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

FORM 10-K

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

For the Fiscal Year Ended December 31, 2008

OR

☐ 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 x No ☐

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 ☐ No x

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 x No ☐

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. x

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

Large accelerated filer x Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐

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

The number of units of limited partnership interest outstanding as of February 2, 2009 was 265,303,856.

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, dated as of October 29, 1999 and as amended February 24, 2006.

"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, dated as of October 29, 1999 and as amended February 24, 2006.

"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" – SCB LLC and SCBL 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 and AllianceBernstein, or to their officers and employees. Similarly, the words "company" and "firm" refer 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.

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.

We use "emerging markets" in this Form 10-K to refer to countries considered to be developing countries by the international financial community and countries included in the MSCI emerging markets index. As of February 2, 2009, examples of such countries are Argentina, Brazil, Chile, Columbia, Czech Republic, Egypt, Hungary, India, Indonesia, Israel, Jordan, Malaysia, Mexico, Pakistan, the People's Republic of China, Peru, the Philippines, Poland, Russia, South Africa, South Korea, Taiwan, Thailand and Turkey.

We use the term "hedge funds" in this Form 10-K to refer to private investment partnerships we sponsor that invest in various alternative strategies such as leverage, short selling of securities and utilizing forward contracts, currency options and other derivatives.

Recent Developments

2008 Overview

The collapse of the U.S. sub-prime mortgage market in the second half of 2007 triggered in 2008 dramatic capital market losses and financial sector dislocation that led to the loss of tens of trillions of dollars of wealth and severely impaired the business dynamics of our industry and our firm. Equity returns across the capital markets were sharply negative in 2008, declining 20% or more in the fourth quarter. The S&P 500, down 22.6% for the fourth quarter and 38.5% for the year (excluding reinvested dividends), posted its worst quarter since the fourth quarter of 1987 and its worst year since 1931. There was little discrimination across styles or geographies in 2008, as the Russell 1000 Value and Russell 1000 Growth indices declined 36.8% and 38.4% for the year, respectively, and global equities declined more than 40% for the year. 2008 was the worst year for the MSCI EAFE Index (down 43.4%) since its inception in 1969, while the MSCI World and MSCI Emerging Markets indices fell 40.7% and 53.3%, respectively.

Within the capital markets, we have recently seen some signs of improving credit conditions, as stronger corporate credits have been able to access capital markets, credit spreads have tightened slightly, and liquidity has improved in some areas. At the same time, however, economic conditions continue to deteriorate; housing, credit, employment, GDP levels and retail sales all continue to show significant weakness. Furthermore, the balance sheets of the world's largest banks continue to be under acute financial stress and lending activities remain sporadic.

Governments and central banks around the globe are focused on creating demand for goods and services and stimulating credit. Historically, when governmental stimulus efforts take hold they produce increased lending activity. Of course, the timing of any recovery will depend significantly on when and how government stimulus funds are spent.

At AllianceBernstein, the financial crisis had a significant adverse effect on our business in 2008. Our assets under management have declined 42.3% from $800.4 billion at December 31, 2007 to $462.0 billion at December 31, 2008. This decline in assets under management, as well as market losses on our deferred compensation plan-related investments, were the primary factors producing a 22.3% decline in net revenues and a 33.4% decline in net income during 2008. Our unit price declined 72.4%, from $75.25 at the end of 2007 to $20.79 at the end of 2008.

Change in Leadership

On December 19, 2008, the Board of Directors ("Board") of the General Partner named Peter S. Kraus Chairman of the Board of the General Partner and Chief Executive Officer ("CEO") of the General Partner, AllianceBernstein and Holding. Mr. Kraus replaced Lewis A. Sanders, former Chairman of the Board of the General Partner and CEO of the General Partner, AllianceBernstein and Holding, who announced his retirement on December 19, 2008.

For additional information about Mr. Kraus, *see "Directors and Executive Officers" in Item 10 and "Compensation Discussion and Analysis ("CD&A")" in Item 11*.

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 seeking independent research and related services.

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.

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 specialized 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, collective investment trusts, mutual funds, hedge 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 sponsored by various financial intermediaries worldwide (“Separately Managed Account Programs”) and other investment vehicles (collectively, “Retail Services”);
- To our private clients, we offer diversified investment management services through separately managed accounts, hedge funds, mutual funds and other investment vehicles (“Private Client Services”); and
- To institutional investors, we offer independent research, portfolio strategy and brokerage-related services (“Institutional Research Services”).

These services are provided by a group of investment professionals with significant expertise in their respective disciplines (*see “Employees” in this Item 1*). Our buy-side research analysts, who are located around the world, support our portfolio managers. Together, they oversee a number of different types of investment services within various vehicles (*discussed above*) and strategies (*discussed below*). Our sell-side research analysts provide the foundation for our Institutional Research Services.

Our services include:

- Value equities, generally targeting stocks that are out of favor and that may trade at bargain prices;
- Growth equities, generally targeting stocks with under-appreciated growth potential;
- Fixed income securities, including both taxable and tax-exempt securities;
- Blend strategies, combining style-pure investment components with systematic rebalancing;
- Passive management, including both index and enhanced index strategies;
- Alternative investments, such as hedge funds, currency management strategies and venture capital; and
- Asset allocation services, by which we offer specifically-tailored investment solutions for our clients (e.g., customized target-date fund retirement services for institutional defined contribution plan clients).

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 a key component of our product line. As of December 31, 2008, blend AUM was $85 billion (representing 18% of our company-wide AUM), a decrease of 52% from $175 billion as of December 31, 2007 and 37% from $134 billion as of December 31, 2006.

We market and distribute alternative investment products (which include hedge funds, venture capital and currency management strategies) globally to high-net-worth clients and, more recently, to institutional investors. Alternative product AUM totaled $6.6 billion as of December 31, 2008, $3.3 billion of which was private client AUM (primarily hedge funds) and $3.3 billion of which was institutional AUM (primarily currency services). Our hedge fund AUM constitutes only a small portion of our company-wide AUM, but can have a disproportionately large effect on our revenues because of the performance-based fees we may be eligible to earn. For additional information about these fees, *see "Revenues" in this Item 1, "Risk Factors" in Item 1A,* and *"Management's Discussion and Analysis of Financial Condition and Results of Operations" in Item 7.*

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.

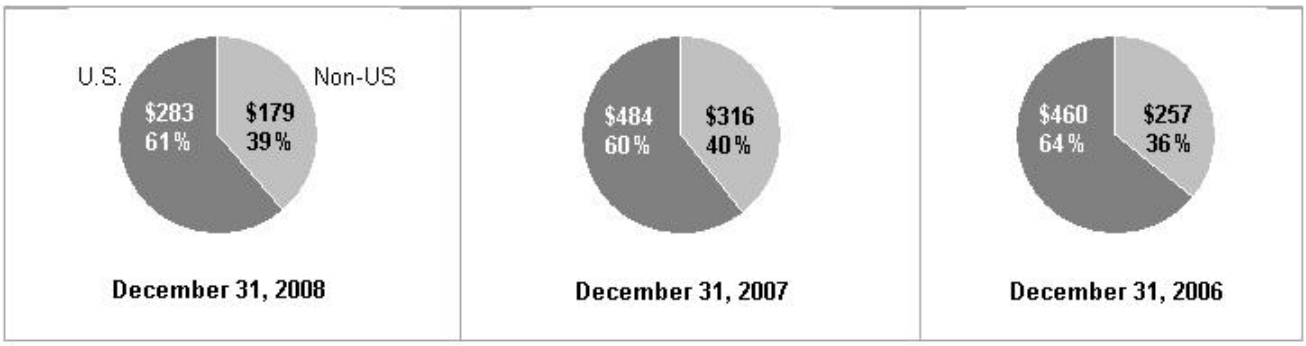
In addition, in August 2008, we created a new initiative called AllianceBernstein Defined Contribution Investments ("ABDC") focused on expanding our firm's capabilities in the defined contribution ("DC") market. ABDC seeks to provide the most effective DC investment solutions in the industry as measured by product features, reliability, cost and flexibility to meet specialized client needs by integrating research and investment design, product strategy, strategic partnerships (*e.g.*, record-keeper partnerships and operations collaboration), and client implementation and service. As of December 31, 2008, our DC assets under management, which are spread across our three distribution channels, totaled $18.2 billion and our pipeline of won but unfunded DC mandates was $3.5 billion.

Global Reach

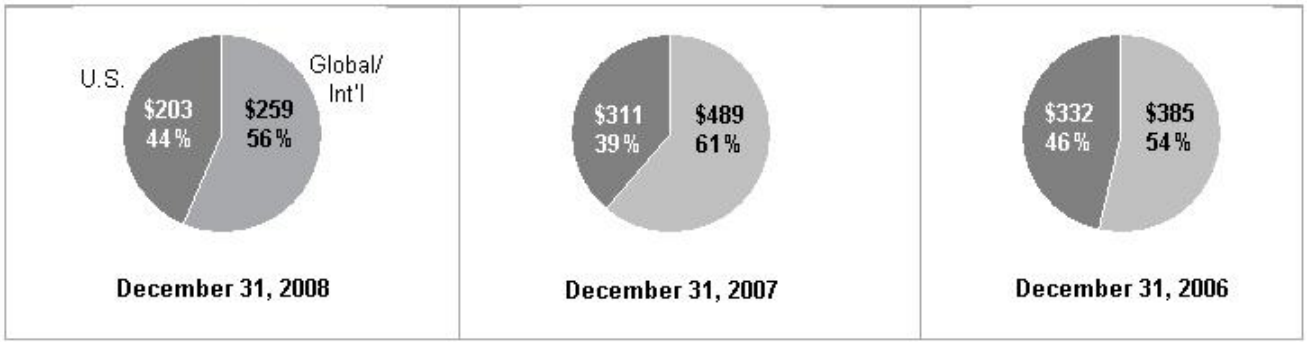
We serve clients in major global markets through operations in 47 cities in 25 countries. Our client base includes investors throughout the Americas, Europe, Asia, Africa and Australia. We utilize an integrated global investment platform that provides our clients with access to local (country-specific), international, and global research and investment strategies.

Assets under management by client domicile and investment service as of December 31, 2008, 2007 and 2006 were as follows:

By Client Domicile ($ in billions):



By Investment Service ($ in billions):



Our international client base decreased by 43% during 2008 and increased 23% during 2007. Our global and international AUM decreased by 47% during 2008 and increased 27% during 2007. In addition, approximately 76%, 80% and 76% of our gross asset inflows (sales / new accounts) during 2008, 2007 and 2006, respectively, were invested in global and international investment services. The shift in AUM mix towards U.S. assets and away from Global / International assets, which is the opposite of the trend we had been experiencing in the last few years, is due to investment performance and currency fluctuations.

Revenues

We earn revenues primarily 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 at a specific point in time or as a percentage of the value of average AUM for the applicable billing period, with these 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 increases or decreases. Increases in AUM generally result from market appreciation, positive investment performance for clients, or net asset inflows from new and 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 are eligible to earn performance-based fees on hedge fund services, as well as some long-only services for our institutional clients. In these situations, we charge a base advisory fee and are eligible to earn an additional performance-based fee or incentive allocation that is calculated as either a percentage of absolute investment results or a percentage of investment results in excess of a stated benchmark over a specified period of time. In addition, some performance-based fees include a high-watermark provision, which generally provides that if a client account underperforms relative to its performance target (whether absolute or relative to a specified benchmark), it must gain back such underperformance before we can collect future performance-based fees. Therefore, if we underperform our performance target for a particular period, we will not earn a performance-based fee for that period and, for accounts with a high-watermark provision, we will impair our ability to earn future performance-based fees. If the percentage of our AUM subject to performance-based fees grows, seasonality and volatility of revenue and earnings are likely to become more significant. Our performance-based fees in 2008 were $13.4 million, in 2007 were $81.2 million and in 2006 were $235.7 million. For additional information about performance-based fees, *see "Risk Factors" in Item 1A* and *"Management's Discussion and Analysis of Financial Condition and Results of Operations" in Item 7.*

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

We earn revenues from clients to whom we provide fundamental research 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 these clients.

Our revenues may fluctuate for a number of reasons; *see "Risk Factors" in Item 1A* and *"Management's Discussion and Analysis of Financial Condition and Results of Operations" in Item 7*.

Employees

During the fourth quarter of 2008, we reduced headcount and announced our intention to reduce capital outlays in 2009 in order to lower our expense base in light of declines in assets under management and net revenues. As a result of this workforce reduction, headcount was 4,997 as of December 31, 2008, compared to a high of 5,660 (reflecting an 11.7% reduction) as of September 30, 2008, and 5,580 (reflecting a 10.4% reduction) as of December 31, 2007.

Our firm's 4,997 full-time employees, who are located in 25 countries, include 325 research analysts, 171 portfolio managers, 44 traders and 31 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 16 years. We consider our employee relations to be good.

Institutional Investment Services

We serve our institutional clients primarily through AllianceBernstein Institutional Investments ("Institutional Investments"), a unit of AllianceBernstein, and through other units in our international subsidiaries and one of our joint ventures (institutional relationships of less than $25 million are generally serviced by Bernstein GWM, our Private Client channel, *discussed below*). 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, collective investment trusts, mutual funds, and other investment vehicles. As of December 31, 2008, institutional AUM was $291 billion, or 63% of our company-wide AUM. 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 2,329 mandates for these clients, which are located in 46 countries. As of December 31, 2008, we managed employee benefit plan assets for 49 of the Fortune 100 companies, and we managed public pension fund assets for 38 states and /or municipalities in those states.

As of December 31, 2008, our institutional AUM invested in global and international investment services was $180 billion, or 62% of institutional AUM, as compared to $341 billion, or 67% of institutional AUM, as of December 31, 2007 and $270 billion, or 59% of institutional AUM, as of December 31, 2006. As of December 31, 2008, the AUM we invested for clients domiciled outside the United States was $152 billion, or 52% of institutional AUM, as compared to $269 billion, or 53% of institutional AUM, as of December 31, 2007 and $214 billion, or 47% of institutional AUM, as of December 31, 2006.

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 and Services"). As of December 31, 2008, retail AUM was $102 billion, or 22% 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 Products and Services are designed to provide disciplined, research-based investments that contribute to a well-diversified investment portfolio. We distribute these products and services through financial intermediaries, including broker-dealers, insurance sales representatives, banks, registered investment advisers, and financial planners.

As of December 31, 2008, our retail AUM invested in global and international investment services was $61 billion, or 60% of retail AUM, as compared to $110 billion, or 60% of retail AUM, as of December 31, 2007 and $86 billion, or 52% of retail AUM, as of December 31, 2006. As of December 31, 2008, the AUM we invested for clients domiciled outside the U.S. was $25 billion, or 24% of retail AUM, as compared to $44 billion, or 24% of retail AUM, as of December 31, 2007 and $40 billion, or 24% of retail AUM, as of December 31, 2006.

Our Retail Products and Services 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. They also include Separately Managed Account Programs, which are sponsored by financial intermediaries 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 and Services.

Our U.S. Funds, which include retail funds, our variable products series fund (a component of an insurance product) and the Sanford C. Bernstein Funds (principally Private Client Services products), currently offer 106 different portfolios to U.S. investors. As of December 31, 2008, retail U.S. Funds AUM was approximately $39 billion, or 38% 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 ("SCB Funds"), which totaled $21 billion as of December 31, 2008, as private client AUM.

Our Non-U.S. Funds are distributed internationally by local financial intermediaries to non-U.S. investors by means of distribution agreements in most major international markets. As of December 31, 2008, these funds consisted of 67 different portfolios and AUM in these funds was $11 billion. We also offer local-market funds that we distribute in Japan through financial intermediaries. As of December 31, 2008, retail AUM in these funds was $2 billion.

AllianceBernstein Investments serves as the principal underwriter and distributor of the U.S. Funds. AllianceBernstein Investments employs approximately 130 sales representatives who devote their time exclusively to promoting the sale of U.S. Funds and certain other Retail Products and Services by financial intermediaries.

AllianceBernstein (Luxembourg) S.A. ("AllianceBernstein Luxembourg"), a Luxembourg management company and one of our wholly-owned subsidiaries, generally serves as the placing or distribution agent for the Non-U.S. Funds. AllianceBernstein Luxembourg employs approximately 66 sales representatives who devote their time exclusively to promoting the sale of Non-U.S. Funds and other Retail Products and Services by financial intermediaries.

Private Client Services

Bernstein GWM combines the former private client services group of Bernstein, which has served private clients for more than 40 years, and the former private client group of Alliance Capital. As of December 31, 2008, private client AUM was $69 billion, or 15% 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 $500,000.

Our Private Client Services are built on a sales effort that involves 299 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 other relevant factors. In creating these portfolios, we utilize 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.: 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. We also have financial advisors based in London, England. As part of our reduction in force (for additional information, *see "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Item 7*), we reduced our financial advisor staff by 9% in 2008. However, we kept both the best and highest potential professionals that service our private clients and we intend to begin hiring new financial advisors in 2009.

As of December 31, 2008, our private client AUM invested in global and international investment services was $18 billion, or 26% of private client AUM, as compared to $38 billion, or 35% of private client AUM, as of December 31, 2007 and $29 billion, or 30% of private client AUM, as of December 31, 2006.

Institutional Research Services

Institutional Research Services ("IRS") consist of fundamental research, quantitative services and brokerage-related services provided to institutional investors such as pension fund, hedge fund and mutual fund managers, and other institutional investors. Brokerage-related services are provided by SCB LLC in the United States and SCBL primarily in Europe. For more information concerning the revenues we derive from IRS, *see "Assets Under Management, Revenues and Fees" in this Item 1*.

SCB provides fundamental company and industry research along with disciplined research into securities valuation and factors affecting stock-price movements. Our analysts are consistently among the highest ranked research analysts in industry surveys conducted by third-party organizations.

Assets Under Management, Revenues and Fees

The following tables summarize our AUM and revenues by distribution channel:

Assets Under Management[1]

	December 31,			% Change	
	2008	2007	2006	2008-07	2007-06
	(in millions)				
Institutional Investment Services	$ 291,361	$ 508,081	$ 455,095	(42.7)%	11.6%
Retail Services	101,643	183,165	166,928	(44.5)	9.7
Private Client Services	68,947	109,144	94,898	(36.8)	15.0
Total	**$ 461,951**	**$ 800,390**	**$ 716,921**	**(42.3)**	**11.6**

(1) Excludes certain non-discretionary client relationships.

Revenues

	Years Ended December 31,			% Change	
	2008	2007	2006	2008-07	2007-06
	(in thousands)				
Institutional Investment Services	$ 1,240,636	$ 1,481,885	$ 1,221,780	(16.3)%	21.3%
Retail Services	1,227,538	1,521,201	1,303,849	(19.3)	16.7
Private Client Services	849,830	960,669	882,881	(11.5)	8.8
Institutional Research Services	471,716	423,553	375,075	11.4	12.9
Other[1]	(239,037)	332,441	354,655	n/m	(6.3)
Total Revenues	3,550,683	4,719,749	4,138,240	(24.8)	14.1
Less: Interest Expense	36,524	194,432	187,833	(81.2)	3.5
Net Revenues	**$ 3,514,159**	**$ 4,525,317**	**$ 3,950,407**	**(22.3)**	**14.6**

(1) Other revenues primarily consist of dividend and interest income, investment gains (losses) and shareholder servicing fees. For additional information, *see "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Item 7.*

AXA and its subsidiaries, whose AUM consists primarily of fixed income investments, together constitute our largest client. Our affiliates represented approximately 20%, 15% and 17% of our company-wide AUM as of December 31, 2008, 2007 and 2006, respectively. We also earned approximately 5% of our company-wide net revenues from our affiliates for each of 2008, 2007 and 2006. We manage this AUM as part of our Institutional Investment Services and 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	
	2008	2007	2006	2008-07	2007-06
	(in millions)				
Value Equity:					
U.S.	$ 22,598	$ 49,235	$ 55,562	(54.1)%	(11.4)%
Global and International	84,787	192,472	158,572	(55.9)	21.4
	107,385	241,707	214,134	(55.6)	12.9
Growth Equity:					
U.S.	16,075	31,908	36,668	(49.6)	(13.0)
Global and International	38,034	88,691	66,242	(57.1)	33.9
	54,109	120,599	102,910	(55.1)	17.2
Fixed Income:					
U.S.	66,151	73,240	73,414	(9.7)	(0.2)
Global and International	51,043	53,978	39,166	(5.4)	37.8
	117,194	127,218	112,580	(7.9)	13.0
Other [2]:					
U.S.	6,617	12,426	19,942	(46.7)	(37.7)
Global and International	6,056	6,131	5,529	(1.2)	10.9
	12,673	18,557	25,471	(31.7)	(27.1)
Total:					
U.S.	111,441	166,809	185,586	(33.2)	(10.1)
Global and International	179,920	341,272	269,509	(47.3)	26.6
Total	**$ 291,361**	**$ 508,081**	**$ 455,095**	**(42.7)**	**11.6**

(1) Excludes certain non-discretionary client relationships.

(2) Includes index, structured and asset allocation services.

Revenues from Institutional Investment Services
(by Investment Service)

	Years Ended December 31,			% Change	
	2008	2007	2006	2008-07	2007-06
		(in thousands)			
Investment Advisory and Services Fees:					
Value Equity:					
U.S.	$ 108,921	$ 153,747	$ 154,163	(29.2)%	(0.3)%
Global and International	607,431	747,957	570,185	(18.8)	31.2
	716,352	901,704	724,348	(20.6)	24.5
Growth Equity:					
U.S.	70,119	108,691	122,132	(35.5)	(11.0)
Global and International	276,676	311,727	226,293	(11.2)	37.8
	346,795	420,418	348,425	(17.5)	20.7
Fixed Income:					
U.S.	85,333	91,144	97,452	(6.4)	(6.5)
Global and International	78,197	54,021	38,825	44.8	39.1
	163,530	145,165	136,277	12.7	6.5
Other [1]:					
U.S.	2,883	4,441	4,993	(35.1)	(11.1)
Global and International	11,076	9,865	7,177	12.3	37.5
	13,959	14,306	12,170	(2.4)	17.6
Total Investment Advisory and Services Fees:					
U.S.	267,256	358,023	378,740	(25.4)	(5.5)
Global and International	973,380	1,123,570	842,480	(13.4)	33.4
	1,240,636	1,481,593	1,221,220	(16.3)	21.3
Distribution Revenues	—	292	560	(100.0)	(47.9)
Total	**$ 1,240,636**	**$ 1,481,885**	**$ 1,221,780**	**(16.3)**	**21.3**

(1) Includes index, structured and asset allocation services.

As of December 31, 2008, 2007 and 2006, Institutional Investment Services represented approximately 63% of our company-wide AUM. The fees we earned from these services represented approximately 35%, 33% and 31% of our company-wide net revenues for 2008, 2007 and 2006, respectively.

We manage assets for AXA and its subsidiaries, which together constitute our largest institutional client. These assets accounted for approximately 16%, 16% and 17% of our total institutional AUM as of December 31, 2008, 2007 and 2006, respectively, and approximately 8%, 7% and 7% of our total institutional revenues for 2008, 2007 and 2006, respectively.

The institutional AUM we manage for our affiliates, along with our nine other largest institutional accounts, accounts for approximately 36% of our total institutional AUM as of December 31, 2008 and approximately 16% of our total institutional revenues for the year ended December 31, 2008. 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, 2008.

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 are eligible to earn performance-based fees on approximately 14% of institutional assets under management, which are primarily invested in long-only equity and fixed income services rather than hedge funds. Performance-based fees provide for a relatively low asset-based fee plus an additional fee based on investment performance. For additional information about performance-based fees, *see "General—Revenues" in this Item 1* and "*Risk Factors*" *in Item 1A*.

Retail Services

The following tables summarize our Retail Services AUM and revenues:

Retail Services Assets Under Management
(by Investment Service)

	December 31,			% Change	
	2008	2007	2006	2008-07	2007-06
	(in millions)				
Value Equity:					
U.S.	$ 12,086	$ 33,488	$ 35,749	(63.9)%	(6.3)%
Global and International	28,053	56,560	38,797	(50.4)	45.8
	40,139	90,048	74,546	(55.4)	20.8
Growth Equity:					
U.S.	8,494	24,637	28,587	(65.5)	(13.8)
Global and International	11,544	23,530	19,937	(50.9)	18.0
	20,038	48,167	48,524	(58.4)	(0.7)
Fixed Income:					
U.S.	9,857	10,627	11,420	(7.2)	(6.9)
Global and International	20,178	29,855	27,614	(32.4)	8.1
	30,035	40,482	39,034	(25.8)	3.7
Other [1]:					
U.S.	9,851	4,468	4,824	120.5	(7.4)
Global and International	1,580	—	—	n/m	—
	11,431	4,468	4,824	155.8	(7.4)
Total:					
U.S.	40,288	73,220	80,580	(45.0)	(9.1)
Global and International	61,355	109,945	86,348	(44.2)	27.3
Total	**$ 101,643**	**$ 183,165**	**$ 166,928**	**(44.5)**	**9.7**

(1) Includes index, structured and asset allocation services.

Revenues from Retail Services
(by Investment Service)

	Years Ended December 31,			% Change	
	2008	2007	2006	2008-07	2007-06
		(in thousands)			
Investment Advisory and Services Fees:					
Value Equity:					
U.S.	$ 88,394	$ 129,125	$ 123,355	(31.5)%	4.7%
Global and International	216,561	262,369	133,314	(17.5)	96.8
	304,955	391,494	256,669	(22.1)	52.5
Growth Equity:					
U.S.	84,651	119,880	143,344	(29.4)	(16.4)
Global and International	130,247	168,817	152,883	(22.8)	10.4
	214,898	288,697	296,227	(25.6)	(2.5)
Fixed Income:					
U.S.	30,888	39,644	43,705	(22.1)	(9.3)
Global and International	195,373	224,335	186,196	(12.9)	20.5
	226,261	263,979	229,901	(14.3)	14.8
Other [1]:					
U.S.	3,702	1,868	1,673	98.2	11.7
Global and International	1,297	—	3,363	n/m	(100.0)
	4,999	1,868	5,036	167.6	(62.9)
Total Investment Advisory and Services Fees:					
U.S.	207,635	290,517	312,077	(28.5)	(6.9)
Global and International	543,478	655,521	475,756	(17.1)	37.8
	751,113	946,038	787,833	(20.6)	20.1
Distribution Revenues[2]	376,372	471,031	418,780	(20.1)	12.5
Shareholder Servicing Fees[2]	100,053	104,132	97,236	(3.9)	7.1
Total	**$ 1,227,538**	**$ 1,521,201**	**$ 1,303,849**	**(19.3)**	**16.7**

(1) Includes index, structured and asset allocation services.

(2) For a description of distribution revenues and shareholder servicing fees, *see below*.

Investment advisory fees and distribution fees for our Retail Products and Services are generally charged as a percentage of average daily AUM. In the past, as certain of the U.S. Funds grew, we 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, which 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; decreases need not be, including any decreases implemented by a fund's directors or trustees. 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.

Revenues from Retail Services represented approximately 35%, 34% and 33% of our company-wide net revenues for the years ended December 31, 2008, 2007 and 2006, respectively.

Our Retail Products and Services include open-end mutual funds designed to fund benefits under variable annuity contracts and variable life insurance policies offered by life insurance companies ("Variable Product Series Fund"). We manage the AllianceBernstein Variable Products Series Fund, Inc., which serves as the investment vehicle for insurance products offered by unaffiliated insurance companies, and we sub-advise variable product mutual funds sponsored by affiliates. As of December 31, 2008, we managed or sub-advised approximately $28 billion of Variable Product Series Fund AUM.

The mutual funds we sub-advise for AXA and its subsidiaries together constitute our largest retail client. They accounted for approximately 21%, 22% and 24% of our total retail AUM as of December 31, 2008, 2007 and 2006, respectively, and approximately 7% of our total retail revenues for each of 2008, 2007 and 2006.

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 generally 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 sales commissions for back-end load shares 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 $33.7 million, $31.1 million and $23.7 million, totaled approximately $9.1 million, $84.1 million and $98.7 million during 2008, 2007 and 2006, respectively. Effective January 31, 2009, back-end load shares are no longer offered to new investors in U.S. Funds.

The rules of the Financial Industry Regulatory Authority, Inc. ("FINRA"), the successor to the National Association of Securities Dealers, Inc., effectively cap the aggregate sales charges that may be received from each U.S. Fund 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 30 days) and do not obligate the financial intermediary to sell any specific amount of fund shares.

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 result from a financial intermediary including our funds on its list of preferred 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 and record keepers that provide accounting or record-keeping services with respect to their customers' investments in AllianceBernstein Funds may receive specified payments from these funds or from affiliates of AllianceBernstein, including AllianceBernstein Investor Services, Inc. (one of our wholly-owned subsidiaries, "AllianceBernstein Investor Services") and AllianceBernstein Investments.

During 2008, the 10 financial intermediaries responsible for the largest volume of sales of open-end AllianceBernstein Funds were responsible for 43% 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 4%, 2% and 2% of total sales of shares of open-end AllianceBernstein Funds in 2008, 2007 and 2006, 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.

Merrill Lynch & Co., Inc. (and its subsidiaries, "Merrill Lynch"), which has been acquired by Bank of America Corporation, was responsible for approximately 8%, 7% and 6% of open-end AllianceBernstein Fund sales in 2008, 2007 and 2006, respectively. Citigroup Inc. (and its subsidiaries, "Citigroup") was responsible for approximately 7%, 7% and 5% of open-end AllianceBernstein Fund sales in 2008, 2007 and 2006, respectively. 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, our market share in the U.S. mutual fund industry is 1.2% of total industry assets and we accounted for 0.1% of total open-end industry sales (and 0.3% of non-proprietary manager sales) in the U.S. during 2008. 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.

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

AllianceBernstein Investor Services 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 (approximately 4.0 million accounts in total). (Transfer agency and related services are provided to the SCB Funds primarily by Boston Financial Data Services.) AllianceBernstein Investor Services operates in San Antonio, Texas and 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.

AllianceBernstein Funds utilize our personnel to perform most legal, clerical and accounting services. Payments to us by the U.S. Funds and certain Non-U.S. Funds for these services must be specifically approved in advance by each fund's board of directors or trustees. Currently, AllianceBernstein Investor Services records revenues for providing these services to the AllianceBernstein Funds at the rate of approximately $7 million per year.

A unit of AllianceBernstein Luxembourg ("ABIS Lux") is the transfer agent for substantially all of the Non-U.S. Funds. ABIS Lux, which bases its operations in Luxembourg and is supported by operations in Singapore, Hong Kong and the United States, receives a monthly fee for its transfer agency services and a transaction-based fee under various services agreements with the Non-U.S. Funds for which it provides these services. Each agreement may be terminated by either party upon 60 days' notice.

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	
	2008	**2007**	**2006**	**2008-07**	**2007-06**
		(in millions)			
Value Equity:					
U.S.	$ 13,254	$ 25,259	$ 27,703	(47.5)%	(8.8)%
Global and International	11,627	25,497	19,091	(54.4)	33.6
	24,881	50,756	46,794	(51.0)	8.5
Growth Equity:					
U.S.	8,425	16,004	13,237	(47.4)	20.9
Global and International	5,709	12,175	9,418	(53.1)	29.3
	14,134	28,179	22,655	(49.8)	24.4
Fixed Income:					
U.S.	29,287	29,498	25,032	(0.7)	17.8
Global and International	606	676	328	(10.4)	106.1
	29,893	30,174	25,360	(0.9)	19.0
Other [(1)]:					
U.S.	21	25	80	(16.0)	(68.8)
Global and International	18	10	9	80.0	11.1
	39	35	89	11.4	(60.7)
Total:					
U.S.	50,987	70,786	66,052	(28.0)	7.2
Global and International	17,960	38,358	28,846	(53.2)	33.0
Total	**$ 68,947**	**$ 109,144**	**$ 94,898**	**(36.8)**	**15.0**

(1) Includes index, structured and asset allocation services.

Revenues from Private Client Services
(by Investment Service)

	Years Ended December 31,			% Change	
	2008	2007	2006	2008-07	2007-06
		(in thousands)			
Investment Advisory and Services Fees:					
Value Equity:					
U.S.	$ 270,346	$ 322,366	$ 293,281	(16.1)%	9.9%
Global and International	181,665	233,964	260,529	(22.4)	(10.2)
	452,011	556,330	553,810	(18.8)	0.5
Growth Equity:					
U.S.	162,770	164,547	134,070	(1.1)	22.7
Global and International	98,409	113,379	83,615	(13.2)	35.6
	261,179	277,926	217,685	(6.0)	27.7
Fixed Income:					
U.S.	132,195	121,872	108,418	8.5	12.4
Global and International	2,334	2,315	1,188	0.8	94.9
	134,529	124,187	109,606	8.3	13.3
Other [1]:					
U.S.	15	23	75	(34.8)	(69.3)
Global and International	43	91	—	(52.7)	—
	58	114	75	(49.1)	52.0
Total Investment Advisory and Services Fees:					
U.S.	565,326	608,808	535,844	(7.1)	13.6
Global and International	282,451	349,749	345,332	(19.2)	1.3
	847,777	958,557	881,176	(11.6)	8.8
Distribution Revenues	2,053	2,112	1,705	(2.8)	23.9
Total	**$ 849,830**	**$ 960,669**	**$ 882,881**	**(11.5)**	**8.8**

[1] Includes index, structured and asset allocation 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. We are compensated under these contracts by fees calculated as a percentage of AUM at a specific point in time or as a percentage of the value of average assets under management for the applicable billing period, with these fees varying 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 are eligible to earn performance-based fees on approximately 5% of private client AUM, substantially all of which is held in hedge funds.

Revenues from Private Client Services represented approximately 24%, 21% and 22% of our company-wide net revenues for the years ended December 31, 2008, 2007 and 2006, respectively.

Institutional Research Services

The following table summarizes Institutional Research Services revenues:

Revenues from Institutional Research Services

	Years Ended December 31,			% Change	
	2008	2007	2006	2008-07	2007-06
		(in thousands)			
Transaction Execution and Research:					
SCB LLC	$ 372,067	$ 317,892	$ 303,204	17.0%	4.8%
SCBL	99,649	105,661	71,871	(5.7)	47.0
Total	**$ 471,716**	**$ 423,553**	**$ 375,075**	**11.4**	**12.9**

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 13%, 9% and 9% of our company-wide net revenues for the years ended December 31, 2008, 2007 and 2006, respectively.

