worked during the partial Year of Service (including any weekends, holiday or vacation that occur during a continuous period of employment) and whose denominator is 365.

(b) If, during any of the calendar years taken into account in determining a Participant's Average Final Compensation, there was a period during which such Participant was an Inactive Participant, or was on unpaid Leave of Absence, or was compensated for fewer hours than are customary for his job category by reason of disability, the Compensation paid in such period shall be included in his Compensation for such calendar year (solely for the purpose of determining Average Final Compensation) at the rate of Compensation he was receiving immediately preceding such period.

1.09 "BENEFICIARY" means such person or persons as may be designated by a Participant or Retired Participant or as may otherwise be entitled, upon his death, to receive any benefits or payments under the terms of this Plan.

1.10 "BOARD OF DIRECTORS" or "BOARD" means the Board of Directors of the general partner of the Company responsible for the management of the Company's business or a committee thereof designated by such Board.

1.11 "BREAK IN SERVICE" with respect to any Employee, means any calendar year in which he completes fewer than five hundred and one (501) Hours of Service with Employers or Affiliates.

1.12 "CODE" means the Internal Revenue Code of 1986, as amended from time to time.

1.13 "COMPANY" means AllianceBernstein L.P. and any successor thereto; prior to February 24, 2006, known as Alliance Capital Management, L.P.; and prior to April 21, 1988, known as Alliance Capital Management Corporation.

1.14 (a) "COMPENSATION" means, for any calendar year, an amount equal to a Participant's base salary; provided that in the case of a Participant whose Compensation from an Employer includes commissions, commissions shall be included only up to the annual amount of the Participant's draw against actual commissions in effect at the beginning of the Plan Year involved.

(b) There shall be excluded from Compensation overtime pay, bonuses, severance pay, distributions on Units representing assignments of beneficial ownership of limited partnership interests in the Company, and any amounts paid or payable to or for a Participant or Retired Participant pursuant to any welfare plan or any pension plan, profit sharing plan or any other plan of deferred compensation, or any other extraordinary item of compensation or income.

(c) Effective as of January 1, 2006, Compensation of a Member in excess of $220,000 (or such other amount prescribed under Code Section 401(a)(17), including any cost-of-living adjustments) shall not be taken into account under the Plan for the purpose of determining benefits. The increase in the limit provided under Section 401(a)(17) of the Code under the Economic Growth and Tax Relief Reconciliation Act of 2001 shall only be applied with respect to Participants who accrue a benefit under the Plan on or after January 1, 2002.

(d) For any year for which Compensation is relevant under the Plan, in connection with any Employee who is paid based on an annual rate of salary that applies for only a portion of the year, the Compensation attributable to that portion of the year for such Employee shall be equal to the product of (i) such annual rate of salary, multiplied by (ii) a fraction, the numerator of which is the number of pay periods during such year during which such Employee was paid at that annual rate of salary, and the denominator of which is 26.

The determination of eligible Compensation shall be in accordance with records maintained by the Employer and shall be conclusive.

Compensation shall include Deemed 125 Compensation. "Deemed 125 Compensation" shall mean, in accordance with Internal Revenue Service Revenue Ruling 2002-27, 2002-20 I.R.B. 925, any amounts not available to a Participant in cash in lieu of group health coverage because the Participant is unable to certify that he or she has other health coverage. An amount shall be treated as Deemed 125 Compensation only if the Employer does not request or collect information regarding the Participant's other health coverage as part of the enrollment process for the health plan.

1.15 (a) "CREDITED SERVICE" means, unless excluded by Subsection (b), an Employee's Years of Service;

(b) Credited Service shall not include:

(1) With respect to all Employees, Years of Service ending on or before December 31, 1969; or

(2) Any Year of Service during any part of which an Employee is an Excluded Employee; provided that if the Employee is employed by an Employer after employment with an Affiliate who during a period of employment with the Affiliate maintained a "defined benefit plan" within the meaning of Section 414(j) of the Code, the service with the Affiliate while an Affiliate upon which the Employees accrued benefits under the Affiliate's plan is based shall be considered Credited Service hereunder, but in no event shall any period be counted more than once in computing a Participant's Credited Service and any retirement pension related to such service shall be taken into account as set forth in Section 3.02(b) of the Plan.

1.16 "DEFERRED RETIREMENT" means an Employee's continued employment after his sixty-fifth (65th) birthday.

1.17 "DEFERRED RETIREMENT DATE" means the first day of the calendar month coincident with or next following the date of an Employee's Retirement provided such Retirement occurs after his Normal Retirement Date.

1.18 "DISABILITY" means the mental or physical incapacity of an Employee which, in the opinion of a physician approved by the Administrative Committee, renders him totally and permanently incapable of performing his assigned duties with an Employer or an Affiliate.

1.18.1 "DOMESTIC PARTNER" means, in the case of a Participant who dies before his Retirement Pension Starting Date, his Domestic Partner (as defined below) on the date of his death if such Domestic Partner satisfied the requirements for being a Domestic Partner as set forth below. "Domestic Partner" is an individual who, together with the Participant, satisfies the following requirements: (i) both the Participant and the domestic partner are at least 18 years of age; (ii) both the Participant and the domestic partner are of the same gender; (iii) both the Participant and the domestic partner are mentally competent to enter into a contract according to the laws of the state in which they reside; (iv) each of the Participant and the domestic partner is the sole domestic partner of the other; (v) neither of the Participant nor the domestic partner is legally married to any other individual, and, if previously married, a legal divorce or annulment has been obtained or the former spouse is deceased; (vi) neither of the Participant nor the domestic partner is related by blood to a degree of closeness that would prohibit legal marriage in the jurisdiction in which they legally reside, if they were of the same sex; (vii) the Participant and the domestic partner reside together in the same residence, have done so for a period of no less than the most recent six-month period, intend to do so indefinitely and share the common necessities of life; (viii) the Participant and domestic partner have mutually agreed to be responsible for each other's common welfare; and (ix) the Participant has designated the domestic partner as his or her domestic partner by completing and returning an 'Affidavit of Same-Sex Domestic Partnership' to the appropriate Company person indicated on such affidavit.

1.19 “EARLY RETIREMENT” means Retirement on or after a Participant’s Early Retirement Date and prior to his Normal Retirement Date.

1.20 “EARLY RETIREMENT DATE” means the first day of the month coincident with or next following the date upon which the Participant shall have attained the age of fifty-five (55) and the sum of the Participant’s age and Years of Service equals eighty (80).

1.21 “ELIGIBLE EMPLOYEE” means any Employee of an Employer other than:

(a) any Employee included in a unit of Employees covered by a collective bargaining agreement between an Employer and Employee representatives in the negotiation of which retirement benefits were the subject of good faith bargaining, unless: (i) such bargaining agreement provides for participation in the Plan, (ii) the Employee representatives represented an organization more than half of whose members are owners, officers or executives of such Employer, or (iii) 2% or more of the Employees who are covered pursuant to that agreement are professionals as defined in Treasury Regulation Section 1.410(b) - 6(d);

(b) Employees whose principal place of Employment is outside the United States, U.S. Virgin Islands, Guam and Puerto Rico;

(c) an individual classified by the Employer at the time services are provided as either an independent contractor, or an individual who is not classified as an Employee due to an Employer’s treatment of any services provided by him as being provided by another entity which is providing such individual’s services to the Employer, even if such individual is later retroactively reclassified as an Employee during all or part of such period during which services were provided pursuant to applicable law or otherwise.

(d) any individual listed in Section 2.09 of this Plan.

1.22 “EFFECTIVE DATE” means January 1, 1980.

1.23 “EMPLOYEE” means an individual described in Sections 3121(d) (1) or (2) of the Code who is employed by an Employer or an Affiliate.

1.24 “EMPLOYER” means the Company and any Affiliate which, with the consent of the Board of Directors, has adopted the Plan as a participant herein and any successor to any such Employer.

1.25 “EMPLOYMENT COMMENCEMENT DATE” means:

(a) the first day in respect of which an Employee receives Compensation from an Employer or an Affiliate for the performance of services; or

(b) in the case of a former Employee who returns to the employ of an Employer or Affiliate after a Break in Service, the first day in respect of which, after such Break in Service, he receives Compensation from an Employer or Affiliate for the performance of services.

1.26 “ENTRY DATE” means the first day of each Plan Year.

1.27 “ERISA” means the Employee Retirement Income Security Act of 1974, as amended from time to time.

1.28 (a) “EXCLUDED EMPLOYEE” means an individual in the employ of an Employer or an Affiliate who:

(1) is employed by an Affiliate that is not an Employer; or

(2) is included in a unit of employees covered by a collective bargaining agreement between employee representatives and one or more Employers or Affiliates, if retirement benefits were the subject of good faith bargaining between such employee representatives and such Employer; or

(3) is not an Excluded Employee under Paragraph (4) of this subsection (a) and is neither a resident nor a citizen of the United States of America, nor receives “earned income”, within the meaning of Section 911(b) of the Code, from an Employer or Affiliate that constitutes income from sources within the United States, within the meaning of Section 861(a)(3) of the Code, unless the individual became a Participant prior to becoming a non-resident alien and the Company stipulates that he shall not be an Excluded Employee; or

(4) is not a citizen of the United States, unless the individual (A) was initially engaged as an Employee by an Employer or an Affiliate to render services entirely or primarily in the United States or (B) is an Employee of an Employer which is a United States entity, and unless, in the case of an individual referred to in either Subparagraph (A) or (B) of this Paragraph 4, the Company stipulates that he shall not be an Excluded Employee; or

(5) is accruing benefits and/or receiving contributions under a retirement plan of an Affiliate which operates entirely or primarily outside the United States other than this Plan or the Profit Sharing Plan for Employees of AllianceBernstein L.P. unless, in either case, the Company stipulates that he shall not be an Excluded Employee; or

(6) is compensated on a commission arrangement which does not provide for payment of periodic draws against actual commissions earned; or

(7) is a "leased employee". For purposes of this Plan, a "leased employee" means any person (other than an Employee of the recipient) who pursuant to an agreement between the recipient and any other person ("leasing organization") has performed services for the recipient (or for the recipient and related persons determined in accordance with Section 414(n)(6) of the Code on a substantially full time basis for a period of at least one year), and such services are performed under primary direction or control by the recipient employer.

(b) An Excluded Employee shall be deemed an Employee for all purposes under this Plan except that:

(1) an Excluded Employee may not become a Participant while he remains an Excluded Employee; and

(2) a Participant shall not receive any Credited Service for any Year of Service during any part of which he remains an Excluded Employee unless the Company specifies otherwise.

1.29 "FINAL AVERAGE COMPENSATION" means an amount obtained by totaling the Compensation of a Participant for the three (3) consecutive full calendar Years of Service (which for any such year cannot exceed the taxable wage base in effect for that year) ending on or on the last day of the calendar year immediately preceding the date of his Retirement or other Termination of Employment, whichever is applicable, (or his Compensation for the number of his full calendar years and fractions thereof then ending if less than three (3)), and dividing the sum thus obtained by three (3) (or such number of full calendar years and fractions thereof if less than three (3)), but limited to Covered Compensation. Notwithstanding the foregoing, partial calendar Years of Service, other than the year of termination of employment, shall be taken into account in determining Final Average Compensation, if the Participant completed at least 750 Hours of Service in each of such partial years. If any partial Year of Service is to be taken into account under the preceding sentence, the Compensation for such year shall be included in the calculation of Final Average Compensation as follows: The Compensation for any such partial Year of Service shall be added to the Compensation for the full calendar years included in calculating Final Average Compensation, and the total of such Compensation shall be divided by the sum of (i) the number of full calendar years included in calculating Final Average Compensation and (ii) the fraction whose numerator is the number of days worked during the partial Year of Service (including any weekends, holiday or vacation that occur during a continuous period of employment) and whose denominator is 365. "Covered Compensation" for this Section 1.29 means the average of the taxable wage bases for the thirty-five (35) calendar years ending with the year an individual attains social security retirement age.

1.30 “HIGHLY COMPENSATED EMPLOYEE” means an Employee who, with respect to the “determination year”:

(a) owned (or is considered as owning within the meaning of Section 318 of the Code) at any time during the “determination year” or “look-back year” more than five percent of the outstanding stock of the Employer or stock possessing more than five percent of the total combined voting power of all stock of the Employer (the attribution of ownership interest to Family Members shall be used pursuant to Section 318 of the Code); or

(b) who received “415 Compensation” during the “look-back year” from the Employer in excess of $80,000 and was in the Top Paid Group of Employees for the “look-back year”.

The “determination year” shall be the Plan Year for which testing is being performed. The “look-back year” shall be the Plan Year immediately preceding the “determination year.”

The term “415 Compensation” shall mean compensation reported as wages, tips and other compensation on Form W-2 and shall include: (i) any elective deferral (as defined in Section 402(g)(3) of the Code) and (ii) any amount which is contributed or deferred by the Employer at the election of the Employee and which is not includible in the gross income of the Employee by reason of Sections 125, 132(f)(4), 401(k) or 457 of the Code. 415 Compensation shall include Deemed 125 Compensation, as defined in Section 1.14 of the Plan.

The dollar threshold amount specified in (b) above shall be adjusted at such time and in such manner as is provided in Regulations. In the case of such an adjustment, the dollar limits which shall be applied are those for the calendar year in which the “determination year” or “look-back year” begins.

In determining who is a Highly Compensated Employee, Employees who are nonresident aliens and who received no earned income (within the meaning of Section 911(d)(2) of the Code) from the Employer constituting United States source income within the meaning of Section 861(a)(3) of the Code shall not be treated as Employees.

Additionally, all Affiliated Employers shall be taken into account as a single employer and Leased Employees within the meaning of Sections 414(n)(2) and 414(o)(2) of the Code shall be considered Employees unless such Leased Employees are covered by a plan described in Section 414(n)(5) of the Code and are not covered in any qualified plan maintained by the Employer. The exclusion of Leased Employees for this purpose shall be applied on a uniform and consistent basis for all of the Employer’s retirement plans. Highly Compensated Former Employees shall be treated as Highly Compensated Employees without regard to whether they performed services during the “determination year”.

1.31 “HIGHLY COMPENSATED FORMER EMPLOYEE” means a former Employee who had a separation year prior to the “determination year” and was a Highly Compensated Employee in the year of separation from service or in any “determination year” after attaining age 55. Highly Compensated Former Employees shall be treated as Highly Compensated Employees. The method set forth in this Section for determining who is a “Highly Compensated Former Employee” shall be applied on a uniform and consistent basis for all purposes for which the Section 414(q) of the Code definition is applicable.

1.32 (a) “HOUR OF SERVICE” means each hour:

(1) for which an Employee is paid, or entitled to payment, by an Employer or Affiliate for the performance of duties for an Employer or Affiliate, credited for the Plan Year in which such duties were performed; or

(2) for which an Employee is directly or indirectly paid, or entitled to payment, by an Employer or Affiliate on account of a period of Leave of Absence, credited for the Plan Year in which such Leave of Absence occurs; or

(3) for which an Employee has been awarded, or is otherwise entitled to, back pay from an Employer or Affiliate, irrespective of mitigation of damages, if he is not entitled to credit for such hour under any other Paragraph of this Subsection (a); or

(4) during which an Employee is on an unpaid Leave of Absence described in Section 1.34(a) or (b), credited at the rate of which he would have accrued Hours of Service if he had performed his normal duties during such Leave of Absence.

(5) (A) solely for purposes of Section 1.11, each hour of an Employee’s absence which commences on or after January, 1985 by reason of a leave pursuant to the FMLA, the pregnancy of such Employee, the birth of a child of such Employee, the placement of a child in connection with the adoption of such child by the Employee or the caring for such child for a period beginning immediately following such birth or placement.

(B) under this Paragraph (5) an Employee shall be credited with the number of hours which would normally have been credited to him but for such absence, or in any case in which such number cannot be determined, a total of eight (8) Hours of Service for each day of such absence, except that no more than 501 Hours of Service shall be credited to an Employee for any such period of absence and such Hours of Service shall be credited to an Employee only in the Plan Year in which such period of absence began if such Employee would be prevented from incurring a Break in Service in such Plan Year solely because of the crediting of such Hours of Service, or in any other case, in the next succeeding Plan Year.

(C) Notwithstanding the foregoing, an Employee shall not be credited with Hours of Service pursuant to this Paragraph (5) unless such Employee shall furnish to the Committee on a timely basis such information as the Committee shall reasonably require to establish

(i) that the absence from work is for reasons described in Subparagraph (A) hereof; and

(ii) the number of days which such absence continued.

(b) Except as provided in Paragraph (a) (5), the number of a Participant's Hours of Service and the Plan Year or other compensation period to which they are to be credited shall be determined in accordance with Section 2530.200b-2 of the Rules and Regulations for Minimum Standards for Employee Pension Benefit Plans, which section is hereby incorporated by reference into this Plan.

(c) If the Participant's compensation while an Employee was not determined on the basis of certain amounts for each hour worked, his Hours of Service need not be determined from employment records, and he may, in accordance with uniform and nondiscriminatory 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).

1.33 "INACTIVE PARTICIPANT" means:

(a) an Employee who was a Participant during the preceding Plan Year but who, during the current Plan Year, neither completed a Year of Service nor incurred a Break in Service; and

(b) an Excluded Employee who was a Participant or an Inactive Participant during the preceding Plan Year but who, during the current Plan Year, did not incur a Break in Service.

An Inactive Participant shall be deemed a Participant for all purposes under this Plan, except that he shall not accrue any benefit hereunder for any Plan Year during which he is an Inactive Participant.

1.34 "LEAVE OF ABSENCE" means:

(a) absence on leave approved by an Employee's Employer, if the period of such leave does not exceed two (2) years and the Employee returns to the employ of an Employer or an Affiliate upon its termination; or

(b) absence due to service in the Armed Forces of the United States, if such absence is caused by war or other national emergency or an Employee is required to serve under the laws of conscription in time of peace, and if the Employee returns to the employ of an Employer or an Affiliate within the period provided by law; or

(c) absence for a period not in excess of thirteen (13) consecutive weeks due to leave granted by an Employer, military service, vacation, holiday, illness, incapacity, layoff, or jury duty, if the Employee does not return to the employ of an Employee or Affiliate at the end of such period.

In granting or withholding Leaves of Absence, each Employer or Affiliate shall apply uniform and non-discriminatory rules to all Employees in similar circumstances.

1.35 "NORMAL RETIREMENT DATE" means the first day of the month coincident with or next following the sixty fifth (65th) birthday of the Participant or Retired Participant.