Fee rates charged for brokerage transactions have declined significantly in recent years, but increases in transaction volume in both the U.S. and Europe have more than offset these decreases. For additional information, *see "Risk Factors" in Item 1A and "Management's Discussion and Analysis of Financial Condition and Results of Operations" 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 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 that 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 commission rate, we take into account such factors as current market conditions, the broker's 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 a broker provides to us for the benefit of our clients. These research services, which are paid for with client commissions and 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 these 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 generally higher than those charged by electronic trading networks and other "low-touch" trading venues.

We regularly execute transactions for our private clients through SCB LLC or SCBL, our affiliated broker-dealers, because these clients have generally subscribed to an all-inclusive package of services that includes brokerage, custody and investment advice. We sometimes execute institutional client transactions through SCB LLC or SCBL. 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 (*i.e.*, our obligation to obtain best execution).

We may use third-party 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.

Our Brokerage Allocation Committee has principal oversight responsibility for evaluating equity-related brokerage matters, including how to use research 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 registered a number of service marks with the U.S. Patent and Trademark Office and various foreign trademark 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".

Governance

We maintain a robust fiduciary culture and, 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 compliance with all applicable rules and regulations and internal 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. Specific steps we have taken in the past 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;
- initiating firm-wide compliance and ethics training programs; and
- appointing a Conflicts Officer and establishing a Conflicts Committee to identify and manage conflicts of interest.

We implemented these measures, in part, pursuant to the Order of the Commission ("SEC Order") dated December 18, 2003 (amended and restated January 15, 2004) and the New York State Attorney General's Assurance of Discontinuance dated September 1, 2004 ("NYAG AoD" and, together with the SEC Order, "Orders"), which related to trading practices in the shares of certain of our sponsored mutual funds. In addition, the Orders required:

- 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 (we are required to maintain these reduced fee rates for at least the five-year period that commenced January 1, 2004; we have not sought to increase our advisory fees -- an increase would generally require the approval of the boards of directors and shareholders of our U.S. Funds -- and we do not intend to do so); 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 occur again.

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. The IDC's calculations confirmed that our initial contribution to the Restitution Fund was sufficient to compensate for the harm to mutual fund shareholders from market timing activities. On May 15, 2008, the SEC approved the IDC's plan to distribute the Restitution Fund to appropriate mutual fund shareholders. The IDC began distributing payments from the Restitution Fund in February 2009.

Regulation

Virtually all aspects of our business are subject to federal and state laws and regulations, rules of securities regulators and exchanges, and laws in the foreign countries in which our subsidiaries conduct business.

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. AllianceBernstein Investor Services is registered with the SEC as a transfer agent.

SCB LLC and AllianceBernstein Investments are registered with the SEC as broker-dealers, and both are members of FINRA. SCB LLC is also a member of the NYSE and all other principal U.S. exchanges. SCBL is a broker regulated by the Financial Services Authority of the United Kingdom ("FSA") and is a member of the London Stock Exchange.

AllianceBernstein Trust Company, LLC ("ABTC"), a wholly-owned subsidiary of AllianceBernstein, is a non-depository trust company chartered under New Hampshire law as a limited liability company. ABTC is authorized to act as trustee, executor, transfer agent, assignee, receiver, 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, ABTC must comply with New Hampshire laws applicable to trust company operations (such as New Hampshire Revised Statutes Annotated Part 392), certain federal laws (such as ERISA and sections of the Bank Secrecy Act), and New Hampshire banking laws. The primary fiduciary activities of ABTC consist of serving as trustee to a series of collective investment funds, the investors of which currently are defined benefit and defined contribution retirement plans.

Many of our subsidiaries around the world are subject to minimum net capital requirements by the local laws and regulations to which they are subject. As of December 31, 2008, each of our subsidiaries subject to a minimum net capital requirement satisfied the applicable requirement.

Holding Units are listed on the NYSE and trade publicly under the ticker symbol “AB”. As an NYSE listed company, Holding is subject to applicable regulations promulgated by the NYSE.

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 Financial Services Agency in Japan, 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 efforts to comply.

Taxes

Holding, having elected under Section 7704(g) of the Internal Revenue Code of 1986, as amended (“Code”), to be subject to a 3.5% federal tax on partnership gross income from the active conduct of a trade or business, is a “grandfathered” publicly-traded partnership for federal income tax purposes. Holding is also subject to the 4.0% New York City unincorporated business tax (“UBT”), net of credits for UBT paid by AllianceBernstein. 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. A “new line of business” would be any business that is not closely related to AllianceBernstein’s historical business of providing research and diversified investment management and related services to its clients. A new line of business is “substantial” when a partnership derives more than 15% of its gross income from, or uses more than 15% (by value) of its total assets in, the new line of business.

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. 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 at higher rates in the foreign jurisdictions where they are located so, as our business increasingly operates in countries other than the U.S., our effective tax rate continues to increase.

For additional information, *see “Risk Factors” in Item 1A.*

History and Structure

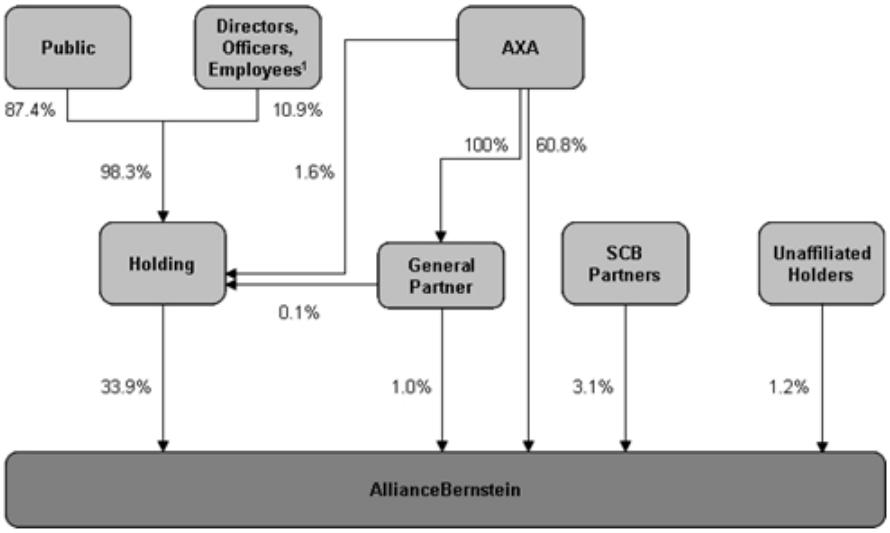
We have been in the investment research and management business for more than 35 years. Alliance Capital was founded in 1971 when the investment management department of Donaldson, Lufkin & Jenrette, Inc. (since November 2000, a part of Credit Suisse Group) merged with the investment advisory business 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 and institutional research services businesses. For additional details about our business combination, *see “Principal Security Holders” in Item 12*.

As of December 31, 2008, the condensed ownership structure of AllianceBernstein was as follows (for a more complete description of our ownership structure, *see "Principal Security Holders" in Item 12*):



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

As of December 31, 2008, AXA, through certain of its subsidiaries (*see "Principal Security Holders" in Item 12*), beneficially owned approximately 62.0% of the issued and outstanding AllianceBernstein Units (including those held indirectly through its ownership of approximately 1.6% of the issued and outstanding Holding 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, AXA, through certain of its subsidiaries, had an approximate 62.4% economic interest in AllianceBernstein as of December 31, 2008.

On January 6, 2009, SCB Partners, Inc. sold to AXA America Holdings, Inc. ("AXA America Holdings"), a wholly-owned subsidiary of AXA, its remaining 8,160,000 AllianceBernstein Units pursuant to an agreement (*see Note 5 to the first table in "Principal Security Holders" in Item 12*) entered into in connection with the Bernstein Transaction. The beneficial ownership of AllianceBernstein Units discussed in the table and paragraphs above do not reflect this sale. As a result of the sale, AXA's ownership of AllianceBernstein Units increased from 60.8% to 63.9% while SCB Partners' ownership decreased from 3.1% to zero. Including the general partnership interests in Holding and AllianceBernstein and its equity interest in Holding, AXA, through certain of its subsidiaries, had an approximate 65.4% economic interest in AllianceBernstein immediately following the sale. For additional beneficial ownership information reflecting the sale, *see "Principal Security Holders" in Item 12*.

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 "Principal Security Holders" in 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 regions 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, asset management and other financial services.

Competition

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

We compete in all aspects of our business with numerous investment management firms, mutual fund 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. Furthermore, our poor relative investment performance during 2008, and what may be diminished confidence in our services on the part of clients and consultants alike, may make it more difficult for us to compete effectively.

AXA and its 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 respective 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 investment performance for clients;
- 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;
- 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 100 F Street, NE, Washington, DC 20549, on official business days during the hours of 10:00 a.m. to 3:00 p.m. 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 "Cautions Regarding 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 has 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, industry trends, interest rates, inflation rates, tax regulation changes and other factors that are difficult to predict affect the mix, market value and level 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 from equity products towards fixed income products and passive products may 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 or passive services. The global economic turmoil during the second half of 2008 has caused some investors to shift their focus from equities to fixed income, passive and money market products (some of which we do not offer), and this trend may continue or accelerate.

Significant weakness and volatility in global credit markets, particularly the rapid deterioration of the mortgage markets in the United States and Europe, during the second half of 2007 and early in 2008 was followed by global economic turmoil during the second half of 2008. These conditions have had a significant adverse affect on our 2008 results of operations. Specifically, they adversely affected absolute and relative performance for clients in nearly all of our investment services. As a result, our AUM, revenues and earnings per unit were down 42.3%, 22.3% and 33.3%, respectively, as compared to year-end 2007 totals and the amount of performance-based fees we earned in 2008 were down 83.4% (for additional information about our firm's financial and operating results, *see "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Item 7*). The weakness in global financial markets has continued thus far in 2009 and our AUM declined by $33 billion during January 2009. Our 2009 results of operations will continue to be adversely affected should this trend continue.

Our 2008 results included two quarters during which AUM and revenues were substantially higher than they are now. If our current level of AUM continues or declines for most or all of 2009, our revenues and earnings will be substantially lower in 2009 than they were in 2008.

Prolonged weakness in asset values may result in impairment of goodwill, intangible assets and the deferred sales commission asset.

To the extent that securities valuations remain depressed for prolonged periods of time and market conditions stagnate or worsen as a result of the global financial crisis (factors that are beyond our control), our AUM, revenues, profitability and unit price may be adversely affected. As a result, subsequent impairment tests may be based on different assumptions and future cash flow projections which may result in an impairment of goodwill, intangible assets and the deferred sales commission asset. The occurrence of an impairment would require a material charge to our earnings. For additional information about our impairment testing, *see Item 7*.

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 30 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 Retail Products and Services, sub-advisory services, and certain other investment services is partly dependent on our access to 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 our Institutional Investment Services are not always considered among the best choices by 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. For example, one or more investment consultants could advise their clients to move their assets away from us to other investment advisers, which could result in significant net outflows. Also, the consolidation among financial intermediaries, which occurred over the last several months and is likely to continue, will reduce the number of intermediaries available to distribute our retail products and is likely to increase the cost of doing business with them as consolidation reduces competition.

Our aggressive expense reduction initiatives could adversely affect our ability to conduct our business.

During the fourth quarter of 2008, we reduced headcount and announced our intention to reduce capital outlays in 2009 in order to lower our expense base in light of substantial declines in AUM and net revenues. Additionally, in 2008 we reduced substantially year-end cash bonuses and deferred compensation awards and imposed a salary freeze for 2009. These expense reduction measures and any additional measures we may take in view of continuing adverse economic conditions could have a significant effect on our ability to conduct our business and service our clients. We also may be unable to retain key personnel, the loss of whom could further damage our business.

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. This may be particularly difficult in the months ahead as our firm continues to aggressively manage expenses.

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.

Investment performance consistently below client expectations 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 with us. Our inability to meet or exceed 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.

Throughout 2008, we underperformed benchmarks, in some cases by substantial amounts, in virtually all of our services, particularly in the fourth quarter. In so doing, we failed to meet client expectations, which contributed to net outflows across each of our three distribution channels in 2008, with net outflows accelerating in the fourth quarter. Net outflows continued to accelerate in January 2009. If we cannot improve our investment performance, it is likely that our net outflows will continue, which could have a significantly adverse effect on our revenues, financial condition, results of operations and business prospects.

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. In these situations, we charge a base advisory fee and are eligible to earn an additional performance-based fee or incentive allocation that is calculated as either a percentage of absolute investment results or a percentage of investment results in excess of a stated benchmark over a specified period of time. In addition, some performance-based fees include a high-watermark provision, which generally provides that if a client account underperforms relative to its performance target (whether absolute or relative to a specified benchmark), it must gain back such underperformance before we can collect future performance-based fees. Therefore, if we underperform our performance target for a particular period, we will not earn a performance-based fee for that period and, for accounts with a high-watermark provision, our ability to earn future performance-based fees will be impaired. We are eligible to earn performance-based fees on approximately 14% of the assets we manage for institutional clients and approximately 5% of the assets we manage for private clients (in total, approximately 10% of our company-wide AUM). If the percentage of our AUM subject to performance-based fees grows, seasonality and volatility of revenue and earnings are likely to become more significant. Approximately 80% of our hedge fund AUM is subject to high-watermarks, and we ended the fourth quarter of 2008 with approximately 67% of this hedge fund AUM below high-watermarks by 10% or more. This will make it very difficult for us to earn performance-based fees in most of our hedge funds in 2009.

Our performance-based fees were $13.4 million in 2008, $81.2 million in 2007 and $235.7 million in 2006.

The individuals, counterparties or issuers on which we rely in the course of performing services for our clients may be unable or unwilling to honor their contractual obligations to us.

We rely on various third party vendors to fulfill their obligations to us, whether specified by contract, course of dealing or otherwise. Disruptions in the financial markets and other economic challenges, like those presented by the ongoing global financial crisis, may cause these vendors to experience significant cash flow problems or even render them insolvent, which could expose us to significant costs and reduce our net income. For example, insurance companies may be unable to pay claims they are otherwise contractually obligated to pay, which could result in our having to suffer losses that typically would be covered by insurance.

Unpredictable events, including natural disaster, technology failure, and terrorist attack, could adversely affect 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.

Our own operational failures or those of third parties we rely on, including failures arising out of human error, could disrupt our business, damage our reputation and reduce our revenues.

Weaknesses or failures in our internal processes 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 obligations to clients require us to exercise skill, care and prudence in performing our services. Despite our employees being highly trained and skilled, the large number of transactions we process makes it highly likely that errors will occasionally occur. Should we make a mistake in performing our services that costs us or our clients money, we have a duty to act promptly to put the clients in the position they would have been in had we not made the error. The occurrence of mistakes, particularly significant ones, can have a material adverse effect on our reputation, revenues, financial condition, results of operations and business prospects.

We may not accurately value the securities we hold on behalf of our discretionary clients or our company investments.

In accordance with applicable regulatory requirements, our obligations under investment management agreements with our clients, and, if the client is a U.S. Fund, the approval and direction of the U.S. Fund's board of directors or trustees, we employ procedures for the pricing and valuation of securities and other positions held in client accounts or for company investments. We have established a Valuation Committee, composed of senior officers and employees, which oversees pricing controls and valuation processes. Where market quotations for a security are not readily available, the Valuation Committee determines a fair value for the security.

Extraordinary volatility in financial markets, significant liquidity constraints or our not adequately accounting for one or more factors when fair valuing a security based on information with limited market observability could result in our failing to properly value securities we hold for our clients or investments accounted for on our balance sheet. Improper valuation would likely result in our basing fee calculations on inaccurate AUM figures, our striking incorrect net asset values for company-sponsored mutual funds, or, in the case of company investments, our inaccurately calculating and reporting our financial condition and operating results. Although the overall percentage of our AUM that we fair value based on information with limited market observability is not significant, inaccurate fair value determinations can harm our clients and create regulatory issues.

In 2008, the unprecedented illiquidity experienced in parts of the fixed income markets made it more difficult to fair value sub-prime mortgage-related assets such as collateralized debt obligations and mortgage-backed securities. This difficulty was accompanied by significant write downs of these, and like, financial instruments under the fair value measurement requirements of Financial Accounting Standards Board ("FASB") Statement No. 157, "*Fair Value Measurements*". These factors increase the risk that our fair value determinations may not reflect the true value of the securities being valued.

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.

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.

Our substantial underperformance in virtually all of our investment services during 2008, which resulted in large part from our financial sector investments held during the fourth quarter of 2008, may have hurt our reputation among many clients, prospects and consultants. We are focused on improving investment performance and, in so doing, rebuilding our reputation. Failure in this endeavor could have a material adverse effect on our revenues, financial condition, results of operations and business prospects.

We may not always successfully manage actual and 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 actual and 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 regulatory enforcement actions.

Rates we charge for brokerage transactions have declined significantly in recent years, and we expect those declines to continue. In addition, recent capital markets and economic turmoil may reduce market volumes. Combined, these two factors could adversely impact SCB's revenue.

Electronic, or "low-touch", trading approaches represent a growing percentage of buy-side trading activity and produce transaction fees for execution-only services that are a small fraction of traditional full service fee rates. As a result, blended pricing for the industry and SCB has declined in recent years. In addition, fee rates charged by SCB and other brokers for traditional brokerage services have also historically experienced price pressure, and we expect these trends to continue. While increases in transaction volume have in the past more than offset decreases in rates, this may not continue. Recent economic and market turmoil has severely impacted much of SCB's client base, which in the near-term may adversely affect transaction volume generally.

The costs of insurance are substantial and may increase.

Our insurance expenses are significant and can fluctuate significantly from year to year. They increased in 2008, and additional 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 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 federal and state laws and regulations, rules of 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 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. By having a global presence, 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. Furthermore, our poor investment performance during 2008, and what may be diminished confidence in our services on the part of clients and consultants alike, may make it more difficult for us to compete effectively.

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 financial condition, results of operations and business prospects.

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

Structure-related Risks

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. Both 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 Code 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 10.10 to this Form 10-K.

Changes in the partnership structure of Holding and AllianceBernstein and/or changes in the tax law governing partnerships would have significant tax ramifications.

Holding, having elected under Section 7704(g) of the Code, to be subject to a 3.5% federal tax on partnership gross income from the active conduct of a trade or business, is a "grandfathered" publicly-traded partnership ("PTP") for federal income tax purposes. Holding is also subject to the 4.0% UBT, net of credits for UBT paid by AllianceBernstein. 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. A "new line of business" would be any business that is not closely related to AllianceBernstein's historical business of providing research and diversified investment management and related services to its clients. A new line of business is "substantial" when a partnership derives more than 15% (by value) of its gross income from, or uses more than 15% of its total assets in, the new line of business.

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. 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 at higher rates in the foreign jurisdiction where they are located. As our business increasingly operates in countries other than the U.S., our effective tax rate continues to increase because our international subsidiaries are subject to corporate level taxes in the jurisdictions where they are located.

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 corporate income tax as set forth above.

In 2007, Congress proposed tax legislation that would cause certain PTPs to be taxed as corporations, thus subjecting their income to a higher level of income tax. Holding is a PTP that derives its income from asset manager or investment management services through its ownership interest in AllianceBernstein. However, the legislation, in the form proposed, would not affect Holding's tax status. In addition, we have received consistent indications from a number of individuals involved in the legislative process that Holding's tax status is not the focus of the proposed legislation, and that they do not expect to change that approach. However, we cannot predict whether, or in what form, the proposed tax legislation will pass, and are unable to determine what effect any new legislation might have on us. If Holding were to lose its federal tax status as a grandfathered PTP, it would be subject to corporate income tax, which would reduce materially its net income and quarterly distributions to Holding Unitholders.

In its current form, the proposed legislation would not affect AllianceBernstein because it is a private partnership.

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 882,770 square feet of space at this location. We also occupy approximately 312,301 square feet of space at 135 West 50th Street, New York, New York under a lease expiring in 2029 and approximately 263,083 square feet of space at One North Lexington, White Plains, New York under a lease expiring in 2031. AllianceBernstein Investments and AllianceBernstein Investor Services occupy approximately 92,067 square feet of space in San Antonio, Texas under a lease expiring in 2029. We also lease space in 18 other cities in the United States.

Our subsidiaries and joint venture companies lease space in 27 cities outside the United States, the most significant of which are in London, England under leases expiring between 2010 and 2022, and in Tokyo, Japan under leases expiring in 2009 and 2018.

Item 3. Legal Proceedings

With respect to all significant litigation matters, we consider 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, "*Accounting for Contingencies*", and 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 determine 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.

We have previously reported the filing of a purported class action complaint entitled *Hindo, et al. v. AllianceBernstein Growth & Income Fund, et al.* and our involvement in various other market timing-related matters. There have been no significant developments in these matters since we filed our Form 10-Q for the quarter ended September 30, 2008, in which these matters are more completely described. These matters are also described *in Note 7 to Holding's financial statements in Item 8.*

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

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 2008.

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 are listed on the NYSE and trade publicly 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 10.10 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 the 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 2008 and 2007 and the high and low sale prices of Holding Units reflected on the NYSE composite transaction tape during 2008 and 2007:

	Quarters Ended 2008				Total
	December 31	September 30	June 30	March 31	
Cash distributions per AllianceBernstein Unit[1]	$ 0.37	$ 0.70	$ 1.06	$ 0.94	$ 3.07
Cash distributions per Holding Unit[1]	$ 0.29	$ 0.60	$ 0.96	$ 0.83	$ 2.68
Holding Unit prices:					
High	$ 38.90	$ 57.11	$ 67.75	$ 78.00	
Low	$ 11.49	$ 32.00	$ 54.50	$ 53.63	
	Quarters Ended 2007[2]				Total
	December 31	September 30	June 30	March 31	
Cash distributions per AllianceBernstein Unit[1]	$ 1.17	$ 1.32	$ 1.27	$ 1.01	$ 4.77
Cash distributions per Holding Unit[1]	$ 1.06	$ 1.20	$ 1.16	$ 0.91	$ 4.33
Holding Unit prices:					
High	$ 92.87	$ 91.66	$ 94.94	$ 94.40	
Low	$ 71.31	$ 72.33	$ 82.90	$ 79.06	

(1) Declared and paid during the following quarter.

(2) The low trading price during the quarters ended September 30, 2007 and June 30, 2007, and the high trading price during the quarter ended March 31, 2007, have been updated to reflect the prices on the NYSE composite transaction tape.

On February 2, 2009, the closing price of a Holding Unit on the NYSE was $16.68 per Unit and there were approximately 1,149 Holding Unitholders of record for approximately 87,000 beneficial owners. On February 2, 2009, there were approximately 498 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

AllianceBernstein did not engage in any unregistered sales of its securities during the last three years.

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
10/1/08-10/31/08[1]	3,100	$ 34.70	—	—
11/1/08-11/30/08[2]	900	20.13	—	—
12/1/08-12/31/08[3][4]	11,115	16.00	—	—
Total	**15,115**	**$ 20.08**	**—**	—

(1) On October 2, 2008, 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 each of November 4, 2008 and November 26, 2008, we purchased 217 Holding Units and 683 Holding Units, respectively, from employees to allow them to fulfill statutory withholding tax requirements at the time of distribution of equity compensation awards.

(3) On December 1, 2008, 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.

(4) On December 17, 2008, ECMC, LLC ("ECMC"), a wholly-owned subsidiary of AXA Equitable, transferred 722,178 Holding Units to AXA Equitable. We have not reflected this transaction in the table because no "purchase" took place.

Neither AllianceBernstein nor any of our affiliates purchased AllianceBernstein Units during the fourth quarter of the fiscal year covered by this report. However, during December 2008, the following inter-company transfers took place among AXA Financial and certain of its subsidiaries:

- On December 17, 2008, AXA Financial transferred 40,861,854 AllianceBernstein Units to AXA Financial Services, LLC, a wholly-owned subsidiary of AXA Financial, which in turn transferred them to AXA Financial (Bermuda) Ltd. ("AXF Bermuda"), also a wholly-owned subsidiary of AXA Financial.

- On December 17, 2008, ECMC transferred 40,880,637 AllianceBernstein Units to Equitable Holdings LLC, a wholly-owned subsidiary of AXA Equitable, which in turn transferred them to AXA Equitable.

- On December 30, 2008, AXA Equitable transferred an aggregate of 20,164,587 AllianceBernstein Units, consisting of: the transfer of 2,452,450 AllianceBernstein Units to MONY Life Insurance Company ("MONY"), a wholly-owned subsidiary of AXA Financial; the transfer of 1,362,472 AllianceBernstein Units to MONY Life Insurance Company of America, a wholly-owned subsidiary of MONY; and 16,349,665 AllianceBernstein Units to AXF Bermuda.

Item 6. Selected Financial Data

ALLIANCEBERNSTEIN L.P.
Selected Consolidated Financial Data

	Years Ended December 31,				
	2008	**2007[1]**	**2006[1]**	**2005[1]**	**2004[1]**
	(in thousands, except per unit amounts and unless otherwise indicated)				
INCOME STATEMENT DATA:					
Revenues:					
Investment advisory and services fees	$ 2,839,526	$ 3,386,188	$ 2,890,229	$ 2,259,392	$ 1,996,819
Distribution revenues	378,425	473,435	421,045	397,800	447,283
Institutional research services[2]	471,716	423,553	375,075	352,757	420,141
Dividend and interest income	91,752	284,014	266,520	152,781	72,743
Investment gains (losses)	(349,172)	29,690	62,200	29,070	14,842
Other revenues	118,436	122,869	123,171	116,788	136,401
Total revenues	3,550,683	4,719,749	4,138,240	3,308,588	3,088,229
Less: interest expense	36,524	194,432	187,833	95,863	32,796
Net revenues	3,514,159	4,525,317	3,950,407	3,212,725	3,055,433
Expenses:					
Employee compensation and benefits	1,454,691	1,833,796	1,547,627	1,262,198	1,085,163
Promotion and servicing:					
Distribution plan payments	274,359	335,132	292,886	291,953	374,184
Amortization of deferred sales commissions	79,111	95,481	100,370	131,979	177,356
Other	207,506	252,468	218,944	198,004	202,327
General and administrative	539,198	574,506	574,904	378,856	410,240
Interest on borrowings	13,077	23,970	23,124	25,109	24,232
Amortization of intangible assets	20,716	20,716	20,710	20,700	20,700
Total expenses	2,588,658	3,136,069	2,778,565	2,308,799	2,294,202
Operating income	**925,501**	**1,389,248**	**1,171,842**	**903,926**	**761,231**
Non-operating income	18,728	15,756	20,196	34,446	—
Income before income taxes and non-controlling interest in earnings of consolidated entities	**944,229**	**1,405,004**	**1,192,038**	**938,372**	**761,231**
Income taxes	95,803	127,845	75,045	64,571	39,932
Non-controlling interest in earnings of consolidated entities, net of tax	9,186	16,715	8,392	5,483	16,149
Net income	**$ 839,240**	**$ 1,260,444**	**$ 1,108,601**	**$ 868,318**	**$ 705,150**
Basic net income per unit	**$ 3.18**	**$ 4.80**	**$ 4.26**	**$ 3.37**	**$ 2.76**
Diluted net income per unit	**$ 3.18**	**$ 4.77**	**$ 4.22**	**$ 3.35**	**$ 2.74**
Operating margin[3]	26.1%	30.3%	29.5%	28.0%	24.4%
CASH DISTRIBUTIONS PER UNIT[4]	**$ 3.07**	**$ 4.77**	**$ 4.42**	**$ 3.33**	**$ 2.40**
BALANCE SHEET DATA AT PERIOD END:					
Total assets	$ 8,503,459	$ 9,368,754	$ 10,601,105	$ 9,490,480	$ 8,779,330
Debt	$ 284,779	$ 533,872	$ 334,901	$ 407,291	$ 407,517
Partners' capital	$ 4,317,659	$ 4,541,226	$ 4,570,997	$ 4,302,674	$ 4,183,698
ASSETS UNDER MANAGEMENT AT PERIOD END (in millions)	**$ 461,951**	**$ 800,390**	**$ 716,921**	**$ 578,552**	**$ 538,764**

(1) Certain prior-year amounts have been reclassified to conform to our 2008 presentation. *See Note 2 to AllianceBernstein's consolidated financial statements in Item 8* for a discussion of reclassifications.

(2) Includes revenues of $0.3 million, $0.5 million, $1.8 million, $31.5 million and $116.5 million 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) in 2008, 2007, 2006, 2005 and 2004, respectively. The significant decrease beginning in 2005 is primarily due to our elimination of transaction charges for most private clients.

(3) Operating income less non-controlling interest in earnings of consolidated entities as a percentage of net revenue.

(4) 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

Capital markets plummeted during the fourth quarter of 2008, following what had already been a tumultuous year for the global economy, producing sharply negative investment returns for our clients. Both our absolute and relative investment performance were poor. Equity returns across capital markets were negative in 2008 across styles, geographies, and capitalizations, as global equities declined more than 40% for the year. Furthermore, we underperformed benchmarks, in some cases by substantial amounts, in virtually all of our services, particularly in the fourth quarter, reflecting our investments in non-U.S. markets and sectors with exposure to credit risks. In many cases, this performance adversely affected our long-term track records.

For 2008, our total assets under management ("AUM") fell $338.4 billion, or 42.3%, driven by market depreciation of $294.2 billion and net outflows of $44.2 billion. With AUM at $462.0 billion as of December 31, 2008, we were at our lowest level since the third quarter of 2003. The decline occurred mostly in our Institutional Investment Services and Retail Services and was overwhelmingly due to market depreciation in both value and growth equity services. Net outflows accelerated in the fourth quarter to $23.2 billion, comprising more than half of the year's total net outflows. In January 2009, net outflows, which continued to accelerate, and negative investment performance combined to further reduce AUM to $429.1 billion, our lowest level since the second quarter of 2003.

Institutional Investment Services AUM declined during 2008 by $216.7 billion, or 42.7%, with market depreciation of $191.7 billion and net outflows of $14.4 billion. Tepid new account sales could not keep pace with the funding of previously awarded mandates, which caused our pipeline of won but unfunded client mandates to fall by approximately 43% to $8 billion compared to $14 billion at the end of the third quarter of 2008. Currently we are managing over $18 billion of defined contribution AUM, $12 billion of which is in Institutional Investment Services. Although this is a relatively small part of our business, we consider the growth of this AUM from less than $1 billion in 2006 to be quite promising. We have only recently begun discussions with our largest current and prospective clients about our new flexible Customized Retirement Strategies platform, which defined contribution plan sponsors can use to create tailored target date portfolios for their participants. We anticipate that this part of our business will continue to expand, generating meaningful incremental asset growth and further strengthening our relationships with some of our largest and most important clients.

Our Retail Services AUM declined during 2008 by $81.6 billion, or 44.5%, led by market depreciation of $67.1 billion and net outflows of $25.1 billion. Nearly three-quarters of the year's net outflows occurred in the second half of 2008. To date, there has been little impact within Retail Services from consolidations among major distributors and it is too early to assess the opportunities and risks that these transactions present for us. With that in mind, our Retail Services mandate is to continue our strategy of aligning research and knowledge with the advice-delivery platforms of financial institution distributors to improve investment outcomes for the individual investors that we jointly serve.

Private Client Services AUM fell during 2008 by $40.1 billion, or 36.8%, primarily as a result of market depreciation of $35.4 billion. We continue to add new accounts, albeit at a slower rate, and, despite one of the most turbulent investment climates in history, our closed account rate for the year was 5.6% versus a historical rate of 4.3%. This compares quite favorably to our highest closed account rate of 17.7% in 2000. Although gross cash flow, which represents new assets from new and existing clients, was down from recent years, it remained at over $13 billion for the year. We believe this reflects the continued appeal of our Private Client value proposition. Lastly, although we downsized our staff levels in 2008, we did so while retaining the best and the highest potential professionals that service our private clients.

The events of 2008 not only greatly reduced our total AUM, but materially changed its composition. We began with three-quarters of our AUM in equities and one-quarter in fixed income. We ended the year closer to a 60/40 split in favor of equities. To a lesser degree, but not inconsequential, our mix of U.S. versus global and international services shifted by five percentage points away from global and international. These trends have exacerbated the impact of lower AUM on our revenues as our average fee realization rate decreased from 0.44% as of December 31, 2007 to 0.42% by the end of 2008. Furthermore, our 2008 results included two quarters during which AUM and revenues were substantially higher than they are now. If our current level of AUM continues or declines for most or all of 2009, our revenues and earnings will be substantially lower in 2009 than they were in 2008.

Institutional Research Services provided a bright spot in 2008. Its revenues were up 11.4% in 2008 to $471.7 million, with robust growth in the U.S. offsetting a modest decline in Europe. Revenues in the fourth quarter of 2008 were flat year-over-year, however, and were down 5.4% sequentially, decelerating in the latter half of the quarter as market volumes declined significantly.

Our full year revenues were down over $1 billion, or 22.3%, led by a $546.7 million, or 16.1%, decline in investment advisory and services fees. The revenue decline was exacerbated by losses of $325 million on investments related to employee deferred compensation and lower distribution revenues. Full year operating expenses declined $547.4 million, or 17.5%, primarily the result of lower incentive compensation and distribution expenses, the latter driven by lower assets under management. Accordingly, 2008 diluted net income per Holding Unit fell to $2.79, or 35.4%, compared to $4.32 for 2007. As we anticipated, our workforce reduction efforts were nearly complete by the end of 2008. We ended the year with 4,997 employees, which is 10.4% less than at the beginning of 2008, and down 11.7% versus the peak at the end of the third quarter of 2008. This workforce reduction will generate annual savings in excess of $70 million, mostly from lower salaries and fringe benefits. In view of the continuing adverse economic and capital markets conditions, we are considering additional expense reduction measures.

Some areas we specifically addressed in 2008 and on which we will continue to focus in 2009 as a result of the global financial crisis are[(1)]:

- Client satisfaction – Our ability to understand and articulate what has happened, to describe the lessons learned and the enhancements we have put in place, and to communicate substantial opportunities we perceive, are all critical to retaining client confidence in our ability to recover lost performance.

- Investment performance – We underperformed benchmarks, in some cases by substantial amounts, in virtually all of our services. We owe our clients and unitholders much better performance and we will strive to provide it.

- Operational cost savings – We reduced headcount from 5,580 at December 31, 2007 to 4,997 at December 31, 2008 and imposed a salary freeze for 2009 as part of our initiative to lower operating costs. We are seeking additional operational cost savings to counteract potential continuing declines in revenues.

- Capital spending – Capital spending projects are being prioritized by business need, with lower priority projects being delayed or canceled.

- Liquidity – We currently have sufficient liquidity and financial flexibility (*i.e.*, practically no troubled investments or derivatives on our balance sheet, $4.3 billion of partners' capital, a $1.0 billion committed credit facility, only $0.3 billion of debt, and strong credit ratings). However, additional sources of liquidity are being explored in the case of further significant deterioration of capital and credit markets.

- Asset impairment – We are more frequently monitoring the possibility that the goodwill, intangible assets or deferred sales commissions recorded on our balance sheet could become impaired, or that our debt covenants may not be met, if financial conditions continue to deteriorate and AUM and corresponding revenues continue to decline.

- Counterparty risk – We are mindful of the possibility that counterparties in our financial transactions, or suppliers of some of our services, will be unable to perform as a result of their own deteriorating financial conditions.

Our balance sheet is strong, our intellectual capital is intact, and our expenses and capital outlays are being aggressively managed while we continue to invest in our most important strategic initiatives. Our task remains what it has been throughout our history – apply deep and objective research as we assess securities for our clients' portfolios in the pursuit of long-term investing success. We are confident about three important traits that differentiate our firm: our financial strength and flexibility; the consistency and caliber of our leadership team; and our research driven culture. It is these core characteristics that we believe give us a competitive edge to grow our business. Although we have confidence that our core characteristics will lead to improved investment performance and benefits for our clients, employees and unitholders alike, real challenges to the global economy remain that will impact the re-emergence of investor confidence and eventual recovery. Yet the deep fear that has overtaken investors has also resulted in potentially historic investment opportunities across the capital markets. We are evaluating today's extreme dislocations, attempting to have sufficient exposure to securities that are well-positioned to outperform as markets anticipate the eventual resolution of this crisis and the inevitable, though perhaps not imminent, improvement in the global economy.

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(1) Many of these items are discussed in greater detail later in this Item 7 (including "*Cautions Regarding Forward-Looking Statements*"), "*Risk Factors*" (*see Item 1A*) or other sections of this Form 10-K.

Assets Under Management

Assets under management by distribution channel were as follows:

	As of December 31,			% Change	
	2008	2007	2006	2008-07	2007-06
	(in billions)				
Institutional Investments	$ 291.4	$ 508.1	$ 455.1	(42.7)%	11.6%
Retail	101.6	183.2	166.9	(44.5)	9.7
Private Client	69.0	109.1	94.9	(36.8)	15.0
Total	**$ 462.0**	**$ 800.4**	**$ 716.9**	**(42.3)**	**11.6**

Assets under management by investment service were as follows:

	As of December 31,			% Change	
	2008	2007	2006	2008-07	2007-06
		(in billions)			
Equity					
Value:					
U.S.	$ 47.9	$ 108.0	$ 119.0	(55.6)%	(9.3)%
Global & international	124.5	274.5	216.5	(54.7)	26.8
	172.4	382.5	335.5	(54.9)	14.0
Growth:					
U.S.	33.0	72.5	78.5	(54.5)	(7.6)
Global & international	55.3	124.4	95.6	(55.6)	30.1
	88.3	196.9	174.1	(55.2)	13.1
Total Equity	**260.7**	**579.4**	**509.6**	**(55.0)**	**13.7**
Fixed Income:					
U.S.	105.3	113.4	109.9	(7.1)	3.2
Global & international	71.8	84.5	67.1	(15.0)	25.9
	177.1	197.9	177.0	(10.5)	11.8
Other [(1)]:					
U.S.	16.5	16.9	24.8	(2.5)	(31.9)
Global & international	7.7	6.2	5.5	24.6	10.9
	24.2	23.1	30.3	4.7	(24.1)
Total:					
U.S.	202.7	310.8	332.2	(34.8)	(6.4)
Global & international	259.3	489.6	384.7	(47.0)	27.3
Total	**$ 462.0**	**$ 800.4**	**$ 716.9**	**(42.3)**	**11.6**

(1) Includes index, structured and asset allocation services.

Changes in assets under management during 2008 were as follows:

	Distribution Channel				Investment Service				
	Institutional Investments	Retail	Private Client	Total	Value Equity	Growth Equity	Fixed Income	Other [(1)]	Total
					(in billions)				
Balance as of December 31, 2007	$ 508.1	$ 183.2	$ 109.1	$ 800.4	$ 382.5	$ 196.9	$ 197.9	$ 23.1	$ 800.4
Long-term flows:									
Sales/new accounts	38.5	23.3	11.0	72.8	30.9	16.3	21.8	3.8	72.8
Redemptions/terminations	(34.9)	(39.8)	(8.3)	(83.0)	(41.1)	(23.0)	(18.6)	(0.3)	(83.0)
Cash flow/unreinvested dividends	(18.0)	(8.6)	(7.4)	(34.0)	(19.1)	(11.5)	(10.6)	7.2	(34.0)
Net long-term (outflows) inflows	(14.4)	(25.1)	(4.7)	(44.2)	(29.3)	(18.2)	(7.4)	10.7	(44.2)
Transfers	(10.6)	10.6	—	—	—	—	—	—	—
Market depreciation	(191.7)	(67.1)	(35.4)	(294.2)	(180.8)	(90.4)	(13.4)	(9.6)	(294.2)
Net change	(216.7)	(81.6)	(40.1)	(338.4)	(210.1)	(108.6)	(20.8)	1.1	(338.4)
Balance as of December 31, 2008	**$ 291.4**	**$ 101.6**	**$ 69.0**	**$ 462.0**	**$ 172.4**	**$ 88.3**	**$ 177.1**	**$ 24.2**	**$ 462.0**

(1) Includes index, structured and asset allocation services.

Changes in assets under management during 2007 were as follows:

	Distribution Channel				Investment Service				
	Institutional Investments	Retail	Private Client	Total	Value Equity	Growth Equity	Fixed Income	Other [1]	Total
					(in billions)				
Balance as of December 31, 2006	$ 455.1	$ 166.9	$ 94.9	$ 716.9	$ 335.5	$ 174.1	$ 177.0	$ 30.3	$ 716.9
Long-term flows:									
Sales/new accounts	70.8	46.2	18.3	135.3	71.4	30.0	32.9	1.0	135.3
Redemptions/terminations	(33.2)	(37.0)	(4.5)	(74.7)	(25.3)	(25.0)	(16.0)	(8.4)	(74.7)
Cash flow/unreinvested dividends	(19.9)	(3.3)	(5.2)	(28.4)	(14.0)	(7.9)	(4.8)	(1.7)	(28.4)
Net long-term inflows (outflows)	17.7	5.9	8.6	32.2	32.1	(2.9)	12.1	(9.1)	32.2
Transfers	(0.2)	(0.5)	0.7	—	—	—	—	—	—
Market appreciation	35.5	10.9	4.9	51.3	14.9	25.7	8.8	1.9	51.3
Net change	53.0	16.3	14.2	83.5	47.0	22.8	20.9	(7.2)	83.5
Balance as of December 31, 2007	**$ 508.1**	**$ 183.2**	**$ 109.1**	**$ 800.4**	**$ 382.5**	**$ 196.9**	**$ 197.9**	**$ 23.1**	**$ 800.4**

(1) Includes index, structured and asset allocation services.

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

	Years Ended December 31,			% Change	
	2008	2007	2006	2008-07	2007-06
	(in billions)				
Distribution Channel:					
Institutional Investments	$ 426.5	$ 491.1	$ 405.6	(13.1)%	21.1%
Retail	145.4	180.5	150.8	(19.4)	19.7
Private Client	93.2	104.8	84.6	(11.1)	23.8
Total	**$ 665.1**	**$ 776.4**	**$ 641.0**	**(14.3)**	**21.1**
Investment Service:					
Value Equity	$ 297.9	$ 373.3	$ 281.1	(20.2)%	32.8%
Growth Equity	152.6	186.0	160.2	(17.9)	16.1
Fixed Income	193.2	188.3	169.2	2.6	11.3
Other[1]	21.4	28.8	30.5	(25.6)	(5.8)
Total	**$ 665.1**	**$ 776.4**	**$ 641.0**	**(14.3)**	**21.1**

(1) Includes index, structured and asset allocation services.

Consolidated Results of Operations

	Years Ended December 31,			% Change	
	2008	2007	2006	2008-07	2007-06
	(in millions, except per unit amounts)				
Net revenues	$ 3,514.2	$ 4,525.3	$ 3,950.4	(22.3)%	14.6%
Expenses	2,588.7	3,136.1	2,778.6	(17.5)	12.9
Operating income	925.5	1,389.2	1,171.8	(33.4)	18.6
Non-operating income	18.7	15.8	20.2	18.9	(22.0)
Income before income taxes and non-controlling interest in earnings of consolidated entities	944.2	1,405.0	1,192.0	(32.8)	17.9
Income taxes	95.8	127.9	75.0	(25.1)	70.4
Non-controlling interest in earnings of consolidated entities, net of tax	9.2	16.7	8.4	(45.0)	99.2
Net income	$ 839.2	$ 1,260.4	$ 1,108.6	(33.4)	13.7
Diluted net income per unit	$ 3.18	$ 4.77	$ 4.22	(33.3)	13.0
Distributions per unit	$ 3.07	$ 4.77	$ 4.42	(35.6)	7.9
Operating margin[1]	26.1%	30.3%	29.5%		

(1) Operating income less non-controlling interest in earnings of consolidated entities as a percentage of net revenues.

In 2008, net income declined $421.2 million, or 33.4%, to $839.2 million, and net income per unit decreased $1.59, or 33.3%, to $3.18. The decrease was due primarily to lower investment advisory and services fees revenues resulting from lower assets under management and significant mark-to-market losses on investments related to deferred compensation plan obligations, partially offset by lower employee compensation and benefits expenses.

In 2007, net income increased $151.8 million, or 13.7%, to $1,260.4 million, and net income per unit increased $0.55, or 13.0%, to $4.77. The increase was due primarily to higher investment advisory and services fees revenues resulting from higher assets under management, partially offset by higher employee compensation and benefits expenses. Our operating margin expanded 0.8% to 30.3% in 2007, benefiting from the increase in our fee revenues and the moderation of our growth in expenses.

Claims Processing Contingency

During the fourth quarter of 2006, we recorded in general and administrative expenses a $56.0 million pre-tax charge ($54.5 million, net of related income tax benefit, or $0.21 per unit) 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. During the third quarter of 2008, we recorded as a reduction of general and administrative expenses approximately $35.3 million in insurance recoveries relating to this error. Our fourth quarter 2006 cash distributions were based on net income as calculated prior to recording the charge. Accordingly, the insurance recoveries ($0.13 per unit) were not included in our cash distribution to unitholders for the third quarter of 2008. As of December 31, 2008, we had $7.8 million remaining in accrued liabilities related to the $56.0 million pre-tax charge, some of which we hope to recover for our clients in future periods from related class action settlement funds, the amount of which is unknown. To the extent we are unable to recover amounts our clients would have received were it not for the claims processing error, we will reimburse these clients for the unrecovered amount.

Expense Reduction

During the fourth quarter of 2008, we reduced headcount and announced our intention to reduce capital outlays in 2009 in order to lower our expense base in light of declines in assets under management and net revenues. As a result of this workforce reduction, headcount was 4,997 as of December 31, 2008, compared to a high of 5,660 (reflecting an 11.7% reduction) as of September 30, 2008, and 5,580 (reflecting a 10.4% reduction) as of December 31, 2007. We recorded a pre-tax charge to earnings of $42.7 million in the fourth quarter of 2008 for severance and severance-related items. This workforce reduction is expected to generate annual savings in excess of $70 million, primarily from salaries and fringe benefits. Our capital expenditures were reduced by approximately 50% below our original 2008 capital spending plan and our 2009 capital spending plan includes an approximate 10% reduction from 2008 expenditure levels. In view of the continuing adverse economic and market conditions, we are considering additional expense reduction measures.

Impairment Analysis

As of December 31, 2008, management tested goodwill, intangible assets, and the deferred sales commission asset for impairment and determined that these assets were not impaired. *See "Critical Accounting Estimates" in this Item 7* for a discussion of our impairment testing methodology.

To the extent that securities valuations remain depressed for prolonged periods of time and market conditions stagnate or worsen as a result of the global financial crisis, our assets under management, revenues, profitability, and unit price may be adversely affected. As a result, subsequent impairment tests may be based upon different assumptions and future cash flow projections which may result in an impairment of goodwill, intangible assets and the deferred sales commission asset. In the current environment, we anticipate testing these assets for impairment (typically tested annually) on a more frequent basis.

Net Revenues

The following table summarizes the components of net revenues:

	Years Ended December 31,			% Change	
	2008	2007	2006	2008-07	2007-06
	(in millions)				
Investment advisory and services fees:					
Institutional Investments:					
Base fees	$ 1,229.1	$ 1,416.0	$ 1,108.2	(13.2)%	27.8%
Performance-based fees	11.5	65.6	113.0	(82.4)	(42.0)
	1,240.6	1,481.6	1,221.2	(16.3)	21.3
Retail:					
Base fees	751.0	946.0	787.5	(20.6)	20.1
Performance-based fees	0.1	—	0.3	n/m	(96.0)
	751.1	946.0	787.8	(20.6)	20.1
Private Client:					
Base fees	846.0	943.0	758.8	(10.3)	24.3
Performance-based fees	1.8	15.6	122.4	(88.3)	(87.3)
	847.8	958.6	881.2	(11.6)	8.8
Total:					
Base fees	2,826.1	3,305.0	2,654.5	(14.5)	24.5
Performance-based fees	13.4	81.2	235.7	(83.4)	(65.6)
	2,839.5	3,386.2	2,890.2	(16.1)	17.2
Distribution revenues	378.4	473.4	421.0	(20.1)	12.4
Institutional research services	471.7	423.5	375.1	11.4	12.9
Dividend and interest income	91.8	284.0	266.5	(67.7)	6.6
Investment gains (losses)	(349.2)	29.7	62.2	n/m	(52.3)
Other revenues	118.5	122.9	123.2	(3.6)	(0.2)
Total revenues	3,550.7	4,719.7	4,138.2	(24.8)	14.1
Less: Interest expense	36.5	194.4	187.8	(81.2)	3.5
Net revenues	**$ 3,514.2**	**$ 4,525.3**	**$ 3,950.4**	**(22.3)**	**14.6**

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 as of a specified date, or as a percentage of the value of average assets under management for the applicable billing period, 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.

We calculate AUM using our standard fair valuation methodologies, including market based valuation methods and fair valuation methods. Market based valuation methods include: last sale/settle prices from an exchange for actively traded listed equities, options and futures; evaluated bid prices from standard pricing vendors for fixed income, asset-backed or mortgage-backed issues; mid prices from standard pricing vendors and brokers for credit default swaps; and quoted bids or spreads from pricing vendors and brokers for other derivative products. Fair valuation methods include discounted cash flow models, evaluation of assets vs. liabilities or any other methodology that is validated and approved by our Valuation Committee (“Committee”). Fair valuation methods are used only where AUM cannot be valued using market based valuation methods, such as in the case of private equity or illiquid securities. Fair valued investments typically make up less than 1% of our total AUM. Recent market volatility has not had a significant effect on our ability to acquire market data and, accordingly, our ability to use market based valuation methods.

The Committee, which is composed of senior officers and employees and is chaired by our Chief Risk Officer, is responsible for overseeing the pricing and valuation of all investments held in client portfolios. The Committee has adopted a Statement of Pricing Policies describing principles and policies that apply to pricing and valuing investments held in client portfolios. We have also established a Pricing Group, which reports to the Committee. The Committee has delegated to the Pricing Group responsibility for monitoring the pricing process for all investments held in client portfolios.

We sometimes charge our clients performance-based fees. In these situations, we charge a base advisory fee and are eligible to earn an additional performance-based fee or incentive allocation that is calculated as either a percentage of absolute investment results or a percentage of investment results in excess of a stated benchmark over a specified period of time. In addition, some performance-based fees include a high-watermark provision, which generally provides that if a client account underperforms relative to its performance target (whether absolute or relative to a specified benchmark), it must gain back such underperformance before we can collect future performance-based fees. Therefore, if we underperform our performance target for a particular period, we will not earn a performance-based fee for that period and, for accounts with a high-watermark provision, our ability to earn future performance-based fees will be impaired. We are eligible to earn performance-based fees on approximately 14% of the assets we manage for institutional clients and approximately 5% of the assets we manage for private clients (in total, approximately 10% of our company-wide AUM). If the percentage of our AUM subject to performance-based fees grows, seasonality and volatility of revenue and earnings are likely to become more significant. Approximately 80% of our hedge fund AUM is subject to high-watermarks, and we ended 2008 with approximately 67% of this hedge fund AUM below high-watermarks by 10% or more. This will make it very difficult for us to earn performance-based fees in most of our hedge funds in 2009.

Our investment advisory and services fees decreased 16.1% in 2008, primarily due to a decrease of 14.3% in average assets under management. For 2007, investment advisory and services fees increased 17.2%, primarily due to a 21.1% increase in average assets under management.

Institutional investment advisory and services fees decreased 16.3% in 2008 as a result of a decrease in average assets under management of 13.1%, and a decrease in performance-based fees of $54.1 million. Institutional investment advisory and services fees increased 21.3% in 2007 as a result of an increase in average assets under management of 21.1%, and a more favorable fee mix, partially offset by a decrease in performance-based fees of $47.4 million. The favorable fee mix reflected increases in average assets under management in our global and international services of 40.4%, where base fee rates are generally higher than for domestic services.

Retail investment advisory and services fees decreased 20.6% in 2008 due primarily to a decrease of 19.4% in average assets under management. For 2007, these fees increased 20.1% due primarily to an increase of 19.7% in average assets under management.

Private Client investment advisory and services fees decreased 11.6% in 2008 as a result of lower base fees from a 7.4% decrease in billable assets under management and the impact of a change in product mix. Private Client investment advisory and services fees increased 8.8% in 2007 as a result of higher base fees from a 15.0% increase in assets under management partially offset by a $106.8 million, or 87.3%, decrease in performance-based fees, earned largely from our hedge funds.

Distribution Revenues

AllianceBernstein Investments and AllianceBernstein (Luxembourg) S.A. (each a wholly-owned subsidiary of AllianceBernstein) 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 decreased 20.1% in 2008, principally due to lower average mutual fund assets under management. The decline in revenues and assets under management was approximately an even split between U.S. and non-U.S. services. Distribution revenues increased 12.4% in 2007, principally due to higher average mutual fund assets under management.

Institutional Research Services

Institutional Research Services revenue consists principally of brokerage transaction charges received for providing equity research and brokerage-related services to institutional investors. Revenues from Institutional Research Services increased 11.4% for 2008 due to significantly higher revenues from U.S. operations offset by a decline in Europe. Revenues from Institutional Research Services increased 12.9% for 2007 due to higher revenues from both European and U.S. operations.

Dividend and Interest Income and Interest Expense

Dividend and interest income consists of investment income, interest earned on U.S. Treasury Bills, and interest earned on collateral given for securities borrowed from brokers and dealers. Interest expense includes interest accrued on cash balances in customers' brokerage accounts and on collateral received for securities loaned. Dividend and interest, net of interest expense, decreased $34.3 million, or 38.3%, in 2008. The decrease was due primarily to lower dividends from our deferred compensation-related investments as well as lower interest earned on our stock borrow and loan activity resulting from the outsourcing of our hedge fund prime brokerage operations in the fourth quarter of 2007. Dividend and interest, net of interest expense, increased $10.9 million in 2007. The increase was due primarily to increased brokerage interest due to higher Treasury Bill balances and higher dividends from our deferred compensation-related investments.

Investment Gains (Losses)

Investment gains (losses), consists primarily of realized and unrealized investment gains or losses on trading investments related to deferred compensation plan obligations and investments made in our consolidated venture capital fund, realized gains or losses on the sale of available-for-sale investments, and equity in earnings of investments in limited partnership hedge funds that we sponsor and manage. Investment gains (losses) decreased $378.9 million in 2008, due primarily to significant realized and unrealized losses on investments related to deferred compensation plan obligations in 2008 of $325.0 million as compared to gains in 2007 of $4.8 million, as well as realized and unrealized losses on the sales of other investments. Investment gains (losses) decreased $32.5 million in 2007, due primarily to lower mark-to-market gains on investments related to deferred compensation plan obligations in 2007 as compared to 2006 and equity losses in 2007 versus gains in 2006 from our investment in hedge funds, partially offset by mark-to-market gains on investments in our consolidated venture capital fund.

Other Revenues, Net

Other revenues consist of fees earned for transfer agency services provided to company-sponsored mutual funds, fees earned for administration and recordkeeping services provided to company-sponsored mutual funds and the general accounts of AXA and its subsidiaries, and other miscellaneous revenues. Other revenues decreased 3.6% in 2008, due primarily to lower shareholder servicing fees as a result of fewer accounts. Other revenues were essentially flat in 2007 as compared to 2006.

Expenses

The following table summarizes the components of expenses:

	Years Ended December 31,			% Change	
	2008	2007	2006	2008-07	2007-06
	(in millions)				
Employee compensation and benefits	$ 1,454.7	$ 1,833.8	$ 1,547.6	(20.7)%	18.5%
Promotion and servicing	561.0	683.1	612.2	(17.9)	11.6
General and administrative	539.2	574.5	574.9	(6.1)	(0.1)
Interest	13.1	24.0	23.2	(45.4)	3.7
Amortization of intangible assets	20.7	20.7	20.7	—	—
Total	**$ 2,588.7**	**$ 3,136.1**	**$ 2,778.6**	**(17.5)**	**12.9**

Employee Compensation and Benefits

We had 4,997 full-time employees as of December 31, 2008 compared to 5,580 in 2007 and 4,914 in 2006. Employee compensation and benefits, which represented approximately 56%, 58% and 56% of total expenses in 2008, 2007 and 2006, respectively, include base compensation (including severance), cash and deferred incentive compensation, commissions, fringe benefits, and other employment costs (including recruitment, training, temporary help and meals).

In 2008, base compensation, fringe benefits and other employment costs increased $69.9 million, or 10.8%, primarily as a result of higher salaries from higher headcount throughout most of the year and $42.7 million in severance and severance-related items due to the workforce reduction, partially offset by lower recruitment costs and lower payroll taxes as a result of lower incentive compensation. Incentive compensation decreased $370.6 million, or 50.2%, primarily as a result of lower annual bonus payments and lower deferred compensation expense resulting from mark-to-market losses on related investments. Commission expense decreased $78.4 million, or 17.4%, reflecting lower sales volumes across our Institutional Investments, Retail and Private Client distribution channels.

In 2007, base compensation, fringe benefits and other employment costs increased $105.8 million, or 19.6%, primarily as a result of increased headcount, annual merit increases, and higher fringe benefits reflecting increased compensation levels. Incentive compensation increased $97.5 million, or 15.2%, primarily as a result of the increase in full-time employees, higher annual bonus payments and higher deferred compensation expense. Commission expense increased $82.9 million, or 22.6%, reflecting higher sales volumes across all distribution channels.

Promotion and Servicing

Promotion and servicing expenses, which represented approximately 22% of total expenses in 2008, 2007 and 2006, include distribution plan payments to financial intermediaries for distribution of company-sponsored mutual funds, and amortization of deferred sales commissions paid to financial intermediaries for the sale of back-end load shares of company-sponsored mutual funds. *See "Capital Resources and Liquidity" in this Item 7 and Note 11 to AllianceBernstein's consolidated financial statements in Item 8* for further discussion of deferred sales commissions. Also included in this expense category are costs related to travel and entertainment, advertising, promotional materials, and investment meetings and seminars for financial intermediaries that distribute our mutual fund products.

Promotion and servicing expenses decreased 17.9% in 2008 and increased 11.6% in 2007. The decrease in 2008 was primarily due to lower distribution plan payments (resulting from lower average Retail Services assets under management), lower amortization of deferred sales commissions, and lower travel and entertainment expenses. The increase in 2007 was primarily due to higher distribution payments, travel and entertainment, and transfer fees.

General and Administrative

General and administrative expenses, which represented approximately 21%, 18% and 21% of total expenses in 2008, 2007 and 2006, respectively, are costs related to operations, including technology, professional fees, occupancy, communications and similar expenses. General and administrative expenses decreased $35.3 million, or 6.1% in 2008, and were essentially flat in 2007 compared to 2006.

The decrease in 2008 reflects insurance recoveries of approximately $35.3 million relating to a class action claims processing error (*see Note 7*), lower client transaction errors, and incremental foreign exchange gains, partially offset by higher occupancy costs. Higher occupancy and technology costs in 2007 were offset by a $56.0 million charge recorded in 2006 for the estimated cost of reimbursing certain clients for losses arising out of an error made in processing claims for class action settlement proceeds on behalf of these clients and lower legal costs.

Interest on Borrowings

Interest on our borrowings for 2008 decreased $10.9 million, or 45.4%, the result of lower average interest rates. Interest on our borrowings for 2007 increased $0.9 million, or 3.7%, reflecting higher short-term borrowing levels partly offset by lower interest rates.

Non-operating Income

Non-operating income consists of contingent purchase price payments earned from the disposition in 2005 of our cash management services. Non-operating income for 2008 increased $2.9 million, or 18.9% due to higher contingent purchase price payments earned in 2008. Non-operating income for 2007 decreased $4.4 million, or 22.0%. The 2007 decrease reflects the recognition of a $7.5 million gain during the second quarter of 2006 resulting from the expiration of a “clawback” provision related to the disposition of our cash management services, partly offset by lower contingent purchase price payments earned in 2007.

Income Taxes

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 decrease in taxes on income in 2008 reflects lower earnings and the recognition of $12.9 million of net unrecognized tax benefits during the fourth quarter of 2008 due primarily to certain tax audits being settled. The increase in taxes on income in 2007 reflects increased earnings and a higher effective tax rate reflecting higher earnings of our foreign subsidiaries (primarily in the U.K. and Japan) where tax rates are generally higher.

Non-Controlling Interest in Earnings of Consolidated Entities

Our non-controlling interests in consolidated entities consist of 90% limited partner interests in our consolidated venture capital fund (of which 10% is owned by AXA and its subsidiaries and 80% is owned by an unaffiliated client) and 50% interests in consolidated joint ventures in Australia and New Zealand (of which 50% is owned by AXA and its subsidiaries). Non-controlling interest in earnings of consolidated entities for 2008 decreased $7.5 million, primarily as a result of lower net unrealized gains on investments in our consolidated venture capital fund. Non-controlling interest in earnings of consolidated entities for 2007 increased $8.3 million, primarily as a result of higher net unrealized gains on investments in our consolidated venture capital fund.

Capital Resources and Liquidity

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

	2008	2007	2006	% Change 2008 - 07	% Change 2007 - 06
	(in millions, except per unit amounts)				
As of December 31:					
Partners' capital	$ 4,317.7	$ 4,541.2	$ 4,571.0	(4.9)	(0.7)%
Cash and cash equivalents	552.6	576.4	546.8	(4.1)	5.4
For the years ended December 31:					
Cash flow from operations	1,380.8	1,291.4	1,103.9	6.9	17.0
Proceeds from sales (purchases) of investments, net	21.0	26.5	(42.0)	(20.6)	n/m
Capital expenditures	(75.2)	(137.5)	(97.1)	(45.3)	41.7
Distributions paid to General Partners and unitholders	(1,019.7)	(1,364.6)	(1,025.5)	(25.3)	33.1
Purchases of Holding Units to fund deferred compensation plans, net	(2.4)	(50.9)	(22.3)	(95.4)	127.6
Additional investment by Holding through issuance of Holding Units in exchange for cash awards made under the Partners Compensation Plan	—	—	47.2	—	(100.0)
Additional investment by Holding with proceeds from exercise of compensatory options to buy Holding Units	13.5	50.1	100.5	(73.0)	(50.2)
(Repayment) issuance of commercial paper, net	(260.1)	175.8	328.1	n/m	(46.4)
Repayment of long-term debt	—	—	(408.1)	—	(100.0)
Available Cash Flow	810.2	1,253.2	1,153.4	(35.3)	8.7

Cash and cash equivalents decreased $23.8 million in 2008 and increased $29.6 million in 2007. Cash inflows are primarily provided by operations, proceeds from sales of investments, and additional investments by Holding relating to equity-based transactions. Significant cash outflows include cash distributions paid to the General Partner and unitholders, capital expenditures, net repayment of commercial paper, purchases of investments and purchases of Holding Units to fund deferred compensation plans.

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 $33.7 million, $31.1 million and $23.7 million, totaled approximately $9.1 million, $84.1 million and $98.7 million during 2008, 2007 and 2006, respectively. Effective January 31, 2009, back-end load shares are no longer offered to new investors in U.S. Funds.

Debt and Credit Facilities

Total credit available, debt outstanding, and weighted average interest rates as of December 31, 2008 and 2007 were as follows:

	December 31,					
	2008			2007		
	Credit Available	Debt Outstanding	Interest Rate	Credit Available	Debt Outstanding	Interest Rate
	(in millions)					
Revolving credit facility[1]	$ 715.2	$ —	—%	$ 466.1	$ —	—%
Commercial paper[1][2]	284.8	284.8	1.8	533.9	533.9	4.3
Total revolving credit facility[1]	1,000.0	284.8	1.8	1,000.0	533.9	4.3
Revolving credit facility – SCB LLC	950.0	—	—	—	—	—
Unsecured bank loan[3]	—	—	—	—	—	—
Total	**$ 1,950.0**	**$ 284.8**	**1.8**	**$ 1,000.0**	**$ 533.9**	**4.3**

(1) Our $1.0 billion revolving credit facility supports our commercial paper program; amounts borrowed under the commercial paper program reduce amounts available for direct borrowing under the revolving credit facility on a dollar-for-dollar basis.
(2) Commercial paper outstanding is short-term in nature, and as such, book value approximates fair value.
(3) As of December 31, 2008, SCB LLC maintained five separate uncommitted credit facilities with various banks totaling $775 million.

We have a $1.0 billion five-year revolving credit facility with a group of commercial banks and other lenders which expires in 2011. The revolving credit facility is intended to provide back-up liquidity for our $1.0 billion commercial paper program, although we borrow directly under the facility from time to time. Our 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, 2008.

In January 2008, SCB LLC entered into a $950 million three-year revolving credit facility with a group of commercial banks to fund its obligations resulting from engaging in certain securities trading and custody activities for private clients. Under the revolving credit facility, the interest rate, at the option of SCB LLC, is a floating rate generally based upon a defined prime rate, a rate related to LIBOR or the Federal Funds rate.

Our solid financial foundation 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 necessary 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 2008, we were not required to perform under the agreement and as of December 31, 2008 had no liability in connection with the agreement.

In January 2008, AllianceBernstein and AXA executed guarantees in regard to the $950 million SCB LLC facility. In the event SCB LLC is unable to meet its obligations, AllianceBernstein or AXA will pay the obligations when due or on demand. AllianceBernstein will reimburse AXA to the extent AXA must pay on its guarantee. This agreement is continuous and remains in effect until the later of payment in full of any obligation under the credit facility has been made or the maturity date.

Aggregate Contractual Obligations

The following table summarizes our contractual obligations as of December 31, 2008:

	Contractual Obligations				
	Total	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years
			(in millions)		
Commercial paper	$ 284.8	$ 284.8	$ —	$ —	$ —
Operating leases, net of sublease commitments	2,422.9	124.2	259.0	266.7	1,773.0
Accrued compensation and benefits	321.2	211.4	57.3	25.7	26.8
Unrecognized tax benefits	9.7	3.6	—	6.1	—
Total	**$ 3,038.6**	**$ 624.0**	**$ 316.3**	**$ 298.5**	**$ 1,799.8**

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 company-sponsored mutual funds) and accounts payable and accrued expenses are excluded from the table above.

Certain of our deferred compensation plans permit participants to elect to have their deferred compensation awards invested notionally in Holding Units and in company-sponsored investment services. Since January 1, 2009, we have made purchases of mutual funds and hedge funds totaling $196 million and allocated Holding Units with an aggregate value of approximately $27 million within our deferred compensation trust to fund our future obligations resulting from participant elections with respect to 2008 awards. We also issued 1,587,114 new units.

We expect to make contributions to our qualified profit sharing plan of approximately $25 million in each of the next four years and to contribute an estimated $22 million to our qualified, noncontributory, defined benefit plan during 2009.

Acquisitions

See Note 21 to AllianceBernstein's consolidated financial statements in Item 8 for a discussion of our acquisition in 2006.

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 impairment quarterly by comparing undiscounted future cash flows to the recorded value, net of accumulated amortization. Significant assumptions utilized to estimate the company's future average assets under management and undiscounted future cash flows from back-end load shares are updated quarterly and 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, 2008, management used average market return assumptions of 5% for fixed income securities and 8% for equities 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, determined by reference to actual redemption experience over the five-year, three-year, one-year and current periods ended December 31, 2008, and calculated as a percentage of our average assets under management represented by back-end load shares, ranged from 22% to 32% for U.S. fund shares and 28% to 72% for non-U.S. fund 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. 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, 2008, management determined that the deferred sales commission asset was not impaired. However, if higher redemption rates continue in 2009, this asset may become 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. Any impairment could reduce materially the recorded amount of the deferred sales commission asset with a corresponding charge to our earnings.

Goodwill

In accordance with Statement of Financial Accounting Standards No. 142 ("SFAS No. 142"), "*Goodwill and Other Intangible Assets*", we test our single reporting unit annually, as of September 30, for impairment. The carrying value of goodwill is also reviewed if facts and circumstances, such as significant declines in assets under management, revenues, earnings or our Holding Unit price, occur, suggesting possible impairment. As of September 30, 2008, the impairment test indicated that goodwill was not impaired. Due to the significant declines in our assets under management and operating results in 2008 as a result of the global financial crisis, we also tested goodwill for impairment as of December 31, 2008, and determined that goodwill was not impaired.

The analysis is a two-step process. The first step involves determining whether the estimated fair value of AllianceBernstein, the reporting unit, exceeds its book value. If the fair value of the company exceeds its book value, goodwill is not impaired. However, if the book value exceeds the fair value of the company, goodwill may be impaired and additional analysis is required. The second step compares the fair value of the company to the aggregated fair values of its individual assets and liabilities to calculate the amount of impairment, if any.

In the first step of the process, there are several methods of estimating AllianceBernstein's fair value, which include valuation techniques such as discounted expected cash flows and market valuation (private partnership units outstanding multiplied by Holding Unit price). Developing estimated fair value using a discounted cash flow valuation technique consists of applying business growth rate assumptions over the estimated life of the goodwill asset and then discounting the resulting expected cash flows to arrive at a present value amount that approximates fair value. In our test as of December 31, 2008, our discounted expected cash flow model used management's current business plan, which factored in current market conditions and all material events that have impacted, or that we believed at the time could potentially impact, future discounted expected cash flows for the first four years and a 7.4% compounded annual growth rate thereafter. Management used AllianceBernstein's weighted average cost of capital of 13.4% as its discount rate. Our market valuation as of December 31, 2008 was higher than our book value, but the amount of excess has decreased significantly.