1.36 "OPTION" means any of the optional methods of payment of a Retirement Pension which a Participant or Retired Participant may elect in accordance with Article VI.

1.37 "PARTICIPANT" means any individual who has become a Participant in the Plan in accordance with Sections 2.01, 2.02 or 2.06 and whose participation has not terminated pursuant to Section 2.05.

1.38 "PAST FINAL AVERAGE COMPENSATION" means the amount which would have been obtained by totaling the Compensation of a Participant for the five (5) consecutive full calendar Years of Service during the last ten (10) calendar year period ending on December 31, 1988 for which the Participant received his highest aggregate Compensation (or his Compensation for the number of his consecutive full calendar Years of Service ending December 31, 1988 if less than five (5)), except that for purposes of Section 3.02(a)(3), the calculation period shall end on December 31, 1989 rather than December 31, 1988; and dividing said aggregate Compensation by five (5) (or such number of consecutive full calendar Years of Service if less than five (5)).

1.39 "PLAN YEAR" means the twelve (12) consecutive month period beginning on January 1 and ending on December 31 in any year commencing on or after January 1, 1980.

1.40 "PRIMARY SOCIAL SECURITY BENEFIT"

(a) means the estimated old age retirement benefit payable to a Participant under the Federal Old-Age and Survivors Insurance System upon his Retirement on his Normal Retirement Date or Deferred Retirement Date whichever is applicable; provided, however, that (i) in the event that either his Termination of Employment or December 31, 1989 occurs before his Normal Retirement Date, his Primary Social Security Benefit shall be estimated by computing such benefit, determined without regard to any Social Security benefit increases that become effective after his Termination of Employment or December 31, 1988, whichever is later, as if in each calendar year beginning in the calendar year in which occurred the earlier of his Termination of Employment or 1989, he continued to receive the same Compensation (defined as, Compensation in the calendar year preceding the earlier of his Termination of Employment or 1989, but including overtime, bonuses and commissions otherwise excluded under Section 1.14 (b)), as he received in the Plan Year last preceding the earlier of his Termination of Employment or 1989; and (ii) the Participant's calendar year earnings in the year of his Employment Commencement Date and for the prior calendar years shall be estimated by applying a salary scale, projected backwards, to the Participant's Compensation for the calendar year immediately following the calendar year of the Participant's Employment Commencement Date, such salary scale being the actual change in the average wages from year to year as determined by the Social Security Administration.

(b) (1) Notwithstanding the provisions of Subsection (a), each Participant may have his Primary Social Security Benefit determined on the basis on his actual salary history for the period ending on the earlier of his Termination of Employment or the December 31 applicable to the Participant for purposes of Subsection (a) within ninety (90) days after the later of (A) his Termination of Employment or (B) the date on which he is notified of the benefit to which he is entitled.

(2) As soon as practicable after a Participant's Termination of employment, the Committee shall mail or personally deliver to the Participant a notice informing him (A) of his right to supply the actual salary history described in Paragraph (b) (1), (B) of the financial consequences of failing to supply such history and (C) that he can obtain such actual salary history from the Social Security Administration.

1.41 "QUALIFIED JOINT AND SURVIVOR ANNUITY" means an annuity for the life of a Participant, with, if the Participant is married to a Spouse on his Retirement Pension Starting Date, a survivor annuity for the life of such Spouse which is one-half (½) of the amount of the annuity payable during the joint lives of the Participant and such Spouse. Any benefit payable in the form of a Qualified Joint and Survivor Annuity shall be the Actuarial Equivalent of the Participant's Retirement Pension.

1.42 "QUALIFIED PRERETIREMENT SURVIVOR ANNUITY" means:

(a) in the case of a Participant who dies after his Early Retirement Date, a monthly life annuity for a Participant's Spouse or Domestic Partner equal to fifty percent (50%) of the benefit such Participant would have received had he retired on the day before his death and commenced receiving his Retirement Pension on such date, reduced in accordance with Section 5.01, except that no reduction shall be made for the joint and survivor factor; and

(b) in the case of a Participant who dies on or prior to his Early Retirement Date, a monthly life annuity for a Participant's Spouse or Domestic Partner equal to fifty percent (50%) of the benefit such Participant would have received if the Participant's Termination of Employment had occurred on the date of his death, and such Participant had survived to his Early Retirement Date, had retired immediately upon attainment of his Early Retirement Date and immediately commenced receiving his Retirement Pension, reduced as provided in Section 5.01, except that a reduction shall be made for the joint and survivor factor. The annuity described in this Subsection (b) shall commence to be payable, at the election of such Spouse or Domestic Partner , as of the first day of any month coincident with or next following the date on which the Participant would have attained his Early Retirement Date.

(c) in the case of any vested Participant referred to in Section 4.04(a) of this Plan (a "Vested Terminated Participant") who dies on or prior to his Early Retirement or Normal Retirement, a monthly life annuity for the Vested Terminated Participant's Spouse or Domestic Partner equal to fifty percent (50%) of the benefit such Vested Terminated Participant would have received if the Vested Terminated Participant's Termination of Employment had occurred on the date of his death, and such Vested Terminated Participant had survived to his Early Retirement Date, had retired immediately upon attainment of his Early Retirement Date and immediately commenced receiving his Retirement Pension, reduced as provided in Section 5.01, except that a reduction shall be made for the joint and survivor factor. The annuity described in this Subsection (c) shall commence to be payable, at the election of such Spouse or Domestic Partner , as of the first day of any month coincident with or next following the date on which the Vested Terminated Participant would have attained his Early Retirement Date.

1.43 “REQUIRED BEGINNING DATE”

(a) for a Participant who is not a 5-percent owner (as defined in Section 416 of the Code) in the Plan Year in which he attains age 70½ and who attains age 70½ after December 31, 1998, April 1 of the calendar year following the calendar year in which occurs the later of the Participant’s (i) attainment of age 70½ or (ii) Retirement.

(b) for a Participant who (i) is a 5-percent owner (as defined in Section 416 of the Code) in the Plan Year in which he attains age 70½, or (ii) attains age 70½ before January 1, 1999, April 1 of the calendar year following the calendar year in which the Participant attains age 70½.

1.44 “RETIRED PARTICIPANT” means any Participant or former Participant who is entitled to benefits pursuant to Article III, IV or V.

1.45 “RETIREMENT” means any Termination of Employment, other than by reason of death, on or after an Employee’s Early or Normal Retirement Date.

1.46 “RETIREMENT PENSION” b) means the annual pension to which a Participant shall become entitled pursuant to Article III, IV or V. Except as otherwise provided in this Plan, such Retirement Pension shall be a non-assignable annuity payable in monthly installments, each of which shall be equal to one-twelfth (1/12th) of the Retirement Pension determined pursuant to Article III, IV or V, whichever is applicable. The first payment of such Retirement Pension shall be made in accordance with the appropriate provisions of Article III, IV or V, and, except as otherwise provided in this Plan, the last such payment shall be made on the first day of the month within which the Retired Participant’s death occurs.

(b) Nothing herein shall affect or lessen the rights of any Participant or Beneficiary or the right of any Participant to receive a Qualified Joint and Survivor Annuity under the provisions of Section 3.03 or to elect any optional form of payment under the provisions of Article VI.

1.47 “RETIREMENT PENSION STARTING DATE” means the date as of which a Retired Participant’s Retirement Pension commences to be payable under the terms of this Plan. A Participant’s Retirement Pension Starting Date shall in no event be later than the sixtieth (60th) day after the last day of the Plan Year in which occurs the later of the date on which he attains the age of sixty-five (65) years or the date of his Termination of Employment, but in no event later than the Participant’s Required Beginning Date.

1.48 “SPOUSE” means, subject to applicable federal law:

(a) in the case of a Participant who dies before his Retirement Pension Starting Date, his lawfully married spouse on the date of his death if such spouse was married to such Participant;

(b) in the case of a Participant who dies on or after his Retirement Pension Starting Date, his lawfully married spouse on his Retirement Pension Starting Date; and

(c) a former spouse of the Participant to the extent provided in a qualified domestic relations order as described in Section 414(p) of the Code.

1.49 "SPOUSAL CONSENT" means with respect to the election by a married Participant not to receive a Qualified Joint and Survivor Annuity pursuant to Section 3.03 as a Qualified Preretirement Survivor Annuity pursuant to Section 7.02(a) or to the consent of a Participant's Spouse to the commencement of a Participant's Retirement Pension pursuant to Section 4.04 or 5.01, that

(a) the Participant's Spouse consents in writing to such election or Retirement Pension commencement, and the Spouse's consent acknowledges the effect of such election and is witnessed by a member of the Committee or by a notary public; or

(b) it is established to the Committee's satisfaction that the consent required under Subsection (a) hereof is unobtainable because the Participant is unmarried, because the Participant's Spouse cannot be located, or because of such other circumstances as the Secretary of the Treasury may by regulation prescribe.

Any such consent and any such determination as to the impossibility of obtaining such consent shall be effective only with respect to the individual who signs such consent or with respect to whom such determination is made and not with respect to any individual who may subsequently become the Spouse of such Participant.

1.50 "TERMINATION OF EMPLOYMENT" means the date on which an Employee ceases to be employed by an Employer or Affiliate for any reason; provided, however, that no Termination of Employment shall be deemed to occur upon an Employee's transfer from the employ of one employer or Affiliate to the employ of another Employer or Affiliate.

1.51 "TOP PAID GROUP" means the top 20 percent of Employees who performed services for the Employer during the applicable year, ranked according to the amount of "415 Compensation" (determined for this purpose in accordance with Section 1.30) received from the Employer during such year. All Affiliated Employers shall be taken into account as a single employer, and Leased Employees within the meaning of Sections 414(n)(2) and 414(o)(2) of the Code shall be considered Employees unless such Leased Employees are covered by a plan described in Section 414(n)(5) of the Code and are not covered in any qualified plan maintained by the Employer. Employees who are non-resident aliens and who received no earned income (within the meaning of Section 911(d)(2) of the Code from the Employer constituting United States source income within the meaning of Section 861(a)(3) of the Code shall not be treated as Employees. Additionally, for the purpose of determining the number of active Employees in any year, the following additional Employees shall also be excluded; however, such Employees shall still be considered for the purpose of identifying the particular Employees in the Top Paid Group:

(a) Employees with less than six (6) months of service;

(b) Employees who normally work less than 17½ hours per week;

(c) Employees who normally work less than six (6) months during a year; and

(d) Employees who have not yet attained age 21.

1.52 "TREASURY REGULATIONS" means the regulations promulgated by the Internal Revenue Service and the Secretary of the Treasury under the Code.

1.53 "TRUST" means the trust forming part of this Plan.

1.54 "TRUST FUND" means all the assets of the Plan which are held by the Trustee.

1.55 "TRUSTEE" means the persons or entity acting, at any time, as trustee of the Trust Fund.

1.56 "YEARS OF SERVICE" means the following:

(a) all Plan Years during each of which an Employee completes at least one thousand (1,000) Hours of Service;

(b) for an Employee employed by the Company as of December 31, 1979, "Years of Service" shall include any calendar year during which he was employed on a full-time basis for the entire year prior to the Effective Date by either the Company, or Donaldson, Lufkin & Jenrette Inc. ("DLJ"), or an affiliated company of DLJ, or Wood, Struthers & Winthrop, Inc. or Pershing Co., Inc.;

(c) in the case of any Plan Year consisting of fewer than twelve (12) months, the number of Hours of Service required to complete a Year of Service shall be determined by multiplying the number of months in such short Plan Year by eighty-three and one-third (83-1/3);

(d) for the purpose of applying the rules in Section 4.03 to the eligibility provisions in Article II, pursuant to Section 2.06(c), Years of Service shall include the twelve (12) month period, beginning on an Employee's Employment Commencement Date, during which he has completed one thousand (1000) Hours of Service; and

(e) solely for the purposes of the eligibility provisions of Article II and the vesting provisions of Article IV and not for purposes of determining Credited Service under Section 1.15, in the case of an Employee who was an employee of Eberstadt Asset Management, Inc. ("Eberstadt") on November 20, 1984, service with Eberstadt on or prior to such date shall be considered as service with an Employer or an Affiliate;

(f) any other provision of the Plan notwithstanding, including but not limited to Section 3.02(b) and the proviso contained in Section 1.13(b)(2) solely for the purposes of the eligibility provisions of Article II and the vesting provisions of Article IV and not for purposes of determining Credited Service under Section 1.15, in the case of an Employee who was an employee of Equitable Capital Management Corporation ("ECMC") on July 22, 1993, service with ECMC on or prior to such date shall be considered as service with an Employer or an Affiliate;

(g) for purposes of determining an Employee's Early Retirement Date under the Plan, in the case of any individual who became an Employee on March 3, 1970, such an Employee (whether or not employed on January 1, 1993) shall be credited with a full Year of Service with respect to calendar year 1970, regardless of whether a Year of Service would otherwise have been credited under the Plan.

(h) solely for the purposes of the eligibility provisions of Article II and the vesting provisions of Article IV and not for purposes of determining Credited Service under Section 1.15, in the case of an Employee who was an employee of either Shields Asset Management, Incorporated ("Shields") or Regent Investor Services Incorporated ("Regent") on March 4, 1994 and on that date became an Employee of an Employer or an Affiliate, the Employee's service with Shields or Regent on or prior to such date shall be considered as service with an Employer or an Affiliate.

(i) solely for the purposes of the eligibility provisions of Article II and the vesting provisions of Article IV and not for purposes of determining Credited Service under Section 1.15, in the case of an Employee who was an employee of Cursitor Holdings, L.P. or Cursitor Holdings Limited (individually and collectively, "Cursitor") on February 29, 1996, and on that date either was employed by or continued in the employment of Cursitor Alliance LLC, Cursitor Holdings Limited, Draycott Partners, Ltd. or Cursitor-Eaton Asset Management Company, the Employee's service with Cursitor on or prior to that date shall be considered as service with an Employer or an Affiliate.

ARTICLE II

ELIGIBILITY FOR PARTICIPATION

2.01 Each Employee who was a Participant on the Restatement Effective Date shall remain a Participant hereunder.

2.02 An Employee who does not become a Participant pursuant to Section 2.01 and who has attained age twenty-one (21) shall become a Participant as follows:

(a) if he shall have completed one thousand (1,000) Hours of Service during the twelve (12) month period beginning on his Employment Commencement Date, he shall become a Participant as of the Entry Date of the Plan Year in which occurs the end of such twelve (12) month period;

(b) if he has not satisfied the service requirements of Subsection (a), he shall become a Participant as of the Entry Date of the Plan Year immediately following the first Plan Year in which he completes one thousand (1,000) Hours of Service.

2.03 If an Employee has not attained age twenty-one (21) on the date on which he satisfies the service requirement of Section 2.02, he shall become a Participant on the Entry Date of the Plan Year in which he attains his twenty-first (21st) birthday.

2.04 If the Administrative Committee so requests, an Employee who has qualified for participation in the Plan shall file with the Administrative Committee a statement in such form as the Committee may prescribe, setting forth his age and giving such proof thereof as the Administrative Committee may require.

2.05 A Participant shall cease to be a Participant as of either:

(a) the date of his Termination of Employment if he incurs a Break in Service during the Plan Year of such Termination of Employment or in the next succeeding Plan Year; or

(b) the first day of the first Plan Year in which he incurs a Break in Service, if he incurs a Break in Service without incurring a Termination of Employment.

2.06 (a) A former Participant who has incurred a Break in Service following a Termination of Employment and who is re-employed by an Employer or Affiliate shall again become a Participant on the earlier of:

(1) his most recent Employment Commencement Date, if he completes one thousand (1,000) Hours of Service during the twelve (12) month period beginning on such date; or

(2) the first day of the first Plan Year following his most recent Employment Commencement Date during which he completes one thousand (1,000) Hours of Service.

(b) A former Participant who has incurred a Break in Service without a Termination of Employment shall again become a Participant as of the first day of the subsequent Plan Year during which he completes one thousand (1,000) Hours of Service.

(c) If the provisions of Section 4.03 are applicable to a former Participant, then Section 2.06(a) or (b) shall be inapplicable, and such former Participant shall again become a Participant when he satisfies the provisions of Section 2.02.

2.07 An Employee who is an Excluded Employee on the date on which he would otherwise become a Participant pursuant to Sections 2.01, 2.02, 2.03, or 2.06, shall become a Participant on the date, if any, on which he ceases to be an Excluded Employee, if he is then an Employee.

2.08 Notwithstanding any provision of this Plan to the contrary, effective as of December 12, 1994, contributions, benefits and service credit with respect to qualified military service shall be provided in accordance with Section 414(u) of the Code.

2.09 Notwithstanding any other provision of the Plan, the following individuals shall not be eligible to participate or be a Participant in this Plan: (i) any person who becomes an Employee on or after October 2, 2000 and (ii) employees of Sanford C. Bernstein, Inc., Sanford C. Bernstein & Co., Inc. and Bernstein Technologies Inc. and their subsidiaries who became Employees upon or after the consummation of the transactions described in that certain Acquisition Agreement dated as of June 20, 2000, as amended and restated as of October 2, 2000, among Alliance Capital Management L.P., Alliance Capital Management Holding L.P., Alliance Capital Management LLC, Sanford C. Bernstein Inc., Bernstein Technologies Inc., SCB Partners Inc., Sanford C. Bernstein & Co., LLC and SCB LLC.

ARTICLE III

RETIREMENT ON OR AFTER NORMAL RETIREMENT DATE

3.01 Each Participant shall be retired no later than on his seventieth (70th) birthday if permitted under the provisions of the Age Discrimination in Employment Act, unless both he and his Employer agree that he shall be continued as an Employee beyond that date. Payments from the Plan shall begin in any event on the Participant's Required Beginning Date in accordance with Section 3.03(a), applied as if the Participant's Retirement occurred on the last day of the calendar year immediately preceding his Required Beginning Date. If a Participant continues as an Employee following his Required Beginning Date, the amount of the Participant's Retirement Pension payable upon his actual Retirement shall be actuarially reduced, using an investment rate of 6% and the UP 1984 mortality table with ages set back one year, to reflect any payments the Participant received prior to such Retirement following the Required Beginning Date; provided, however, that the preceding reduction shall not apply to any Participant who attained his Required Beginning Date before January 1, 1996. Notwithstanding any provision of this Plan to the contrary, the provisions of this Section 3.01 shall be construed in a manner that complies with Section 401(a)(9) of the Code and, with respect to distributions made on or after January 1, 2001, the Plan will apply the minimum distribution requirements of Section 401(a)(9) of the Code in accordance with the Treasury Regulations thereunder that were proposed in January 2001, the provisions of which are hereby incorporated by reference. This preceding sentence shall continue in effect until the end of the last calendar year beginning before the effective date of the final regulations under Section 401(a)(9) of the Code or such other date as may be specified in guidance published by the Internal Revenue Service.