To the extent that securities valuations remain depressed for prolonged periods of time and market conditions stagnate or worsen as a result of the global financial crisis, our assets under management, revenues, profitability and unit price would likely be adversely affected. As a result, subsequent impairment tests may be based upon different assumptions and future cash flow projections, which may result in an impairment of this asset. Any impairment could reduce materially the recorded amount of goodwill with a corresponding charge to our earnings.

Intangible Assets

Management tests intangible assets for impairment quarterly. A present value technique is applied to expected cash flows to estimate the fair value of intangible assets. Estimated fair value is then compared to the recorded book value to determine whether impairment is indicated. The key assumptions used in the estimates include attrition factors of customer accounts, asset growth rates, direct expenses and fee rates included in management's current business plan and our weighted average cost of capital of 13.4% for the discount rate. In determining these estimates, we choose assumptions based on actual historical trends that may or may not occur in the future. Management has determined that intangible assets were not impaired as of December 31, 2008.

To the extent that securities valuations remain depressed for prolonged periods of time and market conditions stagnate or worsen as a result of the global financial crisis, our assets under management and revenues from these investment management contracts would likely be adversely affected. As a result, certain triggering events, including impairment of our goodwill, may occur requiring more frequent testing for impairment of intangibles. Such tests may be based upon different assumptions, which could 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, 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 Barclays Aggregate Bond Index. The actual rate of return on plan assets was (45.8)%, 4.1% and 9.0% in 2008, 2007 and 2006, 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 2008 net pension income of $0.7 million by approximately $0.1 million.

The objective of our discount rate assumption was to reflect the rate at which our pension obligations 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, 2008 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 6.20% discount rate as of December 31, 2008 represents the approximate mid-point (to the nearest five basis points) of the single rates determined under two independently constructed yield curves. One yield curve, prepared by Mercer Human Resources, produced a rate of 6.24%; the other, prepared by Citigroup, produced a rate of 6.18%. The discount rate as of December 31, 2007 was 6.55%, which was used in developing the 2008 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 2008 net pension income of $0.7 million by approximately $0.1 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, "*Accounting for Contingencies*", which requires a loss contingency to be recorded if it is probable and reasonably estimable as of the date of the financial statements. *See Note 11 to AllianceBernstein's consolidated financial statements in Item 8.*

Accounting Pronouncements

See Note 22 to AllianceBernstein's consolidated financial statements in Item 8.

Cautions Regarding 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, industry trends, future acquisitions, competitive conditions and government regulations, including changes in tax regulations and rates and the manner in which the earnings of publicly traded partnerships are taxed. 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, other documents we file with or furnish to the SEC, and 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:

- Our backlog of new institutional mandates not yet funded: Before they are funded, institutional mandates do not represent legally binding commitments to fund and, accordingly, the possibility exists that not all mandates will be funded in the amounts and at the times we currently anticipate.

- Our anticipation that our DC business will continue to expand: The actual performance of the capital markets and other factors beyond our control will affect our asset flows and investment success for clients, as will our ability to improve the poor relative investment performance we experienced in 2008.

- Our expectation that we will recover a portion of the $7.8 million remaining in accrued liabilities related to the claims processing error-related charge: Our ability to recover more of this cost depends on the availability of funds from the related class-action settlement funds, the amount of which is not known.

- The possibility that prolonged weakness in asset values may result in impairment of goodwill, intangible assets and the deferred sales commission asset: To the extent that securities valuations remain depressed for prolonged periods of time and market conditions stagnate or worsen as a result of the global financial crisis (factors that are beyond our control), our assets under management, revenues, profitability and unit price may be adversely affected. As a result, subsequent impairment tests may be based upon different assumptions and future cash flow projections which may result in an impairment of goodwill, intangible assets and the deferred sales commission asset.

- The cash flow Holding realizes from its investment in AllianceBernstein providing Holding with the resources necessary to meet its financial obligations: Holding's cash flow is dependent on the quarterly cash distributions it receives from AllianceBernstein. Accordingly, Holding's ability to meet its financial obligations is dependent on AllianceBernstein's cash flow from its operations, which is subject to the performance of the capital markets and other factors beyond our control.

- Our solid financial foundation and access to public and private debt providing adequate liquidity for our general business needs: Our solid financial foundation is dependent on our cash flow from operations, which is subject to the performance of the capital markets and other factors beyond our control. Our access to public and private debt, as well as the market for debt or equity we may choose to issue, may be limited by adverse market conditions, our profitability and changes in government regulations, including tax rates and interest rates.

- The outcome of litigation: 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.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

Market Risk, Risk Management and Derivative Financial Instruments

AllianceBernstein's investments consist of trading and available-for-sale investments, and other investments. Trading and available-for-sale investments, 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 available-for-sale investments 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, 2008 and 2007. 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,			
	2008		2007	
	Fair Value	Effect of +100 Basis Point Change	Fair Value	Effect of +100 Basis Point Change
	(in thousands)			
Fixed Income Investments:				
Trading	$ 76,153	$ (3,099)	$ 106,152	$ (5,117)
Available-for-sale and other investments	160	(7)	28,368	(1,367)

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, 2008 and 2007. 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,			
	2008		2007	
	Fair Value	Effect of -10% Equity Price Change	Fair Value	Effect of -10% Equity Price Change
	(in thousands)			
Equity Investments:				
Trading	$ 246,394	$ (24,639)	$ 466,085	$ (46,609)
Available-for-sale and other investments	255,136	(25,514)	314,476	(31,448)

Item 8. Financial Statements and Supplementary Data

ALLIANCEBERNSTEIN L.P.
AND SUBSIDIARIES

Consolidated Statements of Financial Condition

	December 31,	
	2008	**2007**
	(in thousands, except unit amounts)	
ASSETS		
Cash and cash equivalents	$ 552,577	$ 576,416
Cash and securities segregated, at market (cost $2,568,339 and $2,366,925)	2,572,569	2,370,019
Receivables, net:		
Brokers and dealers	251,644	493,873
Brokerage clients	398,979	410,074
Fees, net	377,167	729,636
Investments:		
Deferred compensation related	305,809	547,473
Other	272,034	367,608
Furniture, equipment and leasehold improvements, net	365,804	367,279
Goodwill, net	2,893,029	2,893,029
Intangible assets, net	243,493	264,209
Deferred sales commissions, net	113,541	183,571
Other assets	156,813	165,567
Total assets	**$ 8,503,459**	**$ 9,368,754**
LIABILITIES AND PARTNERS' CAPITAL		
Liabilities:		
Payables:		
Brokers and dealers	$ 110,655	$ 161,387
Brokerage clients	2,755,104	2,728,271
AllianceBernstein mutual funds	195,617	408,185
Accounts payable and accrued expenses	310,392	389,300
Accrued compensation and benefits	360,086	458,861
Debt	284,779	533,872
Non-controlling interest in consolidated entities	169,167	147,652
Total liabilities	**4,185,800**	**4,827,528**
Commitments and contingencies *(See Note 11)*		
Partners' capital:		
General Partner	45,010	45,932
Limited partners: 263,717,610 and 260,341,992 units issued and outstanding	4,485,564	4,526,126
	4,530,574	4,572,058
Capital contributions receivable from General Partner	(23,168)	(26,436)
Deferred compensation expense	(117,600)	(57,501)
Accumulated other comprehensive income (loss)	(72,147)	53,105
Total partners' capital	**4,317,659**	**4,541,226**
Total liabilities and partners' capital	**$ 8,503,459**	**$ 9,368,754**

See Accompanying Notes to Consolidated Financial Statements.

ALLIANCEBERNSTEIN L.P.
AND SUBSIDIARIES

Consolidated Statements of Income

	Years Ended December 31,		
	2008	**2007**	**2006**
	(in thousands, except per unit amounts)		
Revenues:			
Investment advisory and services fees	$ 2,839,526	$ 3,386,188	$ 2,890,229
Distribution revenues	378,425	473,435	421,045
Institutional research services	471,716	423,553	375,075
Dividend and interest income	91,752	284,014	266,520
Investment gains (losses)	(349,172)	29,690	62,200
Other revenues	118,436	122,869	123,171
Total revenues	3,550,683	4,719,749	4,138,240
Less: Interest expense	36,524	194,432	187,833
Net revenues	3,514,159	4,525,317	3,950,407
Expenses:			
Employee compensation and benefits	1,454,691	1,833,796	1,547,627
Promotion and servicing:			
Distribution plan payments	274,359	335,132	292,886
Amortization of deferred sales commissions	79,111	95,481	100,370
Other	207,506	252,468	218,944
General and administrative	539,198	574,506	574,904
Interest on borrowings	13,077	23,970	23,124
Amortization of intangible assets	20,716	20,716	20,710
Total Expenses	2,588,658	3,136,069	2,778,565
Operating income	**925,501**	**1,389,248**	**1,171,842**
Non-operating income	18,728	15,756	20,196
Income before income taxes and non-controlling interest in earnings of consolidated entities	**944,229**	**1,405,004**	**1,192,038**
Income taxes	95,803	127,845	75,045
Non-controlling interest in earnings of consolidated entities, net of tax	9,186	16,715	8,392
Net income	**$ 839,240**	**$ 1,260,444**	**$ 1,108,601**
Net income per unit:			
Basic	**$ 3.18**	**$ 4.80**	**$ 4.26**
Diluted	**$ 3.18**	**$ 4.77**	**$ 4.22**

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 (Loss)	Total Partners' Capital
	(in thousands, except per unit amounts)					
Balance as of December 31, 2005	**$ 44,065**	**$ 4,334,207**	**$ (31,775)**	**$ (67,895)**	**$ 24,072**	**$ 4,302,674**
Comprehensive income:						
Net income	11,086	1,097,515	—	—	—	1,108,601
Other comprehensive income (loss), net of tax:						
Unrealized gain (loss) on investments	—	—	—	—	5,198	5,198
Foreign currency translation adjustment	—	—	—	—	10,821	10,821
Comprehensive income	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 made under the Partners Compensation Plan	471	46,690	—	—	—	47,161
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**
Comprehensive income:						
Net income	12,605	1,247,839	—	—	—	1,260,444
Other comprehensive income (loss), net of tax:						
Unrealized gain (loss) on investments	—	—	—	—	(8,859)	(8,859)
Foreign currency translation adjustment	—	—	—	—	18,757	18,757
Changes in retirement plan related items	—	—	—	—	10,040	10,040
Comprehensive income	12,605	1,247,839	—	—	19,938	1,280,382
Cash distributions to General Partner and unitholders ($5.20 per unit)	(13,646)	(1,350,965)	—	—	—	(1,364,611)
Capital contributions from General Partner	—	—	4,854	—	—	4,854
Purchases of Holding Units to fund deferred compensation plans, net	35	(12,566)	—	(38,322)	—	(50,853)
Compensatory Holding Unit options expense	—	5,947	—	—	—	5,947
Amortization of deferred compensation awards	—	—	—	44,017	—	44,017
Compensation plan accrual	17	1,683	(1,700)	—	—	—
Impact of initial adoption of FIN 48	4	438	—	—	—	442
Additional investment by Holding with proceeds from exercise of compensatory options to buy Holding Units	501	49,550	—	—	—	50,051
Balance as of December 31, 2007	**45,932**	**4,526,126**	**(26,436)**	**(57,501)**	**53,105**	**4,541,226**
Comprehensive income:						
Net income	8,392	830,848	—	—	—	839,240
Other comprehensive income (loss), net of tax:						
Unrealized gain (loss) on investments	—	—	—	—	(3,511)	(3,511)
Foreign currency translation adjustment	—	—	—	—	(96,978)	(96,978)
Changes in retirement plan related items	—	—	—	—	(24,763)	(24,763)
Comprehensive income (loss)	8,392	830,848	—	—	(125,252)	713,988
Cash distributions to General Partner and	(10,197)	(1,009,482)	—	—	—	(1,019,679)

unitholders ($3.87 per unit)						
Capital contributions from General Partner	—	—	4,927	—	—	4,927
Purchases of Holding Units to fund deferred compensation plans, net	209	63,609	—	(66,176)	—	(2,358)
Additional investment by Holding through issuance of Holding Units to fund CEO's Restricted Unit award	523	51,741	—	(52,264)	—	—
Compensatory Holding Unit options expense	—	7,737	—	—	—	7,737
Amortization of deferred compensation awards	—	—	—	58,341	—	58,341
Compensation plan accrual	17	1,642	(1,659)	—	—	—
Additional investment by Holding with proceeds from exercise of compensatory options to buy Holding Units	135	13,390	—	—	—	13,525
ACM New Alliance Liquidation	(1)	(47)	—	—	—	(48)
Balance as of December 31, 2008	**$ 45,010**	**$ 4,485,564**	**$ (23,168)**	**$ (117,600)**	**$ (72,147)**	**$ 4,317,659**

See Accompanying Notes to Consolidated Financial Statements.

ALLIANCEBERNSTEIN L.P.
AND SUBSIDIARIES

Consolidated Statements of Cash Flows

	Years Ended December 31,		
	2008	2007	2006
		(in thousands)	
Cash flows from operating activities:			
Net income	**$ 839,240**	**$ 1,260,444**	**$ 1,108,601**
Adjustments to reconcile net income to net cash provided by operating activities:			
Amortization of deferred sales commissions	79,111	95,481	100,370
Amortization of non-cash deferred compensation	66,078	49,815	46,500
Depreciation and other amortization	97,746	102,394	72,445
Unrealized losses (gains) on deferred compensation related investments	254,686	21,701	(29,483)
Other, net	22,268	9,783	9,585
Changes in assets and liabilities:			
(Increase) in segregated cash and securities	(132,792)	(360,181)	(245,077)
Decrease (increase) in receivable from brokers and dealers	119,423	1,955,260	(324,640)
(Increase) decrease in receivable from brokerage clients	(118,633)	77,052	(31,974)
Decrease (increase) in fees receivable, net	331,126	(161,174)	(135,821)
(Increase) in investments	(34,189)	(211,909)	(240,438)
(Increase) in deferred sales commissions	(9,081)	(84,101)	(98,679)
Decrease (increase) in other assets	6,223	(14,648)	(9,638)
Increase (decrease) in payable to brokers and dealers	77,844	(500,869)	(422,492)
Increase (decrease) in payable to brokerage clients	139,382	(1,266,050)	1,035,367
(Decrease) increase in payable to AllianceBernstein mutual funds	(212,568)	141,336	126,236
(Decrease) increase in accounts payable and accrued expenses	(50,740)	25,370	41,290
(Decrease) increase in accrued compensation and benefits	(110,346)	75,477	69,330
Increase in non-controlling interests in consolidated entities	16, 070	76,249	32,454
Net cash provided by operating activities	**1,380,848**	**1,291,430**	**1,103,936**
Cash flows from investing activities:			
Purchases of investments	(22,221)	(25,932)	(54,803)
Proceeds from sales of investments	43,229	52,393	12,812
Additions to furniture, equipment and leasehold improvements	(75,208)	(137,547)	(97,073)
Purchase of business, net of cash acquired	—	—	(16,086)
Net cash used in investing activities	**(54,200)**	**(111,086)**	**(155,150)**
Cash flows from financing activities:			
(Repayment) issuance of commercial paper, net	(260,146)	175,750	328,119
Repayment of long-term debt	—	—	(408,149)
(Decrease) increase in overdrafts payable	(11,524)	23,321	(1,575)
Cash distributions to General Partner and unitholders	(1,019,679)	(1,364,611)	(1,025,461)
Capital contributions from General Partner	4,927	4,854	4,303
Additional investment by Holding with proceeds from exercise of compensatory options to buy Holding Units	13,525	50,051	100,469
Purchases of Holding Units to fund deferred compensation plans, net	(2,358)	(50,853)	(22,345)
Net cash used in financing activities	**(1,275,255)**	**(1,161,488)**	**(1,024,639)**
Effect of exchange rate changes on cash and cash equivalents	(75,232)	10,783	12,414
Net (decrease) increase in cash and cash equivalents	**(23,839)**	**29,639**	**(63,439)**
Cash and cash equivalents as of beginning of the period	576,416	546,777	610,216
Cash and cash equivalents as of end of the period	**$ 552,577**	**$ 576,416**	**$ 546,777**
Cash paid:			
Interest	$ 47,933	$ 218,398	$ 229,009
Income taxes	132,491	87,329	59,704
Non-cash financing activities:			
Additional investment by Holding through issuance of Holding Units to fund CEO's Restricted Units award	52,264	—	—
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. ("Holding") and AllianceBernstein L.P. and its subsidiaries ("AllianceBernstein"), 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. Business Description and Organization

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

- Institutional Investment Services - servicing our institutional clients, 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, collective investment trusts, mutual funds, hedge funds and other investment vehicles.

- Retail Services - servicing our individual clients, primarily by means of retail mutual funds sponsored by AllianceBernstein or an affiliated company, sub-advisory relationships in respect of mutual funds sponsored by third parties, separately managed account programs sponsored by financial intermediaries worldwide and other investment vehicles.

- Private Client Services - servicing our private clients, including 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 our institutional clients seeking independent research, portfolio strategy and brokerage-related services.

We also provide distribution, shareholder servicing and administrative services to the mutual funds we sponsor.

We provide a broad range of services with expertise in:

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

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

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

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

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

- Alternative investments, such as hedge funds, currency management strategies and venture capital; and

- Asset allocation, by which we offer specifically-tailored investment solutions for our clients (e.g., customized target date fund retirement services for institutional defined contribution plan clients).

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 independent research is the foundation of our business. Our research disciplines include fundamental research, quantitative research, economic research and currency forecasting capabilities. In addition, we have created several specialized 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 private early-stage and later-stage high potential growth companies.

As of December 31, 2008, 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 1.6% of the issued and outstanding units representing assignments of beneficial ownership of limited partnership interests in Holding ("Holding Units").

As of December 31, 2008, the ownership structure of AllianceBernstein, expressed as a percentage of general and limited partnership interests, was as follows:

AXA and its subsidiaries	61.8%
Holding	33.9
SCB Partners Inc. (a wholly-owned subsidiary of SCB Inc.; formerly known as Sanford C. Bernstein Inc.)	3.1
Unaffiliated holders	1.2
	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. As of December 31, 2008, AXA and its subsidiaries were the beneficial owners of approximately 62.0% of the units of limited partnership interest in AllianceBernstein ("AllianceBernstein Units"). This percentage includes AllianceBernstein Units that AXA and its subsidiaries hold indirectly through its ownership of approximately 1.6% of Holding Units that are issued and outstanding. Including both the general partnership and limited partnership interests in Holding and AllianceBernstein, AXA and its subsidiaries had an approximate 62.4% economic interest in AllianceBernstein as of December 31, 2008.

On January 6, 2009, AXA America Holdings, Inc., a wholly-owned subsidiary of AXA, purchased the remaining 8,160,000 units held by SCB Partners, Inc.

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.

Variable Interest Entities

In accordance with Financial Accounting Standards Board ("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 entities include certain mutual fund products, hedge funds, structured products, group trusts, collective investment trusts and limited partnerships.

We earn investment management fees on client assets under management of these entities, but we derive no other benefit from these assets and cannot use them in our operations.

As of December 31, 2008, we have significant variable interests in certain structured products and hedge funds with approximately $61.0 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 of the expected losses or expected residual returns of these entities. 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, money market accounts, overnight commercial paper and highly liquid investments 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 include United States Treasury Bills, unconsolidated mutual funds and limited partnership hedge funds we sponsor and manage, and investments held by a consolidated venture capital fund of which we are the general partner and hold a 10% partnership interest.

Investments in United States Treasury Bills, mutual funds, and other equity and fixed income securities are classified as either trading or available-for-sale securities, in accordance with Statement of Financial Accounting Standards No. 115 ("SFAS No. 115"), "*Accounting for Certain Investments in Debt and Equity Securities*". Trading investments are stated at fair value, based on quoted market prices, with unrealized gains and losses reported in net income. Available-for-sale investments are stated at fair value, based on quoted market prices, 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. Average cost is used to determine the realized gain or loss on investments sold.

We use the equity method of accounting for investments in limited partnership hedge funds in accordance with EITF D-46, "*Accounting for Limited Partnership Investments*". The equity in earnings of our limited partnership hedge fund investments are included in investments gains and losses on the consolidated statements of income.

The investments held by our consolidated venture capital fund are primarily privately held and are initially valued at cost. These investments are adjusted to fair value when changes in the underlying fair values are readily ascertainable, generally reflecting the occurrence of "significant developments" (*i.e.*, business, economic, or market events that may affect a company in which an investment has been made). Adjustments to fair value are recorded as unrealized gains and losses in investment gains and losses on the consolidated statements of income. There is one private equity investment which represents an approximate 12% ownership of a company that we own directly, outside of our consolidated venture capital fund. This investment is accounted for using the cost method.

We adopted Statement of Financial Accounting Standards No. 157 ("SFAS No. 157"), "*Fair Value Measurements*", on January 1, 2008. SFAS No. 157 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and expands disclosure requirements for fair value measurements (*see Note 7*).

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. The Bernstein Transaction was accounted for under the purchase method and the cost of the acquisition was allocated on the basis of the estimated fair value of the assets acquired and the liabilities assumed. 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.

In accordance with Statement of Financial Accounting Standards No. 142 ("SFAS No. 142"), "*Goodwill and Other Intangible Assets*", we test our single reporting unit annually, as of September 30, for impairment. The carrying value of goodwill is also reviewed if facts and circumstances, such as significant declines in assets under management, revenues, earnings or our Holding Unit price, occur, suggesting possible impairment. As of September 30, 2008, the impairment test indicated that goodwill was not impaired. Due to the significant declines in our assets under management and operating results in 2008 as a result of the global financial crisis, we also tested goodwill for impairment as of December 31, 2008, and determined that goodwill was not impaired.

The analysis is a two-step process. The first step involves determining whether the estimated fair value of AllianceBernstein, the reporting unit, exceeds its book value. If the fair value of the company exceeds its book value, goodwill is not impaired. However, if the book value exceeds the fair value of the company, goodwill may be impaired and additional analysis is required. The second step compares the fair value of the company to the aggregated fair values of its individual assets and liabilities to calculate the amount of impairment, if any.

In the first step of the process, there are several methods of estimating AllianceBernstein's fair value, which include valuation techniques such as discounted expected cash flows and market valuation (private partnership units outstanding multiplied by Holding Unit price). Developing estimated fair value using a discounted cash flow valuation technique consists of applying business growth rate assumptions over the estimated life of the goodwill asset and then discounting the resulting expected cash flows to arrive at a present value amount that approximates fair value. In our test as of December 31, 2008, our discounted expected cash flow model used management's current business plan, which factored in current market conditions and all material events that have impacted, or that we believed at the time could potentially impact, future discounted expected cash flows for the first four years and a 7.4% compounded annual growth rate thereafter. Management used AllianceBernstein's weighted average cost of capital of 13.4% as its discount rate. Our market valuation as of December 31, 2008 was higher than our book value, but the amount of excess has decreased significantly.

To the extent that securities valuations remain depressed for prolonged periods of time and market conditions stagnate or worsen as a result of the global financial crisis, our assets under management, revenues, profitability and unit price would likely be adversely affected. As a result, subsequent impairment tests may be based upon different assumptions and future cash flow projections, which may result in an impairment of this asset. Any impairment could reduce materially the recorded amount of goodwill with a corresponding charge to our earnings.

Intangible Assets, Net

Intangible assets consist primarily of costs assigned to acquired investment management contracts of SCB Inc., less accumulated amortization. Intangible assets are recognized at fair value and are amortized on a straight-line basis over their estimated useful life of approximately 20 years. The gross carrying amount of intangible assets totaled $414.3 million as of December 31, 2008 and 2007, and accumulated amortization was $170.8 million as of December 31, 2008 and $150.1 million as of December 31, 2007, resulting in the net carrying amount of intangible assets subject to amortization of $243.5 million as of December 31, 2008 and $264.2 million as of December 31, 2007. Amortization expense was $20.7 million for each of the years ended December 31, 2008, 2007 and 2006, and estimated amortization expense for each of the next five years is approximately $20.7 million.

Management tests intangible assets for impairment quarterly. A present value technique is applied to expected cash flows to estimate the fair value of intangible assets. Estimated fair value is then compared to the recorded book value to determine whether impairment is indicated. The key assumptions used in the estimates include attrition factors of customer accounts, asset growth rates, direct expenses and fee rates included in management's current business plan and our weighted average cost of capital of 13.4% for the discount rate. In determining these estimates, we choose assumptions based on actual historical trends that may or may not occur in the future. Management has determined that intangible assets were not impaired as of December 31, 2008.

To the extent that securities valuations remain depressed for prolonged periods of time and market conditions stagnate or worsen as a result of the global financial crisis, our assets under management and revenues from these investment management contracts would likely be adversely affected. As a result, certain triggering events, including impairment of our goodwill, may occur requiring more frequent testing for impairment of intangibles. Such tests may be based upon different assumptions, which could 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 and determined that the balance as of December 31, 2008 was not impaired.

Loss Contingencies

With respect to all significant litigation matters, we consider 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, "*Accounting for Contingencies*", and 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 determine 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 inherent 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, including those with hedge funds, 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 or shortfall compared to a stated benchmark over a specified period of time. Performance-based fees are recorded as a component of revenue at the end of each contract's measurement period.

We calculate AUM using our standard fair valuation methodologies, including market based valuation methods and fair valuation methods. Market based valuation methods include: last sale/settle prices from an exchange for actively traded listed equities, options and futures; evaluated bid prices from standard pricing vendors for fixed income, asset-backed or mortgage-backed issues; mid prices from standard pricing vendors and brokers for credit default swaps; and quoted bids or spreads from pricing vendors and brokers for other derivative products. Fair valuation methods include discounted cash flow models, evaluation of assets vs. liabilities or any other methodology that is validated and approved by our Valuation Committee ("Committee"). Fair valuation methods are used only where AUM cannot be valued using market based valuation methods, such as in the case of private equity or illiquid securities. Fair valued investments typically make up less than 1% of our total AUM. Recent market volatility has not had a significant effect on our ability to acquire market data and, accordingly, our ability to use market based valuation methods.

The Committee, which is composed of senior officers and employees and is chaired by our Chief Risk Officer, is responsible for overseeing the pricing and valuation of all investments held in client portfolios. The Committee has adopted a Statement of Pricing Policies describing principles and policies that apply to pricing and valuing investments held in client portfolios. We have also established a Pricing Group, which reports to the Committee. The Committee has delegated to the Pricing Group responsibility for monitoring the pricing process for all investments held in client portfolios.

Institutional research services revenue consists of brokerage transaction charges received by SCB LLC and SCBL, each a wholly-owned subsidiary of AllianceBernstein, for independent 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 dividend and interest income are accrued as earned.

Mutual Fund Underwriting Activities

Purchases and sales of shares of company-sponsored 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 company-sponsored mutual funds are generally realized within three business days from trade date, in conjunction with the settlement of the related payables to company-sponsored 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: (i) among notional investments in Holding Units, certain of the investment services we provide to our clients, and a money market fund, or (ii) in options to acquire Holding Units. We typically purchase the investments that are notionally elected by the participants and hold such investments in a consolidated rabbi trust. Vesting periods for annual awards range from four years to immediate, depending on the terms of the individual award, the age of the participant, or, as was the case of our former 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 in 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 and options to acquire Holding Units), is recognized on a straight-line basis over the applicable vesting periods. Mark-to-market gains or losses on investments held in the consolidated rabbi trust (other than in Holding Units and options to acquire Holding Units) are recognized currently as investment gains (losses) in the consolidated statements of income. In addition, our equity in the earnings of investments in limited partnership hedge funds is recognized currently as investment gains (losses) in the consolidated statements of income.

Compensatory Unit Awards and Option Plans

In accordance with Statement of Financial Accounting Standards No. 123 (revised 2004) ("SFAS No. 123-R"), "*Share Based Payment*", we recognize compensation expense related to grants of unit awards and options in the financial statements. Under the fair value method, compensatory expense is measured at the grant date based on the estimated fair value of the award and is recognized over the vesting period. Fair value of unit awards is the grant date unit price; fair value of options is determined using the Black-Scholes option valuation model. New Holding Units are issued upon exercise of options to buy Holding Units.

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 gains (losses) were $20.1 million, $7.1 million and $(0.2) million for 2008, 2007 and 2006, respectively.

Cash Distributions

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

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 21, 2009, the General Partner declared a distribution of $98.6 million, or $0.37 per AllianceBernstein Unit, representing a distribution of Available Cash Flow for the three months ended December 31, 2008. The General Partner, as a result of its 1% general partnership interest, is entitled to receive 1% of each distribution. The distribution was paid on February 12, 2009 to holders of record as of February 2, 2009.

During the third quarter of 2008, we recorded approximately $35.3 million in insurance recoveries relating to payments made for a class action claims processing error for which we recorded a charge of $56.0 million in the fourth quarter of 2006 (*see Note 11*). Our fourth quarter 2006 cash distribution was based on net income as calculated prior to recording the charge. Accordingly, the insurance recoveries ($0.13 per unit) were not included in our cash distribution to unitholders for the third quarter of 2008.

Comprehensive Income

We report all changes in comprehensive income in the consolidated statements of changes in partners' capital and comprehensive income. Comprehensive income includes net income, as well as 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, all net of tax.

Reclassifications

Certain prior period amounts have been reclassified to conform to the current year presentation. These include: (i) amounts from other investments to investments in the consolidated statements of financial condition and cash flows, (ii) non-controlling interest in earnings of consolidated entities, previously included within general and administrative expenses, currently shown separately, and (iii) unrealized losses (gains) on deferred compensation related investments, previously included within other, net in the consolidated statements of cash flows, currently shown separately.

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

As of December 31, 2008 and 2007, $2.5 billion and $2.2 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").

AllianceBernstein Investments, Inc. ("AllianceBernstein Investments"), a wholly-owned subsidiary of AllianceBernstein and the distributor of company-sponsored mutual funds, maintains several special bank accounts for the exclusive benefit of customers. As of December 31, 2008 and 2007, $47.9 million and $133.2 million, respectively, were segregated in these bank accounts.

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 to buy Holding Units as follows:

	Years Ended December 31,		
	2008	2007	2006
	(in thousands, except per unit amounts)		
Net income	$ 839,240	$ 1,260,444	$ 1,108,601
Weighted average units outstanding—basic	260,965	259,854	257,719
Dilutive effect of compensatory options to buy Holding Units	531	1,807	2,243
Weighted average units outstanding—diluted	261,496	261,661	259,962
Basic net income per unit	$ 3.18	$ 4.80	$ 4.26
Diluted net income per unit	$ 3.18	$ 4.77	$ 4.22

As of December 31, 2008 and 2007, we excluded, respectively, 5,050,605 and 1,678,985 out-of-the-money options (*i.e.*, options with an exercise price greater than the weighted average closing price of a unit for the relevant period) from the diluted net income per unit computation due to their anti-dilutive effect. As of December 31, 2006, there were no out-of-the-money options.

5. Fees Receivables, Net

Fees receivable, net consists of:

	December 31,	
	2008	2007
	(in thousands)	
AllianceBernstein mutual funds	$ 89,530	$ 173,746
Unaffiliated clients (net of allowance of $1,488 in 2008 and $1,792 in 2007)	280,288	545,787
Affiliated clients	7,349	10,103
Total fees receivables, net	**$ 377,167**	**$ 729,636**

During the fourth quarter of 2007, we outsourced our hedge fund related prime brokerage operations, resulting in the elimination of a substantial portion of our securities borrowing and securities lending activity. As a result, minimal amounts of collateral for securities borrowed or loaned are included in receivables from brokers and dealers or payables to brokers and dealers on the consolidated statements of financial condition.

6. Investments

Investments consist of:

	December 31, 2008	December 31, 2007
	(in thousands)	
Available-for-sale	$ 7,566	$ 48,038
Trading:		
Deferred compensation related	238,136	417,906
United States Treasury Bills	52,694	89,328
Other	31,717	65,003
Investments in limited partnership hedge funds:		
Deferred compensation related	67,673	129,567
Other	2,191	27,111
Private equity investments	176,823	135,601
Other investments	1,043	2,527
Total investments	**$ 577,843**	**$ 915,081**

Total investments related to deferred compensation obligations of $305.8 million and $547.5 million as of December 31, 2008 and 2007, respectively, consist of company-sponsored mutual funds and limited partnership hedge funds. We typically purchase the investments that are notionally elected by deferred compensation plan participants and maintain them in a consolidated rabbi trust. The investments held in the rabbi trust are held for the benefit of the participants in our deferred compensation plans, but they are subject to the claims of the general creditors of AllianceBernstein.

The underlying investments of the hedge funds in which we invest include long and short positions in equity securities, fixed income securities (including various agency and non-agency asset-based securities), currencies, commodities, and derivatives (including various swaps and forward contracts). Such investments are valued at quoted market prices or, where quoted market prices are not available, are fair valued based on the pricing policies and procedures of the underlying funds.

We purchase United States Treasury Bills for transfer into a special reserve bank custody account for the exclusive benefit of brokerage customers of SCB LLC when required by Rule 15c3-3 of the Exchange Act (*see Note 3*).

The following is a summary of the cost and fair value of available-for-sale and trading investments held as of December 31, 2008 and 2007:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	(in thousands)			
December 31, 2008:				
Available-for-sale:				
Equity investments	$ 11,822	$ 264	$ (4,680)	$ 7,406
Fixed income investments	235	4	(79)	160
	$ 12,057	$ 268	$ (4,759)	$ 7,566
Trading:				
Equity investments	$ 434,909	$ 67	$ (188,582)	$ 246,394
Fixed income investments	79,594	65	(3,506)	76,153
	$ 514,503	$ 132	$ (192,088)	$ 322,547
December 31, 2007:				
Available-for-sale:				
Equity investments	$ 27,492	$ 697	$ (8,519)	$ 19,670
Fixed income investments	29,337	275	(1,244)	28,368
	$ 56,829	$ 972	$ (9,763)	$ 48,038
Trading:				
Equity investments	$ 481,989	$ 7,845	$ (23,749)	$ 466,085
Fixed income investments	105,331	910	(89)	106,152
	$ 587,320	$ 8,755	$ (23,838)	$ 572,237

Proceeds from sales of available-for-sale investments were approximately $42.0 million, $52.4 million and $12.8 million in 2008, 2007 and 2006, respectively. Realized gains from our sales of available-for-sale investments were zero, $8.5 million and $1.0 million in 2008, 2007 and 2006, respectively. Realized losses from our sales of available-for-sale investments were $6.4 million in 2008, and zero in 2007 and 2006. We assess valuation declines to determine the extent to which such declines are fundamental to the underlying investment or attributable to temporary market-related factors. Based on our assessment, we do not believe the declines are other than temporary as of December 31, 2008.

7. Fair Value

We adopted SFAS No. 157 on January 1, 2008 for financial assets and financial liabilities. SFAS No. 157 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and expands disclosure requirements for fair value measurements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (*i.e.*, the “exit price”) in an orderly transaction between market participants at the measurement date. The three broad levels of fair value hierarchy established by SFAS No. 157 are as follows:

- Level 1 – Quoted prices in active markets are available for identical assets or liabilities as of the reported date.
- Level 2 – Quoted prices in markets that are not active or other pricing inputs that are either directly or indirectly observable as of the reported date.
- Level 3 – Prices or valuation techniques that are both significant to the fair value measurement and unobservable as of the reported date. These financial instruments do not have two-way markets and are measured using management’s best estimate of fair value, where the inputs into the determination of fair value require significant management judgment or estimation.

FASB Staff Position No. 157-2 (“FSP No. 157-2”) deferred the effective date of SFAS No. 157 for nonfinancial assets and nonfinancial liabilities to fiscal years beginning after November 15, 2008 and interim periods within those fiscal years. FSP No. 157-2 is not expected to have a material impact on our consolidated financial statements.

Assets Measured at Fair Value

The following table summarizes the valuation of our financial instruments by SFAS No. 157 pricing observability levels as of December 31, 2008:

	Level 1	Level 2	Level 3	Total
		(in thousands)		
Cash equivalents	$ 184,404	$ —	$ —	$ 184,404
Securities segregated	—	2,524,698	—	2,524,698
Receivables from brokers and dealers	(46)	680	—	634
Investments – available-for-sale	7,566	—	—	7,566
Investments – trading				
Mutual fund investments	237,529	—	—	237,529
Equity and fixed income securities	25,027	6,874	423	32,324
U.S. Treasury bills	—	52,694	—	52,694
Investments – private equity	4,694	—	162,129	166,823
Total assets measured at fair value	**$ 459,174**	**$ 2,584,946**	**$ 162,552**	**$ 3,206,672**
Payables to brokers and dealers	$ 167	$ —	$ —	$ 167
Total liabilities measured at fair value	**$ 167**	**$ —**	**$ —**	**$ 167**

Following is a description of the fair value methodologies used for instruments measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy:

- Cash equivalents: We invest excess cash in various money market funds that are valued based on quoted prices in active markets; as such, these are included in Level 1 of the valuation hierarchy.

- Securities segregated: United States Treasury Bills segregated in a special reserve bank custody account as required by Rule 15c3-3 of the Exchange Act. As these securities are valued based on quoted yields in secondary markets, we have included them in Level 2 of the valuation hierarchy.

- Receivables from brokers and dealers: We hold several exchange traded futures and currency forward contracts with counterparties that are included in Level 1 and Level 2, respectively, of the valuation hierarchy.

- Investments – available-for-sale and trading: Our available-for-sale investments consist principally of company-sponsored mutual funds with exchange listed net asset values, and our trading investments consist principally of company-sponsored mutual funds with exchange listed net asset values, various separately managed portfolios consisting primarily of equity securities with quoted prices in active markets, and United States Treasury Bills. As such, these investments are included in Level 1 or Level 2 of the valuation hierarchy. Trading investments also include a separately managed portfolio of fixed income securities that are included in Level 2 or Level 3 of the valuation hierarchy.

- Investments – private equity: The valuation of non-public private equity investments held by a consolidated venture capital fund requires significant management judgment due to the absence of quoted market prices, inherent lack of liquidity, and the long-term nature of such investments. Private equity investments are valued initially at cost. The carrying values of private equity investments are adjusted either up or down from the transaction price to reflect expected exit values as evidenced by financing and sale transactions with third parties, or when determination of a valuation adjustment is confirmed through ongoing review in accordance with our valuation policies and procedures. A variety of factors are reviewed and monitored to assess positive and negative changes in valuation including, but not limited to, current operating performance and future expectations of investee companies, industry valuations of comparable public companies, changes in market outlook, and the third party financing environment over time. In determining valuation adjustments resulting from the investment review process, particular emphasis is placed on current company performance and market conditions. Non-public equity investments are included in Level 3 of the valuation hierarchy because they trade infrequently and, therefore, the fair value is unobservable. Publicly-traded equity investments are included in Level 1 of the valuation hierarchy.

- Payables to brokers and dealers: Securities sold, but not yet purchased, are included in Level 1 of the valuation hierarchy.

The following table summarizes the change in balance sheet carrying value associated with Level 3 financial instruments carried at fair value during 2008 (in thousands):

	Twelve Months Ended December 31, 2008
Balance as of beginning of period	$ 125,020
Purchases (sales), net	31,070
Realized gains (losses), net	9
Unrealized gains (losses), net	6,453
Balance as of December 31, 2008	**$ 162,552**

Realized and unrealized gains and losses on Level 3 financial instruments are recorded in investment gains and losses on the condensed consolidated statements of income.

8. Furniture, Equipment and Leasehold Improvements, Net

Furniture, equipment and leasehold improvements, net consist of:

	December 31,	
	2008	2007
	(in thousands)	
Furniture and equipment	$ 522,913	$ 495,669
Leasehold improvements	322,803	306,908
	845,716	802,577
Less: Accumulated depreciation and amortization	(479,912)	(435,298)
Furniture, equipment and leasehold improvements, net	**$ 365,804**	**$ 367,279**

Depreciation and amortization expense on furniture, equipment and leasehold improvements were $65.6 million, $58.4 million and $43.8 million for the years ended December 31, 2008, 2007 and 2006, respectively.

9. Deferred Sales Commissions, Net

The components of deferred sales commissions, net for the years ended December 31, 2008 and 2007 were as follows:

	December 31,[1]	
	2008	2007
	(in thousands)	
Carrying amount of deferred sales commissions	$ 521,334	$ 478,504
Less: Accumulated amortization	(294,775)	(215,664)
Cumulative CDSC received	(113,018)	(79,269)
Deferred sales commissions, net	**$ 113,541**	**$ 183,571**

(1) Excludes amounts related to fully amortized deferred sales commissions.

Amortization expense was $79.1 million, $95.5 million and $100.4 million for the years ended December 31, 2008, 2007 and 2006, respectively. Estimated future amortization expense related to the December 31, 2008 net asset balance, assuming no additional CDSC is received in future periods, is as follows (in thousands):

2009	$ 51,155
2010	32,421
2011	18,873
2012	8,175
2013	2,652
2014	265
	$ 113,541

10. Debt

Total credit available, debt outstanding, and weighted average interest rates as of December 31, 2008 and 2007 were as follows:

	December 31,					
	2008			2007		
	Available Credit	Debt Outstanding	Interest Rate	Available Credit	Debt Outstanding	Interest Rate
	(in millions)					
Revolving credit facility[1]	$ 715.2	$ —	—%	$ 466.1	$ —	—%
Commercial paper[1][2]	284.8	284.8	1.8	533.9	533.9	4.3
Total revolving credit facility[1]	1,000.0	284.8	1.8	1,000.0	533.9	4.3
Revolving credit facility – SCB LLC	950.0	—	—	—	—	—
Unsecured bank loan[3]	—	—	—	—	—	—
Total	**$ 1,950.0**	**$ 284.8**	**1.8**	**$ 1,000.0**	**$ 533.9**	**4.3**

(1) Our $1.0 billion revolving credit facility supports our commercial paper program; amounts borrowed under the commercial paper program reduce amounts available for direct borrowing under the revolving credit facility on a dollar-for-dollar basis.
(2) Commercial paper outstanding is short-term in nature, and as such, book value approximates fair value.
(3) As of December 31, 2008, SCB LLC maintained five separate uncommitted credit facilities with various banks totaling $775 million.

We have a $1.0 billion five-year revolving credit facility with a group of commercial banks and other lenders which expires in 2011. The revolving credit facility is intended to provide back-up liquidity for our $1.0 billion commercial paper program, although we borrow directly under the facility from time to time. Our 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, 2008.

In January 2008, SCB LLC entered into a $950 million three-year revolving credit facility with a group of commercial banks to fund its obligations resulting from engaging in certain securities trading and custody activities for private clients. Under the revolving credit facility, the interest rate, at the option of SCB LLC, is a floating rate generally based upon a defined prime rate, a rate related to LIBOR or the Federal Funds rate.

In January 2008, AllianceBernstein and AXA executed guarantees in regard to the $950 million SCB LLC facility. In the event SCB LLC is unable to meet its obligations, AllianceBernstein or AXA will pay the obligations when due or on demand. AllianceBernstein will reimburse AXA to the extent AXA must pay on its guarantee. This guarantee is continuous and remains in effect until the later of payment in full of any obligation under the credit facility has been made or the maturity date.

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 necessary to meet our financial obligations.

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 related payments we are obligated to make, net of sublease commitments of third party lessees to make payments to us, as of December 31, 2008 are as follows:

	Payments	Sublease Receipts	Net Payments
		(in millions)	
2009	$ 127.3	$ 3.1	$ 124.2
2010	131.8	3.1	128.7
2011	133.0	2.7	130.3
2012	136.3	3.0	133.3
2013	136.4	3.0	133.4
2014 and thereafter	1,783.6	10.6	1,773.0
Total future minimum payments	**$ 2,448.4**	**$ 25.5**	**$ 2,422.9**

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 $125.7 million, $106.8 million and $99.7 million, respectively, for the years ended December 31, 2008, 2007 and 2006, respectively, net of sublease income of $3.3 million, $3.4 million and $3.7 million for the years ended December 31, 2008, 2007 and 2006, respectively.

Deferred Sales Commission Asset

Payments of sales commissions made by AllianceBernstein Investments 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 $113.5 million and $183.6 million as of December 31, 2008 and 2007, 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 $33.7 million, $31.1 million and $23.7 million, totaled approximately $9.1 million, $84.1 million and $98.7 million during 2008, 2007 and 2006, respectively. Effective January 31, 2009, back-end load shares are no longer offered to new investors in U.S. funds.

Management tests the deferred sales commission asset for impairment quarterly by comparing undiscounted future cash flows to the recorded value, net of accumulated amortization. Significant assumptions utilized to estimate the company's future average assets under management and undiscounted future cash flows from back-end load shares are updated quarterly and 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, 2008, management used average market return assumptions of 5% for fixed income securities and 8% for equities 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 22% to 32% for U.S. fund shares and 28% to 72% for non-U.S. fund shares, determined by reference to actual redemption experience over the five-year, three-year, one-year and current quarterly periods ended December 31, 2008, calculated as a percentage of our 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, 2008, management determined that the deferred sales commission asset was not impaired. However, if higher redemption rates continue in 2009, this asset may become 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 2008, U.S. equity markets decreased by approximately 37.0% as measured by the change in the Standard & Poor's 500 Stock Index and U.S. fixed income markets increased by approximately 5.2% as measured by the change in the Barclays Aggregate Bond Index. The redemption rate for domestic back-end load shares was 25.0% in 2008. Non-U.S. capital markets decreases ranged from 40.7% to 53.3% as measured by the MSCI World, Emerging Market and EAFE Indices. The redemption rate for non-U.S. back-end load shares was 42.3% in 2008. 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

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, among others, AllianceBernstein, Holding, and the General Partner. The Hindo Complaint alleges that certain defendants failed to disclose that they improperly allowed certain hedge funds and other unidentified parties to engage in "late trading" and "market timing" of certain of our U.S. mutual fund securities, violating various securities laws.

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. 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.

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 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.

We are involved in various other matters, including regulatory inquiries, administrative proceedings and litigation, some of which allege significant damages. While any inquiry, proceeding or litigation has the element of uncertainty, management believes that the outcome of any one of the other regulatory inquiries, administrative proceedings, 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 in general and administrative expenses a $56.0 million pre-tax charge ($54.5 million, net of related income tax benefit, or $0.21 per unit) 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. During the third quarter of 2008, we recorded as a reduction of general and administrative expenses approximately $35.3 million in insurance recoveries relating to this error. Our fourth quarter 2006 cash distribution was based on net income as calculated prior to recording the charge. Accordingly, the insurance recoveries ($0.13 per unit) are not included in our cash distribution to unitholders for the third quarter of 2008. As of December 31, 2008, we had $7.8 million remaining in accrued liabilities related to the $56.0 million pre-tax charge, some of which we hope to recover for our clients in future periods from related class action settlement funds, the amount of which is not known. To the extent we are unable to recover amounts our clients would have received were it not for the claims processing error, we will reimburse these clients for the unrecovered amount.

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, 2008, SCB LLC had net capital of $175.1 million, which was $167.3 million in excess of the minimum net capital requirement of $7.8 million. Advances, dividend payments and other equity withdrawals by SCB LLC are restricted by the regulations of the U.S. Securities and Exchange Commission ("SEC"), the Financial Industry Regulatory Authority, Inc., and other securities agencies. As of December 31, 2008, $19.6 million was not available for payment of cash dividends and advances.

SCBL is a member of the London Stock Exchange. As of December 31, 2008, SCBL was subject to financial resources requirements of $12.3 million imposed by the Financial Services Authority of the United Kingdom and had aggregate regulatory financial resources of $37.3 million, an excess of $25.0 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, 2008 was $85.4 million, which was $78.7 million in excess of its required net capital of $6.7 million.

Many of our subsidiaries around the world are subject to minimum net capital requirements by the local laws and regulations to which they are subject. As of December 31, 2008, each of our subsidiaries subject to a minimum net capital requirement satisfied the applicable requirement.

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, 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. During the fourth quarter of 2007, SCB LLC outsourced its hedge fund related prime brokerage operations, resulting in the elimination of a substantial portion of its security borrowing and security lending activity.

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 discretionary and generally limited to the maximum amount deductible for federal income tax purposes. Aggregate contributions for 2008, 2007 and 2006 were $24.5 million, $29.4 million and $25.3 million, respectively.

We maintain several defined contribution plans for foreign employees in the United Kingdom, Australia, New Zealand, Japan and other foreign entities. Employer contributions are generally consistent with regulatory requirements and tax limits. Defined contribution expense for foreign entities was $10.6 million, $8.3 million and $5.9 million in 2008, 2007 and 2006, 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 (as defined), and primary Social Security benefits. As of December 31, 2008, the Retirement Plan was changed to provide that the participants will not accrue any additional benefits (*i.e.*, service and compensation after December 31, 2008 will not be taken into account in determining the participants' retirement benefit). 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, and funded status (amounts recognized in the consolidated statements of financial condition) were as follows:

	Years Ended December 31,	
	2008	2007
	(in thousands)	
Change in projected benefit obligation:		
Projected benefit obligation at beginning of year	$ 76,731	$ 84,683
Service cost	2,995	3,446
Interest cost	4,996	4,769
Actuarial losses (gains)	3,891	(8,280)
Plan amendment	—	(4,365)
Plan curtailment	(13,133)	—
Benefits paid	(3,250)	(3,522)
Projected benefit obligation at end of year	72,230	76,731
Change in plan assets:		
Plan assets at fair value at beginning of year	56,786	53,315
Actual return on plan assets	(25,770)	2,193
Employer contribution	5,617	4,800
Benefits paid	(3,250)	(3,522)
Plan assets at fair value at end of year	33,383	56,786
Funded status	**$ (38,847)**	**$ (19,945)**

The change made effective December 31, 2008 regarding the elimination of accruing for participants future services and compensation increases, considered a plan curtailment, resulted in a decrease in our projected obligation of $13.1 million. This decrease in our projected obligation was offset against existing deferred losses in accumulated other comprehensive income (loss). In addition, as a result of all future service being eliminated, we accelerated recognition of the existing prior service credit of $3.5 million in the fourth quarter of 2008.

As a result of the Pension Protection Act of 2006 ("PPA"), we changed our basis for lump sums effective January 1, 2008. The change in the lump sum basis, considered a plan amendment, resulted in a decrease in our projected obligation of $4.4 million as of December 31, 2007.

The amounts recognized in other comprehensive income (loss), net of taxes, during 2008 and 2007 were as follows:

	2008	2007
	(in thousands)	
Unrecognized net (loss) gain from experience different from that assumed and effects of changes and assumptions	$ (20,811)	$ 5,992
Unrecognized prior service (credit) cost	(3,844)	4,187
Unrecognized net plan assets as of January 1, 1987 being recognized over 26.3 years	(108)	(139)
Other comprehensive income (loss)	**$ (24,763)**	**$ 10,040**

The amounts included in accumulated other comprehensive income (loss), net of taxes, as of December 31, 2008 and 2007 were as follows:

	2008	2007
	(in thousands)	
Unrecognized net loss from experience different from that assumed and effects of changes and assumptions	$ (22,249)	$ (1,438)
Unrecognized prior service credit	—	3,844
Unrecognized net plan assets as of January 1, 1987 being recognized over 26.3 years	602	710
Accumulated other comprehensive income (loss)	**$ (21,647)**	**$ 3,116**

The estimated initial plan assets and amortization of loss for the Retirement Plan that will be amortized from accumulated other comprehensive income over the next year is $143,000 and $1.4 million, respectively.

The accumulated benefit obligation for the plan was $72.2 million and $65.0 million as of December 31, 2008 and 2007, respectively. We currently estimate we will contribute $22 million to the Retirement Plan during 2009. 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, 2008 and 2007 (measurement dates) were made utilizing the following weighted-average assumptions:

	2008	2007
Discount rate on benefit obligations	6.20%	6.55%
Annual salary increases	3.11%	3.14%

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

2009	$ 2,534
2010	3,122
2011	3,287
2012	4,129
2013	3,112
2014-2018	20,832

Net expense under the Retirement Plan consisted of:

	Years Ended December 31,		
	2008	2007	2006
		(in thousands)	
Service cost	$ 2,995	$ 3,447	$ 4,048
Interest cost on projected benefit obligations	4,996	4,769	4,578
Expected return on plan assets	(4,590)	(4,310)	(3,800)
Amortization of prior service credit	(431)	(59)	(59)
Amortization of transition asset	(143)	(143)	(143)
Curtailment gain recognized	(3,510)	—	—
Amortization of loss	—	—	280
Net pension (benefit) charge	**$ (683)**	**$ 3,704**	**$ 4,904**

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

	Years Ended December 31,		
	2008	2007	2006
Discount rate on benefit obligations	6.55%	5.90%	5.65%
Expected long-term rate of return on plan assets	8.00%	8.00%	8.00%
Annual salary increases	3.14%	3.14%	3.50%

The Retirement Plan's asset allocation percentages consisted of:

	December 31,	
	2008	2007
Equity securities	56%	69%
Debt securities	30	21
Real estate	14	10
	100%	100%

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. We 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 Barclays Aggregate Bond Index.

We provide postretirement medical benefits which allow retirees between the ages of 55 and 65 meeting certain service requirements, at their election, to continue to participate in our group medical program by paying 100% of the applicable group premium. Retirees older than 65 may also continue to participate in our group medical program, but are required to pay the full expected cost of benefits. To the extent that retirees' medical costs exceed premiums paid, we incur the cost of providing a postretirement medical benefit. During 2008, our net periodic benefit cost was $0.5 million, and our aggregate benefit obligation as of December 31, 2008 is $4.0 million.

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. 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, 2008, 2007 and 2006 were $1.7 million, $1.7 million and $2.1 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, 2008, 2007 and 2006 were $0.2 million, $0.6 million and $3.6 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 elected 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 Option Program"); the firm matches this allocation on a two-for-one basis (for additional information about the Special Option Program, *see Note 16*).
- Beginning with 2008 awards, executive committee members and those senior officers previously participating in the Special Option Program may allocate up to half of their awards to investments in options to buy Holding Units (*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 2008, 2007 and 2006 aggregating $236.0 million, $314.6 million and $228.7 million, respectively. In January 2009, $22.9 million of the 2008 award was allocated to options to buy Holding Units (*see Note 16*). The 2007 and 2006 awards are net of $9.9 million and $9.8 million, respectively, allocated to the December 2007 and January 2007 Special Option Program's awards. The amounts charged to employee compensation and benefits expense for the years ended December 31, 2008, 2007 and 2006 were $59.9 million, $227.2 million and $191.9 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. The Commission Substitution plan was terminated in 2007 and no awards have been made since 2006. We made awards totaling $40.1 million in 2006. The amounts charged to employee compensation and benefits expense for the years ended December 31, 2008, 2007 and 2006 were $21.7 million, $31.9 million and $27.0 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 $15.2 million in 2008, $23.5 million in 2007 and $14.5 million in 2006. The amounts charged to employee compensation and benefits expense for the years ended December 31, 2008, 2007 and 2006 were $8.7 million, $8.0 million and $4.2 million, respectively.

Effective December 19, 2008, Mr. Sanders, Chairman and CEO, retired from the Company. In accordance with the terms of the employment agreement between Mr. Sanders and AllianceBernstein dated October 26, 2006 (and the terms of Mr. Sanders's prior employment agreement), Mr. Sanders was 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. The 2006 award of $19.0 million vested 65% in December 2007 and 35% in December 2008. The 2007 award of $21.5 million vested 75% in December 2008 and was to vest 25% in December 2009, which was accelerated into 2008 upon his retirement. Mr. Sanders received his 2008 award of approximately $12.8 million pursuant to his employment agreement, which vested fully in 2008 based on his retirement. The amounts charged to employee compensation and benefits expense for the years ended December 31, 2008, 2007 and 2006 were $40.9 million, $19.7 million and $15.0 million, respectively. At year-end 2007, Mr. Sanders was required to allocate his 2007 award in a manner that would result in his aggregate deferred balance as of December 31, 2007 being 50% invested in Holding Units and 50% in investment services offered to clients by AllianceBernstein.

16. Compensatory Unit Awards and Option Plans

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 (except for certain options awarded under the Special Option Program, which are described below); 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. Restricted Holding Units ("Restricted Units") awarded to independent directors of the General Partner vest on the third anniversary of the grant date or immediately upon a director's resignation. Restricted Units awarded to the CEO vest 20% on each of the first five anniversary dates of the grant date. 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, 2008, options to buy 14,213,209 Holding Units, net of forfeitures, had been granted and 4,140,449 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 22,646,342 Holding Units were available for grant as of December 31, 2008.

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, and pursuant to the Special Option Program, 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.

On December 7, 2007, the Compensation Committee granted two separate awards of options to buy Holding Units to 68 participants under the Special Option Program. The exercise price for both awards is $80.46, the closing price of Holding Units on the grant date. The first grant, with a fair value of $13.30 per option, awarded options to buy 740,633 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 $15.28 per option, awarded options to buy 1,289,321 Holding Units, vesting in equal annual increments on each of the sixth through tenth anniversaries of the grant date and expiring in 11 years.

On January 23, 2009, the Compensation Committee granted an award of options to buy 6,534,182 Holding Units to 67 employees, consisting of certain Executive Committee members and senior officers previously participating in the Special Option Program. The exercise price is $17.05, the closing price of Holding Units on the grant date, and the fair value is $3.51 per option.

Options to buy Holding Units were granted as follows: 13,825 options were granted during 2008; 3,708,939 options were granted during 2007; and 9,712 options were granted during 2006. The weighted average fair value of options to buy Holding Units granted during 2008, 2007 and 2006 was $10.85, $15.96 and $12.35, respectively, on the date of grant, determined using the Black-Scholes option valuation model with the following assumptions:

	2008	2007	2006
Risk-free interest rate	3.2%	3.5 – 4.9%	4.9%
Expected cash distribution yield	5.4%	5.6 – 5.7%	6.0%
Historical volatility factor	29.3%	27.7 – 30.8%	31.0%
Expected term	6.0 years	6.0 – 9.5 years	6.5 years

Due to a lack of sufficient historical data, we have chosen to use, in accordance with SEC Staff Accounting Bulletin No. 110, the simplified method to calculate the expected term of options.

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

	Holding Units	Weighted Average Exercise Price Per Holding Unit	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding as of December 31, 2007	**7,273,621**	**$ 64.20**	**6.9**	
Granted	13,825	64.24		
Exercised	(315,467)	41.98		
Forfeited	(123,071)	67.67		
Expired	(163,100)	26.31		
Outstanding as of December 31, 2008	**6,685,808**	**66.11**	**6.3**	**$ —**
Exercisable as of December 31, 2008	**3,277,879**	**46.69**	**3.2**	**—**
Expected to vest as of December 31, 2008	**3,239,112**	**84.78**	**9.2**	**—**

The aggregate intrinsic value as of December 31, 2008 on options outstanding, exercisable and expected to vest is negative, therefore is presented as zero in the table above. The total intrinsic value of options exercised during 2008, 2007 and 2006 was $6.3 million, $58.8 million and $79.0 million, respectively.

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 $7.7 million, $5.9 million and $2.7 million, respectively, for the years ended December 31, 2008, 2007 and 2006. As of December 31, 2008, there was $46.1 million of compensation cost related to unvested share-based compensation arrangements granted under the option plans not yet recognized. That cost is expected to be recognized over a weighted average period of 7.0 years.

Other Unit Awards

Restricted Units

In 2008, 2007 and 2006, 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 2,335, 1,705 and 1,848 Restricted Units in 2008, 2007 and 2006, respectively, with grant date fair values of $64.24, $87.98 and $65.02 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, 2008, 5,888 Restricted Units, net of distributions made upon retirement of two directors, were outstanding. We recorded compensation expense of $150,000, $178,000 and $164,000 in 2008, 2007 and 2006, respectively, related to Restricted Units.

In accordance with the terms of the employment agreement between Mr. Kraus, Chairman and CEO, the General Partner, Holding and AllianceBernstein dated December 19, 2008, Mr. Kraus was granted 2,722,052 Restricted Units with a grant date fair value of $19.20. Mr. Kraus's Restricted Units will vest ratably on each of the first five anniversaries of the grant date.

The following table summarizes the activity of unvested Restricted Units during 2008:

	Holding Units	Weighted Average Grant Date Fair Value
Unvested as of January 1, 2008	**4,875**	**$ 67.74**
Granted	2,724,387	19.24
Vested	(1,322)	45.45
Forfeited	—	—
Unvested as of December 31, 2008	**2,727,940**	**19.31**

The total fair value of units that vested during 2008 was $87,000. No units vested during 2007 or 2006.

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. We awarded 46,030, 45,072 and 36,020 Holding Units in 2008, 2007 and 2006, respectively, with grant date fair values of $62.05, $82.37 and $63.82 per Holding Unit, respectively.

The following table summarizes the activity of unvested Century Club units during 2008:

	Holding Units	Weighted Average Grant Date Fair Value
Unvested as of January 1, 2008	**73,990**	**$ 72.63**
Granted	46,030	62.05
Vested	(37,504)	67.35
Forfeited	(3,610)	69.23
Unvested as of December 31, 2008	**78,906**	**70.77**

The total fair value of units that vested during 2008, 2007 and 2006 was $2.2 million, $2.5 million and $1.7 million, respectively.

We recorded compensation expense relating to the Century Club Plan of $2.8 million, $2.3 million and $1.5 million, respectively, for the years ended December 31, 2008, 2007 and 2006. As of December 31, 2008, there was $3.3 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. Units Outstanding

The following table summarizes the activity in units:

Outstanding as of December 31, 2006	**259,062,014**
Options to buy Holding Units exercised	1,234,917
Holding Units awarded	46,777
Holding Units forfeited	(1,716)
Outstanding as of December 31, 2007	**260,341,992**
Options to buy Holding Units exercised	315,467
Issuance of Holding Units	3,015,396
Holding Units awarded	48,365
Holding Units forfeited	(3,610)
Outstanding as of December 31, 2008	**263,717,610**

Holding Units awarded and Holding Units forfeited pertain to restricted Holding Unit awards to independent members of the Board of Directors and Century Club Plan Holding unit awards to company-sponsored mutual fund sales personnel, *see Note 16*. Issuance of Holding Units pertains to Holding Units we issued to fund deferred compensation plan elections by participants and the CEO's Restricted Units award, *see Note 16*.

18. 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.

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.

Earnings before income taxes and income tax expense consist of:

	Years Ended December 31,		
	2008	2007	2006
		(in thousands)	
Earnings before income taxes:			
United States	$ 669,205	$ 1,113,185	$ 1,058,545
Foreign	275,024	291,819	133,493
Total	**$ 944,229**	**$ 1,405,004**	**$ 1,192,038**
Income tax expense:			
Partnership UBT	$ 9,945	$ 30,219	$ 23,696
Corporate subsidiaries:			
Federal	13,713	6,852	4,901
State and local	1,762	2,733	374
Foreign	78,367	87,494	41,061
Current tax expense	103,787	127,298	70,032
Deferred tax (benefit) expense	(7,984)	547	5,013
Income tax expense	**$ 95,803**	**$ 127,845**	**$ 75,045**

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,					
	2008		2007		2006	
			(in thousands)			
UBT statutory rate	$ 37,769	4.0%	$ 55,532	4.0%	$ 47,346	4.0%
Corporate subsidiaries' federal, state, local, and foreign income taxes	77,732	8.2	83,195	5.9	40,708	3.4
Effect of FIN 48 adjustments, miscellaneous taxes, and other	(11,929)	(1.3)	2,684	0.2	282	—
Income not taxable resulting from use of UBT business apportionment factors and other non deductible items	(7,769)	(0.8)	(13,566)	(1.0)	(13,291)	(1.1)
Income tax expense and effective tax rate	**$ 95,803**	**10.1**	**$ 127,845**	**9.1**	**$ 75,045**	**6.3**

Effective January 1, 2007, we adopted the provisions of FASB Interpretation No. 48 ("FIN 48"), "*Accounting for Uncertainty in Income Taxes - an interpretation of FASB Statement No. 109*". FIN 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. As a result of adopting FIN 48, we recognized a $442,000 decrease in the liability for unrecognized tax benefits, which was accounted for as a cumulative-effect adjustment to the January 1, 2007 balance of partners' capital. The adjustment reflects the difference between the net amount of liabilities recognized in our consolidated statement of financial position prior to the application of FIN 48 and the net amount of liabilities recognized as a result of applying the provisions of FIN 48.

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

	Twelve Months Ended December 31,	
	2008	2007
	(in thousands)	
Balance as of beginning of period	**$ 19,016**	**$ 17,862**
Additions for prior year tax positions	324	2,000
Reductions for prior year tax positions	(603)	(1,452)
Additions for current year tax positions	1,649	3,317
Reductions for current year tax positions	(715)	(303)
Reductions related to settlements with tax authorities/closed years	(10,866)	(2,408)
Balance as of end of period	**$ 8,805**	**$ 19,016**

During 2008 and 2007, unrecognized tax benefits with respect to certain tax positions taken in the prior years have been adjusted resulting in a net decrease to the reserve totaling $0.3 million and net increase to the reserve totaling $0.5 million, respectively. As described below, settlements with taxing authorities resulted in a $10.9 million and $2.4 million reduction, not including interest, to the reserve, in 2008 and 2007, respectively. The amount of unrecognized tax benefits as of December 31, 2008 and 2007, when recognized, is recorded as a reduction to income tax expense and affect the company's effective tax rate.

Interest and penalties, if any, relating to tax positions are recorded in income tax expense on the consolidated statements of income. The total amount of accrued interest recorded on the consolidated statement of financial condition as of January 1, 2007, the date of adoption of FIN 48, was $1.7 million. As of December 31, 2008 and 2007, the amounts are $0.9 million and $2.2 million, respectively. There were no accrued penalties as of December 31, 2008 and 2007.

The company is generally no longer subject to U.S federal, or state and local income tax examinations by tax authorities for any year prior to 2005 except as noted below. The Internal Revenue Service ("IRS") completed an examination of our domestic corporate subsidiaries' federal tax returns for 2003 and 2004 in the third quarter of 2007. This examination was settled resulting in a tax payment to the U.S. Treasury in the amount of $0.4 million and a reduction to the reserve for unrecorded tax benefits in the amount of $2.2 million. The IRS is currently examining our domestic corporate subsidiaries' federal tax returns for the years 2005 and 2006. These examinations are in exploratory stages and we do not believe an increase for unrecognized tax benefits is necessary. In addition, various state and local examinations of AllianceBernstein's corporate subsidiary tax returns for years 2001 through 2007 are now in progress. These examinations are in various stages of completion and the reserve for unrecognized tax benefits was adjusted as noted above.

During December 2008, the examinations of AllianceBernstein's New York City Partnership tax returns for the years 2003 through 2005 were formerly settled. As a result, we recognized approximately $12.1 million of net unrecognized tax benefits, including accrued interest, during the fourth quarter of 2008.

The Canadian Revenue Agency has commenced an examination of AllianceBernstein's Canadian subsidiary tax returns for the years 2005-2006. The examination is in the preliminary stage and we do not believe an increase for unrecognized tax benefits is necessary. Currently, there are no other income tax examinations at our significant non-U.S. subsidiaries. Years that remain open and may be subject to examination vary under local law, and range from one to seven years.

Adjustment to the reserve could occur in light of changing facts and circumstances with respect to aforementioned on-going examinations.

Subject to the results of the examinations for the tax years 2001-2007, under our existing policy for determining whether a tax position is effectively settled for purposes of recognizing previously unrecognized tax benefits, there is the possibility that recognition of unrecognized tax benefits of approximately $3.6 million including accrued interest could occur over the next twelve months.

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 difference 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,	
	2008	2007
	(in thousands)	
Deferred tax asset:		
Differences between book and tax basis:		
Deferred compensation plans	$ 14,704	$ 10,252
Intangible assets	280	401
Charge for mutual fund matters, legal proceedings, and claims processing contingency	4,179	4,179
Other, primarily revenues taxed upon receipt and accrued expenses deductible when paid	4,955	3,909
Deferred tax asset	24,118	18,741
Deferred tax liability:		
Differences between book and tax basis:		
Furniture, equipment and leasehold improvements	341	301
Investment partnerships	112	1,634
Intangible assets	17,075	14,889
Translation adjustment	2,700	5,694
Other, primarily undistributed earnings of certain foreign subsidiaries	2,597	2,359
	22,825	24,877
Net deferred tax asset (liability)	**$ 1,293**	**$ (6,136)**

The deferred tax asset 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, 2008, $484.7 million of accumulated undistributed earnings of non-U.S. corporate subsidiaries were permanently invested. At existing applicable income tax rates, additional taxes of approximately $24.5 million would need to be provided if such earnings were remitted.