3.02 (a) A Participant shall be fully (100%) vested in his Accrued Benefit on his sixty-fifth (65^{th}) birthday. Upon his Retirement on or after his Normal Retirement Date, a Participant shall be entitled to receive a Retirement Pension, commencing on such date, equal to:

(1) (A) one and one-half percent (1-1/2%) of his Average Final Compensation multiplied by the number, not exceeding thirty-five (35), of his years of Credited Service completed prior to his Retirement, reduced by

(B) sixty-five one hundredths of one percent (.65%) of his Final Average Compensation multiplied by the number, not exceeding thirty five (35), of his years of Credited Service completed prior to his Retirement, plus

(C) one percent (1%) of his Average Final Compensation multiplied by the number, if any, of his years of Credited Service exceeding thirty-five (35) completed prior to his Retirement, or

(2) (A) one and one-half percent (1-1/2%) of his Past Final Average Compensation multiplied by the number of his years of Credited Service completed as of December 31, 1988, reduced by

(B) one and two-thirds percent (1-2/3%) of his Primary Social Security Benefit multiplied by the number of his years of Credited Service completed as of December 31, l988, but in no event by more than eighty-three and a third percent (83-1/3%) of his Primary Social Security Benefit, plus

(C) one and one-half percent (1-1/2%) of his Average Final Compensation multiplied by the number, not exceeding thirty-five (35) (less the number of years of Credited Service referred to in Paragraph (2) (A) hereof, but not reduced below zero), of his years of Credited Service completed after 1988 and prior to January 1, 1991, reduced by

(D) sixty-five one hundredths of one percent (.65%) of his Final Average Compensation multiplied by the number, not exceeding thirty-five (35) (less the number of years of Credited Service referred to in Paragraph (2) (A) hereof, but not reduced below zero), of his years of Credited Service completed after 1988 and prior to January 1, 1991, plus

(E) one percent (1%) of his Average Final Compensation multiplied by the number, if any, of his years of Credited Service exceeding thirty-five (35) completed after 1988 and prior to January 1, 1991.

(3) Notwithstanding Paragraphs (1) and (2) above, in the case of a Participant who is not a Highly Compensated Employee described in Section 414(q)(1)(A) or (B) of the Code, the Retirement Pension shall not be less than:

(A) one and one-half percent (1-1/2%) of his Past Final Average Compensation multiplied by the number of his years of Credited Service completed prior to 1990, reduced by

(B) one and two-thirds percent (1-2/3%) of his Primary Social Security Benefit, multiplied by the number of his years of Credited Service completed prior to 1990, but in no event by more than eighty-three and one third percent (83-1/3%) of his Primary Social Security Benefit.

(b) Notwithstanding Subsection (a), the Retirement Pension of a Participant who is referred to in the proviso of Section 1.15(b)(2) shall be reduced, but not below the amount computed under Subsection (a) without regard to the Participant's Credited Service referred to in that proviso, by the retirement pension based on the Credited Service referred to in the proviso which the Participant is entitled to receive upon his Retirement on or after his Normal Retirement Date pursuant to the "defined benefit plan" of any Affiliate referred to in the proviso or any successor or transferor plan or that he would have been entitled to receive but for the prior payment of all or a portion of his benefits under any such plan.

(c) Notwithstanding the foregoing, the retirement pension to which a participant is entitled upon his actual date of Retirement shall in no case be less than the Retirement Pension to which he would have been entitled if he had retired on any earlier date on or after his Early Retirement Date.

(d) Notwithstanding any other provision of this Plan, the Retirement Pension of a Participant, calculated on a life annuity basis, may not exceed $100,000 per year.

(e) Notwithstanding the foregoing, the Retirement Pension of a Participant described in this subsection (e) shall be equal to the greater of:

(1) the Participant's Retirement Pension determined under Section 3.02(a)-(d) as applied to the Participant's total years of Credited Service under the Plan; or

(2) the sum of: (A) the Participant's Retirement Pension as of December 31, 1993, frozen in accordance with Treasury Regulation Section 1.401(a)(4)-13, and (B) the Participant's Retirement Pension determined under 3.02(a)-(d), as applied to the Participant's years of Credited Service accrued after December 31, 1993.

The previous sentence shall apply only to a Participant whose Retirement Pension determined on or after January 1, 1994 is based, at least in part, on Compensation for a Plan Year beginning prior to January 1, 1994 that exceeded $150,000.

(f) If a Participant (other than a 5% owner as described in Section 414(q) of the Code) continues as an Employee after the April 1 of the calendar year following the calendar year in which such Participant attains age 70½ (the "April 1 Date"), the provisions of this Section 3.02(f) shall apply in place of the provisions of Section 3.04(a) for periods of employment after the April 1 Date. The Participant's Accrued Benefit, determined as of any date after the April 1 Date, shall equal the greater of:

(1) the Actuarial Equivalent, as of the date of such determination, of the Participant's Accrued Benefit determined as of the April 1 Date (if the determination is made in the Plan Year in which the April 1 Date occurs), or determined as of the last day of the prior Plan Year (if the determination is made in any later year), or

(2) the Participant's Accrued Benefit determined as of the last day of the prior Plan Year, increased by any additional accrual due to Credited Service earned in the current Plan Year.

3.03 (a)(1) Notwithstanding any other provision of the Plan and except as provided in Paragraph (2) hereof and in Subsection (b), the Retirement Pension of a married Participant or former married Participant shall be paid in the form of a Qualified Joint and Survivor Annuity, and if the Participant is not married, in the form of a Single Life Annuity.

(2) Distribution to a Participant in a single sum payment of the entire Actuarial Equivalent of the Accrued Benefit to which he has become entitled shall be made:

(A) if such distribution is made prior to the date on which payment of the Qualified Joint and Survivor Annuity commences and the amount of such distribution is $5,000 (for Participants whose Termination of Employment occurs before January 1, 1998, $3,500) or less; or

(B) in any case not described in subparagraph (A), with the written consent of the Participant and his Spouse (or, if the Participant has died, of his surviving Spouse).

For purposes of this Subsection, if the Actuarial Equivalent of the Retirement Pension to which a Participant has become entitled is zero, the Participant shall be deemed to have fully received a distribution of such zero Retirement Pension in a single sum.

Effective as of March 28, 2005, single sum payments pursuant to subparagraph 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.

(b) A Participant or former Participant shall have the right to elect, during the ninety (90) day period terminating on his Retirement Pension Starting Date and subject to Spousal Consent, not to receive his Retirement Pension in the form of a Qualified Joint and Survivor Annuity. Any election made under this Subsection (b) may be revoked at any time and, once revoked, may be made again.

(c) The Committee shall provide to each Participant, no less than 30 days and no more than 180 days (90 days before January 1, 2007) before his or her Retirement Pension Starting Date, a written explanation of:

(1) the terms and conditions of the Qualified Joint and Survivor Annuity;

(2) the Participant's right to make, and the effect of, an election under Subsection (b) to waiver the Qualified Joint and Survivor Annuity; and

(3) the rights of the Participant's Spouse with respect to such election; and

(4) the right to make, and the effect of, a revocation of any such election.

A Participant may elect (with any applicable spousal consent) to waive the requirement that the written explanation be provided at least 30 days before the Retirement Pension Starting Date if the distribution commences more than 7 days after such explanation is provided.

(d) The written notification described in Subsection (c) shall be furnished by the Committee by mail or personal delivery to the Participant or, to the extent permitted by regulations, by posting such notification, in accordance with Treasury Regulation Section 1.7476-2(c) (1), at all locations normally used by the Employer for the posting of employee matters.

(e) If a Participant so requests on or before the sixtieth (60th) day after the information described in Subsection (c) is furnished to him (or by such later date as the Committee shall prescribe), within thirty (30) days after its receipt of such request, personally deliver or mail to him a written explanation of the terms and conditions of the Qualified Joint and Survivor Annuity and of the financial effect on the Participant's Retirement Pension (in terms of dollars per Retirement Pension payment), of electing and of not electing to receive benefits in such form.

(f) A Participant who elects not to receive his Retirement Pension in the form of a Qualified Joint and Survivor Annuity or whose Spouse does not meet the requirements of Section 1.48 shall receive his Retirement Pension in the form specified by the Option which he has elected pursuant to Article VII or, if no such Option has been elected, in the form of an annuity for his own life.

3.04 Notwithstanding anything to the contrary contained in this Plan (except to the extent otherwise provided in Section 3.02(f)),

(a) If a Participant continues as an Employee after his Normal Retirement Date, the Participant's Accrued Benefit shall be actuarially increased to take into account the period after his Normal Retirement Date during which the Participant was not receiving any benefits under the Plan. The Participant's Accrued Benefit, determined as of any date after his Normal Retirement Date, shall equal the greater of:

(1) the Actuarial Equivalent, as of the date of such determination, of the Participant's Accrued Benefit determined as of his Normal Retirement Date (if the determination is made in the Plan Year in which he reaches his Normal Retirement Date), or determined as of the last day of the prior Plan Year (if the determination is made in any later year), or

(2) the Participant's Accrued Benefit determined as of the last day of the prior Plan Year, increased by any additional accrual due to Credited Service earned in the current Plan Year.

(b) If a Participant, after his Normal Retirement Date, again becomes an Employee, his Retirement Pension shall be suspended during the period of his reemployment. The amount of such reemployed Participant's Retirement Pension payable upon his subsequent retirement shall be determined in accordance with Section 3.04(a), except that (1) the Participant's date of reemployment shall be substituted for the Participant's Normal Retirement Date and (2) such Retirement Pension shall be reduced by the Actuarial Equivalent of the retirement benefits previously received.

ARTICLE IV

VESTING

4.01 (a) Participant whose Termination of Employment occurs, other than by reason of his death or Disability, prior to his Early Retirement Date, shall have a vested interest in his Accrued Benefit determined in accordance with the following schedule:

Years of Service	Percentage Vested
Fewer than Five	0%
Five or more	100%

provided that the applicable percentage for a Participant who had four (4) but fewer than five (5) Years of Service prior to October 25, 1989 shall in no event be less than forty percent (40%).

(b) Notwithstanding the foregoing, a Participant shall be fully (100%) vested upon his death, upon his Termination of Employment due to Disability, or upon attaining his Early Retirement Date.

4.02 If a former Employee again becomes an Employee after having incurred a Break in Service, the Years of Service which he had completed prior to such Break in Service shall be disregarded for all purposes under this Plan until he shall have completed one (1) Year of Service after such Break in Service.

4.03 If a former Employee:

(a) has incurred a number of consecutive Breaks in Service which equals or exceeds the greater of (i) five (5) or (ii) the number of his Years of Service before such Breaks in Service;

(b) had no vested interest in his Accrued Benefit at the time of such Break in Service; and

(c) again becomes an Employee, his Years of Service prior to such Breaks in Service shall be disregarded for all purposes under this plan.

4.04 (a) A vested Participant whose Termination of Employment occurs, other than by reason of his death or Disability, prior to his Early Retirement Date shall be entitled to a Retirement Pension:

(1) commencing on his Early Retirement Date; or

(2) at his written election, commencing on the first day of any month after his Early Retirement Date but not later than his Normal Retirement Date;

and which is the Actuarial Equivalent, as of his Retirement Pension Starting Date, of his Accrued Benefit; provided, that without the written consent of the Participant, and if the Participant is married, Spousal Consent, such Retirement Pension shall not commence prior to his Normal Retirement Date if the Actuarial Equivalent of such Retirement Pension is greater than $5,000 (for Participants whose Termination of Employment occurs before January 1, 1998, $3,500).

(b) Notwithstanding any other provision of this Plan, if a Participant is entitled to a Retirement Pension pursuant to the provisions of this Article IV, such Retirement Pension shall be paid in accordance with the provisions of Section 3.04.

4.05 In the case of a former Participant who is reemployed by any Employer or an Affiliate before such Participant's Normal Retirement Date:

(a) if he is receiving a Retirement Pension at the time of his reemployment, such Retirement Pension shall be suspended during the period of his reemployment, and any years of Credited Service with respect to which he has received any benefits under this Plan shall be taken into account for purposes of determining his benefit under benefit accrual provisions of Section 3.02 or Subsection 11.04(a)(2), but the amount of his Retirement Pension, when payable, shall be reduced by the Actuarial Equivalent of such benefits previously received;

(b) if he had received a single sum distribution (or been deemed to have received such a distribution under Subsection 3.03(a)(2) hereof) or any optional payment under the terms of the Plan, his Years of Credited Service with respect to which he had received any benefits under this Plan shall be taken into account for purposes of determining his benefit under the benefit accrual provisions of Section 3.01 or Subsection 11.04(a)(2), but the amount of his Retirement Pension, when payable, shall be reduced by the Actuarial Equivalent of the benefits previously received. In the case of an Employee whose period of reemployment extends beyond his Normal Retirement Date, the provisions of Section 3.04(a) shall apply in addition to the provisions of this Section 4.05.

ARTICLE V

EARLY RETIREMENT AND DISABILITY BENEFIT

5.01 Upon Retirement on or after his Early Retirement Date but before his Normal Retirement Date, a Participant shall be entitled to elect to receive, with his written consent and the consent of his Spouse, if applicable, a Retirement Pension commencing on:

(a) the first day of the month coincident with or next following the date of his Retirement; or

(b) the first day of any month which precedes his Normal Retirement Date;

which is the Actuarial Equivalent as of his Normal Retirement Date of his Accrued Benefit.

Notwithstanding the foregoing, however, in no event shall the Participant's Retirement Pension payable pursuant to this Section 5.01 be less than the Participant's Retirement Pension determined under this Section as of December 31, 1995 based on the Annuity Purchase Rate and mortality determined by application of the UP-1984 mortality table set back one year.

5.02 Upon a Participant's Termination of Employment due to Disability, he shall be fully (100%) vested in his Accrued Benefit and shall be entitled to receive a Retirement Pension commencing on his Normal Retirement which is equal to his Accrued Benefit as of the date of his Termination of Employment.

5.03 Notwithstanding any other provision of this Plan, if a Participant is entitled to a Retirement Pension pursuant to the provisions of this Article V, such Retirement Pension shall be paid in accordance with the provisions of Section 3.04.

ARTICLE VI

OPTIONAL METHODS OF PAYMENT

6.01 The optional methods of payment set forth in this Section 6.01 shall be available under the Plan and shall be elected in the manner provided herein.

(a) Election Procedure.

A Participant or Retired Participant may elect any of the Options provided herein, which Option shall be the Actuarial Equivalent (determined as of his Retirement Pension Starting Date) of the Retirement Pension otherwise payable to him in accordance with Article III, IV or V, whichever is applicable; provided, however, that no Option may be elected which would permit his Beneficiary (other than his Spouse) to receive a benefit which is fifty percent (50%) or more of the Actuarial Equivalent (determined as of the Participant's projected Retirement Pension Starting Date) of the combined benefits payable to such Beneficiary and such Participant or Retired Participant. Such election shall be made in accordance with Section 3.03(b) . Except as otherwise provided in this Article VI, an Option shall become effective on the later of (1) the date a Participant elects an Option, or (2) his Retirement Pension Starting Date. If a Participant or Retired Participant dies before the date on which an Option becomes effective, any election of such Option shall be null and void. A married Participant may elect an Option only if he elects, in accordance with Section 3.03, not to receive benefits in the form of a Qualified Joint and Survivor Annuity.

(b) The following Options may be elected by a Participant:

Option 1

Life Annuity: A Participant or Retired Participant may elect to receive his Retirement Pension in the form of an annuity for his own life only.

Option 2

Joint and Survivor Annuity: (A) A Participant or Retired Participant may elect to receive an actuarially adjusted Retirement Pension payable to himself in equal monthly installments for his lifetime and thereafter payable to his Beneficiary, if such Beneficiary survives him, in equal monthly installments at a rate of fifty percent (50%), seventy-five percent (75%) or one hundred percent (100%), as the Participant or Retired Participant may designate, of the Retirement Pension payable during their joint lifetimes. Election of this Option is conditioned upon the statement of the name and gender of the Beneficiary in such election, and in addition, the delivery to the Administrative Committee within ninety (90) days after filing such election of proof, satisfactory to the Administrative Committee, of the age of the Beneficiary.

(2) If his Beneficiary dies before the Retirement Pension Starting Date of the Participant or Retired Participant, any election of this Option 2 shall be null and void.

(3) If his Beneficiary dies after the Retired Participant's Retirement Pension Starting Date, the election of this Option 2 shall be effective, and the Participant or Retired Participant shall receive or continue to receive the same actuarially adjusted Retirement Pension as if his Beneficiary had not predeceased him.

Option 3

Life Annuity - Period Certain: A Participant or Retired Participant may elect to receive an actuarially adjusted Retirement Pension payable in equal monthly installments for his lifetime or over a period certain not longer than the greater of the Participant's life expectancy on his Retirement Pension Starting Date, or the joint life and last survivor expectancy of the Participant or Retired Participant and his Beneficiary on his Retirement Pension Starting Date, determined under the Treasury Regulations under Section 72 of the Code. If the Participant or Retired Participant dies prior to the end of the period certain, the remaining installments shall be paid to his Beneficiary. Notwithstanding the foregoing, effective 180 days after the adoption of this amended and restated Plan document, the period certain option shall be limited to a period certain of either ten (10) years or fifteen (15) years as elected by a Participant.

Option 4

Single Sum Distribution: A Participant or Retired Participant may elect to receive the Actuarial Equivalent of his Accrued Benefit, computed as of his Retirement date, in the form of a single sum distribution. Such amount shall be paid to him, or, if he dies between the date on which the distribution first becomes payable and the date of actual distribution, to his Beneficiary, within sixty days after the date which would otherwise have been his Retirement Pension Starting Date; provided, however, that the entire amount shall be distributed within a single taxable year of the recipient. In no event shall a Participant's benefit payable under this Option 4 be less than would have been payable under the terms of the Plan in effect on December 31, 1995 based on the Participant's Accrued Benefit as of that date.