19. 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, 2008, 2007 and 2006 were as follows:

Services

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

	Years Ended December 31,		
	2008	2007	2006
		(in millions)	
Institutional Investments	$ 1,241	$ 1,482	$ 1,222
Retail	1,227	1,521	1,304
Private Client	850	961	883
Institutional Research Services	472	424	375
Other	(239)	332	354
Total revenues	3,551	4,720	4,138
Less: Interest expense	37	195	188
Net revenues	**$ 3,514**	**$ 4,525**	**$ 3,950**

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:

	2008	2007	2006
		(in millions)	
Net revenues:			
United States	$ 2,258	$ 3,013	$ 2,733
International	1,256	1,512	1,217
Total	**$ 3,514**	**$ 4,525**	**$ 3,950**
Long-lived assets:			
United States	$ 3,576	$ 3,656	$ 3,619
International	40	52	42
Total	**$ 3,616**	**$ 3,708**	**$ 3,661**

Major Customers

Company-sponsored 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 4%, 2% and 2% of our open-end mutual fund sales in 2008, 2007 and 2006, respectively. Subsidiaries of Merrill Lynch & Co., Inc. ("Merrill Lynch") were responsible for approximately 8%, 7% and 6% of our open-end mutual fund sales in 2008, 2007 and 2006, respectively. Citigroup, Inc. and its subsidiaries ("Citigroup"), was responsible for approximately 7%, 7% and 5% of our open-end mutual fund sales in 2008, 2007 and 2006, respectively. AXA Advisors, Merrill Lynch and Citigroup are under no obligation to sell a specific amount of shares of company-sponsored 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, 2008, 2007 and 2006. No single institutional client other than AXA and its subsidiaries accounted for more than 1% of total revenues for the years ended December 31, 2008, 2007 and 2006, respectively.

20. 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,		
	2008	2007	2006
		(in thousands)	
Investment advisory and services fees	$ 870,524	$ 1,027,636	$ 840,994
Distribution revenues	378,425	473,435	421,045
Shareholder servicing fees	99,028	103,604	97,236
Other revenues	6,868	6,502	6,917
Institutional research services	1,233	1,583	1,902

AXA and its Subsidiaries

We provide investment management and certain administration services to AXA and its subsidiaries. In addition, AXA and its subsidiaries distribute company-sponsored mutual funds, for which they receive commissions and distribution payments. Sales of company-sponsored mutual funds through AXA and its subsidiaries, excluding cash management products, aggregated approximately $0.7 billion, $0.5 billion and $0.5 billion for the years ended December 31, 2008, 2007 and 2006, respectively. Also, we are covered by various insurance policies maintained by AXA subsidiaries and we pay fees for technology and other services 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,		
	2008	2007	2006
		(in thousands)	
Revenues:			
Investment advisory and services fees	$ 180,689	$ 208,786	$ 184,122
Institutional research services	225	606	657
Other revenues	697	824	736
	$ 181,611	**$ 210,216**	**$ 185,515**
Expenses:			
Commissions and distribution payments to financial intermediaries	$ 9,408	$ 7,178	$ 5,708
Other promotion and servicing	703	1,409	936
General and administrative	13,843	10,219	9,533
	$ 23,954	**$ 18,806**	**$ 16,177**
Balance Sheet:			
Institutional investment advisory and services fees receivable	$ 7,349	$ 10,103	$ 7,330
Other due to AXA and its subsidiaries	(1,278)	(506)	(965)
	$ 6,071	**$ 9,597**	**$ 6,365**

AllianceBernstein and AXA Asia Pacific Holdings Limited (“AXA Asia Pacific”) maintain 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 $68.3 million, $77.6 million and $61.1 million, for the years ended December 31, 2008, 2007 and 2006, respectively, of which approximately $19.6 million, $22.9 million and $21.3 million, respectively, were from AXA affiliates and are included in the table above. Minority interest recorded for these companies was $9.7 million, $11.1 million and $8.8 million, for the years ended December 31, 2008, 2007 and 2006, 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 $167 million, $136 million and $34 million of investments on the consolidated statement of financial condition as of December 31, 2008, 2007 and 2006, respectively. 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, 2008, 2007 and 2006 are as follows:

	December 31,		
	2008	2007	2006
		(in thousands)	
Due from Holding, net	$ 4,825	$ 7,460	$ 7,149
Due from unconsolidated joint ventures, net	$ —	$ 255	$ 376

21. Acquisition

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

22. Accounting Pronouncements

In December 2007, the FASB issued Statement No. 160 ("SFAS No. 160"), "*Noncontrolling Interests in Consolidated Financial Statements, an Amendment of ARB No. 51*". SFAS No. 160 amends ARB No. 51 to establish accounting and reporting standards for noncontrolling interests in subsidiaries and for the deconsolidation of subsidiaries. It clarifies that a noncontrolling interest in a subsidiary is an ownership interest that should be reported as equity in the consolidated financial statements. The provisions of SFAS No. 160 are effective for fiscal years beginning on or after December 15, 2008, and interim periods within those fiscal years. SFAS is effective January 1, 2009 and is to be applied retroactively. SFAS No. 160 is not expected to have a material impact on our consolidated financial statements.

In February 2008, the FASB issued Staff Position No. 157-2 ("FSP No. 157-2"). FSP No. 157-2 delays the effective date of SFAS No. 157, for nonfinancial assets and nonfinancial liabilities, except for items disclosed at fair value in the financial statements on a recurring basis, until fiscal years beginning after November 15, 2008. FSP No.157-2 is not expected to have a material impact on our consolidated financial statements.

In December 2008, the FASB issued Staff Position No. 132(R)-1 ("FSP No. 132(R)-1"), which requires companies to disclose information about fair value measurements of retirement plan assets that would be similar to the disclosures about fair value measurements required by SFAS No. 157. The provisions of FSP No. 132(R)-1 are effective for fiscal years ending after December 15, 2009. FSP No. 132(R)-1 is not expected to have a material impact on our consolidated financial statements.

23. Quarterly Financial Data (Unaudited)

	Quarters Ended 2008			
	December 31	September 30	June 30	March 31
	(in thousands, except per unit amounts)			
Net revenues	$ 580,522	$ 840,991	$ 1,063,624	$ 1,029,022
Net income	$ 91,979	$ 219,529	$ 280,289	$ 247,443
Basic net income per unit[1]	$ 0.35	$ 0.83	$ 1.06	$ 0.94
Diluted net income per unit[1]	$ 0.35	$ 0.83	$ 1.06	$ 0.94
Cash distributions per unit[2] [3] [4]	$ 0.37	$ 0.70	$ 1.06	$ 0.94

	Quarters Ended 2007			
	December 31	September 30	June 30	March 31
	(in thousands, except per unit amounts)			
Net revenues	$ 1,169,386	$ 1,152,822	$ 1,158,773	$ 1,044,336
Net income	$ 309,732	$ 348,082	$ 334,929	$ 267,701
Basic net income per unit[1]	$ 1.18	$ 1.33	$ 1.28	$ 1.02
Diluted net income per unit[1]	$ 1.17	$ 1.32	$ 1.27	$ 1.01
Cash distributions per unit[2]	$ 1.17	$ 1.32	$ 1.27	$ 1.01

(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.

(3) During the fourth quarter of 2006, we recorded a $56.0 million pre-tax charge ($54.5 million, net of related income tax benefit) 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. During the third quarter of 2008, we recorded approximately $35.3 million in insurance recoveries relating to this error. AllianceBernstein's and Holding's fourth quarter 2006 cash distributions were based on net income as calculated prior to AllianceBernstein recording the charge. Accordingly, the related insurance recoveries ($0.13 per unit) were not included in AllianceBernstein's or Holding's cash distribution to unitholders for the third quarter of 2008.

(4) During the fourth quarter of 2008, we recorded an additional $5.1 million ($0.02 per unit) provision for income taxes subsequent to the declaration of the fourth quarter 2008 cash distribution of $0.37 per unit. As a result, the cash distribution per unit in the fourth quarter of 2008 is $0.02 higher than diluted net income per unit.

Report of Independent Registered Public Accounting Firm

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

In our opinion, the accompanying consolidated statements 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. and its subsidiaries ("AllianceBernstein") at December 31, 2008 and 2007, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2008 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, AllianceBernstein maintained, in all material respects, effective internal control over financial reporting as of December 31, 2008, based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). AllianceBernstein's management is responsible for these financial statements, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in *Management's Report on Internal Control over Financial Reporting* appearing under Item 9A. Our responsibility is to express opinions on these financial statements and on AllianceBernstein's internal control over financial reporting based on our integrated 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included 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. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide 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 20, 2009

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

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

Item 9A. Controls and Procedures

Disclosure Controls and Procedures

Each of Holding and AllianceBernstein maintains a system of disclosure controls and procedures that is designed to ensure information required to be disclosed 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, 2008. 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").

Based on its assessment, management concluded that, as of December 31, 2008, each of Holding and AllianceBernstein maintained effective internal control over financial reporting based on the COSO criteria.

PricewaterhouseCoopers LLP, the independent registered public accounting firm that audited the 2008 financial statements included in this Form 10-K, has issued an attestation report on the effectiveness of each of Holding's and AllianceBernstein's internal control over financial reporting as of December 31, 2008. 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 2008 that materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

Both AllianceBernstein and Holding reported all information required to be disclosed on Form 8-K during the fourth quarter of 2008.

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 each 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.

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 distributions equal to those received by each limited partnership unit.

The General Partner is entitled to reimbursement by AllianceBernstein for any 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 by AllianceBernstein).

Directors and Executive Officers

As of February 20, 2009, the directors and executive officers of the General Partner were as follows (officers of the General Partner serve as equivalent officers of AllianceBernstein and Holding):

Name	Age	Position
Peter S. Kraus	56	Chairman of the Board and Chief Executive Officer
Lewis A. Sanders*	62	Former Chairman of the Board and Chief Executive Officer
Dominique Carrel-Billiard	42	Director
Henri de Castries	54	Director
Christopher M. Condron	61	Director
Denis Duverne	55	Director
Richard S. Dziadzio	45	Director
Deborah S. Hechinger	58	Director
Weston M. Hicks	52	Director
Nick Lane	35	Director
Gerald M. Lieberman	62	Director, President and Chief Operating Officer
Lorie A. Slutsky	56	Director
A.W. (Pete) Smith, Jr.	65	Director
Peter J. Tobin	64	Director
Lawrence H. Cohen	47	Executive Vice President
Laurence E. Cranch	62	Executive Vice President, General Counsel and Corporate Secretary
Edward J. Farrell	48	Senior Vice President and Controller
Sharon E. Fay	48	Executive Vice President
Marilyn G. Fedak	62	Vice Chair of Investment Services
James A. Gingrich	50	Executive Vice President
Mark R. Gordon	55	Executive Vice President
Thomas S. Hexner	52	Executive Vice President
Robert H. Joseph, Jr.	61	Senior Vice President and Chief Financial Officer
Robert M. Keith	48	Executive Vice President
Mark R. Manley	46	Senior Vice President, Deputy General Counsel and Chief Compliance Officer
Lori A. Massad	44	Executive Vice President and Chief Talent Officer – Talent Development and Human Resources
Seth J. Masters	49	Executive Vice President
Douglas J. Peebles	43	Executive Vice President
Jeffrey S. Phlegar	42	Executive Vice President
James G. Reilly	47	Executive Vice President
Lisa A. Shalett	45	Executive Vice President
David A. Steyn	49	Executive Vice President
Richard G. Taggart	47	Executive Vice President and Head of Global Operations
Gregory J. Tencza	42	Executive Vice President
Christopher M. Toub	49	Executive Vice President

* Mr. Sanders retired as Chairman of the Board and Chief Executive Officer on December 19, 2008.

Biographies

Mr. Kraus was elected Chairman of the Board of the General Partner and Chief Executive Officer of the General Partner, AllianceBernstein and Holding on December 19, 2008. Mr. Kraus has in-depth experience in the financial markets, including investment banking, asset management and private wealth management. Most recently, he served as an executive vice president, the head of global strategy and a member of the Management Committee of Merrill Lynch & Co. Inc. ("Merrill"), from September 2008 through December 2008. Prior to joining Merrill, Mr. Kraus spent 22 years with Goldman Sachs Group Inc. ("Goldman"), where he most recently served as co-head of the Investment Management Division and a member of the Management Committee, as well as head of firm-wide strategy and chairman of the Strategy Committee. Mr. Kraus also served as co-head of the Financial Institutions Group. He was named a partner at Goldman in 1994 and managing director in 1996. Mr. Kraus was named a Director of AXA Financial, AXA Equitable, MONY Life Insurance Company (a wholly-owned subsidiary of AXA Financial, "MONY") and MONY Life Insurance Company of America (a wholly-owned subsidiary of MONY) on February 12, 2009. He is also Chairman of the Investment Committee of Trinity College, Chairman of the Board of Overseers of CalArts, Co-Chair of the Friends of the Carnegie International, a member of the board of Keewaydin Camp and a member of the board of Young Audiences, Inc., a non-profit organization that works with educational systems, the arts community and private and pubic sectors to provide arts education to children.

Mr. Sanders retired as Chairman of the Board of the General Partner and Chief Executive Officer of the General Partner, AllianceBernstein and Holding on December 19, 2008. He was elected Chairman of the Board effective January 1, 2005 and Chief Executive Officer effective July 1, 2003. Before taking on these roles, he had 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 S.A. ("AXA IM"), a subsidiary of AXA, since June 13, 2006 and was named to the AXA Group Executive Committee on January 1, 2009. Mr. Carrel-Billiard joined AXA on June 1, 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 & 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. 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 ("AXA Group Management Board"). Prior thereto, he served AXA in various capacities, including Vice Chairman of the AXA Group 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, Chief Executive Officer and President 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. Condron is also a member of the Board of Directors of The American Council of Life Insurers and the Chairman of the Financial Services Round Table.

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 a member of the AXA Group Management Board since February 2003. From January 2000 to May 2003, Mr. Duverne 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. Dziadzio was re-elected a Director of the General Partner in May 2007. (He had previously served on the Board from February 2001 to May 2004.) He is Executive Vice President and Chief Financial Officer of AXA Financial. He joined the AXA Group in 1994 as a senior analyst in the corporate finance department, working primarily on mergers and acquisitions. In 1997, he was promoted to corporate finance officer, handling corporate finance activities for the group in insurance and asset management in the U.S. and U.K. In 1998, Mr. Dziadzio became head of finance and administration for AXA Real Estate Investment Managers, a subsidiary of AXA. From February 2001 to June 2004, he was responsible for business support and development for AXA Financial, AllianceBernstein, and AXA IM. Mr. Dziadzio joined AXA Financial in July 2004, and was elected Executive Vice President of AXA Equitable in September 2004. He became Executive Vice President and Deputy Chief Financial Officer of AXA Financial and AXA Equitable in September 2005.

Ms. Hechinger was elected a Director of the General Partner in May 2007. Currently an independent consultant on non-profit governance, she was President and Chief Executive Officer of BoardSource, a leading governance resource for non-profit organizations, from 2003 to 2007. From 2004 to 2007, Ms. Hechinger also served as co-convener of the Governance and Fiduciary Responsibilities work group, one of the five groups established by the Panel on the Nonprofit Sector to make recommendations to Congress on ways to improve the governance and accountability of non-profit organizations. She also served on the Advisory Board for the Center for Effective Philanthropy and was a Member of the Ethics and Accountability Committee at Independent Sector. Prior to joining BoardSource, Ms. Hechinger was the Executive Vice President of the World Wildlife Fund, a large, global conservation organization, where she oversaw all fundraising, communication and operations activities. She has also served as Deputy Comptroller and Director of the Securities and Corporate Practices Division at the Office of the Comptroller of the Currency and has held senior executive positions in the Division of Enforcement at the SEC.

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.

Mr. Lane was elected a Director of the General Partner in July 2008. He is currently the head of AXA Group strategy and he is the Business Support Development representative for AXA Equitable, AXA IM and AllianceBernstein. Previously, Mr. Lane served as Vice Chairman of AXA Advisors LLC and AXA Network LLC where he was charged with overseeing the Retail Broker Dealer and Network Business as well as its enterprise operations and supervision systems. Prior to joining AXA Equitable, Mr. Lane worked for McKinsey & Co, a strategic consulting firm, where he was a leader in their sales and marketing practice. His previous experiences also include serving as an infantry officer in the United States Marine Corps and working on the floor of the NYSE. AXA IM, AXA Advisors and AXA Network are subsidiaries of AXA.

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 the AXA Group 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. Since January 1990, 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. 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. The former CEO of Watson Wyatt Worldwide, he was also President of the Private Sector Council, a non-profit public service organization dedicated to improving the efficiency of the federal government, from September 2000 until May 2005. Mr. Smith has been President of Smith Consulting since June 2005.

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 and AXA Equitable since March 1999.

Mr. Cohen joined our firm in 2004 and has been Executive Vice President and Chief Technology Officer since that time. 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 joined our firm in 2004 and has been Executive Vice President and General Counsel since that time. He became Corporate Secretary in May 2008. 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 joined our firm in 2003 and has been Senior Vice President and Controller since that time. 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, a CFA charter holder, joined our firm in 1990 as a research analyst, subsequently launching Canadian Value, Bernstein's first single-market service focused outside the U.S. An Executive Vice President of AllianceBernstein since 2003, she was named Head of Bernstein Value Equities in January 2009 to oversee the portfolio management and research activities relating to all value investment portfolios, while continuing to chair the Global Value Investment Policy Group as Chief Investment Officer-Global Value Equities. From 2003 to 2008, Ms. Fay served as CIO-Global Value Equities, overseeing the portfolio management and research activities relating to cross-border and non-U.S. value investment portfolios. From 1999 to 2006, she was CIO-European and U.K. Value Equities, serving as Co-CIO from 2003 to 2006 after being named CIO-Global Value Equities in 2003. Between 1997 and 1999, Ms. Fay was CIO-Canadian Value Equities. Prior to that, she had been a senior portfolio manager of International Value Equities since 1995.

Ms. Fedak, a CFA charter holder, joined our firm in 1984 as a senior portfolio manager and has been Vice Chair of Investment Services at AllianceBernstein since January 2009. She was an Executive Vice President from 2000 through 2008. Before becoming Vice Chair, Ms. Fedak served as Head of Global Value Equities. From 1993 through 2003, she was Chief Investment Officer for U.S. Value Equities. In 2003, she named a Co-CIO and in January 2009 she relinquished her role as Co-CIO, although she remains a member of our U.S. Equity investment policy group. Ms. Fedak is the President of Sanford C. Bernstein Fund, Inc. and a Director of SCB Inc.

Mr. Gingrich joined our firm in 1999 as a senior research analyst on the sell-side. 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. Mr. Gingrich was elected a Senior Vice President of AllianceBernstein in 2002.

Mr. Gordon, a CFA charter holder, joined our firm 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 our firm 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 our firm 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. Keith joined our firm in 1996, holding client-facing roles within Bernstein's institutional investment management arm until 1998. He currently serves as Executive Vice President of AllianceBernstein and Head of AllianceBernstein Investments, roles he has held since June 2008. He is also President of the U.S. Funds (except for the SCB Funds). From December 2006 to June 2008, he served as executive managing director within AllianceBernstein Investments with responsibility for client service and sales. From May 2006 to November 2006, he served as executive managing director within Bernstein GWM and had responsibility for all aspects of the North American private client business. From October 2002 to May 2006, Mr. Keith occupied senior roles in Institutional Investments, first as head of U.S. client service and sales and then as head of global client service and sales. From late 1998 to September 2002, he was a managing director within the firm's private client business.

Mr. Manley joined our firm 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 firm'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.

Ms. Massad joined our firm in 2006 as Senior Vice President and Chief Talent Officer. In February 2009, she was elected Executive Vice President and Chief Talent Officer – Talent Development and Human Resources. Prior to joining our firm, Ms. Massad served as Chief Talent Officer and Chief Operating Officer at Marakon Associates, a strategy consulting firm from 2004 to 2006. Before Marakon, Ms. Massad was a founding member of two start-ups: Spencer Stuart Talent Network (in 2001) and EmployeeMatters, a human resources outsourcing firm (in 2000). She spent the previous eight years at The Boston Consulting Group, where she became a senior manager on the consulting staff and leader of the firm's recruiting, training and development programs. While with The Boston Consulting Group, Ms. Massad was also an adjunct professor at New York University's Leonard Stern School of Business.

Mr. Masters joined our firm in 1991 as a research analyst covering banks, insurance companies, and other financial firms. Since June 2008, he has served as Chief Investment Officer of ABDC, our firm's team responsible for focusing on the needs of DC clients, including investment design and management. In February 2009, Mr. Masters took on the additional roles of heading the AllianceBernstein Blend Strategies team and serving as Chief Investment Officer for Style Blend, roles he previously held from 2002 through May 2008. 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. Peebles joined our firm in 1987 and has been the Chief Investment Officer of AllianceBernstein Fixed Income since August 2008. In this role, Mr. Peebles supervises all of the fixed income portfolio management and research teams globally. In addition, he is Chairman of our Interest Rates and Currencies Research Review team, our team responsible for setting interest-rate and currency policy for all fixed income portfolios, and he has been an Executive Vice President of AllianceBernstein since 2004. Mr. Peebles has held several leadership positions within the fixed income team, having served as Director of Global Fixed Income from 1997 to 2004 and Co-Chief Investment Officer of AllianceBernstein Fixed Income and Co-Chairman of the Fixed Income Investment Strategy Committee from 2004 to August 2008.

Mr. Phlegar joined our firm in 1993 and has been an Executive Vice President of AllianceBernstein since 2004. He leads the development and management of new specialized fixed income services and participates in the management of our All Asset Deep Value service, which he helped develop and launch. Mr. Phlegar previously served as Co-Chief Investment Officer of AllianceBernstein Fixed Income and Co-Chairman of the Fixed Income Investment Strategy Committee from 2004 to August 2008. In these prior roles, Mr. Phlegar oversaw the portfolio managers and research analysts responsible for Fixed Income AUM across AllianceBernstein's three distribution channels, Institutional Investments, Retail, and Private Client, worldwide. 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 our firm in 1985 as a Vice President and quantitative and fundamental research analyst covering airlines and railroads, and is currently the 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.

Ms. Shalett joined our firm in 1995 and has been Executive Vice President of AllianceBernstein since November 2002. In February 2007, she joined the management team of Alliance Growth Equities as the Global Research Director and was named Global Head of Growth Equities in January 2008. For the four years prior, Ms. Shalett was Chair and Chief Executive Officer of SCB LLC, the firm's institutional research brokerage business. Previously, Ms. Shalett served as Director of Global Research for the sell-side and served as a senior research analyst covering capital goods and diversified industrials.

Mr. Steyn joined our firm in 1999, having been the founding co-Chief Executive Officer of Bernstein's London office, and has been Executive Vice President and Global Head of Distribution since April 2007. In this role, the Heads of AllianceBernstein's three distribution channels – Institutional Investments, Retail and Private Client – report to him. Prior to serving in this role, Mr. Steyn had been Executive Vice President and Head of Institutional Investments since November 2003.

Mr. Taggart joined our firm in February 2008 as Senior Vice President and Head of Global Operations. Since January 2009, he has served as Executive Vice President and Head of Global Operations, which includes investment management operations, retail operations, fund administration and broker-dealer operations. Prior to joining the firm, Mr. Taggart spent the majority of his career at Morgan Stanley (from 2004 to 2008 and 1990 to 1998), where he was responsible for a variety of operations functions including Transformation Services, Global Institutional Equity Operations, Morgan Stanley Trust Company Operations and Morgan Stanley Capital International. From 2002 to 2004, he was a principal in two start-up firms in technology and business process outsourcing, and from 1998 to 2001 he was Senior Vice President, Global Business Architecture at JPMorgan Chase, Global Investment Services. Mr. Taggart was a Vice President, Research Operations at Greenwich Associates from 1988 to 1990.

Mr. Tencza joined our firm in 1997 as Director of Consultant Relations for Institutions and has been Executive Vice President and Head of Institutional Investments since May 2007, overseeing AllianceBernstein's institutional business worldwide. From May 2006 until assuming his most recent post, he was senior managing director and Head of Global Sales and Client Service. Previously, Mr. Tencza was Head of Institutional Global Business Development and Consultant Relations, after having served as product manager for Global Value Equities between 2000 and 2002.

Mr. Toub joined our firm 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.

Corporate Governance

Board of Directors

The Board holds regular quarterly meetings, generally in February, May, July or 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, Audit, Corporate Governance, 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 2008.

Committees of the Board

The Executive Committee of the Board ("Executive Committee") is composed of Ms. Slutsky and Messrs. Condron, Duverne, Kraus (Chair), Lieberman and Tobin. 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 2008.

The Corporate Governance Committee of the Board ("Governance Committee") is composed of Mr. Condron, Ms. Hechinger, Mr. Kraus, 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 2008.

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 eight meetings in 2008.

The functions of each of the committees discussed above are more fully described in the respective committee's charter, each of which is available on our Internet site (*http://www.alliancebernstein.com).*

The Compensation Committee of the Board ("Compensation Committee") is composed of Mr. Condron (Chair), Mr. Kraus, Ms. Slutsky and Mr. Smith. 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 a related unitholder derivative suit and the distribution of 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 did not meet during 2008.

Audit Committee Financial Experts

In January 2008 and January 2009, 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 regular meeting in each of February 2008 and February 2009. The Board also determined at these meetings 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

In January 2008, the Governance Committee, after reviewing materials prepared by management, recommended that the Board determine that each of Ms. Hechinger, 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 Ms. Hechinger (relating to her service as an executive officer of BoardSource concurrently with Ms. Slutsky serving as that company's Chairperson), Mr. Hicks (relating to Alleghany Corporation being a client of SCB LLC and Mr. Hicks having been employed by Bernstein from 1991 to 1999) and Ms. Slutsky (relating to contributions that were previously made by AllianceBernstein to The New York Community Trust, of which she is President and Chief Executive Officer) and then determined, at its February 2008 regular meeting, that each of Ms. Hechinger, Mr. Hicks, Ms. Slutsky, Mr. Smith and Mr. Tobin is independent within the meaning of the relevant rules.

In January 2009, the Governance Committee, after reviewing materials prepared by management, recommended that the Board determine that each of Ms. Hechinger, 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 Ms. Hechinger (relating to her service as an executive officer of BoardSource concurrently with Ms. Slutsky serving as that company's Chairperson), Mr. Hicks (relating to Alleghany Corporation being a client of SCB LLC and Mr. Hicks having been employed by Bernstein from 1991 to 1999) and Ms. Slutsky (relating to contributions that used to be made by AllianceBernstein to The New York Community Trust, of which she is President and Chief Executive Officer) and then determined, at its February 2009 regular meeting, that each of Ms. Hechinger, 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 Section 303A.10 of the NYSE Listed Company Manual, Rule 204A-1 under the Investment Advisers Act and Rule 17j-1 under the Investment Company Act and with recommendations issued by the Investment Company Institute regarding, among other things, practices and standards with respect to securities transactions of investment professionals. 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 a 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*). To date, there have been no such amendments or waivers.

NYSE Governance Matters

Section 303A.00 of the NYSE Listed Company Manual exempts limited partnerships from compliance with the following sections of the Manual: Section 303A.01 (board must have a majority of independent directors), 303A.04 (corporate governance committee must have only independent directors as its members), and 303A.05 (compensation committee must have only independent directors as its members). Holding is a limited partnership (as is AllianceBernstein). In addition, because the General Partner is a wholly-owned subsidiary of AXA, 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 Group Compliance and Ethics Guide, and the AXA Financial Policy Statement on Ethics from any director or executive officer of the General Partner. Any such waiver that has been granted would be set forth in the "Corporate Governance" portion of our Internet site (*http://www.alliancebernstein.com*).

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 (*http://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 that are best addressed by management or solicitations of various kinds.

The 2008 Certification by our Chief Executive Officer under NYSE Listed Company Manual Section 303A.12(a) was submitted to the NYSE on March 24, 2008.

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 Unitholders and AllianceBernstein Unitholders may request a copy of any committee charter, the Guidelines, the Code of Business Conduct and Ethics, and the Item 406 Code by contacting our Corporate Secretary (*corporate.secretary@alliancebernstein.com*). The charters and memberships of the Executive, Audit, Corporate Governance and Compensation Committees 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, Keith, Kraus, Lieberman, Manley, Masters, Peebles, Phlegar, Reilly, Steyn, Taggart, Tencza and Toub, and Mses. Fay, Fedak, Massad 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. Kraus 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 Ethics Committee and its subcommittee, the Personal Trading Subcommittee, have oversight of personal trading by our employees.

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 2008: (i) all Section 16(a) filing requirements relating to Holding were complied with; and (ii) all Section 16(a) filing requirements relating to AllianceBernstein were complied with. Our Section 16 filings can be found 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 of 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 motivate and retain them. As a result, the costs of employee compensation and benefits are significant, comprising approximately 56% of our operating expenses and representing approximately 41% of our net revenues for 2008. These percentages are not unusual for companies in the financial services industry. The magnitude of this expense 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 to enhancing the long-term value of our company. Our key compensation goals are to attract and retain highly-qualified executive talent, 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 Unitholders. We believe that success in achieving good results for the firm, and for our Unitholders, flows from achieving investment success for our clients. Accordingly, our deferred incentive compensation program is designed to encourage our executives to allocate their annual 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.

We utilize a variety of compensation elements to achieve the goals described above, including 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*.

Although estimates are developed for budgeting and strategic planning purposes, we do not set firm-wide financial performance targets (such as net income per unit, market capitalization, operating margin or organic growth) and, therefore, management compensation is not correlated with meeting any such specific targets. Some of our salespeople have compensation incentives based on sales levels.

While our compensation philosophy has not changed, our compensation decisions in 2008 reflect the adverse impact that volatile market conditions throughout the year had on our firm's financial and operating results. Specifically, in 2008, our AUM, revenues, and earnings per unit were down 42.3%, 22.3% and 33.3%, respectively, as compared to 2007 totals (for additional information about our firm's financial and operating results, *see "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Item 7*). As a result, we have imposed a firm-wide salary freeze for 2009 and 2008 year-end cash bonuses and deferred compensation awards to senior management declined significantly compared to the prior year. Incentive compensation paid in 2008 to our named executive officers (excluding Mr. Kraus, our Chief Executive Officer ("CEO") since December 19, 2008 and Mr. Sanders, our former CEO, who retired on December 19, 2008) decreased 68%, as compared to 2007.

Overview of 2008 Incentive Compensation Program

Our 2008 incentive compensation, generally consisting of annual cash bonuses and deferred compensation awards, is intended to reward our officers for their performance and encourage them to remain with the firm. Annual cash bonuses generally reflect individual performance and the financial performance of the firm and provide a shorter-term incentive to remain through year-end because such bonuses are typically paid during the last week of the year. Deferred compensation awards provide future earnings potential and encourage longer-term retention because such awards vest over time and are subject to forfeiture; recipients are therefore encouraged to remain with the firm.

The aggregate amount of incentive compensation – that is, the amount available to pay annual cash bonuses and make deferred compensation awards to all employees (other than Mr. Sanders, our former CEO, and Mr. Kraus, our current CEO) – is determined on a discretionary basis and is primarily a function of our firm's financial performance. This amount is determined for any year in part guided by formulas, approved by the Compensation Committee, which take into account the firm's annual consolidated operating income (excluding institutional research services) and its annual institutional research services revenues. The separate formulas used to calculate guidelines for awards of total cash bonuses and total deferred compensation awards available for all of our employees (except Messrs. Kraus and Sanders) for 2008 are set forth below (in thousands):

	Cash Bonus Amounts	Deferred Compensation Amounts	Total
Consolidated Operating Income	$ 887,564	$ 887,564	
Add: total incentive compensation expense	351,730	351,730	
Add: amortization of intangibles	20,716	20,716	
Add: non-operating income	17,916	17,916	
Operating Income Before Incentive Compensation	1,277,926	1,277,926	
Less: brokerage operating income	175,893	175,893	
Total asset management operating income	$ 1,102,033	$ 1,102,033	
Calculated Cash @ 22.2% & Deferred @ 14.8%	$ 244,651	$ 163,101	
Brokerage Business Revenues	$ 492,968	$ 492,968	
Calculated Cash @ 16.56% & Deferred @ 6.44%	$ 81,636	$ 31,747	
Total calculated incentive compensation available	$ 326,287	$ 194,848	
Less: qualified plans contributions	32,500	—	
Total incentive compensation available	**$ 293,787**	**$ 194,848**	**$ 488,635**
Total incentive compensation awarded to employees	**$ 209,790**	**$ 210,857**	**$ 420,647**

Because incentive compensation decisions are made prior to the end of the calendar year, the calculations used provide guidance for available amounts of cash bonuses and deferred compensation awards are based on estimates made by management of AllianceBernstein's operating income and other items considered for the full year. The amounts of the total incentive compensation available listed above were approved by the Compensation Committee on December 5, 2008.

These calculations are used by management as guidelines and together comprise only one of the several factors considered by management when determining appropriate levels of compensation (*please see "Factors Considered when Determining Executive Officer Compensation" below* for a discussion of the other factors). Management, with the approval of the Compensation Committee, has the discretion to exceed these available guideline amounts if it determines that additional bonus compensation is appropriate.

In 2008, the calculations described above resulted in significantly lower guideline amounts than in 2007, and total incentive compensation in 2008 was lower than in the prior year, primarily due to the adverse impact that volatile global market conditions throughout 2008 had on our firm's overall financial results and our resulting headcount reduction (for information about the headcount reduction, *see "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Item 7*). In 2008, management, with approval of the Compensation Committee, granted cash bonuses that, in the aggregate, were significantly less than the 2008 guideline amounts established for cash bonuses and granted deferred compensation awards that, in the aggregate, were slightly higher than the 2008 guideline amounts established for these awards. Aggregate incentive compensation awards (*i.e.*, total cash bonuses and deferred compensation awards) in 2008 were less than the established guideline amounts.

We have identified a select group of senior officers 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 they have made exceptional individual contributions to the firm. Accordingly, in January 2007, the Compensation Committee approved the Special Option Program ("Special Option Program"). The Special Option Program permits selected senior officers to voluntarily allocate up to a specified portion of their annual deferred compensation award to options to buy Holding Units ("Allocated Award Options"); the firm matches this allocation on a two-for-one basis ("Match Options"). Members of the Management Executive Committee generally did not receive awards under the Special Option Program.

Options granted on January 26, 2007 pursuant to the Special Option 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*).

The firm did not make awards under the Special Option Program in 2008 due to the decline in the firm's overall financial results. However, previous recipients of Special Option Program awards and members of the Management Executive Committee were permitted to allocate up to 50% of their 2008 deferred compensation award under the Partners Plan to Holding Unit options or to receive Holding Unit options in lieu of up to 50% of their 2008 Partners Plan awards.

Overview of our Current Chief Executive Officer's Compensation

On December 19, 2008, Peter S. Kraus, the General Partner, AllianceBernstein and Holding entered into an agreement ("Kraus Employment Agreement") pursuant to which Mr. Kraus serves as Chairman of the Board of the General Partner and CEO of the General Partner, AllianceBernstein and Holding until January 2, 2014 ("Employment Term") unless the Kraus Employment Agreement is terminated in accordance with its terms.

In connection with the commencement of Mr. Kraus's employment, on December 19, 2008, he was granted 2,722,052 restricted Holding Units. Subject to accelerated vesting clauses in the Kraus Employment Agreement (immediate vesting upon AXA ceasing to control the management of AllianceBernstein's business or Holding ceasing to be publicly traded and certain qualifying terminations of employment, including termination of Mr. Kraus's employment (i) by AllianceBernstein without cause, (ii) by Mr. Kraus for good reason ("good reason" generally means actions taken by AllianceBernstein resulting in a material negative change in Mr. Kraus's employment relationship, including assignment to Mr. Kraus of duties materially inconsistent with his position or a requirement that Mr. Kraus report to an officer or employee of AllianceBernstein instead of reporting directly to the Board), and (iii) due to death or disability), Mr. Kraus's restricted Holding Units will vest ratably on each of the first five anniversaries of December 19, 2008, commencing December 19, 2009, provided, with respect to each installment, Mr. Kraus continues to be employed by AllianceBernstein on the vesting date. Mr. Kraus will be paid the cash distributions payable with respect to his unvested restricted Holding Units and a dollar amount equal to the cash distributions payable with respect to the number of any Holding Units that are withheld by AllianceBernstein to cover Mr. Kraus's withholding tax obligations as the Holding Units vest. These cash distributions will be paid at the time distributions are made to Holding Unitholders generally, provided that no payments to Mr. Kraus will be required with respect to any cash distribution with a record date following the earlier of (i) the termination of Mr. Kraus's employment for any reason, and (ii) December 19, 2013.

Mr. Kraus will be paid an annual base salary of $275,000 and will be entitled to receive a 2009 cash bonus of $6 million.

During the Employment Term, AllianceBernstein has no commitment to pay any cash bonuses to Mr. Kraus beyond the $6 million in 2009 (with any additional bonuses being entirely in the discretion of the Board) or to make any additional equity based awards to him. Consequently, for years after 2009 during the Employment Term, the totality of Mr. Kraus's compensation (other than his fixed salary) will be dependent on the level of cash distributions on the restricted Holding Units granted to him and the evolution of the trading price of Holding Units, thereby directly aligning Mr. Kraus's interests with those of other holders of Holding Units.

Mr. Kraus is also entitled to receive perquisites and benefits generally on the same terms as his predecessor. However, unlike his predecessor, Mr. Kraus is entitled to full tax gross-ups by AllianceBernstein with respect to personal air travel on company aircraft, personal use of a company car and driver, any continued medical coverage due to termination by death or disability, and any payments for COBRA coverage due to termination of employment by AllianceBernstein without cause or by Mr. Kraus for good reason.

Factors Considered when Determining Executive Officer Compensation

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, all of which contribute to long-term Unitholder value. We do not utilize quantitative formulas when determining each named executive officer's compensation, but rather rely on our judgment about each executive's performance and whether each particular payment or award provides an appropriate reward for the current year's performance. We begin this process by calculating the total incentive compensation amounts available for a particular year (*as more fully explained above in "Overview of 2008 Incentive Compensation Program"*). We then consider a number of key factors for each of the named executive officers (other than Mr. Sanders, our former CEO, who, pursuant to his retirement agreement, received a compensation award equivalent to approximately 1% of AllianceBernstein's consolidated operating income before incentive compensation (the same amount specified in his employment agreement), and Mr. Kraus, our current CEO, whose compensation *is described above in "Overview of our Current Chief Executive Officer's Compensation"*). These factors include: total compensation paid to the named executive officer in the previous year; the increase or decrease in the current year's total incentive compensation amounts available; the named executive officer's performance compared to individual business and operational goals established at the beginning of the year; the nature, scope and level of responsibilities of the named executive officer; the contribution to our overall financial results; and the contribution of the executive's business unit to the company's fiduciary culture in which clients' interests are paramount.

We also use data provided by McLagan Partners ("McLagan") to benchmark the total compensation paid to each of our named executive officers. This process, which is conducted by the Chief Executive Officer and the President, results in specific incentive compensation recommendations by them to the Compensation Committee supported by the factors considered. The Compensation Committee then makes the final incentive compensation decisions. The Compensation Committee did not analyze quantifiable goals relating to the firm's business units in determining the cash bonus of each of the named executive officers (other than Mr. Sanders, whose compensation was determined as described in the preceding paragraph, and Mr. Kraus, whose compensation has not yet been part of our year-end process and *is described above in "Overview of our Current Chief Executive Officer's Compensation"*).

Business and operational goals established for our former chief executive officer, our chief financial officer, and our other three most highly compensated executive officers (and, together with Mr. Kraus, the "named executive officers") in 2008 are as follows:

- Mr. Sanders's business and operational goals for 2008 were established by the terms of the October 2006 employment agreement, as amended, between himself and our company ("Sanders Employment Agreement"). The Sanders Employment Agreement provided that he was entitled to receive a deferred compensation award of not less than 1% of AllianceBernstein's consolidated operating income before incentive compensation (as defined with respect to the calculations of the annual incentive compensation guideline amounts). Thus, the only goal that was established to determine Mr. Sanders's compensation was the goal of maximizing AllianceBernstein's consolidated operating income for the year, a goal which is measured objectively. Mr. Sanders retired as Chairman of the Board of the General Partner and CEO of the General Partner, AllianceBernstein and Holding effective December 19, 2008. For information regarding Mr. Sanders's retirement agreement and additional information regarding the Sanders Employment Agreement, *see "Former CEO Arrangements" and "Other Information regarding Compensation of Named Executive Officers" below.*

- For Mr. Lieberman, the main elements of business and operational goals that were established to determine his incentive compensation included making additional progress towards achieving operational excellence, especially by ensuring our firm's reduced workforce does not compromise intellectual rigor, client service or key initiatives, and by working closely with the CEOs of our firm's global subsidiaries and the leadership of our firm's Institutional Investments and Private Client distribution channels to further enhance corporate governance; people leadership, including support of our firm's corporate culture and our employees' morale through exceptionally difficult market conditions; supporting global client service, both to existing clients and prospects; and continuing to lower the risk of errors.

- For Ms. Fedak, the main elements of her business and operational goals included: efforts to improve the alpha generating potential of our U.S. Value services, including enhancements for our U.S. Diversified Value services and reconfiguration of our U.S. Equity Investment Policy Group; leading our U.S. Value client service efforts; operational excellence, in particular by focusing on leadership of a new, firm-wide portfolio management group; continuing to drive our Global Equity buy-side trading to our best-in-class vision; and focusing, in her role as the head of our Talent Development efforts, on implementing managerial excellence practices so as to foster employee engagement.

- For Ms. Fay, the main elements of her business and operational goals included achieving: investment leadership, by improving our quantitative and fundamental research inputs, further integrating the U.S. team into our global platform and overseeing the evolution of our currency management capabilities; people leadership, by focusing Bernstein Value's senior team on the most critical tasks (*e.g.*, portfolio risk control/management, research prioritization and dimensioning the return opportunities within the equity markets) and by leading the firm's thinking on innovation in conjunction with the newly appointed product champions; client leadership, by engaging clients and consultants to share our insights and build confidence; and business leadership, by ensuring that the firm's cost-cutting initiatives did not impair our ability to perform for clients or retain our most talented staff.

- For Mr. Joseph, the main elements of his business and operational goals included achieving: people leadership, including establishment of a "center of excellence" culture throughout finance by setting goals and identifying a successor CFO; operational excellence, including performing a comprehensive risk assessment and remediation of all U.S. finance activities and further improving the system of internal control over financial reporting; working with information technology to complete a number of significant financial and control systems including a headcount reporting and control application, "purchase-through-payment" (a procurement work flow application), and client billing and sales force commissions applications in the Private Client distribution channel; implementation of enhanced financial forecasting and budgeting applications capabilities; and determining a deferred compensation funding / hedging strategy.

Consistent with the management approach taken by AllianceBernstein for its executive officers generally, the 2008 goals of our named executive officers (other than Mr. Sanders and Mr. Kraus, whose compensation has not yet been part of our 2008 year-end process and *is described above in "Overview of our Current Chief Executive Officer's Compensation"*) did not include specific revenue or profit targets. By their nature, the business and operational goals for each of these other named executive officers are difficult to measure quantitatively and thus management uses discretion to determine whether those goals and objectives have been met. In the case of each of these four named executive officers, management determined that the main elements of the established business and operational goals had been met in 2008.

In addition to considering the extent to which our named executive officers met their business and operational goals, we consider each executive's current salary, and prior-year cash bonus and deferred compensation awards, 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 general, we believe that key 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.

Furthermore, in October of each year, McLagan provides us with comparative compensation benchmarking data, which summarizes compensation levels for the prior year at selected asset management companies comparable to ours. This data provides ranges of compensation levels for executive positions at these companies similar to those held by our named executive officers, including salary, total cash compensation and total compensation. The comparable companies are selected in order to provide appropriate comparables for the size and business mix of AllianceBernstein, the roles played by the named executive officers and, in the case of Messrs. Sanders and Lieberman, to reflect the fact that AllianceBernstein is a publicly-traded entity.

The McLagan data is another factor we use to determine executive compensation and to provide a basis for concluding that the compensation levels for our named executive officers are within the ranges of compensation paid by comparable companies in our industry. Our Chief Executive Officer and President, and the Compensation Committee, retain discretion as to how to utilize the McLagan benchmarking data. The data is not used in a formulaic or mechanical way to determine named executive officer compensation levels. The Compensation Committee considered the McLagan data in concluding that the compensation levels paid in 2008 to our named executive officers were appropriate and reasonable.

In 2008, the McLagan data we used to benchmark the compensation of our named executive officers (excluding Mr. Kraus) was based on compensation comparisons from the following selected asset management companies: Barclays Global Investors, BlackRock Financial Management, The Capital Group Companies, Deutsche Asset Management, Fidelity Investments, Franklin Templeton Investments, Goldman Sachs Asset Management, Legg Mason, MFS Investment Management, Morgan Stanley Investment Management, Oppenheimer Funds, PIMCO Advisors, T. Rowe Price Associates, The Vanguard Group and Wellington Management Company. Total compensation paid to our named executive officers (excluding Mr. Kraus) fell within the ranges of total compensation paid to executives in similar positions by the companies included in the McLagan data. Additionally, the Board, when it reviewed and approved the Kraus Employment Agreement on December 19, 2008, considered McLagan data indicating that Mr. Kraus's compensation arrangement was fully competitive and appropriate given our size, scope, and complexity and Mr. Kraus's experience, credentials and proven track record.

Compensation Elements for Executive Officers

Below we describe the major 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 executives at peer firms; except for the CEO and amounts reflecting foreign exchange rates related to service in non-U.S. locations, no executive officers at the firm were paid a base salary greater than $200,000. 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 2008 to our named executive officers are shown in column (c) of the Summary Compensation Table.

2. ***Cash Bonus***. We pay annual cash bonuses in late December 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 business and operational goals established at the beginning of the year, and in the context of the firm's overall financial performance. The cash bonuses we awarded in 2008 to our named executive officers are shown in column (d) of the Summary Compensation Table.

3. ***Deferred Compensation***. We grant annual deferred compensation awards in late December to supplement cash bonuses and to encourage retention of our executive officers.

The Partners Plan is an unfunded, non-qualified deferred compensation plan under which deferred awards may be granted to eligible employees. Since 2001, participants have been permitted to allocate their Partners Plan awards to a combination of notional investments in certain of our investment services offered to clients and notional investments in Holding Units. Since 2003, no more than 50% of an annual award may be allocated to Holding Units. As described above and in Section 4 below, we have created a Special Option Program which permits a select group of senior officers to allocate up to 50% of their Partners Plan award to options to buy Holding Units. The 2008 deferred compensation awards granted to our named executive officers are shown in column (i) of the Summary Compensation Table and column (c) of the Non-Qualified Deferred Compensation Table.

Deferred compensation is awarded as part of total incentive compensation based on a customized set of goals for each executive officer. The relative level of cash bonus compared to deferred compensation is generally based on the total compensation level of the executive officer. As a result, had Mr. Sanders not retired, all of his 2008 incentive compensation would have been paid in the form of a deferred award. The relative amounts of cash bonus compared to deferred compensation awarded to Mr. Lieberman, Ms. Fedak, and Ms. Fay (who were all compensated in the aggregate at approximately the same level) were substantially lower than the level of cash bonus compared to deferred compensation paid to Mr. Joseph.

For deferred awards made during or before 2007, we typically purchased the investments that are notionally elected by plan participants and held these investments in a consolidated rabbi trust. Effective January 1, 2009, investments we make in our investment services offered to clients are held in a custodial account, while we continue to hold investments in Holding Units in the rabbi trust. These investments are subject to the general creditors of AllianceBernstein.

The value used for Holding Units to effect a participant's allocation to Holding Units (excluding Holding Unit options) is the closing price as reported for NYSE composite transactions on a day shortly following the release of fourth quarter earnings. If the rabbi trust does not hold a sufficient number of Holding Units to fulfill the aggregate amount of participant allocations, Holding issues the needed amount of new Holding Units under an existing equity compensation plan, effective as of this same day.

Since 2001, vesting periods for Partners Plan awards have ranged from four years to immediate, depending on the age of the participant; all awards vest fully if a participant remains in our employ through December 1 in the year during which he or she turns 65. Withdrawals prior to vesting are not permitted. 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. Earnings credited on investment services are reinvested and distributed pro rata as awards vest. 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. These are shown as "earnings" in column (d) of the Non-Qualified Deferred Compensation Table.

4. ***Special Option Program***. As discussed above, in January 2007 the Compensation Committee approved the Special Option Program, which provides for a select group of senior officers 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. Awards were not made under the Special Option Program in 2008. However, previous recipients of Special Option Program awards and members of the Management Executive Committee, were permitted to allocate up to 50% of their 2008 deferred compensation award under the Partners Plan to Holding Unit options or to receive Holding Unit options in lieu of all or a portion of their 2008 Partners Plan awards.

The value allocated to each option granted under the Special Option Program 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 is the date of the meeting of the Compensation Committee at which it approved the granting of the options. Allocated Award Options have a 10-year term and vest in equal annual increments on each of the first five anniversaries of the grant date; Match Options have an 11-year term and vest in equal annual increments on each of the sixth through tenth anniversaries of the grant date.

5. ***Defined Contribution Plan***. Employees of AllianceBernstein L.P. are eligible to participate in the Profit Sharing Plan for Employees of AllianceBernstein L.P. (as amended and restated as of January 1, 2008, "Profit Sharing Plan"), a tax-qualified retirement 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). For 2008, we matched employee deferral contributions on a one-to-one basis up to five percent of eligible compensation; profit sharing contributions were an additional three percent of eligible compensation. Company contributions to the Profit Sharing Plan on behalf of the named executive officers are shown in column (i) of the Summary Compensation Table.

6. ***CEO Arrangements***. *See "Overview of our Current Chief Executive Officer's Compensation" in this Item 11*.

7. ***Former CEO Arrangements***. On December 19, 2008, Lewis A. Sanders, former Chairman of the Board of the General Partner and Chief Executive Officer of the General Partner, AllianceBernstein and Holding, announced his retirement. Mr. Sanders resigned from these positions as of December 19, 2008 and as an employee of AllianceBernstein as of December 31, 2008.

Mr. Sanders and AllianceBernstein entered into an agreement setting forth the terms of Mr. Sanders's retirement ("Sanders Retirement Agreement"). Mr. Sanders will receive, in connection with his retirement and in recognition of 40 years of service to AllianceBernstein and one of its legacy firms (Bernstein), and as provided in Section 6(a) of the Sanders Employment Agreement, a payment of $12,750,000, together with all unvested deferred compensation awards previously made to him. Mr. Sanders will also receive, until December 31, 2011, a number of continuing benefits from AllianceBernstein as described in the Sanders Retirement Agreement.

Prior to his retirement, Mr. Sanders, our former chief executive officer, was compensated in accordance with the Sanders Employment Agreement, described below under *"Other Information regarding Compensation of Named Executive Officers"*. The terms of the Sanders Employment Agreement reflected the policy and decision of the Compensation Committee that all of Mr. Sanders's compensation, other than his base salary and perquisites, should be deferred and that the amount of his deferred compensation should be directly related to AllianceBernstein's "consolidated operating income before incentive compensation" for the applicable calendar year. Accordingly, the Sanders Employment Agreement was amended in 2007 to require that half of his unvested deferred compensation balance be allocated to Holding Units and that half of his future awards be allocated to Holding Units. In each case, it was agreed that the other half must be allocated to investment services offered to clients by AllianceBernstein. For additional information regarding the Sanders Employment Agreement, *see "Other Information regarding Compensation of Named Executive Officers" below.*

(For a description of consolidated operating income before incentive compensation, *see "Overview of 2008 Incentive Compensation Program" in this Item 11*.)

Compensation Committee

The Compensation Committee consists of Mr. Condron, Mr. Kraus, Ms. Slutsky and Mr. Smith. 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. AXA owns, indirectly, an approximate 65.1% economic interest in AllianceBernstein (as of February 2, 2009), and compensation expense is a significant component of our financial results. For these reasons, Mr. Condron, President and Chief Executive Officer of AXA Financial, serves as chairman of the Compensation Committee and any action taken by the Compensation Committee requires the affirmative vote or consent of an executive officer of one or more of our parent companies. (Presently, Mr. Condron is the only member of the Compensation Committee who is also an executive officer of one or more of our parent companies.)

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 (our Chief Executive Officer 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. In December 2007, the Compensation Committee delegated responsibility for managing AllianceBernstein's non-qualified plans to the Omnibus Committee for Non-Qualified Plans ("Omnibus Committee"), consisting of five members who are senior officers of AllianceBernstein. The Compensation Committee held four meetings in 2008. The Omnibus Committee held two meetings in 2008.

The Compensation Committee's year-end process has generally focused on the cash bonus and deferred awards granted to senior management, including awards to Mr. Sanders under the Sanders Employment Agreement. Mr. Sanders played an active role in the work of the Compensation Committee, and we anticipate Mr. Kraus playing a similarly active role. Our Chief Executive Officer and Mr. Lieberman, working with other members of senior management, provide recommendations for individual employee awards to the Compensation Committee for their consideration.

In 2008, Compensation Committee members engaged in a number of discussions (including a Special Meeting of the Compensation Committee on October 16, 2008) with Messrs. Sanders and Lieberman regarding the appropriate levels of incentive compensation to be awarded to employees, taking into consideration the effect of deteriorating market conditions and asset outflows on the firm's assets under management, earnings and unit price. The resulting compensation recommendations were then reviewed by the full Board at a Special Meeting convened for that purpose.

The Compensation Committee held its regularly-scheduled meeting regarding year-end compensation on December 5, 2008, at which it discussed Messrs. Sanders's and Lieberman's final recommendations and information from McLagan concerning expected levels of 2008 incentive compensation versus 2007 compensation levels at several firms comparable to AllianceBernstein. The Compensation Committee then approved Messrs. Sanders's and Lieberman's final recommendations, which were revised to reflect comments from members of the Compensation Committee and the Board. As noted above *in this Item 11*, management retains McLagan to assist in providing industry benchmarking data to the Compensation Committee. The Compensation Committee has not retained its own consultants.

The Compensation Committee's functions are more fully described 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 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 Code.

All compensation awards that involve the issuance of Holding Units are made under the 1997 Long Term Incentive Plan, as amended and restated November 28, 2007 ("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 through July 26, 2010. As of December 31, 2008, 22,646,342 Holding Units were available for future awards under the 1997 Plan.

Compensation Committee Interlocks and Insider Participation

Mr. Condron is the Chairman of the Board, President and Chief Executive Officer of AXA Equitable, the sole stockholder of the General Partner. As of December 31, 2008, AXA Equitable and its affiliates owned an aggregate 62.4% economic interest in AllianceBernstein. Mr. Kraus is Chief Executive Officer of the General Partner, and, accordingly, also serves in that capacity 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)
Lorie A. Slutsky
Peter S. Kraus
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 2008, 2007 and 2006:

Name and Principal Position	Year	Salary ($)	Bonus ($)	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)	(i)	(j)
Peter S. Kraus[1][2]	2008	—	—	—	—	—	—	—	—
Chairman and Chief Executive Officer									
Lewis A. Sanders[1]	2008	275,002	—	—	—	—	—	13,278,571	13,553,573
Chairman and	2007	275,002	—	—	—	—	—	21,893,098	22,168,100
Chief Executive Officer	2006	275,002	—	—	—	—	—	19,501,985	19,776,987
Gerald M. Lieberman	2008	200,000	1,000,000	—	—	—	—	2,867,920	4,067,920
President and	2007	200,000	4,050,000	—	42,908	—	—	7,568,795	11,861,703
Chief Operating Officer	2006	200,000	4,050,000	—	61,192	—	—	6,224,070	10,535,262
Marilyn G. Fedak	2008	170,000	1,000,000	—	—	—	—	2,361,356	3,531,356
Vice Chair of Investment	2007	160,000	4,000,000	—	—	—	—	7,356,000	11,516,000
Services	2006	140,769	4,000,000	—	—	—	—	6,123,707	10,264,476
Sharon E. Fay	2008	170,000	1,000,000	—	—	—	—	2,581,523	3,751,523
Executive Vice	2007	160,000	3,900,000	—	—	—	—	8,370,008	12,430,008
President	2006	150,000	3,900,000	—	—	—	—	7,284,717	11,334,717
Robert H. Joseph, Jr.	2008	195,000	400,000	—	—	—	63,612	692,285	1,350,897
Senior Vice President	2007	185,000	1,050,000	—	16,091	—	18,664	1,088,406	2,358,161
and Chief Financial Officer	2006	175,000	1,050,000	—	22,947	—	31,041	868,726	2,147,714

(1) Mr. Sanders served as Chief Executive Officer of the General Partner, AllianceBernstein and Holding through December 19, 2008. Mr. Kraus succeeded Mr. Sanders in this capacity effective December 19, 2008 and received no compensation in 2008.

(2) Mr. Kraus did not receive any compensation in 2008. His compensation structure is set forth in his Employment Agreement, the terms of which are *described above in "Overview of Current Chief Executive Officer's Compensation" and described below in "Grant of Plan-based Awards" and "Other Information regarding Compensation of Named Executive Officers"*.

Each named executive officer received a base salary for 2008, 2007 and 2006 and, except for Messrs. Kraus and Sanders, 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*.

The level of Mr. Lieberman's compensation reflects his role as the President and Chief Operating Officer of our firm. In this role, he is responsible for the operations of the firm and their impact on its profitability. Mr. Lieberman's compensation reflects this high-level contribution and the broad responsibilities of his position.

Ms. Fedak and Ms. Fay are jointly responsible for AllianceBernstein's value equity investment services. Their level of compensation reflects the fact that, during 2008, value equity investment services accounted for a disproportionately large percentage of AllianceBernstein's consolidated operating income. This reflects the relative amount of our assets under management invested in value equity services, the rate of growth in those services and the relative profitability of those services to the firm.

Mr. Joseph's compensation reflects his role as the Chief Financial Officer of AllianceBernstein and the contribution he makes in ensuring that our business and operations are adequately funded and accurately reflected in our financial records and reports and that adequate internal controls over financial reporting are in place and operating effectively.

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"). Benefits under the Retirement Plan ceased accruing as of December 31, 2008. For additional information about the Retirement Plan, *see Note 14 to AllianceBernstein's consolidated financial statements in Item 8*.

Column (i) reflects awards under the Partners Plan, Mr. Sanders's deferred awards under the Sanders Employment Agreement and the Sanders Retirement 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 specific 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 make awards of Holding Units to the named executive officers. In addition, awards under the Partners Plan are not accounted for under SFAS No. 123-R.

During 2008, we owned fractional interests in two aircraft with an aggregate operating cost of $3,753,743 (including $1,245,243 in maintenance fees, $1,849,713 in usage fees and $658,787 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, 2008 was $6,952,808.

Our interests in aircraft facilitate business travel of members of our management executive committee. In 2008, we permitted our former Chief Executive Officer, our President and our Vice Chair of Investment Services to use the aircraft for personal travel. Overall, personal travel constituted approximately 27.2% of our actual use of the aircraft in 2008.

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, 2008 for personal use imputed to Mr. Sanders is $41,760, to Mr. Lieberman is $22,642 and to Ms. Fedak is $2,294. 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 leased 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 2008, column (i) includes:

for Mr. Sanders, $12,750,000 representing the contractual payment due per the Sanders Retirement Agreement, $328,860 for personal use of aircraft, $180,123 for personal use of a car (including lease costs ($25,725), driver compensation ($113,161) and other car-related costs ($41,237) such as parking, gas, tolls, and repairs and maintenance), an $18,400 contribution to the Profit Sharing Plan and $1,188 of life insurance premiums.

for Mr. Lieberman, $2,600,000 for his 2008 Partners Plan award, $100,099 for personal use of aircraft, $151,821 for personal use of a car (including lease costs ($30,721), driver compensation ($95,795) and other car-related costs ($25,305) such as parking, gas, tolls, and repairs and maintenance) and a $16,000 contribution to the Profit Sharing Plan.

for Ms. Fedak, $2,330,000 for her 2008 Partners Plan award, $17,756 for personal use of aircraft and a $13,600 contribution to the Profit Sharing Plan.

for Ms. Fay, $2,330,000 for her 2008 Partners Plan award, a $13,600 contribution to the Profit Sharing Plan, $5,500 for tax preparation and $216 of life insurance premiums. Column (i) for Ms. Fay also includes payments and reimbursements under AllianceBernstein's expatriate assignment policy ("Expatriate Policy"), which applies to all employees on a temporary overseas assignment and is designed to eliminate any financial gain or loss to the employee from his or her assignment. Payments and reimbursements for 2008 to Ms. Fay include tax equalization of approximately $232,207.

for Mr. Joseph, $650,000 for his 2008 Partners Plan award, $12,618 for personal use of a car (including lease costs ($6,000) and other car-related costs ($6,618) such as parking, gas, tolls, and repairs and maintenance), $6,741 in business club dues, a $15,600 contribution to the Profit Sharing Plan and $7,326 of life insurance premiums.

Grants of Plan-based Awards in 2008

The following table describes each grant of an award made to a named executive officer during 2008 under the 1997 Plan, an equity compensation plan:

		Estimated future payouts under non-equity incentive plan awards			Estimated future payouts under equity incentive plan awards						
Name	**Grant date**	**Threshold ($)**	**Target ($)**	**Maximum ($)**	**Threshold (#)**	**Target (#)**	**Maximum (#)**	**All other stock awards: Number of shares of stock or units (#)**	**All other option awards: Number of securities underlying options (#)**	**Exercise or base price of option awards ($/Sh)**	**Grant date fair value of stock and option awards**
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
Peter S. Kraus [1]	12.19.08	—	—	—	—	—	—	2,722,052	—	—	$52,263,398
Lewis A. Sanders	—	—	—	—	—	—	—	—	—	—	—
Gerald M. Lieberman	—	—	—	—	—	—	—	—	—	—	—
Marilyn G. Fedak	—	—	—	—	—	—	—	—	—	—	—
Sharon E. Fay	—	—	—	—	—	—	—	—	—	—	—
Robert H. Joseph, Jr.	—	—	—	—	—	—	—	—	—	—	—

(1) In connection with the commencement of Mr. Kraus's employment, on December 19, 2008, he was granted 2,722,052 restricted Holding Units. Subject to accelerated vesting clauses in the Kraus Employment Agreement (immediate vesting upon AXA ceasing to control the management of AllianceBernstein's business or Holding ceasing to be publicly traded and certain qualifying terminations of employment, including termination of Mr. Kraus's employment (i) by AllianceBernstein without cause, (ii) by Mr. Kraus for good reason ("good reason" generally means actions taken by AllianceBernstein resulting in a material negative change in Mr. Kraus's employment relationship, including assignment to Mr. Kraus of duties materially inconsistent with his position or a requirement that Mr. Kraus report to an officer or employee of AllianceBernstein instead of reporting directly to the Board), and (iii) due to death or disability), Mr. Kraus's restricted Holding Units will vest ratably on each of the first five anniversaries of December 19,

2008, commencing December 19, 2009, provided, with respect to each installment, Mr. Kraus continues to be employed by AllianceBernstein on the vesting date. Aside from Mr. Kraus's continued employment, there are no conditions that must be satisfied for Mr. Kraus's restricted Holding Units to vest. For additional information, *see "Overview of our Current Chief Executive Officer's Compensation" above and "Other Information regarding Compensation of Named Executive Officers" below in this Item 11*.

Outstanding Equity Awards at 2008 Fiscal Year-End

The following table describes any outstanding equity awards as of December 31, 2008 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)
Peter S. Kraus	—	—	—	—	—	2,722,052	56,591,461	—	—
Lewis A. Sanders	—	—	—	—	—	—	—	—	—
Gerald M. Lieberman	40,000	—	—	33.18	12/06/12	—	—	—	—
	40,000	—	—	50.25	12/07/11	—	—	—	—
Marilyn G. Fedak	—	—	—	—	—	—	—	—	—
Sharon E. Fay	—	—	—	—	—	—	—	—	—
Robert H. Joseph, Jr.	15,000	—	—	33.18	12/06/12	—	—	—	—
	15,000	—	—	50.25	12/07/11	—	—	—	—
	15,000	—	—	53.75	12/11/10	—	—	—	—
	50,000	—	—	48.50	06/20/10	—	—	—	—
	15,000	—	—	30.25	12/06/09	—	—	—	—

Of the named executive officers, only Mr. Kraus has been awarded Holding Units and only Messrs. Lieberman and Joseph have been granted options to buy Holding Units.

Option Exercises and Stock Vested in 2008

None of our named executive officers exercised options or had portions of Holding Unit awards vest during 2008. Accordingly, we have omitted the table.

Pension Benefits for 2008

The following table describes the accumulated benefit under our company pension plan belonging to each of our named executive officers as of December 31, 2008, 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)
Peter S. Kraus	n/a	—	—	—
Lewis A. Sanders	n/a	—	—	—
Gerald M. Lieberman	n/a	—	—	—
Marilyn G. Fedak	n/a	—	—	—
Sharon E. Fay	n/a	—	—	—
Robert H. Joseph, Jr.	Retirement Plan	24	490,142	—

Of the named executive officers, only Mr. Joseph participates in the Retirement Plan. The Board has determined that no new benefits shall be accrued under the Retirement Plan, effective as of the close of business on December 31, 2008.

The Retirement 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 through December 31, 2008, the participant's average compensation over prescribed periods and Social Security covered compensation. The maximum annual benefit

payable under the Retirement 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 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 Retirement 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 Retirement 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 for 2008

The following table describes our named executive officers' non-qualified deferred compensation contributions, earnings and distributions during 2008 and their non-qualified deferred compensation plan balances as of December 31, 2008:

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)
Peter S. Kraus	—	—	—	—	—
Lewis A. Sanders	—	—	(19,041,629)	(18,900,720)	6,191,559
Gerald M. Lieberman	—				
Partners Plan	—	2,600,000	(7,337,717)	(4,769,864)	7,122,670
SCB Deferred Plan	—	—	92,556	(1,625,658)	3,330,517
Total	—	2,600,000	(7,245,161)	(6,395,522)	10,453,187
Marilyn G. Fedak	—	2,330,000	(13,916,457)	—	17,751,603
Sharon E. Fay	—	2,330,000	(4,294,902)	(3,822,901)	8,591,119
Robert H. Joseph, Jr.	—	650,000	(4,622,265)	(814,455)	4,228,795

For Mr. Sanders, the amounts shown reflect his awards under the Sanders Retirement Agreement and the Sanders Employment Agreement. For Mr. Lieberman, the amounts shown reflect the aggregate of his interest in both the SCB Deferred Compensation Award Plan ("SCB Deferred Plan"), under which awards were last permitted to be made in 2003, and the Partners Plan. For Ms. Fedak, Ms. Fay and Mr. Joseph, amounts shown reflect their respective interests in the Partners Plan. For additional information about the SCB Deferred Plan, the Partners Plan, the Sanders Retirement Agreement and the Sanders 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, 2008. As of that date, Mr. Sanders notionally held 66,024 Holding Units relating to awards under the Sanders Retirement Agreement, Mr. Lieberman notionally held 41,357 Holding Units in the Partners Plan, Ms. Fay notionally held 8,443 Holding Units in the Partners Plan and Mr. Joseph notionally held 59,661 Holding Units in the Partners Plan. For Mr. Sanders, the amount shown in column (f) includes $4,115,577 paid to him in February 2009 and approximately $2,075,982 that will be paid to him within 30 days of June 30, 2009 (the value of the latter payment will depend on the market value of Mr. Sanders's investments on June 30, 2009).

Other Information regarding Compensation of Named Executive Officers

In connection with the commencement of Mr. Kraus's employment, on December 19, 2008, he was granted 2,722,052 restricted Holding Units. The Kraus Employment Agreement stipulates that the unvested portion of Mr. Kraus's restricted Holding Units shall immediately vest upon a change in control of the company (as "change in control" is defined in the Kraus Employment Agreement). During Mr. Kraus's Employment Term, AllianceBernstein has no commitment to pay any cash bonuses to Mr. Kraus beyond the $6 million in 2009 (with any additional bonuses being entirely in the discretion of the Board) or to make any additional equity based awards to him. Consequently, for years after 2009 during the Employment Term, the totality of Mr. Kraus's compensation (other than his fixed salary) will be dependent on the level of cash distributions on the restricted Holding Units granted to him and the evolution of the trading price of Holding Units, thereby directly aligning Mr. Kraus's interests with those of other holders of Holding Units. For additional information about Mr. Kraus's compensation, *see "Overview of our Current Chief Executive Officer's Compensation" in this Item 11*.