Option 5

Payment in Installments: A Participant or Retired Participant may elect to have the Actuarial Equivalent of his Accrued Benefit, computed as of his Retirement date, paid to him in approximately equal installments, payable no less often than annually, over a period certain not longer than the greater of the Participant's life expectancy on his Retirement Pension Starting Date, or the joint life and last survivor expectancy of the Participant or Retired Participant and his Beneficiary on his Retirement Pension Starting Date, determined under the Treasury Regulations under Section 72 of the Code. If the Participant or Retired Participant dies prior to the end of the period certain, the remaining installments shall be paid to his Beneficiary. In no event shall a Participant's benefit payable under this Option 5 be less than would have been payable under the terms of the Plan in effect on December 31, 1995 based on the Participant's Accrued Benefit as of that date. Notwithstanding the foregoing, effective 180 days after the adoption of this amended and restated Plan document, the installment option shall be limited to a period certain of either ten (10) years or fifteen (15) years as elected by a Participant.

(c) Change of Option:

A Participant or Retired Participant may elect to change the Option then in effect at any time during the period provided in Subsection (a) within which an Option may be elected; provided, however, that a Participant or Retired Participant may not elect to change the Option then in effect more frequently than once during any consecutive twelve (12) month period.

(d) Designation of Beneficiary:

(1) Upon receipt of notification from the Administrative Committee that he has qualified for participation in the Plan, a Participant may designate a Beneficiary or Beneficiaries and a successor Beneficiary or Beneficiaries. A Participant or Retired Participant may change such designation from time to time by filing a new designation with the Administrative Committee. No change of Beneficiary shall require the consent of any previously designated Beneficiary, and no Beneficiary shall have any rights under this Plan except as specifically provided by its terms.

(2) If a Retired Participant (other than one who has elected Option 1 or 2) has failed to designate a Beneficiary, or if his Beneficiary has predeceased him, or if he has instructed the Administrative Committee in writing to designate a Beneficiary, the Administrative Committee shall designate a Beneficiary or Beneficiaries on his behalf, but only from among his Spouse, descendants (including adoptive descendants), parents, brothers and sisters, or nephews and nieces; provided, however, that if the Retired Participant had instructed the Administrative Committee in writing to designate in a specified order or from a specified group, the Administrative Committee shall act only in accordance with such written instructions. If a Retired Participant has no validly designated Beneficiary, the Actuarial Equivalent of any amounts which would otherwise have been payable to a Beneficiary shall be paid to the Retired Participant's estate.

(3) If the Beneficiary of a Participant or Retired Participant predeceases him the rights of such Beneficiary shall thereupon terminate.

(4) If a Retired Participant dies after any installment of his Retirement Pension has become due but has not yet been paid to him, the balance of such installment shall be paid to his Beneficiary.

6.02 The Administrative Committee is authorized and empowered from time to time to adopt and fairly to administer regulations relating to the exercise or operation of an Option; provided, however, that no such regulation shall be inconsistent with the provisions of Section 6.01. Without limiting the generality of the foregoing such regulations may prescribe:

(a) such terms and conditions as the Administrative Committee shall deem appropriate in respect of the exercise of any Option;

(b) the form of application;

(c) any information or proof thereof to be furnished by a Participant, a Retired Participant or a Beneficiary in connection with any Option; and

(d) any other requirement or condition relating to any Option.

6.03 The Administrative Committee may, in its sole discretion, at any time or from time to time, provide the benefits to which any Retired Participant or his Beneficiary is entitled under this Plan by purchase of any form of nonassignable annuity contract. Upon the purchase of any such contract, the rights of the Retired Participant and his Beneficiary to receive any payments pursuant to this Plan shall be exclusively limited to such rights as may accrue under such contract, and neither such Retired Participant nor his Beneficiary shall have any further claim against his Employer, the Administrative Committee, the Trustee or any other person.

6.04 If, at any time, any Retired Participant or his Beneficiary is, in the judgment of the Administrative Committee, legally, physically or mentally incapable of personally receiving and receipting for any payment due hereunder, payment may, in the discretion of the Administrative Committee, be made to the guardian or legal representative of such Retired Participant or Beneficiary or, if none exists, to any other person or institution which, in the judgment of the Administrative Committee, is then maintaining, or then has custody of, such Retired Participant or Beneficiary.

6.05 Notwithstanding anything to the contrary contained in this Plan:

(a) The entire interest of each Participant must be distributed or begin to be distributed no later than the Participant's Required Beginning Date.

(b) Distributions, if not made in a single sum, may only be made over one of the following periods (or a combination thereof):

(1) the life of the Participant,

(2) the life of the Participant and Designated Beneficiary,

(3) a period certain not extending beyond the life expectancy of the Participant, or

(4) a period certain not extending beyond the joint and last survivor expectancy of the Participant and his Designated Beneficiary.

(c) If the Participant dies after distribution of his or her interest has begun, the remaining portion of such interest will continue to be distributed at least as rapidly as under the method of distribution being used prior to the Participant's death.

(d) If the Participant dies before distribution of his or her interest begins, distribution of the Participant's entire interest shall be completed by December 31 of the calendar year containing the fifth (5th) anniversary of the Participant's death except to the extent that an election is made to receive distributions in accordance with (1) or (2) below:

(1) If any portion of the Participant's interest is payable to a Beneficiary, distributions may be made over the life or over a period certain not greater than the life expectancy of the Designated Beneficiary commencing on or before December 31 of the calendar year immediately following the calendar year in which the Participant died;

(2) If the Beneficiary is the Participant's surviving Spouse, the date distributions are required to begin in accordance with (a) above shall not be earlier than December 31 of the calendar year in which the Participant would have attained age 70-1/2;

(3) If the surviving Spouse dies before the distributions to such spouse begin, the provisions of this Section 6.05(d), shall be applied as if the surviving spouse were the Participant.

(e) Any amount paid to a child of the Participant will be treated as if it has been paid to the surviving Spouse if the amount becomes payable to the surviving spouse when the child reaches the age of majority.

(f) The life expectancy of a Participant and his Spouse may be recalculated annually. The life expectancy of a non-Spouse beneficiary may not be recalculated.

(g) 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, with respect to distributions made on or after January 1, 2001, the Plan will apply the minimum distribution requirements of Section 401(a)(9) of the Code in accordance with the Treasury Regulations thereunder that were proposed in January 2001, the provisions of which are hereby incorporated by reference. This subsection (g) shall continue in effect until the end of the last calendar year beginning before the effective date of the final regulations under Section 401(a)(9) of the Code or such other date as may be specified in guidance published by the Internal Revenue Service.

(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.

6.06 Notwithstanding anything contained herein to the contrary, unless the Participant elects otherwise, distributions to the Participant will commence no later than the 60th day after the close of the Plan Year in which occurs the latest of:

(1) the Participant's attainment of age 65;

(2) the 10th anniversary of the year in which the Participant commenced participation in the Plan; or

(3) the Participant's termination of service with the Employer.

Notwithstanding the foregoing, the failure of a Participant and his Spouse to consent to a distribution at any time that any portion of the Accrued Benefit could be distributed to the Participant or his surviving Spouse prior to the time the Participant attains (or would have attained if not deceased) age 65, shall be deemed to be an election to defer payment of any benefit sufficient to satisfy this Section 6.06.

ARTICLE VII

DEATH BENEFIT

7.01 No benefits under this Plan shall be payable on account of the death of a Participant or Retired Participant other than a death benefit pursuant to Section 3.03, an Option validly elected under Article VI, or this Article VII.

7.02 (a) Except as provided in Subsection (b), if a Participant who is vested in any portion of his Accrued Benefit should die prior to his Retirement Pension Starting Date, his Spouse or Domestic Partner shall be entitled to receive a Qualified Preretirement Survivor Annuity.

(b) Notwithstanding any other provision of this Article VII, distributions of the Actuarial Equivalent of the Qualified Preretirement Survivor Annuity to which a surviving Spouse or Domestic Partner has become entitled shall immediately be made or commence to be made to the surviving Spouse or Domestic Partner in a form other than the Qualified Preretirement Survivor Annuity:

(1) if such distribution is made prior to the date on which payments of the Qualified Preretirement Survivor Annuity commence and the amount of such distribution is $5,000 (for Participants whose Termination of Employment occurs before January 1, 1998, $3,500) or less; or

(2) in any case not described in Paragraph (1), with the written consent of such surviving Spouse.

7.03 (a) The Committee shall provide each Participant within the “applicable period” for such Participant a written explanation of the Qualified Preretirement Survivor Annuity comparable to the explanation required in Section 3.03(c).

(b) The applicable period is whichever of the following periods ends last:

(1) the period beginning with the first day of the Plan Year in which the Participant attains age 32 and ending with the close of the Plan Year preceding the Plan Year in which the Participant attains age 35;

(2) “a reasonable period” ending after the individual becomes a Participant; and

(3) “a reasonable period” ending after this Section 7.03 first applies to the Participant.

For purposes of this Section 7.03, “a reasonable period” is the end of the two year period beginning one year prior to the date the applicable event occurs, and ending one year after that date.

(c) Notwithstanding the foregoing in the case of a Participant who separates from service before the Plan Year in which age 35 is attained, notice shall be provided within the two year period beginning one year prior to separation and ending one year after separation. If the Participant thereafter returns to employment with the Employer, the “applicable period” for such participant shall be redetermined.

ARTICLE VIII

DIRECT ROLLOVER DISTRIBUTIONS

8.01 Upon receiving directions from a Member who is eligible to receive a distribution from the Plan which constitutes an eligible rollover distribution, as defined in Section 402(c)(4)of the Code, to transfer all or any part of such distribution to an eligible retirement plan, as defined in Section 402(c)(8)(B), the Administrative Committee shall cause the portion of the distribution which the Participant has elected to so transfer to be transferred directly to such eligible retirement plan; provided, however, that the Participant shall be required to notify the Administrative Committee of the identity of the eligible retirement plan at the time and in the manner that the Administrative Committee shall prescribe and the Administrative Committee may require the Participant or the eligible retirement plan to provide a statement that the eligible retirement plan is intended to be qualified under Section 401(a) of the Code (if the plan is intended to be so qualified) or otherwise meets the requirements necessary to be an eligible retirement plan.

8.02 Upon receiving instructions from a Beneficiary who is the Participant's Spouse who is eligible to receive a distribution pursuant to the Plan that constitutes an eligible rollover distribution as defined in Section 402(c)(4) of the Code, to transfer all or any part of such distribution to a plan that constitutes an eligible retirement plan under Section 402(c)(8)(B) of the Code with respect to that distribution, the Administrative Committee shall cause the portion of the distribution which such Spouse has elected to so transfer to the eligible retirement plan so designated; provided, however, that the Spouse shall be required to notify the Administrative Committee of the identity of the eligible retirement plan at the time and in the manner that the Committee shall prescribe.

8.03 The Administrative Committee may accomplish the direct transfer described in Section 8.01 or Section 8.02, as applicable, by delivering a check to the Participant or Spouse (in each case, a "Distributee") which is payable to the trustee, custodian or other appropriate fiduciary of the eligible retirement plan, or by such other means as the Administrative Committee may in its discretion determine. The Administrative Committee may establish such rules and procedures regarding minimum amounts which may be the subject of direct transfers and other matters pertaining to direct transfers as it deems necessary from time to time.

ARTICLE IX

EMPLOYER CONTRIBUTION AND FUNDING POLICY

9.01 This Plan contemplates that each Employer shall, from time to time, contribute such amounts as may, in accordance with Section 412 of the Code and sound actuarial principles (as recommended by an actuary enrolled pursuant to Section 3042 of ERISA), be deemed necessary by such Employer to provide the benefits contemplated hereunder.

9.02 All contributions made by any Employer shall be paid directly to the Trustee for deposit in the Trust Fund.

9.03 Any forfeiture arising under the provisions of this Plan shall be applied to reduce contributions which would otherwise be required to be made by the Employers pursuant to Section 9.01.

9.04 The Company shall establish a funding policy and method consistent with the objectives of the Plan and the requirements of Title I of ERISA. In establishing and reviewing such funding policy and method, the Company shall endeavor to determine the Plan's short-term and long-term financial needs, taking into account the need for liquidity to pay benefits and the need for investment growth.

ARTICLE X

LIMITATIONS ON BENEFITS

10.01 (a) The limitations of Section 415 of the Code applicable to "defined benefit plans" as defined in Section 414(j) of the Code are hereby incorporated by reference in this Plan; provided, however, that where the Code so provides, benefit limitations in effect under prior law shall be applicable to benefits accrued as of the last effective day of such prior law. In the case of a Participant who is, or has ever been, a participant in one or more "defined contribution plans" as defined in Section 414(i) of the Code maintained by Employer or any predecessor of the Employer, if benefits or contributions need to be reduced due to the application of Section 415(e) of the Code, then benefits under this Plan shall be reduced with respect to the affected Participant before any contributions credited to the Participant under any defined contribution plan maintained by the Employer shall be reduced. Notwithstanding the foregoing, the limitations of Section 415(e) of the Code shall cease to apply as of the first day of the first Plan Year beginning on or after January 1, 2000.

(b) For purposes of applying the limitations described in this Section 10.01, if benefits under the Plan are received in any form other than a straight life annuity, or if such benefits relate to rollover contributions to the Plan, then such benefit must be adjusted to a straight life annuity, beginning at the same age, which is the actuarial equivalent of such benefit. In order to determine the actuarial equivalence of different forms of benefit payment for this purpose, the interest rate assumptions may not be less than the greater of 5 percent or the rate specified for purposes of Section 1.02 of the Plan. For limitation years beginning on or after January 1, 1995, the actuarially equivalent straight life annuity for purposes of applying the limitations under Section 415(b) of the Code to benefits that are not subject to Section 417(e)(3) of the Code is equal to the greater of the equivalent annual benefit computed using the interest rate and mortality table, or tabular factor, specified in Section 1.02 of the Plan for actuarial equivalence for the particular form of benefit payable, and the equivalent annual benefit computed using a 5 percent interest rate assumption and the applicable mortality table. For Plan benefits subject to Section 417(e)(3) of the Code, the equivalent annual straight life annuity is equal to the greater of the equivalent annual benefit computed using the interest rate and mortality table, or tabular factor, specified in Section 1.02 of the Plan for actuarial equivalence for the particular form of benefit payable, and the equivalent annual benefit computed using the annual interest rate on 30-year Treasury securities as specified by the Commissioner of the Internal Revenue Service, and the mortality table described in Revenue Ruling 2001-62 or any successor table (Revenue Ruling 95-6 for distributions with annuity starting dates prior to December 31, 2002). For Limitation Years beginning in 2004 or 2005, for the purposes of determining the Actuarial Equivalent value for a form of payment that is subject to Code Section 417(e)(3), the interest rate assumption shall be the greater of (i) the Applicable Interest Rate or (ii) 5.5 percent. For limitation years beginning in 2006 and thereafter, for the purposes of determining the Actuarial Equivalent value for a form of payment that is subject to Code Section 417(e)(3), the interest rate assumption shall be the greater of (i) the Applicable Interest Rate, (ii) 5.5 percent or (iii) the rate that provides a benefit of not more than 105% of the benefit that would be provided if the rate (or rates) applicable in determining minimum lump sums were used.

ARTICLE XI

TOP-HEAVY PLAN YEARS

11.01 For purposes of this Article XI, the following definitions shall apply:

(a) "Determination Date" means for any Plan Year subsequent to the first Plan Year, the last day of the preceding Plan Year, for the first Plan Year, the last day of that Plan Year.

(b) "Employee" means any employee of an Employer and any beneficiary of such an employee.

(c) "Employer" means the Employer and any Affiliate.

(d) "Key Employee" means, for Plan Years beginning after December 31, 2000, any Employee or former Employee (including any deceased Employee) who at any time during the Plan Year that includes the determination date was an officer of the Employer having annual compensation greater than $130,000 (as adjusted under Section 416(i)(1) of the Code for Plan Years beginning after December 31, 2002), a 5-percent owner of the employer, or a 1-percent owner of the employer having annual compensation of more than $150,000. For this purpose, annual compensation means compensation within the meaning of Section 415(c)(3) of the Code. The determination of who is a Key Employee will be made in accordance with Section 416(i)(1) of the Code and the applicable regulations and other guidance of general applicability issued thereunder.

(e) "Permissive Aggregation Group" means the Required Aggregation Group of plans plus any other plan or plans of the Employer which, when considered as a group with the Required Aggregation Group, would continue to satisfy the requirements of Sections 401(a)(4) and 410 of the Code.

(f) "Required Aggregation Group" means (1) each qualified plan of the Employer in which at least one Key Employee participates, and (2) any other qualified plan of the Employer which enables a plan described in (1) to meet the requirements of Sections 401(a)(4) or 410 of the Code.

(g) "Top-Heavy Compensation" means the first $200,000 (or such higher amount as may be prescribed pursuant to Treasury Regulations) of W-2 earnings actually paid in the Plan Year by an Employer or an Affiliate for services as an Employee. Top-Heavy Compensation shall include Deemed 125 Compensation, as defined in Section 1.14 of the Plan.

(h) "Top-Heavy Ratio":

(1) If in addition to this Plan the Employer maintains one or more other defined benefit plans (including any simplified employee pension plan) and the Employer has not maintained any defined contribution plan which during the 1-year period ending on the Determination Date has or has had account balances, the top-heavy ratio for this Plan alone or for the Required or Permissive Aggregation Group, as appropriate, is a fraction, the numerator of which is the sum of the present value of accrued benefits of all Key Employees as of the Determination Date (including any part of any accrued benefit distributed in the 1-year period ending on the Determination Date), and the denominator of which is the sum of the present value of all accrued benefits (including any part of any accrued benefit distributed in the 1-year period ending on the Determination Date), both computed in accordance with Section 416 of the Code and the regulations thereunder.

(2) If in addition to this Plan the Employer maintains one or more defined benefit plans (including any simplified employee pension plan) and the Employer maintains or has maintained one or more defined contribution plans which during the 1-year period ending on the Determination Date has or has had any account balances, the Top-Heavy Ratio for any Required or Permissive Aggregation Group, as appropriate, is a fraction, the numerator of which is the sum of the present value of accrued benefits under the aggregated defined benefit plan or plans for all Key Employees, determined in accordance with (1) above, and the sum of the account balances under the aggregated defined contribution plan or plans for all Key Employees as of the Determination Date, and the denominator of which is the sum of the present value of accrued benefits under the aggregated defined benefit plan or plans for all participants, determined in accordance with (1) above, and the sum of the account balances under the aggregated defined contribution plan or plans for all participants as of the Determination Date, all determined in accordance with Section 416 of the Code and the regulations thereunder. The account balances accrued benefits under a defined contribution plan in both the numerator and denominator of the Top-Heavy Ratio are increased for any distribution of an account balance made in the 1-year period ending on the Determination Date.

(3) For purposes of (1) and (2) above, the value of account balances and the present value of accrued benefits will be determined as of the most recent Valuation Date that falls within or ends with the 12-month period ending on the Determination Date, except as provided in Section 416 of the Code and the regulations thereunder for the first and the second plan years of a defined benefit plan. The account balances and accrued benefits of a participant (x) who is not a Key Employee but who was a Key Employee in a prior year, or (y) who has not received any Top-Heavy Compensation from any Employer maintaining the Plan at any time during the 5-year period ending on the Determination Date will be disregarded. Notwithstanding the above, for Plan Years beginning after December 31, 2001, the accrued benefits and accounts of any Participant who has not performed services for the Employer during the 1-year period ending on the Determination Date will be disregarded. The calculation of the Top-Heavy Ratio, and the extent to which distributions, rollovers, and transfers are taken into account will be made in accordance with Section 416 of the Code and the regulations thereunder. Deductible Employee contributions will not be taken into account for purposes of computing the Top-Heavy Ratio. When aggregating plans the value of account balances and accrued benefits will be calculated with reference to the Determination Dates that fall within the same calendar year.

The accrued benefit of a Participant other than a Key Employee shall be determined under (x) the method, if any, that uniformly applies for accrual purposes under all defined benefit plans maintained by the Employer, or (y) if there is no such method, as if such benefit accrued not more rapidly than the slowest accrual rate permitted under the fractional rule of Section 411(b)(1)(C) of the Code.

(4) For purposes of (1) and (2) above, in the case of a distribution from the Plan made for a reason other than separation from service, death or Disability, "5 year period" shall be substituted for "1-year period" wherever such term is found.

(ii) "Valuation Date" means the last day of a Plan Year.

11.02 If the Plan is or becomes top-heavy in any Plan Year, the provisions of Sections 11.04 through 11.05 will automatically supersede any conflicting provision of the Plan.

11.03 The Plan shall be considered top-heavy for any Plan Year if any of the following conditions exists:

(a) If the Top-Heavy Ratio for the Plan exceeds 60 percent and the Plan is not part of any Required Aggregation Group or Permissive Aggregation Group of plans.

(b) If the Plan is part of a Required Aggregation Group of plans but not part of a Permissive Aggregation Group and the Top-Heavy Ratio for the group of plans exceeds 60 percent.

(c) If the Plan is part of a Required Aggregation Group of plans and part of a Permissive Aggregation Group and the Top-Heavy Ratio for the Permissive Aggregation Group exceeds 60 percent.

11.04 (a) The Retirement Pension, commencing on or after the Normal Retirement Date of each individual, other than a Key Employee, who was a Participant during any Top-Heavy Plan year shall be the greater of:

(1) such Participant's Retirement Pension determined under Section 3.02; or

(2) an amount equal to two percent (2%) of such Participant's Highest Average Compensation for each of the first ten (10) years of his Top-Heavy Service; provided, however, that in the case of a Participant whose Retirement Pension Starting Date is later than his Normal Retirement Date, the amount determined under this Paragraph (2) commencing on such Retirement Pension Starting Date shall not be less than the Actuarial Equivalent of the Retirement Pension that would have been payable pursuant to this Paragraph (2) on the Participant's Normal Retirement Date

(b) For purposes of this Section 11.04:

(1) "Highest Average Compensation" means a Participant's average Top-Heavy Compensation for the five (5) consecutive years during which his aggregate Top-Heavy Compensation was highest, excluding compensation earned by such Participant:

(A) after the close of the last Top-Heavy Plan Year; or

(B) prior to January 1, 1984, except to the extent that compensation prior to January 1, 1984 is required to be taken into account so that such average is based on a five (5) year period.

(2) "Top-Heavy Service" means each Year of Service:

(A) in which ended a Plan Year which was not a Top-Heavy Plan Year; or

(B) completed in a Plan Year beginning prior to January 1, 1984.

For Plan Years beginning after December 31, 2001, for purpose of satisfying the minimum benefit requirements of Section 416(c)(1) of the Code and this Plan, in determining Years of Service, any service with Employer shall be disregarded to the extent that such service occurs during a Plan Year when the Plan benefits (within the meaning of Section 410(b) of the Code) no Key Employee or former Key Employee.

(c) In the case of a Participant who is also a Participant in a defined contribution plan maintained by an Employer or an Affiliate, the amount described in Paragraph (a) (2) shall be reduced by the actuarial equivalent, determined as of the date of the Participant's Retirement Pension Starting Date, of the Participant's account balance under such defined contribution plan derived from employer contributions (which account balance shall be deemed to include prior withdrawals made by the Participant accumulated at interest to the Participant's Retirement Pension Starting Date). For purposes of this Subsection (c), actuarial equivalence and the interest rate referred to in the preceding sentence shall be determined using the actuarial assumptions described in Section 1.02.

11.05 (a) For any Top-Heavy Plan Year, each Participant shall be vested in his Accrued Benefit in accordance with the following schedule:

Years of Service	Nonforfeitable Percentage
Fewer than Two Years	0%
Two Years but less than Three Years	20%
Three Years but less than Four Years	40%
Four Years but less than Five Years	60%
Five or more Years	100%

(b) Any portion of a Participant's Accrued Benefit which has become vested pursuant to Subsection (1) shall remain vested after the Plan has ceased to be a Top-Heavy Plan.

(c) Any Participant who has completed at least five (5) Years of Service prior to the beginning of the Plan Year in which the Plan ceased to be a Top-Heavy Plan shall continue to vest in his Accrued Benefit according to the schedule set forth in Subsection (a) after the Plan has ceased to be a Top-Heavy Plan.

ARTICLE XII

NON-ALIENABILITY

12.01 Except in the case of a qualified domestic relations order described in Section 414(p) of the Code, no benefit under this Plan shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, charge, encumbrance, garnishment, levy or attachment; and any attempt to so anticipate, alienate, sell, transfer, assign, pledge, charge, encumber, garnish, levy upon or attach the same shall be void; nor shall any such benefit be in any manner liable for or subject to the debts, contracts, liabilities, engagements or torts of the person entitled thereto.

12.02 If any Participant or Beneficiary under this Plan becomes bankrupt or attempts to anticipate, alienate, sell, transfer, assign, pledge, encumber or charge any benefit under this Plan, the Administrative Committee may (but shall not be required to) terminate the payment of such benefit to such Participant or Beneficiary. If payment is thus terminated, the Administrative Committee shall direct the Trustee to hold or apply future payments for the benefit of such Participant, his Beneficiary, his spouse or children or other dependents, or any of them, in such manner and in such proportion as the Administrative Committee may deem proper.

12.03 Notwithstanding anything herein to the contrary, effective August 5, 1997, the provisions of this Article XII shall not apply to any offset of a Participant's benefits provided under the Plan against an amount that the Participant is ordered or required to pay to the Plan under any of the circumstances set forth in Section 401(a)(13)(C) of the Code and Sections 206(d)(4) and 206(d)(5) of ERISA.

ARTICLE XIII

AMENDMENT OF THE PLAN

13.01 The Company shall have the right by action of the Board, at any time and from time to time, to amend in whole or in part any of the provisions of this Plan, and any such amendment shall be binding upon the Participants and their Beneficiaries, the Trustee, the Administrative Committee, any Employer, and all parties in interest; provided, however, that no such amendment shall authorize or permit any of the assets of the Trust Fund to be used for or directed to purposes other than the exclusive benefit of the Participants or their Beneficiaries. Any such amendment shall become effective as of the date specified therein.

13.02 No amendment to the Plan including a change in the actuarial basis for determining optional or early retirement benefits shall be effective to the extent that it has the effect of decreasing a Participant's Accrued Benefit. Notwithstanding the preceding sentence, a Participant's Accrued Benefit may be reduced to the extent permitted under Section 412(c)(8) of the Code. For purposes of this paragraph, a Plan amendment which has the effect of (1) eliminating or reducing an early retirement benefit or a retirement-type subsidy, or (2) eliminating an optional form of benefit, with respect to benefits attributable to service before the amendment shall be treated as reducing accrued benefits. In the case of a retirement-type subsidy, the preceding sentence shall apply only with respect to a participant who satisfies either before or after the amendment the preamendment conditions for the subsidy. In general, a retirement-type subsidy is a subsidy that continues after retirement, but does not include a qualified disability benefit, a medical benefit, a social security supplement, a death benefit (including life insurance). Furthermore, no amendment to the Plan shall have the effect of decreasing a Participant's vested interest determined without regard to such amendment as of the later of the date such amendment is adopted, or becomes effective.

13.03 If at any time the vesting schedule set forth in Section 4.01 is amended, or the Plan is amended in any way that directly or indirectly affects the computation of the Participant's nonforfeitable percentage or if the Plan is deemed amended by an automatic change to or from a top-heavy vesting schedule, each Participant with at least three Years of Service may elect, within a reasonable period after the adoption of the amendment or change, to have the nonforfeitable percentage computed under the Plan without regard to such amendment or change. For Participants who dc not have at least one Hour of Service in any Plan Year beginning after December 31, 1988, the preceding sentence shall be applied by substituting "five Years of Service" for 'three Years of Service" where such language appears. The period during which the election may be made shall commence with the date the amendment is adopted or deemed to be made and shall end on the latest of:

(i) 60 days after the amendment is adopted;

(ii) 60 days after the amendment becomes effective; or

(iii) 60 days after the Participant is issued written notice of the amendment by the Employer or the Plan Administrator.

ARTICLE XIV

TERMINATION OF THE PLAN

14.01 The Company may, by action of the Board and by appropriate notice to the Trustee, determine that it shall terminate the Plan in its entirety or withdraw from the Plan and terminate the same with respect to itself. The Company may by action of the Board at any time determine that any other Employer shall withdraw from the Plan, and any other Employer by action of its Board of Directors may determine that it shall so withdraw, and upon any such determination, the Plan, in respect of such Employer, shall be terminated.

14.02 Any termination or partial termination shall be effective as of the date specified in the resolution providing therefor, if any, and shall be binding upon the Employer, the Trustee, all Participants and Beneficiaries and all parties in interest.

14.03 Upon termination of the Plan in its entirety, each Participant shall be fully (100%) vested in his Accrued Benefit, determined as of the date of such termination. A Participant's Accrued Benefit shall be payable only from the Trust Fund, except to the extent otherwise provided in Title IV of ERISA.

14.04 In the event of a partial termination of the Plan, within the meaning of Section 411(d)(3)(A) of the Code, each affected Participant shall, insofar as required by applicable law, be fully (100%) vested in his Accrued Benefit, determined as of the date of such partial termination.

14.05 Upon termination of the Plan in its entirety or upon a partial termination of the Plan, the assets comprising the Trust Fund shall be allocated in accordance with the statutory priorities set forth in Section 4044(d)(2) of ERISA and regulations promulgated thereunder. Subject to the limitations imposed by Section 4044(d)(2) of ERISA and Section 14.06, any funds remaining after satisfaction of all liabilities to Plan Participants shall be returned to the Employer.

14.06 (a) As used in this Section 14.06:

(1) "Applicable Early Termination Date" means the tenth (10th) anniversary of the effective date of any increase in benefits under this Plan.

(2) "Predecessor Plan' means any retirement plan which (A) was maintained by a corporation or unincorporated business before it became an Employer and (B) has merged into the Plan.

(3) "Twenty-five Highest Paid Employees" means the twenty-five (25) highest paid Employees on the tenth (10th) anniversary preceding the Applicable Early Termination Date (including any such Employees) who were not then, or were not eligible to become, Participants in the Plan), excluding any Participant whose Retirement Pension will not exceed $1,500.

(4) "Unrestricted Benefits" means benefits in the form provided under this Plan equal to the amount provided by the greatest of:

(A) employer contributions (or funds attributable thereto) under the Plan or a Predecessor Plan which would have been applied to provide the Participant's Accrued Benefit if the Plan or such Predecessor Plan, as in effect on the tenth (10th) anniversary preceding the Applicable Early Termination Date, had continued without change;

(B) $20,000; or

(C) an amount equal to the sum of (A) employer contributions (or funds attributable thereto) which would have been applied to provide the Participant's Accrued Benefit under the Plan or any Predecessor Plan if the Plan or such Predecessor Plan had terminated on the tenth (10th) anniversary preceding the Applicable Early Termination Date and (B) twenty percent (20%) of the first $50,000 of the Participant's average Compensation during the preceding five (5) years, multiplied by the number of years in respect of which the full current costs of the Plan have been met since the tenth (10th) anniversary preceding the Applicable Early Termination Date;

(D) (1) for a Participant who is not a "substantial owner" as defined in Section 4022(b)(5) of ERISA, an amount which equals the present value of the maximum benefit of such Participant described in Section 4022(b)(3)(B) of ERISA, determined on the date the Plan terminates or the Participant's Retirement Pension Starting Date, whichever is earlier and determined in accordance with regulations of the Pension Benefit Guaranty Corporation ("PBGC"), without regard to any other limitations in Section 4022 of ERISA; or

(2) for a Participant who is a "substantial owner," as defined in Section 4022(b)(5) of ERISA, the greatest of the amounts in (A), (B), (C) or an amount which equals the present value of the benefit guaranteed upon termination of the Plan for such Participant under Section 4022 of ERISA, or if the Plan has not terminated, the present value of the benefit that would be guaranteed if the Plan terminated on such Participant's Retirement Pension Starting Date, determined in accordance with regulations of the PBGC.

(b) Subject to the provisions of Section 4044 of ERISA, in the event that:

(1) the Plan is terminated in respect of an Employer at any time prior to the Applicable Early Termination Date; or

(2) the benefits of any Participant became payable (A) at any time prior to the Applicable Early Termination Date or (B) subsequent to the Applicable Early Termination Date but before the full current costs of the Plan for the period prior to the Applicable Early Termination Date have been funded, the benefits (as defined in Treasury Regulation 1.401-4(c)(2)(vi)(a)) which any of the Twenty-Five Highest Paid Employees may receive (including any Unrestricted Benefits) shall not exceed his Unrestricted Benefits at any time.

In the case of a Participant described in Subparagraph (2) (B), if on the Applicable Early Termination Date the full current costs are not met, the restrictions contained in this Section 14.06 shall continue in force until the full current costs are funded for the first time.

(c) The provisions of this Section 14.06 shall not restrict the current payment of full retirement benefits called for by this Plan to any Retired Participant or his Beneficiary while the Plan is in full effect and its full current costs have been met.

(d) If any funds are released by operation of the provisions of this Section 14.06, they shall be applied solely for the benefit of Participants and Beneficiaries other than the Twenty-five Highest Paid Employees or, if not required for the funding of benefits for such Participants and Beneficiaries, shall revert to the appropriate Employer.

(e) The restrictions contained in SubSection (b) may be exceeded for the purpose of making current Retirement Pension payments to a Retired Participant who would otherwise be subject to such restrictions if:

(1) such Retirement Pension is in the form described in Section 1.41 or 3.02, whichever is applicable, or under an Option which does not provide level pension benefits greater than those provided by the form described in Section 1.41;

(2) the Retirement Pension thus provided is supplemented, to the extent necessary to provide the full Retirement Pension in the form provided in Section 1.41 or 3.02, by current payments to such Retired Participant as installments of such Retirement Pension come due; and

(3) such supplemental payments are made at any time only if (A) the full current costs of the Plan have then been funded or (B) the aggregate of such supplemental payments for all such Retired Participants for the current year does not exceed the aggregate of the Employer contributions already made in respect of such year.

(f) If there shall be more than one Employer, the provisions of this Section 14.06 shall be applied separately in respect of each such Employer.

(g) A Participant who is one of the Twenty-five Highest Paid Employees may elect to receive his benefits under this Plan in the form of a lump sum distribution only if he agrees to deposit with an acceptable depository property having a market value equal to one hundred twenty-five percent (125%) of the difference between the amount of such distribution and the Actuarial Equivalent of his Unrestricted Benefits as security for his repayment of any benefits paid to him in excess of the maximum permitted by this Section 14.06. Additional deposits of security, in the amount necessary to increase the fair market value of such security to one hundred twenty-five percent (125%) of the difference between the amount of the distribution and the actuarial Equivalent of his Unrestricted Benefits shall be made whenever the fair market value of such security is less than one hundred ten percent (110%) of such difference.

14.07 If the Plan shall merge or consolidate with, or transfer its assets or liabilities to, any other "pension plan", as defined in Section 3(2) of ERISA, each Participant shall be entitled to receive a benefit immediately after such merger, consolidation or transfer (assuming that the Plan had then terminated) which is equal to or greater than the benefit which he would have been entitled to receive immediately before such merger, consolidation or transfer (assuming that the Plan had then terminated).

ARTICLE XV

TRUST AND ADMINISTRATION

15.01 The assets of the Trust Fund shall be held by the Trustees, who shall consist of not fewer than two (2) individuals, or a bank or trust company appointed by the Board. The Trustees shall hold office until their or its successors have been duly appointed or until death, resignation or removal.

15.02 Reserved.

15.03 The investment of the assets of the Plan shall be managed, except to the extent that such responsibility has been allocated or delegated, by the Trustee.

15.04 The Trustees shall act unanimously; provided, however, that if at any time there are more than two (2) Trustees acting hereunder, they shall act by majority vote and may act either by vote at a meeting or in writing without a meeting. Notwithstanding the foregoing:

(a) checks and other instruments for the payment of money and instruments relating to the purchase, sale or other disposition of securities or other property held in the Trust and checks and other instruments in payment of distributions to Members and Beneficiaries or in payment of proper expenses under the Plan may be signed by any one Trustee or by any person or persons authorized by unanimous action of all the Trustees then acting hereunder with the same force and effect as if signed by all Trustees; and

(b) the Trustees may, by written authorization, empower one of them individually to execute any other document or documents on behalf of the Trustees, such authorization to remain in effect until revoked by any Trustee.

15.05 The Trustees may appoint such independent accountants, enrolled actuaries, legal counsel, investment advisors and other agents or specialists as they deem necessary or desirable in connection with the performance of their duties hereunder. The Trustees shall be entitled to rely conclusively upon, and shall be fully protected in any action taken by them in good faith in relying upon, any opinions or reports which are furnished to them by any such independent accountant, enrolled actuary, legal counsel, investment advisor or other specialist.

15.06 The Trustees shall serve without compensation for services as such. All expenses of the Trust shall be paid by the Trust unless paid by Employers. Such expenses shall include any expenses incidental to the operation of the Trust, including, but not limited to, fees of independent accountants, enrolled actuaries, legal counsel, investment advisors and other agents or specialists and similar costs.

15.07 The Trustees shall discharge their duties with respect to the Plan solely in the interests of the Participants and their Beneficiaries; and

(a) for the exclusive purpose of providing benefits to Participants and the Beneficiaries and defraying reasonable expenses of administering the Plan;

(b) with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man, acting in like capacity and familiar with such matters, would use in the conduct of an enterprise of a like character and with like aims;

(c) by diversifying the investments of the Trust Fund so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so; and

(d) in accordance with the documents and instruments governing the Plan, insofar as such documents and instruments are consistent with the provisions of ERISA.

15.08 (a) The Trustees are hereby designated as "named fiduciaries" within the meaning of Section 402(a) of ERISA, with respect to the investment of the assets of the Plan and shall, except to the extent provided in SubSections (c) and (d), direct the investment of such assets and possess all powers which may be necessary to carry out such duty.

(b) At the direction of the Investment Committee, the Trustees may appoint an investment manager, as defined in Section 3(38) of ERISA, in which case, unless otherwise provided by ERISA, no Trustee shall be liable for the acts or omissions of such investment manager or be under any obligation to invest or otherwise manage any asset of the Trust Fund which is subject to the management of such manager.

(c) (1) The Administrative Committee and the Trustees may establish procedures for (A) the allocation of fiduciary responsibilities (other than "trustee responsibilities" as defined in Section 405(c)(3) of ERISA under the Plan among themselves, and (B) the designation of persons other than names fiduciaries to carry out fiduciary responsibilities (other than trustee responsibilities) under the Plan.

(2) If any fiduciary responsibility is allocated or if any person is designated to carry out any responsibility pursuant to Paragraph (1), no named fiduciary shall be liable for any act or omission of such person in carrying out such responsibility, except as provided in Section 405(c)(2) of ERISA.

15.09 The Trustees shall receive any contributions paid to them in cash and shall establish the Trust Fund hereunder. The Trust Fund shall be held, managed and administered in accordance with the terms of this Plan.

15.10 The Trustees shall invest and reinvest the Trust Fund and keep the Trust Fund invested, without distinction between principal and income, in such securities or other property, real or personal, foreign or domestic, wherever situated, as the Trustees shall deem advisable, including, but not limited to, the general account or a separate account of an insurance company licensed to do business in the State of New York, shares in a regulated investment company or plans for the accumulation of such shares, common or preferred stocks, bonds and mortgages, and other evidences of ownership or indebtedness. In making such investments, the Trustee shall not be restricted to securities or other property of the character authorized or required by applicable law for trust investments.

15.11 The Trustees shall have the following powers and authority in the investment of the assets of the Trust Fund:

(a) to purchase, or subscribe for, any securities (including shares in a regulated investment company or plans for the accumulation of such shares) or other property and to retain the same in trust, the Trustees being specifically authorized to limit investment, in their own discretion, to shares of regulated investment companies or to plans for the accumulation of such shares;

(b) to sell, exchange, convey, transfer or otherwise dispose of, by private contract or at public auction, any securities or other property held by them; and no person dealing with the Trustees shall be bound to see to the application of the purchase money or to inquire into the validity, expediency or propriety of any such sale or other disposition;

(c) to vote any stocks, bonds or other securities; to give general or special proxies or powers of attorney with or without power of substitution; to exercise any conversion privileges, subscription rights or other options and to make any payments incidental thereto; to oppose, consent to, or otherwise participate in, corporate reorganizations or other changes affecting corporation securities; to pay any assessments or charges in connection with any security; to delegate any discretionary powers; and generally to exercise any of the powers of an owner with respect to stocks, bonds, securities or other property held as part of the Trust Fund;

(d) to cause any securities or other property held as part of the Trust Fund to be registered in their own names or in the name of one or more nominees, and to hold any investments in bearer form, but the books and records of the Trustees shall at all times show that all such investments are part of the Trust Fund;

(e) to borrow or raise money for the purposes of the Plan in such amount and upon such terms and conditions as the Trustee shall deem advisable; and for any sum so borrowed, to issue their promissory note as Trustees and to secure the repayment thereof by pledging all, or any part, of the Trust Fund; and no person lending money to the Trustees shall be bound to see to the application of the money lent or to inquire into the validity, expediency or propriety of any such borrowing;

(f) to keep such portion of the Trust Fund in cash or cash balances as the Trustee may, from time to time, deem to be in the best interests of the Plan, without liability for interest thereon;

(g) to accept and retain for such time as may seem advisable any securities or other property received or acquired by them as Trustees hereunder, whether or not such securities or other property would normally be purchased as investments hereunder;

(h) to sell call options on any national securities exchange with respect to securities held in the Trust Fund, and to purchase call options for the purpose of closing out previous sales of call option;

(i) to appoint a bank or trust company as corporate Trustee, and to enter into and execute an agreement with any such corporate Trustee to provide for the investment and reinvestment of assets of the Trust Fund.

15.12 The Trustees, at the direction of the Administrative Committee, shall from time to time make payments out of the Trust Fund in accordance with the provisions of the Plan in such manner, in such amounts and for such purposes as they may determine, and when any such payment has been made, the amount thereof shall no longer constitute a part of the Trust Fund.

15.13 (a) The Trustees shall keep accurate and detailed accounts of all investments, receipts, disbursements and other transactions hereunder.

(b) Within two hundred ten (210) days following the close of each Plan Year, the Trustees shall file with the Company a written account setting forth all investments, receipts, disbursements and other transactions effected by them during such Plan Year. Except as provided to the contrary by Section 413(a) of ERISA, upon the expiration of ninety (90) days from the date of filing of such account, the Trustees shall be forever released and discharged from all liability and accountability to anyone with respect to the propriety of their acts and transactions shown in such account, except with respect to any such acts or transactions as to which the Company shall file with the Trustees written objections within such ninety (90) day period.

(c) The filing by the Trustees with the Company of an annual report in accordance with Section 103 of ERISA shall constitute the filing of an account within the meaning of this Section 15.13.

15.14 Any Trustee may be removed by the Company at any time. A Trustee may resign at any time upon thirty (30) days' notice in writing to the Company, which notice may be waived by the Company. Upon such removal or resignation of a Trustee, or upon the death or disability of a Trustee, the Company may, or in the event there is no then acting Trustee, shall appoint a successor Trustee, who shall have the same powers and duties as those conferred upon the Trustees hereunder. The Company may at any time appoint one or more additional Trustees, who shall have the same powers and duties as those conferred upon the Trustees hereunder.

15.15 In any case in which any person is required or permitted to make an election under this Plan, such election shall be made in writing and filed with the Administrative Committee on the form provided by them or made in such other manner as the Administrative Committee may direct.

ARTICLE XVI

CLAIM AND APPEAL PROCEDURE

16.01 (a) Initial Claim

(i) Any claim by an Employee, Participant or Beneficiary "Claimant") with respect to eligibility, participation, contributions, benefits or other aspects of the operation of the Plan shall be made in writing to the Committee for such purpose. The Committee shall provide the Claimant with the necessary forms and make all determinations as to the right of any person to a disputed benefit. If a Claimant is denied benefits under the Plan, the Committee or its designee shall notify the Claimant in writing of the denial of the claim within ninety (90) days (or within forty-five (45) days if the claim involves a determination of a claim for disability benefits) after the Committee receives the claim, provided that in the event of special circumstances such period may be extended.

(ii) In the event of special circumstances, the maximum period in which a claim must be determined may be extended as follows:

(A) With respect to any claim, other than a claim that involves a determination of a claim for disability benefits, the ninety (90) day period may be extended for a period of up to ninety (90) days (for a total of one hundred eighty (180) days). If the initial ninety (90) day period is extended, the Committee or its designee shall notify the Claimant in writing within ninety (90) days of receipt of the claim. The written notice of extension shall indicate the special circumstances requiring the extension of time and provide the date by which the Committee expects to make a determination with respect to the claim. If the extension is required due to the Claimant's failure to submit information necessary to decide the claim, the period for making the determination shall be tolled from the date on which the extension notice is sent to the Claimant until the earlier of (i) the date on which the Claimant responds to the Committee's request for information, or (ii) expiration of the forty-five (45) day period commencing on the date that the Claimant is notified that the requested additional information must be provided.

(B) With respect to a claim that involves a determination of a claim for disability benefits, the forty-five (45) day period may be extended as follows:

(I) Initially, the forty-five (45) day period may be extended for a period to up to an additional thirty (30) days (the "Initial Disability Extension Period"), provided that the Committee determines that such an extension is necessary due to matters beyond the control of the Plan and, within forty-five (45) days of receipt of the claim, the Committee or its designee notifies the Claimant in writing of such extension, the special circumstances requiring the extension of time, the date by which the Committee expects to make a determination with respect to the claim and such information as required under clause (III) below.

(II) Following the Initial Disability Extension Period the period for determining the Claimant's claim may be extended for a period of up to an additional thirty (30) days, provided that the Committee determines that such an extension is necessary due to matters beyond the control of the Plan and within the Initial Disability Extension Period, notifies the Claimant in writing of such additional extension, the special circumstances requiring the extension of time, the date by which the Committee expects to make a determination with respect to the claim and such information as required under clause (III) below.

(III) Any notice of extension pursuant to this Paragraph (B) shall specifically explain the standards on which entitlement to a benefit is based, the unresolved issues that prevent a decision on the claim, and the additional information needed to resolve those issues, and the Claimant shall be afforded forty-five (45) days within which to provide the specified information.

(IV) If an extension is required due to the Claimant's failure to submit information necessary to decide the claim, the period for making the determination shall be tolled from the date on which the extension notice is sent to the Claimant until the earlier of (i) the date on which the Claimant responds to the Committee's request for information, or (ii) expiration of the forty-five (45) day period commencing on the date that the Claimant is notified that the requested additional information must be provided.

(iii) If notice of the denial of a claim is not furnished within the required time period described herein, the claim shall be deemed denied as of the last day of such period.

(iv) If a claim is wholly or partially denied, the notice to the Claimant shall set forth:

(A) The specific reason or reasons for the denial;

(B) Specific reference to pertinent Plan provisions upon which the denial is based;

(C) A description of any additional material or information necessary for the Claimant to complete the claim request and an explanation of why such material or information is necessary;

(D) Appropriate information as to the steps to be taken and the applicable time limits if the Claimant wishes to submit the adverse determination for review; and

(E) A statement of the Claimant's right to bring a civil action under Section 502 of ERISA following an adverse determination on review.

(b) Claim Denial Review.

(i) If a claim has been wholly or partially denied, the Claimant may submit the claim for review by the Committee. Any request for review of a claim must be made in writing to the Committee no later than sixty (60) days (or within one hundred and eighty (180) days if the claim involves a determination of a claim for disability benefits) after the Claimant receives notification of denial or, if no notification was provided, the date the claim is deemed denied.

The Claimant or his duly authorized representative may:

(A) Upon request and free of charge, be provided with reasonable access to, and copies of, relevant documents, records, and other information relevant to the Claimant's claim; and

(B) Submit written comments, documents, records, and other information relating to the claim. The review of the claim determination shall take into account all comments, documents, records, and other information submitted by the Claimant relating to the claim, without regard to whether such information was submitted or considered in the initial claim determination.

(ii) The decision of the Committee upon review shall be made within sixty (60) days (or within forty-five (45) days if the claim involves a determination of a claim for disability benefits) after receipt of the Claimant's request for review, unless special circumstances (including, without limitation, the need to hold a hearing) require an extension. In the event of special circumstances, the maximum period in which a claim must be determined may be extended as follows:

(A) With respect to any claim, other than a claim that involves a determination of a claim for disability benefits, the sixty (60) day period may be extended for a period of up to one hundred twenty (120) days.

(B) With respect to a claim that involves a determination of a claim for disability benefits, the forty-five (45) day period may be extended for a period of up to forty-five (45) days.

If the sixty (60) day period (or forty-five (45) day period where the claim involves a determination of a claim for disability benefits) is extended, the Committee or its designee shall, within sixty (60) days (or within forty-five (45) days if the claim involves a determination of a claim for disability benefits) of receipt of the claim for review, notify the Claimant in writing. The written notice of extension shall indicate the special circumstances requiring the extension of time and provide the date by which the Committee expects to make a determination with respect to the claim upon review. If the extension is required due to the Claimant's failure to submit information necessary to decide the claim, the period for making the determination shall be tolled from the date on which the extension notice is sent to the Claimant until the earlier of (i) the date on which the Claimant responds to the Committee's request for information, or (ii) expiration of the forty-five (45) day period commencing on the date that the Claimant is notified that the requested additional information must be provided.

(iii) If notice of the decision upon review is not furnished within the required time period described herein, the claim on review shall be deemed denied as of the last day of such period.

(iv) The Committee, in its sole discretion, may hold a hearing regarding the claim and request that the Claimant attend. If a hearing is held, the Claimant shall be entitled to be represented by counsel.

(v) The Committee's decision upon review on the Claimant's claim shall be communicated to the Claimant in writing. If the claim upon review is denied, the notice to the Claimant shall set forth:

(A) The specific reason or reasons for the decision, with references to the specific Plan provisions on which the determination is based;

(B) A statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claim; and

(C) A statement of the Claimant's right to bring a civil action under Section 502 of ERISA.

(vi) Any review of a claim involving a determination of a claim for disability benefits shall not afford deference to the initial adverse benefit determination and shall not be determined by any individual who made the initial adverse benefit determination or a subordinate of such individual. In deciding a review of any adverse benefit determination that is based in whole or in part on a medical judgment, including determinations with regard to whether a particular treatment, drug, or other item is experimental, investigational, or not medically necessary or appropriate, the Committee shall consult with a health care professional who has appropriate training and experience in the field of medicine involved in the medical judgment.

(c) All interpretations, determinations and decisions of the Committee with respect to any claim, including without limitation the appeal of any claim, shall be made by the Committee, in its sole discretion, based on the Plan and comments, documents, records, and other information presented to it, and shall be final, conclusive and binding.

(d) The claims procedures set forth in this Section are intended to comply with United States Department of Labor Regulation § 2560.503-1 and should be construed in accordance with such regulation. In no event shall it be interpreted as expanding the rights of Claimants beyond what is required by United States Department of Labor Regulation § 2560.503-1.

ARTICLE XVII

MISCELLANEOUS

17.01 If any provision of this Plan shall be held illegal or invalid for any reason, such illegality or invalidity shall not affect the remaining parts of this Plan, but such illegal or invalid provision shall be deemed modified to the extent necessary to conform to applicable law and carry out the purposes of this Plan, or, if such modification is impossible, the Plan shall be construed and enforced as if such illegal or invalid provision had never been inserted herein.

17.02 This Plan shall be governed, construed, administered and regulated in all respects under the laws of the State of New York, except insofar as they have been superseded by the provisions of ERISA.

17.03 Wherever any words are used herein in the masculine gender, they shall be construed as though they were also used in the feminine gender in all cases where they would so apply, and vice versa, and wherever any words are used herein in the singular form, they shall be construed as through they were also used in the plural form in all cases where they would so apply, and vice versa.

17.04 The adoption and maintenance of this Plan shall not be deemed to constitute a contract between any Employer and any person or to be a consideration for the employment of any person. Nothing contained herein shall be deemed to give any person the right to be retained in the employ of any Employer or to derogate from the right of any Employer or discharge any person at any time without regard to the effect of such discharge upon the rights of such person as a Participant in this Plan.

17.05 Except as otherwise provided by ERISA, no liability shall attach to any Employer for payment of any benefits or claims hereunder, and all participants and Beneficiaries, and all persons claiming under or through them, shall have recourse only to the Trust Fund for payment of any benefit hereunder.

17.06 Nothing in this Plan, express or implied, is intended, or shall be construed, to confer upon or give to any person, firm, association or corporation, other than the parties hereto and their successors in interest, any right, remedy or claim under or by reason of this Plan or any covenants, condition or stipulation hereof, and all covenants, conditions and stipulations in this plan, by or on behalf of any party, shall be for the sole and exclusive benefit of the parties hereto.

(a) Any contribution to the Plan made by an Employer by a mistake in fact may be returned to such Employer at the direction of the Trustee within one (1) year after the date of the payment of such contribution.

(b) Each contribution made to this Plan by an Employer is conditioned upon its deductibility under Section 404 of the Code. If the deduction is disallowed, such contribution shall, to the extent disallowed as a deduction, be returned to such Employer within one (1) year following the date of disallowance.

(c) This Plan is established for the exclusive benefit of the Participants herein and their Beneficiaries. Except as provided in Section 14.05 and this Section 17.06, it shall be impossible for any assets of the Trust to revert to any Employer prior to the satisfaction of all liabilities hereunder with respect to all Participants and their Beneficiaries.

ARTICLE XVIII

ADMINISTRATION OF THE PLAN

Section 18.01 Administrative Committee. There is hereby created an Administrative Committee for the Plan. The general administration of the Plan on behalf of the Plan Administrator shall be placed in the Administrative Committee. The Administrative Committee shall operate in accordance with the terms of the Plan, including the Charter for the Administrative Committee which is attached to the Plan as Exhibit A and incorporated herein.

Section 18.02 Investment Committee. There is hereby created an Investment Committee for the Plan. The Investment Committee shall operate in accordance with the terms of the Plan, including the Charter for the Investment Committee which is attached to the Plan as Exhibit B and incorporated herein.

Section 18.03 Payment of Benefits (Administrative Committee). The Administrative Committee shall advise the Trustee in writing with respect to all benefits which become payable under the terms of the Plan and shall direct the Trustee to pay such benefits on order of the Administrative Committee. In the event that the Trust Fund shall be invested in whole or in part in one or more insurance contracts, the Administrative Committee shall be authorized to give to any insurance company issuing such a contract such instructions as may be necessary or appropriate in order to provide for the payment of benefits in accordance with the Plan.

Section 18.04 Powers and Authority; Action Conclusive (Administrative Committee). Except as otherwise expressly provided in the Plan or in the Trust Agreement, or by the Investment Committee, the Administrative Committee shall have the exclusive right, power, and authority, in its sole and absolute discretion, to administer, apply and interpret the Plan, Trust Agreement and any other Plan documents and to decide all matters arising in connection with the operation or administration of the Plan and the Trust. Subject to the immediately preceding sentence, the Administrative Committee shall have all powers necessary or helpful for the carrying out of its responsibilities, and the decisions or action of the Administrative Committee in good faith in respect of any matter hereunder shall be conclusive and binding upon all parties concerned.

Without limiting the generality of the foregoing, the Administrative Committee has the complete authority, in its sole and absolute discretion, to:

(a) Determine all questions arising out of or in connection with the interpretation of the terms and provisions of the Plan except as otherwise expressly provided herein;

(b) Make rules and regulations for the administration of the Plan which are not inconsistent with the terms and provisions of the Plan, and fix the annual accounting period of the trust established under the Trust Agreement as required for tax purposes;

(c) Construe all terms, provisions, conditions of and limitations to the Plan;

(d) Determine all questions relating to (A) the eligibility of persons to receive benefits hereunder, (B) the periods of service, including Hours of Service, Credited Service and Years of Service, and the amount of Compensation of a Participant during any period hereunder, and (C) all other matters upon which the benefits or other rights of a Participant or other person shall be based hereunder; and

(e) Determine all questions relating to the administration of the Plan (A) when disputes arise between the Employer and a Participant or his Beneficiary, Spouse or legal representatives, and (B) whenever the Administrative Committee deems it advisable to determine such questions in order to promote the uniform administration of the Plan.

All determinations made by the Administrative Committee with respect to any matter arising under the Plan Trust Agreement and any other Plan documents shall be final and binding on all parties. The foregoing list of powers is not intended to be either complete or exclusive and the Administrative Committee shall, in addition, have such powers as the Plan Administrator deems appropriate and delegates to it and such powers as may be necessary for the performance of its duties under the Plan and the Trust Agreement.

Section 18.05 Reliance on Information (Administrative Committee). The members of the Administrative Committee and any Employer or affiliate thereof (including the Company) and its officers, directors and employees shall be entitled to rely upon all tables, valuations, certificates, opinions and reports furnished by any accountant, trustee, insurance company, counsel or other expert who shall be engaged by the Company or an affiliate thereof or the Committee, and the members of the Committee and any Employer or affiliate thereof (including the Company) and its officers, directors and employees shall be fully protected in respect of any action taken or suffered by them in good faith in reliance thereon, and all action so taken or suffered shall be conclusive upon all persons affected thereby.

Section 18.06 Actions to be Uniform; Regular Personnel Policies to be Followed. Any discretionary actions to be taken under this Plan by the Administrative Committee or Investment Committee with respect to the classification of the Employees, contributions, or benefits shall be uniform in their nature and applicable to all Employees similarly situated. With respect to service with the Employer, leaves of absence and other similar matters, the Committee shall administer the Plan in accordance with the Employer's regular personnel policies at the time in effect.

Section 18.07 Fiduciaries. Any person or group of persons may serve in more than one fiduciary capacity with respect to the Plan. Any Named Fiduciary under the Plan, and any fiduciary designated by a Named Fiduciary to whom such power is granted by a Named Fiduciary under the Plan, may employ one or more persons to render advice with regard to any responsibility such fiduciary has under the Plan.

Section 18.08 Plan Administrator. The Company shall be the administrator of the Plan, as defined in Section 3(16)(A) of ERISA and shall be responsible for the preparation and filing of any required returns, reports, statements or other filings with appropriate governmental agencies. The Company or its authorized designee shall also be responsible for the preparation and delivery of information to persons entitled to such information under any applicable law.

Section 18.09 Notices and Elections (Administrative Committee). A Participant shall deliver to the Administrative Committee all directions, orders, designations, notices or other communications on appropriate forms to be furnished by the Administrative Committee. The Administrative Committee shall also receive notices or other communications directed to Participants from the Trustee and transmit them to the Participants. All elections which may be made by a Participant under this Plan shall be made in a time, manner and form determined by the Administrative Committee unless a specific time, manner or form is set forth in the Plan.

Section 18.10 Misrepresentation of Age. In making a determination or calculation based upon a Participant's age, the Administrative Committee shall be entitled to rely upon any information furnished by the Participant. If a Participant misrepresents the Participant's age, and the misrepresentation is relied upon by a Member Company, an affiliate thereof (including the Company) or the Administrative Committee, the Administrative Committee will adjust the Participant's Accrued Benefit to conform to the Participant's actual age and offset future monthly payments to recoup any overpayments caused by the Participant's misrepresentation.

Section 18.11 Decisions of Administrative Committee are Binding. The decisions of the Administrative Committee with respect to any matter it is empowered to act on shall be made in the Administrative Committee's sole discretion and shall be final, conclusive and binding on all persons, based on the Plan documents. In carrying out its functions under the Plan, the Administrative Committee shall endeavor to act by general rules so as to administer the Plan in a uniform and nondiscriminatory manner as to all persons similarly situated.

Section 18.12 Spouse's Consent. In addition to when such consent is expressly required by the terms of this Plan, the Committee may in its sole discretion also require the written consent of the Employee's Spouse to any other election or revocation of election made under this Plan before such election or revocation shall be effective.

Section 18.13 Accounts and Records. The Administrative Committee and Investment Committee shall maintain such accounts and records regarding the fiscal and other transactions of the Plan and such other data as may be required to carry out its functions under the Plan and to comply with all applicable laws. The Administrative Committee shall report annually to the Board on the performance of its responsibilities and on the performance of any trustee or other persons to whom any of its powers and responsibilities may have been delegated and on the administrative operation of the Plan for the preceding year. The Investment Committee shall report annually to the Board on the performance of its responsibilities and on the performance of any trustee, investment manager, insurance carrier or persons to whom any of its powers and responsibilities may have been delegated and on the financial condition of the Plan for the preceding year.

Section 18.14 Forms. To the extent that the form or method prescribed by the Administrative Committee to be used in the operation and administration of the Plan does not conflict with the terms and provisions of the Plan, such form shall be evidence of (a) the Administrative Committee's interpretation, construction and administration of this Plan and (b) decisions or rules made by the Administrative Committee pursuant to the authority granted to the Committee under the Plan.

Section 18.15 Liability. The functions of the Trustees, Administrative Committee, the Investment Committee, the Board, and the Employer under the Plan are fiduciary in nature and each shall be carried out solely in the interest of the Participants and other persons entitled to benefits under the Plan for the exclusive purpose of providing the benefits under the Plan (and for the defraying of reasonable expenses of administering the Plan). The Administrative Committee, the Investment Committee, the Board, and the Employer shall carry out their respective functions in accordance with the terms of the Plan with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. No member of the Administrative Committee or Investment Committee and no officer, director, or employee of the Employer shall be liable for any action or inaction with respect to his functions under the Plan unless such action or inaction is adjudicated to be a breach of the fiduciary standard of conduct set forth above. Further, no member of the Administrative Committee or Investment Committee shall be personally liable merely by virtue of any instrument executed by him or on his behalf as a member of the Administrative Committee or Investment Committee.

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)-4, Q&A-1, 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.

CHARTER

OF THE

RETIREMENT PLAN ADMINISTRATIVE COMMITTEE

1. **Purpose**. The primary purpose of the Administrative Committee (the "Committee") is to act on behalf of AllianceBernstein L.P. (formerly known as Alliance Capital Management L.P.) (the "Company") in the Company's role as the administrator of the Retirement Plan for Employees of AllianceBernstein L.P. (formerly known as the Retirement Plan for Employees of Alliance Capital Management L.P.) (the "Plan") in accordance with the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

2. **Composition and Term**. The Committee shall be composed of at least two members. The members of the Committee shall be appointed by the Compensation Committee of the board of directors (the "Board") of AllianceBernstein Corporation (formerly known as Alliance Capital Management Corporation), the general partner of the Company (the "General Partner"), and each such member shall serve at the pleasure of the Board. The Compensation Committee of the Board may remove any member of the Committee at any time, with or without cause. The Compensation Committee of the Board shall appoint a new member of the Committee as soon as is reasonably possible after such a removal. Until a new appointment is made, the remaining members of the Committee shall have full authority to act, subject to the limitation set forth in the last sentence of this Section. No person shall be ineligible to be a member of the Committee because he or she is, was or may become entitled to benefits under the Plan or because he or she is a member of the Board and/or an officer of the Company or related entity or a trustee for the Plan; provided that, no member of the Committee shall participate in any determination by the Committee specifically relating to the disposition of his or her benefits under the Plan.

3. **Appointment to and Resignation From the Committee**. Any person appointed to be a member of the Committee shall signify his or her acceptance in writing to the Secretary of the General Partner. Any member of the Committee may resign by delivering his or her written resignation to the Secretary of the General Partner. Such resignation shall become effective upon delivery or at any later date specified therein.

4. **Internal Structure of Committee**. The members of the Committee may elect from their number a Chairman. The Committee may designate any member of the Committee to execute documents on its behalf as it deems necessary or appropriate to carry out its responsibilities hereunder. The Committee may form and delegate authority to subcommittees (which may consist of only one member of the Committee, and which may include persons who are not members of the Committee) to the extent the Committee deems necessary or appropriate.

5. **Reimbursement of Committee Expenses**. The members of the Committee shall serve without compensation for their services as such members. The Plan shall pay or reimburse the members of the Committee for all reasonable expenses incurred in connection with their duties with respect to the Plan unless the Company or other affiliate participating in the Plan pays or reimburses the members of the Committee for such expenses. Such expenses shall include any expenses incidental to the operation of the Plan, including, but not limited to, fees of legal counsel, actuaries, accountants, investment advisors and other agents or specialists and similar costs, provided that any such advisor shall be retained only as approved by the majority of the members of the Committee except to the extent that an issue involves a breach of fiduciary duty and the majority of members of the Committee has refused to retain appropriate advisors. To the extent that the members of the Committee are required to serve subject to a bond, the Company shall pay the premiums thereon.

6. **Action by Majority of the Committee**. A majority of the members of the Committee at the time in office may do any act which the Plan authorizes or requires the Committee to do, and the action of such majority of the members expressed from time to time by a vote at a meeting, shall constitute the action of the Committee and shall have the same effect for all purposes as if assented to by all the members. Persons may participate in meetings by means of telephone conference or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. All of the members of Committee at any time in office, acting unanimously, may do any act which the Plan authorizes or requires the Committee to do, which act may be evidenced by a writing without a meeting (and such writing may include facsimile transmissions, e-mail or other forms of electronic writing). The writing evidencing each action taken without a meeting shall require the signature or other affirmative indication of consent of each member of the Committee at the time in office. The Secretary of the Committee shall maintain minutes reflecting the Committee's meetings and shall cause each action taken in writing without a meeting to be included in the minutes of the Committee. Minutes of each meeting shall be distributed to the entire Committee.

Except in extraordinary circumstances as determined by the Chairman of the Committee, notice shall be delivered to all Committee members at least 48 hours in advance of the scheduled meeting. Attendance at any meeting, whether in person or telephonically, by a member of the Committee shall be a conclusive waiver of any objection to the notice of such meeting given to such member.

7. **Administrative Matters**. The Committee shall meet at such times and from time-to-time as it deems appropriate. The Committee may request members of management or others, including, without limitation, legal counsel, actuaries, accountants, investment advisors and internal auditors, to attend meetings and provide pertinent information as necessary.

The Committee may establish procedures for (i) the allocation of fiduciary responsibilities (other than "trustee responsibilities," as defined in Section 405(c) of ERISA) under the Plan among its members and (ii) the designation of persons other than named fiduciaries to carry out fiduciary responsibilities (other than trustee responsibilities) under the Plan. If any fiduciary responsibility is allocated or if any person is designated to carry out any responsibility pursuant to the preceding sentence, the named fiduciary will not be liable for any act or omission of such person in carrying out such responsibility, except as provided in Section 405(c)(2) of ERISA.

8. **Counsel and Agents**. The Committee may employ such advisors, including legal counsel, actuaries, accountants, investment advisors, and such other service providers as it may require in carrying out the provisions of the Plan or their duties to the Plan. Unless otherwise provided by law, any person so employed by the Committee may be legal or other counsel to the Company or an affiliate thereof, a member of the Committee or an officer or member of the governing board of a participating entity or an affiliate thereof, including the Board.

9. **ERISA Fiduciary Responsibility**. The Committee shall be the "Named Fiduciary," as defined in Section 402(a)(2) of ERISA, for the Plan except with respect to the control and management of the assets of the Plan and the appointment of investment managers (with respect to which the Investment Committee is the named fiduciary).

10. **Powers of the Committee**. Subject to the limitations of the Plan and as set forth in Section 9 above, the Committee shall have, without exclusion, all powers conferred on it under the terms of the Plan, including, without limitation, the following powers with respect to the Plan (it being intended that these powers be construed in the broadest possible manner):

(a) To make such rules and regulations as it deems necessary or proper for the administration of the Plan and the transaction of business thereunder which are not inconsistent with the terms and provisions of the Plan and which relate to the duties or responsibilities of the Committee;

(b) To appoint and monitor the performance of insurance carriers, investment managers, investment consultants or other entities as it deems necessary for the proper administration and operation of the Plan and to assign and reassign assets to and among such insurance carriers and investment managers;

(c) To take such other action or make such determinations in accordance with the Plan as it deems appropriate;

(d) To make or obtain such analyses, evaluations, advice or opinions, and retain such legal counsel, actuaries, accountants, investment advisors and other persons, including persons employed by the Company, as it may deem necessary or advisable;

(e) To designate one or more persons, other than a member of the Committee, to whom the Committee may delegate, and among whom the Committee may allocate, specified fiduciary responsibilities; provided that any such delegation shall be in writing, shall specify the person so designated and the terms of the delegation and shall be terminable by the Committee or the Board;

(f) To designate any of the members of the Committee to execute and deliver on its behalf documents and instruments of such types and bearing on such matters as may be specified in a resolution, and any such document or instrument may be accepted and relied upon as the act of the Committee;

(g) To report to the Compensation Committee of the Board, not less often than annually, on the performance of its responsibilities and on the performance of any trustee, investment manager, insurance carrier or other persons to whom any of its powers and responsibilities may have been delegated pursuant to this Charter and on the financial condition of the Plan for the preceding year; and

(h) To recommend to the Compensation Committee of the Board changes to this Charter.

The foregoing list of powers is not intended to be either complete or exclusive, and the Committee shall, in addition, have such powers as may be necessary for the performance of its duties under the Plan and its trust agreement.

11. **Accounts and Records**. The Committee shall maintain such accounts and records regarding the fiscal and other transactions of the Plan and such other data as may be required to carry out its functions under the Plan and to comply with all applicable laws.

12. **Standard of Conduct**. The members of the Committee shall discharge their duties with respect to the Plan solely in the interests of the participants in the Plan and their beneficiaries; and

(a) for the exclusive purpose of providing benefits to participants and their beneficiaries and defraying reasonable expenses of administering the Plan;

(b) with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person, acting in like capacity and familiar with such matters, would use in the conduct of an enterprise of a like character and with like aims; and

(c) in accordance with the documents and instruments governing the Plan, insofar as such documents and instruments are consistent with the provisions of ERISA.

13. **Limitation of Committee Role**. While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to make investment- related decisions with respect to the Plan, including the appointment of one or more investment managers for the Plan, or establish or carry out an investment policy with respect to the Plan. These are the responsibilities of the Investment Committee for the Plan. Nor is it the duty of the Committee to approve amendments to the Plan that are “settlor” in nature.

14. **Integration with Plan**. This Charter constitutes a part of the Plan and may be amended only by action of the Compensation Committee of the Board.

CHARTER

OF THE

RETIREMENT PLAN INVESTMENT COMMITTEE

1. **Purpose**. The primary purpose of the Investment Committee (the "Committee") is to oversee the investment of the assets of the Retirement Plan for Employees of AllianceBernstein L.P. (formerly known as the Retirement Plan for Employees of Alliance Capital Management L.P.) (the "Plan") in accordance with investment guidelines in effect from time to time and subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), on behalf of AllianceBernstein L.P. (formerly known as Alliance Capital Management L.P.) (the "Company").

2. **Composition and Term**. The Committee shall be composed of at least two members. The members of the Committee shall be appointed by the Compensation Committee of the board of directors (the "Board") of AllianceBernstein Corporation (formerly known as Alliance Capital Management Corporation), the general partner of the Company (the "General Partner"), and each such member shall serve at the pleasure of the Board. The Compensation Committee of the Board may remove any member of the Committee at any time, with or without cause. The Compensation Committee of the Board shall appoint a new member of the Committee as soon as is reasonably possible after such a removal. Until a new appointment is made, the remaining members of the Committee shall have full authority to act, subject to the limitation set forth in the last sentence of this Section. No person shall be ineligible to be a member of the Committee because he or she is, was or may become entitled to benefits under the Plan or because he or she is a member of the Board and/or an officer of the Company or related entity or a trustee for the Plan; provided that, no member of the Committee shall participate in any determination by the Committee specifically relating to the disposition of his or her benefits under the Plan.

3. **Appointment to and Resignation From the Committee**. Any person appointed to be a member of the Committee shall signify his or her acceptance in writing to the Secretary of the General Partner. Any member of the Committee may resign by delivering his or her written resignation to the Secretary of the General Partner. Such resignation shall become effective upon delivery or at any later date specified therein.

4. **Internal Structure of Committee**. The members of the Committee may elect from their number a Chairman. The Secretary or any Assistant Secretary of the General Partner shall be the Secretary of the Committee. The Committee may designate any member of the Committee to execute documents on its behalf as it deems necessary or appropriate to carry out its responsibilities hereunder. The Committee may form and delegate authority to subcommittees (which may consist of only one member of the Committee, and which may include persons who are not members of the Committee) to the extent the Committee deems necessary or appropriate.

5. **Reimbursement of Committee Expenses**. The members of the Committee shall serve without compensation for their services as such members. The Plan shall pay or reimburse the members of the Committee for all reasonable expenses incurred in connection with their duties with respect to the Plan unless the Company or other affiliate participating in the Plan pays or reimburses the members of the Committee for such expenses. Such expenses shall include any expenses incidental to the operation of the Plan, including, but not limited to, fees of legal counsel, actuaries, accountants, investment advisors and other agents or specialists and similar costs, provided that any such advisor shall be retained only as approved by the majority of the members of the Committee except to the extent that an issue involves a breach of fiduciary duty and the majority of members of the Committee has refused to retain appropriate advisors. To the extent that the members of the Committee are required to serve subject to a bond, the Company shall pay the premiums thereon.

6. **Action by Majority of the Committee**. A majority of the members of the Committee at the time in office may do any act which the Plan authorizes or requires the Committee to do, and the action of such majority of the members expressed from time to time by a vote at a meeting, shall constitute the action of the Committee and shall have the same effect for all purposes as if assented to by all the members. Persons may participate in meetings by means of telephone conference or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. All of the members of Committee at any time in office, acting unanimously, may do any act which the Plan authorizes or requires the Committee to do, which act may be evidenced by a writing without a meeting (and such writing may include facsimile transmissions, e-mail or other forms of electronic writing). The writing evidencing each action taken without a meeting shall require the signature or other affirmative indication of consent of each member of the Committee at the time in office. The Secretary of the Committee shall maintain minutes reflecting the Committee's meetings and shall cause each action taken in writing without a meeting to be included in the minutes of the Committee. Minutes of each meeting shall be distributed to the entire Committee.

Except in extraordinary circumstances as determined by the Chairman of the Committee, notice shall be delivered to all Committee members at least 48 hours in advance of the scheduled meeting. Attendance at any meeting, whether in person or telephonically, by a member of the Committee shall be a conclusive waiver of any objection to the notice of such meeting given to such member.

7. **Administrative Matters**. The Committee shall meet at such times and from time to time as it deems appropriate. The Committee may request members of management or others, including, without limitation, legal counsel, actuaries, accountants, investment advisors and internal auditors, to attend meetings and provide pertinent information as necessary.

The Committee may establish procedures for (i) the allocation of fiduciary responsibilities (other than "trustee responsibilities," as defined in Section 405(c) of ERISA) under the Plan among its members and (ii) the designation of persons other than named fiduciaries to carry out fiduciary responsibilities (other than trustee responsibilities) under the Plan. If any fiduciary responsibility is allocated or if any person is designated to carry out any responsibility pursuant to the preceding sentence, the named fiduciary will not be liable for any act or omission of such person in carrying out such responsibility, except as provided in Section 405(c)(2) of ERISA.

8. **Counsel and Agents**. The Committee may employ such advisors, including legal counsel, actuaries, accountants, investment advisors, and such other service providers as it may require in carrying out the provisions of the Plan or their duties to the Plan. Unless otherwise provided by law, any person so employed by the Committee may be legal or other counsel to the Company or an affiliate thereof, a member of the Committee or an officer or member of the governing board of a participating entity or an affiliate thereof, including the Board.

9. **ERISA Fiduciary Responsibility**. The Committee shall be the "Named Fiduciary," as defined in Section 402(a)(2) of ERISA, for the Plan with respect to the control and management, including, without limitation, the investment, of the assets of the Plan and the appointment of investment managers.

10. **Powers of the Committee**. Subject to the limitations of the Plan and as set forth in Section 9 above, the Committee shall have, without exclusion, all powers conferred on it under the terms of the Plan, including, without limitation, the following powers with respect to the Plan (it being intended that these powers be construed in the broadest possible manner):

(a) To adopt a statement of investment policy for the Plan;

(b) To make such rules and regulations as it deems necessary or proper for the administration of the Plan and the transaction of business thereunder which are not inconsistent with the terms and provisions of the Plan and which relate to the duties or responsibilities of the Committee;

(c) To control and manage the assets of the Plan consistent with the purpose and terms of the Plan, including, but not by way of limitation, the investment policy of the Plan, taking into account short-term and long-term liquidity needs;

(d) To appoint "investment managers," as defined in Section 3(38) of ERISA, who will invest and reinvest the assets of the Plan in such securities or other property, real or personal, within or without the United States, as it in their sole discretion shall deem proper including, without limitation, interests or part interests in any bond and mortgage or note and mortgage, mutual funds, certificates of deposit, commercial paper and other short-term or demand obligations, secured or unsecured, whether issued by governmental or quasi-governmental agencies or corporations or by any firm or corporation; provided that the Committee may in its sole discretion direct the investment managers to keep such portion of the assets of the Plan in cash or cash balances for such reasonable periods as the Committee may from time to time deem prudent;

(e) To appoint and monitor the performance of insurance carriers, investment managers, investment consultants or other entities as it deems necessary for the proper administration and operation of the Plan and to assign and reassign assets to and among such insurance carriers and investment managers;

(f) To take such other action or make such determinations in accordance with the Plan as it deems appropriate;

(g) To make or obtain such analyses, evaluations, advice or opinions, and retain such legal counsel, actuaries, accountants, investment advisors and other persons, including persons employed by the Company, as it may deem necessary or advisable;

(h) To designate one or more persons, other than a member of the Committee, to whom the Committee may delegate, and among whom the Committee may allocate, specified fiduciary responsibilities; provided that any such delegation shall be in writing, shall specify the person so designated and the terms of the delegation, and shall be terminable by the Committee or the Board;

(i) To designate any of the members of the Committee to execute and deliver on its behalf documents and instruments of such types and bearing on such matters as may be specified in a resolution, and any such document or instrument may be accepted and relied upon as the act of the Committee;

(j) To report to the Compensation Committee of the Board, not less often than annually, on the performance of its responsibilities and on the performance of any trustee, investment manager, insurance carrier or persons to whom any of its powers and responsibilities may have been delegated pursuant to this Charter and on the financial condition of a plan for the preceding year; and

(k) To recommend to the Compensation Committee of the Board changes to this Charter.

The foregoing list of powers is not intended to be either complete or exclusive, and the Committee shall, in addition, have such powers as may be necessary for the performance of its duties under the Plan and its trust agreement.

11. **Accounts and Records**. The Committee shall maintain such accounts and records regarding the fiscal and other transactions of the Plan and such other data as may be required to carry out its functions under the Plan and to comply with all applicable laws.

12. **Standard of Conduct**. The members of the Committee shall discharge their duties with respect to the Plan solely in the interests of the participants in the Plan and their beneficiaries; and

(a) for the exclusive purpose of providing benefits to participants and their beneficiaries and defraying reasonable expenses of administering the Plan;

(b) with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person, acting in like capacity and familiar with such matters, would use in the conduct of an enterprise of a like character and with like aims;

(c) by diversifying the investments of the Plan so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so; and

(d) in accordance with the documents and instruments governing the Plan, insofar as such documents and instruments are consistent with the provisions of ERISA.

13. **Limitation of Committee Role**. While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to take other administration-related actions or decisions with respect to the Plan. These are the responsibilities of the Administrative Committee of the Plan. Further it is not the duty of the Committee to approve amendments to the Plan that are “settlor” in nature.

14. **Integration with Plan**. This Charter constitutes a part of the Plan and may be amended only by action of the Compensation Committee of the Board.

EXHIBIT 10.09

Guidelines for Transfer of AllianceBernstein L.P. Units

No transfer of ownership of the units of AllianceBernstein L.P. (the private partnership) is permitted without prior approval of AllianceBernstein and AXA Equitable Life Insurance Company ("AXA Equitable).

Under the terms of the Transfer Program, transfers of ownership will be considered once every calendar quarter.

To sell your Units to a third party:

q You must first identify the buyer for your Units. AllianceBernstein can not maintain a list of prospective buyers nor will AllianceBernstein act as a buyer.

q The unitholder and the prospective buyer must submit a request for transfer of ownership of the Units and obtain approval of AllianceBernstein and AXA Equitable for the transaction.

q Documentation required for consideration of approval includes:

- Unit Certificate(s)
- Executed "Stock" Power Form, with guaranteed signature
- Letter from Seller
- Letter from Purchaser

To donate the Units:

q The donor must obtain approval of AllianceBernstein and AXA Equitable for the transfer of units.

q Documentation required for consideration of approval includes:

- Unit Certificate(s)
- Executed "Stock" Power Form, with guaranteed signature
- Letter from Transferee

q Additional required documentation should be verified with AllianceBernstein's transfer agent, Mellon Investor Services, LLC, at 866-737-9896.

To have private Units re-registered to your name if they have been left to you by a deceased party:

q The beneficiary must obtain approval of Alliance Capital and AXA Equitable for the transfer of units.

q Documentation required for consideration of approval includes:

- Unit Certificate(s)
- Executed "Stock" Power Form, with guaranteed signature
- Copy of death certificate
- Required Inheritance Tax Waiver for applicable states

q Additional required documentation (which varies by state) should be verified with Alliance Capital's transfer agent, Mellon Investor Services, LLC, at 866-737-9896

To re-register your certificate to reflect a legal change of name or change in custodian:

q The unitholder must obtain approval of AllianceBernstein and AXA Equitable for the change of name/registration on the unit certificate.

q Documentation required for consideration of approval includes:

- Unit Certificate(s)
- Executed "Stock" Power Form, with guaranteed signature
- Specific instruction letter indicating the manner in which the new unit certificate should be registered

q Additional required documentation should be verified with AllianceBernstein's transfer agent, Mellon Investor Services, LLC, at 866-737-9896.

Once AllianceBernstein and AXA Equitable approve the transfer request, AllianceBernstein will inform you of the approval and begin processing the transfer.

You should not begin to prepare necessary documentation until you have contacted:

David Lesser
Legal and Compliance Department - Transfer Program
AllianceBernstein L.P.
1345 Avenue of the Americas
New York, NY 10105
Phone: (212) 969-1429

AllianceBernstein L.P.

Policy Regarding Partners' Requests for Consent to
Transfer Limited Partnership Interests to Third Parties
Pursuant to the 2% Safe Harbor in Treasury Regulations Section 1.7704-1(j)

Any transfer of a limited partnership interest in AllianceBernstein L.P. (formerly known as Alliance Capital Management L.P., "AllianceBernstein") requires the approval of AllianceBernstein's general partner (the "General Partner") and AXA Equitable Life Insurance Company (formerly known as The Equitable Life Assurance Society of the United States, "AXA Equitable") pursuant to Article 12 of AllianceBernstein's partnership agreement. Summarized below is the policy that the General Partner and AXA Equitable will follow for considering requests for consent to the transfer of AllianceBernstein limited partnership interests to third parties pursuant to the 2% safe harbor contained in Treasury Regulations Section 1.7704.1(j). The General Partner and AXA Equitable will follow this policy so that they may treat those requests equitably while taking into account the interests of AllianceBernstein and all of its partners.

In order to facilitate equitable access to the limited available capacity under the 2% safe harbor, the General Partner and AXA Equitable will, in general, consider transfer requests from limited partners during the last month of each calendar quarter. All partners seeking to transfer limited partnership interests should therefore submit their written requests, as well as all supporting documentation that is either required by the AllianceBernstein partnership agreement or customarily required by transfer agents, to AllianceBernstein no later than the end of the second calendar month of each calendar quarter in order to be considered in that calendar quarter.

The General Partner and AXA Equitable propose to allow transfers in each of the first three calendar quarters of each calendar year not in excess of one-sixth of the available capacity under the 2% safe harbor. In the fourth calendar quarter of each calendar year, the General Partner and AXA Equitable propose to allow transfers not exceeding the balance of the available capacity under the 2% safe harbor. The available capacity for any calendar quarter will reflect all prior transfers required to be taken into account under the applicable Treasury Regulations. If the total requested transfers in any calendar quarter exceeds the available capacity for that calendar quarter, transfers will be permitted on a first-come, first-serve basis, based on the date on which the General Partner received each transfer request. Requests for transfers that are not permitted in any calendar quarter will be "rolled over" to succeeding quarters unless withdrawn by the requesting limited partner.

In order to facilitate compliance with the federal securities laws, the General Partner and AXA Equitable expect that limited partners will be responsible for identifying prospective transferees and negotiating and documenting the terms of any proposed transfer. AllianceBernstein and its affiliates do not maintain a list of interested purchasers nor will they participate in maintaining a formal or informal market in AllianceBernstein limited partnership interests.

This policy applies only to transfers by limited partners to third parties. The General Partner and AXA Equitable may, from time to time, as they in their sole discretion see fit, consent to transfers at times or in amounts not in accordance with this policy, including transfers to AllianceBernstein or its affiliates. Such transfers may have the effect of reducing the maximum number of transfers available under this policy.

The General Partner and AXA Equitable, in determining which transfers are permissible pursuant to the 2% safe harbor, will interpret the applicable Treasury Regulations strictly and conservatively so as to ensure that there is no risk that AllianceBernstein will be treated as a publicly traded partnership. The General Partner and AXA Equitable reserve the right to refuse any transfer that they believe may require registration under the federal securities law. The General Partner and AXA Equitable also reserve the right to refuse transfers to the extent that they, in their sole discretion, determine that it is necessary to accommodate other transfers or transactions that they deem to be in the best interests of AllianceBernstein and AllianceBernstein Holding L.P.

The General Partner and AXA Equitable reserve the right to amend or withdraw this policy at any time that they determine it is in the best interest of AllianceBernstein to do so, including if the number of transfer requests being received is sufficiently small as not to warrant, in the judgment of the General Partner and AXA Equitable, the administrative burdens of continuing this policy.

Exhibit 12.01

AllianceBernstein L.P.
Consolidated Ratio Of Earnings To Fixed Charges
(In Thousands)

	Years Ended December 31,		
	2006	2005	2004
Fixed Charges:			
Interest Expense	$ 23,124	$ 25,109	$ 24,232
Estimate of Interest Component In Rent Expense [1]	-	-	-
Total Fixed Charges	$ 23,124	$ 25,109	$ 24,232
Earnings:			
Income Before Income Taxes	$ 1,183,646	$ 932,889	$ 745,082
Other	(1,054)	3,893	14,030
Fixed Charges	23,124	25,109	24,232
Total Earnings	$ 1,205,716	$ 961,891	$ 783,344
Consolidated Ratio Of Earnings To Fixed Charges	52.14	38.31	32.33

[1] AllianceBernstein L.P. has not entered into financing leases during these periods.

EXHIBIT 21.01

SUBSIDIARIES OF ALLIANCEBERNSTEIN L.P.

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)

AllianceBernstein Oceanic Corporation
(Delaware)

Alliance Corporate Finance Group Incorporated
(Delaware)

ACM Software Services Ltd.
(Delaware)

Alliance Capital Management (Asia) Ltd.
(Delaware)

Alliance Capital Management (Japan) Inc.
(Delaware)

Alliance Eastern Europe
(Delaware)

Alliance Barra Research Institute, Inc.
(Delaware)

Alliance Capital Management LLC
(Delaware)

Cursitor Alliance LLC
(Delaware)

Alliance Capital Real Estate, Inc.
(Delaware)

AllianceBernstein Venture Fund I, L.P.
(Delaware; 10%-owned)

AllianceBernstein Trust Company, LLC
(New Hampshire)

AllianceBernstein Canada, Inc.
(Canada)

AllianceBernstein Investmentimentos (Brasil) Ltda.
(Brazil)

AllianceBernstein (Argentina) S.R.L.
(Argentina)

AllianceBernstein Limited
(U.K.)

AllianceBernstein Services Limited
(U.K.)

AllianceBernstein Fixed Income Limited
(U.K.)

ACM Investments Limited
(U.K.)

Sanford C. Bernstein Limited
(U.K.)

Sanford C. Bernstein (CREST Nominees) Limited
(U.K.)

Whittingdale Holdings Limited
(U.K.)

AllianceBernstein (Luxembourg) S.A.
(Luxembourg)

AllianceBernstein (France) S.A.S
(France)

ACM Bernstein GmbH
(Germany)

ACM Bernstein (Deutschland) GmbH
(Germany)

AllianceBernstein South Africa (Proprietary) Limited
(South Africa)

AllianceBernstein Investment Research and Management (India) Pvt. Ltd.
(India)

Alliance Capital Asset Management (India) Pvt. Ltd.
(India; 75%-owned)

ACAM Trust Company Private Ltd.
(India)

Alliance Capital (Mauritius) Private Limited
(Mauritius)

AllianceBernstein Japan Ltd.
(Japan)

AllianceBernstein Hong Kong Limited (“Hong Kong”)
(Hong Kong)

ACM New-Alliance (Luxembourg) S.A.
(Luxembourg; 99%-owned)

AllianceBernstein (Singapore) Ltd.
(Singapore)

AllianceBernstein (Taiwan) Limited
(Taiwan; (99%-owned)

AllianceBernstein Investment Management Australia Limited (“Australia”)
(Australia)

AllianceBernstein Australia Limited
(Australia; 50%-owned)

AllianceBernstein New Zealand Limited
(New Zealand; 50%-owned)

Far Eastern-Alliance Asset Management Co., Ltd.
(Taiwan; 20%-owned)

EXHIBIT 23.01

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (No. 333-64886) and Form S-8 (No. 333-47192) of AllianceBernstein L.P. of our report dated February 27, 2007 relating to the financial statements, financial statement schedule, management's assessment of the effectiveness of internal control over financial reporting and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
New York, New York
February 27, 2007

EXHIBIT 23.02

Consent of Independent Registered Public Accounting Firm

The General Partner and Unitholders
AllianceBernstein L.P.:

We consent to the incorporation by reference in the Registration Statements (No. 333-47192) on Form S-8 and (No. 333-64886) on Form S-3 of AllianceBernstein L.P. of our report dated February 24, 2006, with respect to the consolidated statement of financial condition of AllianceBernstein L.P. and subsidiaries as of December 31, 2005, and the related consolidated statements of income, changes in partners' capital and comprehensive income and cash flows for each of the years in the two-year period ended December 31, 2005, which report appears in the December 31, 2006 annual report on Form 10-K of AllianceBernstein L.P. 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 27, 2007

EXHIBIT 31.01

I, Lewis A. Sanders, Chief Executive Officer, certify that:

1. I have reviewed this annual report on Form 10-K of 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 27, 2007

/s/ Lewis A. Sanders
Lewis A. Sanders
Chief Executive Officer
AllianceBernstein L.P.

EXHIBIT 31.02

I, Robert H. Joseph, Jr., Chief Financial Officer, certify that:

1. I have reviewed this annual report on Form 10-K of 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 27, 2007

/s/ Robert H. Joseph, Jr.
Robert H. Joseph, Jr.
Chief Financial Officer
AllianceBernstein L.P.

EXHIBIT 32.01

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 AllianceBernstein L.P. (the "Company") on Form 10-K for the period ended December 31, 2006 to be filed with the Securities and Exchange Commission on or about March 1, 2007 (the "Report"), I, Lewis A. Sanders, Chief Executive Officer of the Company, certify, for the purpose of complying with Rule 13a-14(b) or 15d-14(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and 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 Exchange Act; 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 27, 2007

/s/ Lewis A. Sanders
Lewis A. Sanders
Chief Executive Officer
AllianceBernstein L.P.

EXHIBIT 32.02

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 AllianceBernstein L.P. (the "Company") on Form 10-K for the period ended December 31, 2006 to be filed with the Securities and Exchange Commission on or about March 1, 2007 (the "Report"), I, Robert H. Joseph, Jr., Chief Financial Officer of the Company, certify, for the purpose of complying with Rule 13a-14(b) or 15d-14(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and 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 Exchange Act; 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 27, 2007

/s/ Robert H. Joseph, Jr.
Robert H. Joseph, Jr.
Chief Financial Officer
AllianceBernstein L.P.