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

On October 26, 2006, Lewis A. Sanders and AllianceBernstein entered into the Sanders Employment Agreement, pursuant to which Mr. Sanders was to serve as Chairman of the General Partner and Chief Executive Officer of the General Partner, AllianceBernstein and Holding through December 31, 2011 ("Sanders Employment Term"), but the Sanders Employment Agreement was terminated in accordance with its terms when Mr. Sanders retired on December 19, 2008. Mr. Sanders was paid a minimum base salary of $275,000 per year during the Sanders Employment Term and, for calendar year 2006 and each subsequent calendar year during the Sanders Employment Term, was 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 the aggregate amount of incentive compensation) for such calendar year. Under the Sanders Employment Agreement, Mr. Sanders's deferred compensation was paid to him as the deferred compensation vests and he was not entitled to make any withdrawals prior to vesting. Mr. Sanders was entitled to perquisites on the same terms as other senior executives through the Sanders Employment Term, including personal use of aircraft and a car and driver (generally, our President is the only other officer entitled to personal use of aircraft and a car and driver). The terms of the Sanders Employment Agreement reflected the policy and decision of the Compensation Committee that all of Mr. Sanders's compensation, other than his $275,000 base salary and perquisites, should be deferred and that the amount of his deferred compensation should be directly related to AllianceBernstein's "consolidated operating income before incentive compensation" for the applicable calendar year. The deferral of such awards, and the notional investments available for such awards, were designed to serve the same retention incentive as the deferral of Partners Plan awards.

Mr. Sanders is entitled to receive payments upon termination of his employment pursuant to the Sanders Retirement Agreement. He is entitled to (i) his annual base salary for 2008, (ii) the deferred compensation award *described above* ($12,750,000) calculated as of his retirement date as an employee of the General Partner, Holding and AllianceBernstein (December 31, 2008), (iii) all unvested deferred compensation awards (approximately $2,075,982) and (iv) health and welfare benefits for Mr. Sanders, his spouse and his dependents through December 31, 2011. Compensation under (ii) and (iii) will result in a payment to Mr. Sanders of approximately $14.8 million within 30 days of June 30, 2009.

Director Compensation in 2008

The following table describes how we compensated our independent directors during 2008:

Name	Fees Earned or Paid in Cash ($)	Stock Awards[1] ($)	Option Awards[2] ($)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Deborah S. Hechinger	53,500	30,000	30,000	—	—	—	113,500
Weston M. Hicks	59,500	30,000	30,000	—	—	—	119,500
Lorie A. Slutsky	71,500	30,000	30,000	—	—	—	131,500
A.W. (Pete) Smith, Jr.	68,500	30,000	30,000	—	—	—	128,500
Peter J. Tobin	88,000	30,000	30,000	—	—	—	148,000

(1) As of December 31, 2008, our independent directors had outstanding Holding Unit awards in the following amounts: Ms. Hechinger owned 808 Holding Units, Mr. Hicks owed 1,270 Holding Units, Ms. Slutsky owned 1,931 Holding Units, Mr. Smith owned 1,270 Holding Units and Mr. Tobin owned 1,931 Holding Units.

(2) As of December 31, 2008, our independent directors had outstanding option awards in the following amounts: Ms. Hechinger owned options to buy 4,721 Holding Units, Mr. Hicks owned options to buy 7,149 Holding Units, Ms. Slutsky owned options to buy 36,300 Holding Units, Mr. Smith owned options to buy 7,149 Holding Units and Mr. Tobin owned options to buy 51,550 Holding Units.

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);
- 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 13, 2008, at a regularly scheduled meeting of the Board, 467 restricted Holding Units and options to buy 2,765 Holding Units at $64.24 per Unit were granted to each of Ms. Hechinger, Mr. Hicks, Ms. Slutsky, Mr. Smith, and Mr. 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 2007. The exercise price of the options was the closing price on the NYSE on the grant date. 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 as soon as administratively feasible 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, 2008:

Equity Compensation Plan Information[1]

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance
	(a)	(b)	(c)
Equity compensation plans approved by security holders	6,685,808	$ 66.11	22,646,342
Equity compensation plans not approved by security holders	—	—	—
Total	**6,685,808**	**$ 66.11**	**22,646,342**

(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 or issuing new Holding Units under the Amended and Restated 1997 Long Term Incentive Plan, as amended through November 28, 2007 ("1997 Plan"). For additional information concerning our deferred compensation 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 Plan, Century Club Plan), *see Note 16 to AllianceBernstein's consolidated financial statements in Item 8.*

Principal Security Holders

As of February 2, 2009, we had no information that any person beneficially owned more than 5% of the outstanding Holding Units.

As of February 2, 2009, we had no information that any person beneficially owned more than 5% of the outstanding AllianceBernstein Units except AXA and certain of its wholly-owned subsidiaries as reported on Schedule 13D/A and Forms 4 filed with the SEC on January 8, 2009 pursuant to the Exchange Act.

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

Name and Address of Beneficial Owner		Amount and Nature of Beneficial Ownership Reported on Schedule	Percent of Class
AXA[1][2][3][4][5][6]	25 avenue Matignon 75008 Paris, France	170,121,745	64.1%

(1) Based on information provided by AXA Financial, on December 31, 2008, AXA and certain of its subsidiaries beneficially owned all of AXA Financial's outstanding common stock. For insurance regulatory purposes the shares of common 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 Henri de Castries, Denis Duverne and Christopher M. Condron, each of whom serves on the Management 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, 2008, 14.29% of the issued ordinary shares (representing 23.29% of the voting power) of AXA were owned directly and indirectly by two 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 America Holdings, Inc. (a wholly-owned subsidiary of AXA), AXA Financial, AXA Equitable, AXA Financial (Bermuda) Ltd. (a wholly-owned subsidiary of AXA Financial), ACMC Inc. (a wholly-owned

subsidiary of AXA Financial), MONY Life Insurance Company (a wholly-owned subsidiary of AXA Financial) and MONY Life Insurance Company of America (a wholly-owned subsidiary of MONY Life Insurance Company) 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 170,121,745 AllianceBernstein Units.

(5) In connection with the Bernstein Transaction, SCB Inc., AllianceBernstein and AXA Financial entered into a purchase agreement under which SCB Inc. had 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. had 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. Generally, SCB Inc. could have exercised its Put rights only once per year and SCB Inc. could not have delivered 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, February 23, 2007 and January 6, 2009, AXA America Holdings, AXA Financial or certain of AXA Financial's 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. SCB does not have any Put rights remaining after its sale on January 6, 2009. The Put rights would have expired on October 2, 2010.

(6) The beneficial ownership figures in the table reflect the January 6, 2009 sale.

As of February 2, 2009, Holding was the record owner of 91,910,013, or 34.6%, of the issued and outstanding AllianceBernstein Units.

Management

The following table sets forth, as of February 2, 2009, 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
Peter S. Kraus[1][2]	2,722,052	3.0%
Lewis A. Sanders[3]	66,024	*
Dominique Carrel-Billiard[1]	—	*
Henri de Castries[1]	2,000	*
Christopher M. Condron[1]	30,000	*
Denis Duverne[1]	2,000	*
Richard S. Dziadzio[1]	—	*
Deborah S. Hechinger[4]	1,460	*
Weston M. Hicks[5]	8,540	*
Nick Lane[1]	—	*
Gerald M. Lieberman[1][6]	218,744	*
Lorie A. Slutsky[1][7]	32,762	*
A.W. (Pete) Smith, Jr.[8]	5,059	*
Peter J. Tobin[1][9]	46,602	*
Marilyn G. Fedak[1]	—	*
Sharon E. Fay[1][10]	28,003	*
Robert H. Joseph, Jr.[1][11]	210,282	*
All directors and executive officers of the General Partner as a group (34 persons)[12][13]	5,471,959	6.0%

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

(1) Excludes Holding Units beneficially owned by AXA and its subsidiaries. Ms. Slutsky and Messrs. Kraus, Carrel-Billiard, de Castries, Condron, Duverne, Dziadzio, Lane, Lieberman, and Tobin are directors and/or officers of AXA, AXA Financial, and/or AXA Equitable. Mses. Fedak and Fay, and Messrs. Kraus, Lieberman and Joseph, are directors and/or officers of the General Partner.

(2) In connection with the commencement of Mr. Kraus's employment, on December 19, 2008, he was granted 2,722,052 restricted Holding Units. Subject to accelerated vesting clauses in the Kraus Employment Agreement (*e.g.*, immediate vesting upon AXA ceasing to control the management of AllianceBernstein's business or Holding ceasing to be publicly traded and certain qualifying terminations of employment), Mr. Kraus's restricted Holding Units will vest ratably on each of the first five anniversaries of December 19, 2008, commencing December 19, 2009, provided, with respect to each installment, Mr. Kraus continues to be employed by AllianceBernstein on the vesting date.

(3) Mr. Sanders retired as Chairman of the Board of the General Partner and CEO of the General Partner, AllianceBernstein and Holding on December 19, 2008.

(4) Includes 652 Holding Units Ms. Hechinger can acquire within 60 under the 1997 Plan.

(5) Includes 2,270 Holding Units Mr. Hicks can acquire within 60 days under the 1997 Plan.

(6) Includes 80,000 Holding Units Mr. Lieberman can acquire within 60 days under the 1997 Plan.

(7) Includes 29,421 Holding Units Ms. Slutsky can acquire within 60 days under the 1997 Plan.

(8) Includes 2,270 Holding Units Mr. Smith can acquire within 60 days under the 1997 Plan.

(9) Includes 44,671 Holding Units Mr. Tobin can acquire within 60 days under the 1997 Plan.

(10) Includes 8,444 Holding Units to which Ms. Fay has allocated portions of previous awards under deferred compensation plans.

(11) Includes 110,000 Holding Units Mr. Joseph can acquire within 60 days under AllianceBernstein option plans and 69,192 Holding Units to which he has allocated portions of previous awards under deferred compensation plans.

(12) Includes 635,864 Holding Units the directors and executive officers as a group can acquire within 60 days under AllianceBernstein option plans.

(13) Includes 3,224,443 Holding Units to which executive officers as a group have allocated their awards under deferred compensation plans.

As of February 2, 2009, our directors and executive officers did not beneficially own any AllianceBernstein Units.

The following table sets forth, as of February 2, 2009, 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
Peter S. Kraus	—	*
Lewis A. Sanders[2]	—	*
Dominique Carrel-Billiard[3]	75,032	*
Henri de Castries[4]	6,482,448	*
Christopher M. Condron[5]	3,107,653	*
Denis Duverne[6]	2,210,303	*
Richard S. Dziadzio[7]	183,536	*
Deborah S. Hechinger	—	*
Weston M. Hicks	—	*
Nick Lane[8]	3,490	*
Gerald M. Lieberman	—	*
Lorie A. Slutsky[9]	1,196	*
A.W. (Pete) Smith, Jr.	—	*
Peter J. Tobin[10]	17,774	*
Marilyn G. Fedak	—	*
Sharon E. Fay	—	*
Robert H. Joseph, Jr.	—	*
All directors and executive officers of the General Partner as a group (34 persons)[11]	12,081,432	*

* 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) Mr. Sanders retired as Chairman of the Board of the General Partner and CEO of the General Partner, AllianceBernstein and Holding on December 19, 2008.

(3) Includes 56,500 shares Mr. Carrel-Billiard can acquire within 60 days under option plans.

(4) Includes 4,980,866 shares Mr. de Castries can acquire within 60 days under option plans. Also includes 84,000 unvested AXA performance shares, which are paid out when vested based on the price of AXA at that time.

(5) Includes 880,497 shares and 1,507,909 ADSs Mr. Condron can acquire within 60 days under option plans. Also includes 149,482 unvested 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.

(6) Includes 1,450,392 shares Mr. Duverne can acquire within 60 days under option plans. Also includes 99,183 unvested AXA performance shares, which are paid out when vested based on the price of AXA at that time.

(7) Includes 157,618 shares Mr. Dziadzio can acquire within 60 days under option plans. Also includes 19,029 unvested 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.

(8) Includes 3,021 ADSs Mr. Lane can acquire within 60 days under options plans.

(9) Includes 294 ADSs Ms. Slutsky can acquire within 60 days under option plans.

(10) Includes 4,420 ADSs Mr. Tobin can acquire within 60 days under option plans.

(11) Includes 7,525,873 shares and 1,515,644 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 (the person asserting such liability having the burden of proof) 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" or under a grant of similar authority or latitude, 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 that 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 that, at law or in equity, a partner has duties (including fiduciary duties) to a limited partnership or to another partner, those duties may be expanded, restricted, or eliminated by provisions in a partnership agreement (provided that a partnership agreement may not eliminate the implied contractual covenant of good faith and fair dealing). In addition, Section 17-1101(f) of the Delaware Act provides that a partnership agreement may limit or eliminate any or all liability of a partner to a limited partnership or another partner for breach of contract or breach of duties (including fiduciary duties); provided, however, that a partnership agreement may not limit or eliminate liability for any act or omission that constitutes a bad faith violation of the implied contractual covenant of good faith and fair dealing. Decisions of the Delaware courts have recognized the right of parties, under the above provisions of the Delaware Act, to alter by the terms of a partnership agreement otherwise applicable fiduciary duties and liability for breach of duties. However, the Delaware Courts have required that a partnership agreement make clear the intent of the parties to displace otherwise applicable fiduciary duties (the otherwise applicable fiduciary duties often being referred to as "default" fiduciary duties). Judicial inquiry into whether a partnership agreement is sufficiently clear to displace default fiduciary duties is necessarily fact driven and is made on a case by case basis. Accordingly, the effectiveness of displacing default fiduciary obligations and liabilities of general partners continues to be a developing area of the law and it is not certain to what extent the foregoing provisions of the AllianceBernstein Partnership Agreement and the Holding Partnership Agreement are enforceable under Delaware law.

Item 13. Certain Relationships and Related Transactions, and Director Independence

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 five independent directors on the Board. We are not aware of any transaction during 2008 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 2008. 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[2]	Amounts Received or Accrued for in 2008
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.	$ 63,567,000
AXA Asia Pacific[2][3]		$ 45,814,000
AXA Equitable[3]	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.	$ 32,463,000 (of which $547,417 relates to the ancillary services)
AXA Group Life Insurance[2][3]		$ 10,361,000
MONY Life Insurance Company and its subsidiaries[3][4]	We provide investment management services and ancillary accounting services.	$ 8,963,000 (of which $150,000 relates to the ancillary services)
AXA Sun Life[2][3]		$ 5,885,000
AXA U.K. Group Pension Scheme[2]		$ 2,549,000
AXA France[2][3]		$ 2,326,000
AXA Winterthur[2][3]		$ 2,267,000
AXA Rosenberg Investment Management Asia Pacific[2][3]		$ 2,138,000
AXA (Canada)[2][3]		$ 1,614,000
AXA Corporate Solutions[2][3]		$ 1,024,000
AXA Germany[2][3]		$ 890,000
AXA Bermuda[2][3]		$ 494,000
AXA Belgium[2][3]		$ 419,000
AXA Foundation, Inc., a subsidiary of AXA Financial[2]		$ 222,000
AXA Reinsurance Company[2][3]		$ 176,000
AXA Investment Managers Limited[2][3]		$ 164,000
AXA General Insurance Hong Kong Ltd.[2][3]		$ 153,000
Other AXA subsidiaries[2]		$ 122,000

(1) AllianceBernstein is a party to each transaction.
(2) We provide investment management services unless otherwise indicated.
(3) This entity is a subsidiary of AXA. AXA is an indirect parent of AllianceBernstein.
(4) 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 2008
AXA Advisors	AXA Advisors distributes certain of our Retail Products and provides Private Client referrals.	$ 9,408,000
AXA Equitable	AXA Equitable provides certain data processing services and related functions.	$ 4,055,000
AXA Business Services	AXA Business Services provides data processing services and support for certain investment operations functions.	$ 3,654,000
AXA Equitable	We are covered by various insurance policies maintained by AXA Equitable.	$ 3,126,000
AXA Technology Services India Pvt. Ltd.	AXA Technology Services India Pvt. Ltd. provides certain data processing services and functions.	$ 1,755,000
GIE Informatique AXA (“GIE”)	GIE provides cooperative technology development and procurement services to us and to various other subsidiaries of AXA.	$ 1,053,000
AXA Advisors	AXA Advisors sells shares of our mutual funds under Distribution Services and Educational Support agreements.	$ 703,000
AXA Group Solutions Pvt. Ltd.	AXA Group Solution Pvt. Ltd provides maintenance and development support for applications.	$ 200,000

(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 January 25, 2008, a three-year $950 million Revolving Credit Agreement (“SCB Credit Agreement”) was entered into among SCB LLC, as Borrower, AllianceBernstein, as U.S. Guarantor, and a group of commercial banks. As U.S. Guarantor under the SCB Credit Agreement, AllianceBernstein has agreed to guarantee the obligations of SCB LLC. AXA has guaranteed the obligations of SCB LLC under the SCB Credit Agreement. AllianceBernstein will reimburse AXA to the extent AXA must pay on its guarantee.

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 $28.4 billion in client assets, and earned approximately $68.3 million in management fees in 2008 (of which $19.6 million is included in the table above).

AXA Advisors was our fourth largest distributor of U.S. Funds in 2008, for which we paid AXA Advisors sales concessions on sales of approximately $703 million. Various subsidiaries of AXA distribute certain of our Non-U.S. Funds, for which such entities received aggregate distribution payments of approximately $364,000 in 2008.

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 (since November 2000, a part of Credit Suisse Group) as well as obligations of AllianceBernstein to various employees and their beneficiaries under AllianceBernstein’s Capital Accumulation Plan. In 2008, ACMC Inc. made capital contributions to AllianceBernstein in the amount of approximately $4.9 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 4,997 employees.

Gerald M. Lieberman's daughter, Andrea L. Feldman, is employed in Institutional Investment Services and received 2008 compensation of $140,762 (salary, bonus and contribution to the Profit Sharing Plan). Mr. Lieberman's son-in-law, Jonathan H. Feldman, Ms. Feldman's spouse, is employed in Retail Services and received 2008 compensation of $251,286 (salary, bonus, deferred compensation, contribution to the Profit Sharing Plan and life insurance premiums). Gerald M. Lieberman is Director of the General Partner and the President and Chief Operating Officer of the General Partner, AllianceBernstein and Holding.

James G. Reilly's brother, Michael J. Reilly, is a U.S. Large Cap Growth portfolio manager and received 2008 compensation of $1,640,703 (salary, bonus, deferred compensation, options amortization, contribution to the Profit Sharing Plan and life insurance premiums). James G. Reilly is an Executive Vice President of the General Partner, AllianceBernstein and Holding, and he is our U.S. Large Cap Growth team leader.

Director Independence

See "Corporate Governance—Independence of Certain Directors" in Item 10.

Item 14. Principal Accounting 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 2008 and 2007, respectively, and fees for other services rendered by PwC ($ in thousands):

	2008	2007
Audit Fees[1]	$ 7,490	$ 7,212
Audit Related Fees[2]	2,408	2,530
Tax Fees[3]	2,376	2,003
All Other Fees[4]	5	27
Total	**$ 12,279**	**$ 11,772**

(1) Includes $105,000 paid for audit services to Holding in each of 2008 and 2007.
(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 2008 and 2007 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 Schedule.

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, 2008, 2007 and 2006. PwC's report regarding the schedule is 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	Amendment and Restatement of the Profit Sharing Plan for Employees of AllianceBernstein L.P., as of January 1, 2008.
10.02	Amendment and Restatement of the Retirement Plan for Employees of AllianceBernstein L.P., as of January 1, 2008.
10.03	Amended and Restated AllianceBernstein Partners Compensation Plan, as amended and restated January 23, 2009.
10.04	Amended and Restated AllianceBernstein L.P. Financial Advisor Wealth Accumulation Plan, as amended and restated December 5, 2008.
10.05	Amended and Restated AllianceBernstein Commission Substitution Plan, as amended and restated December 5, 2008.
10.06	Form of Award Agreement under the Amended and Restated AllianceBernstein Partners Compensation Plan.
10.07	Form of Award Agreement under the Special Option Program.
10.08	Form of Award Agreement under the AllianceBernstein L.P. Financial Advisor Wealth Accumulation Plan.
10.09	Summary of AllianceBernstein L.P.'s Lease at 1345 Avenue of the Americas, New York, New York 10105.
10.10	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.
10.11	Amended and Restated Commercial Paper Dealer Agreement, dated as of February 10, 2009, among Banc of America Securities LLC, Merrill Lynch Money Markets Inc., Deutsche Bank Securities Inc. and AllianceBernstein L.P.
10.12	Employment Agreement among Peter S. Kraus, AllianceBernstein Corporation, AllianceBernstein Holding L.P. and AllianceBernstein L.P., dated as of December 19, 2008 (incorporated by reference to Exhibit 99.02 to Form 8-K, as filed December 24, 2008).

10.13	Retirement Agreement between Lewis A. Sanders and AllianceBernstein L.P. dated as of December 19, 2008 (incorporated by reference to Exhibit 99.01 to Form 8-K, as filed December 24, 2008).
10.14	Revolving Credit Agreement dated as of January 25, 2008 among Sanford C. Bernstein & Co., LLC, as Borrower, AllianceBernstein L.P., as U.S. Guarantor, Citibank, N.A., as Administrative Agent, Citigroup Global Markets Inc., as Arranger, JPMorgan Chase Bank, N.A. and Bank of America, N.A., as Co-Syndication Agents, HSBC Bank USA, National Association, as Documentation Agent, and the financial institutions whose names appear on the signature pages as “Banks” (incorporated by reference to Exhibit 10.08 to Form 10-K for the fiscal year ended December 31, 2007, as filed February 25, 2008).

Exhibit	Description
10.15	Amended and Restated 1997 Long Term Incentive Plan, as amended through November 28, 2007 (incorporated by reference to Exhibit 10.02 to Form 10-K for the fiscal year ended December 31, 2007, as filed February 25, 2008).
10.16	Amended and Restated AllianceBernstein Century Club Plan (incorporated by reference to Exhibit 10.04 to Form 10-K for the fiscal year ended December 31, 2007, as filed February 25, 2008).
10.17	Uncommitted Line of Credit Agreement dated as of January 23, 2008 between AllianceBernstein L.P. and Citibank, N.A. (incorporated by reference to Exhibit 10.09 to Form 10-K for the fiscal year ended December 31, 2007, as filed February 25, 2008).
10.18	Supplement dated November 2, 2007 to the Revolving Credit Facility (incorporated by reference to Exhibit 10.10 to Form 10-K for the fiscal year ended December 31, 2007, as filed February 25, 2008). (*See Exhibit 10.22.*)
10.19	Amendment to Letter Agreement entered into by Lewis A. Sanders and AllianceBernstein L.P. on December 17, 2007 (incorporated by reference to Exhibit 99.01 to Form 8-K, as filed December 20, 2007).
10.20	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).
10.21	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).
10.22	Revolving Credit Facility dated as of February 17, 2006 among AllianceBernstein L.P., as Borrower, Bank of America, N.A., as Administrative Agent, Banc of America Securities LLC, as Arranger, Citibank N.A. and The Bank of New York, as Co-Syndication Agents, Deutsche Bank Securities Inc. and JPMorgan Chase Bank, N.A., as Co-Documentation Agents, and The 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).
10.23	Investment Advisory and Management Agreement for MONY Life Insurance Company (incorporated by reference to Exhibit 10.4 to Form 10-K for the fiscal year ended December 31, 2004, as filed March 15, 2005).
10.24	Investment Advisory and Management Agreement for the General Account of AXA Equitable Life Insurance Company (incorporated by reference to Exhibit 10.5 to Form 10-K for the fiscal year ended December 31, 2004, as filed March 15, 2005).
10.25	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).
10.26	Services Agreement dated as of April 22, 2001 between Alliance Capital Management L.P. and AXA Equitable Life Insurance Company (incorporated by reference to Exhibit 10.19 to Form 10-K for the fiscal year ended December 31, 2001, as filed March 28, 2002).
10.27	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).
10.28	Purchase Agreement dated as of June 20, 2000 by and among Alliance Capital Management L.P., AXA Financial, Inc. 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).
10.29	Alliance Capital Management L.P. Annual Elective Deferral Plan (incorporated by reference to Exhibit 99 to Form S-8, as filed November 6, 2000).
10.30	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).
10.31	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 Life Insurance Company (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).
10.32	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 Life Insurance Company (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).
10.33	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, 2008, 2007 and 2006.
21.01	Subsidiaries of AllianceBernstein.
23.01	Consent of PricewaterhouseCoopers LLP.
31.01	Certification of Mr. Kraus 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. Kraus 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 20, 2009

By: /s/ Peter S. Kraus
Peter S. Kraus
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 20, 2009

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

Date: February 20, 2009

/s/ Edward J. Farrell
Edward J. Farrell
Senior Vice President and Chief Accounting Officer

Directors

/s/ Peter S. Kraus
Peter S. Kraus
Chairman of the Board

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

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

/s/ Henri de Castries
Henri de Castries
Director

/s/ Denis Duverne
Denis Duverne
Director

/s/ Richard S. Dziadzio
Richard S. Dziadzio
Director

/s/ Deborah S. Hechinger
Deborah S. Hechinger
Director

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

/s/ Nick Lane
Nick Lane
Director

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

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

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

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

SCHEDULE I I
AllianceBernstein L.P.
Valuation and Qualifying Account - Allowance for Doubtful Accounts
For the Three Years Ending December 31, 2008, 2007 and 2006

Description	Balance at Beginning of Period	Charged (Credited) to Costs and Expenses	Deductions		Balance at End of Period
		(in thousands)			
For the year ended December 31, 2006	$ 939	$ 251	$ 77	(a)	$ 1,113
For the year ended December 31, 2007	$ 1,113	$ 955	$ 276	(b)	$ 1,792
For the year ended December 31, 2008	$ 1,792	$ (192)	$ 112	(c)	$ 1,488

(a) Includes accounts written-off as uncollectible of $93 and a net addition to the allowance balance of $16.
(b) Includes accounts written-off as uncollectible of $267 and a net reduction of the allowance balance of $9.
(c) Includes accounts written-off as uncollectible of $31 and a net reduction to the allowance balance of $81.

Report of Independent Registered Public Accounting Firm on Financial Statement Schedule

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

Our audits of the consolidated financial statements and of the effectiveness of internal control over financial reporting referred to in our report dated February 20, 2009 appearing in the 2008 Annual Report to Unitholders 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 schedule listed in Item 15(a) of this Form 10-K. In our opinion, 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
February 20, 2009

Exhibit 10.1

AMENDMENT AND RESTATEMENT

OF THE

PROFIT SHARING PLAN FOR EMPLOYEES

OF

ALLIANCEBERNSTEIN L.P.

(As of January 1, 2008)

TABLE OF CONTENTS

Amended And Restated

Profit Sharing Plan for Employees

of AllianceBernstein L.P.

(as of January 1, 2008)

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; and

WHEREAS, the Plan was 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.; and

WHEREAS, the Plan has been amended and is hereby amended and restated to comply with the Pension Protection Act of 2006, other applicable legislation, and certain additional design changes.

NOW, THEREFORE, the Plan is hereby amended and restated, as of January 1, 2008.

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 Administrative Committee for a Member:

(a) his Company Contributions Account;

(b) his Member Contributions Account;

(c) his Member Salary Deferral Account;

(d) Roth Elective Deferral Account; and

(e) 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 Administrative Committee under uniform and non-discriminatory procedures established by the Committee.

Section 1.04 "Administrative Committee" means the administrative committee appointed pursuant to Section 12.01.

Section 1.05. "After-Tax Rollover Contributions" means an amount of after-tax employee contributions contributed or transferred to the Trust in accordance with Section 5.03(b).

Section 1.06 "Anniversary Year" means each twelve (12) month period beginning on an Employee's Employment Commencement Date or any annual anniversary thereof.

Section 1.07. "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 1.08. "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 1.09. "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 1.10. "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 1.11. "Break in Service" means, with respect to any Employee, any Anniversary Year ending on or after the date of his Severance from Employment and before his date of re-employment, if any, in which he does not complete more than five hundred (500) Hours of Service with Employers or Affiliates.

Section 1.12. "Code" means the Internal Revenue Code of 1986, as amended from time to time.

Section 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.

Section 1.14. "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 1.15. "Company Contributions Account" means the Account consisting of the balance attributable to Company Contributions.

Section 1.16. "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 Member 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 1.17. "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 1.18. "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 1.19. (a) "Employee" means, except as provided in Subsection (c), any person employed by an Employer or an Affiliate, but excluding any person who is an independent contractor.

(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 Member 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.

Section 1.20. "Employer" means the Company and any Affiliate which, with the consent of the Board, has adopted the Plan as a Member herein, and any successor to any such Employer.

Section 1.21. "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 Severance from Employment.

Section 1.22. "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, "Entry Date" shall mean the first day of the calendar month occurring after the completion of the Member's first regular payroll period; and further provided that, effective on and after September 1, 2007, "Entry Date" shall mean the first day that is administratively feasible as determined by the Investment Committee or the Administrative Committee following the Employee's Employment Commencement Date.

Section 1.23. "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 nonresident 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 1.24. “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 severance from employment 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 1.25. (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 1.10, 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 Administrative Committee, on a timely basis, such information as the Administrative 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 Administrative 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 1.26. "Inactive Member" means a Member described in Section 2.02(b). An Inactive Member shall be treated as a Member for purposes of Article VIII and Section 12.03, but shall not otherwise be deemed a Member of the Plan.

Section 1.27. "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 12.07 to perform the functions described therein.

Section 1.28. "Initial Automatic Enrollment Percentage" means the percentage of a Member's Salary Reduction Compensation as defined in Section 5.01(c) that is contributed to his Member Salary Deferral Account where a Member fails to make an affirmative election of a Member Salary Deferral percentage. The Initial Automatic Enrollment Percentage shall be three percent (3%).

Section 1.29. "Investment Committee" means the investment committee appointed by the Board pursuant to Section 12.02.

Section 1.30. "Investment Fund" means those investment funds which may, from time to time, be made available for investment pursuant to Article VIII.

Section 1.31. "Leave of Absence" means any absence or leave approved by an Employee's Employer.

Section 1.32. "Loan Account" means the account maintained by the Administrative Committee for a "Borrower" as defined in Section 8.07 in which a loan by the Borrower made pursuant to that Section is held.

Section 1.33. "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 VIII and Section 12.03, the term "Member" includes a former Member or Beneficiary for whom an Account is maintained under the Plan.

Section 1.34. "Member Contributions Account" means the Account maintained for a Member in which are held (a) voluntary contributions made under the Plan by the Member prior to 1989, if any, (b) "member contributions" (as defined in the ECMC Plan) made under the ECMC Plan prior to January 1, 1995, if any, (c) after-tax contributions made under the SCB Savings or Cash Option Plan for Employees, if any, and (d) After-Tax Rollover Contributions made hereunder on or after September 1, 2007, if any.

Section 1.35. "Member Salary Deferral" means an elective salary deferral made by a Member in accordance with Section 5.01.

Section 1.36. "Member Salary Deferral Account" means the Account of a Member established pursuant to Section 8.02 consisting of the balance attributable to his Member Salary Deferrals. The balance of a Member Salary Deferral Account does not include Roth Elective Deferrals.

Section 1.37. "Normal Retirement Date" means the first day of the calendar month coincident with or next following a Member's sixty-fifth (65th) birthday.

Section 1.38. "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 1.39. "Plan" means this Profit Sharing Plan, as herein set forth, and as hereafter amended from time to time.

Section 1.40. "Plan Year" means the calendar year.

Section 1.41. "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) Severance from Employment; provided that, if such a Member who has commenced receiving minimum distributions in accordance with Code Section 401(a)(9) does not elect, pursuant to Section 11.08(h) of the Plan, to cease receiving such minimum distributions, the Required Beginning Date of such Member shall be age 70½.

Section 1.42. "Retirement" means a Severance from Employment (a) on or after a Member's Normal Retirement Date; or (b) on account of his Permanent Disability.

Section 1.43. "Rollover Account" means the Account attributable to contributions and transfers referred to in Section 5.03(a).

Section 1.44. "Rollover Contribution" means an amount contributed or transferred to the Trust in accordance with Section 5.03(a).

Section 1.45. "Roth Elective Deferral" means an elective deferral made in accordance with Section 6.01 that is

(a) designated irrevocably by the Member at the time of the cash or deferred election as a Roth elective deferral that is being made in lieu of all or a portion of the pre-tax elective deferrals the Member is otherwise eligible to make under the Plan; and

(b) treated by the Employer as includible in the Member's income at the time the Member would have received that amount in cash if the Member had not made a cash or deferred election.

Section 1.46. "Roth Elective Deferral Account" means the Account attributable to Roth Elective Deferrals referred to in Section 6.02.

Section 1.47. "Severance from Employment" means termination of employment with an Employer or Affiliate for any reason; provided, however, that no Severance from Employment shall be deemed to occur upon an Employee's transfer from the employ of one Employer or Affiliate to another Employer or Affiliate.

Section 1.48. "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 1.16 of the Plan.

Section 1.49. "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 1.23) 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 1.50. "Trust" means the trust established pursuant to the Trust Agreement to hold the assets of the Plan.

Section 1.51. "Trust Agreement" means the trust agreement providing for the Trust Fund.

Section 1.52. "Trust Fund" means all the assets of the Plan which are held by the Trustee under the Trust Agreement.

Section 1.53. "Trustee" means the trustee or trustees from time to time in office under the Trust Agreement.

Section 1.54. "Unallocated Forfeitures Account" means the Account to be maintained by the Administrative Committee pursuant to Section 10.06(b).

Section 1.55 "Uncashed Check Account" means the Account to be maintained by the Administrative Committee pursuant to Section 10.06(d).

Section 1.56. "Unit" means a unit representing the assignment of beneficial ownership of limited partnership interests in AllianceBernstein Holding L.P.

Section 1.57. "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, 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 VII, 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).

(d) Notwithstanding anything contained herein to the contrary, 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, shall not be eligible to participate in this Plan during the period the individual is so initially classified, 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. Leased Employees will not be eligible to participate in this Plan.

Section 2.02. Termination of Membership and Inactive Membership.

(a) A Member shall cease to be a Member as of the date of his Severance from Employment, if he incurs a Break in Service in the Anniversary Year of such Severance from Employment 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 Severance from Employment. 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 Administrative 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 Administrative 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 Administrative 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 Administrative 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 distribution of his Retirement benefit pursuant to Section 11.01, 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 payment pursuant to Section 11.01, 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) never had a vested interest in his Salary Deferral Account or Roth Elective Deferral Account and had no vested interest in his 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 10.04, 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 10.04, 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 10.04, 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 Members.

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 VII 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 XVII. 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 of his "Salary Reduction Compensation" while a Member for the Plan Year, in such increments that the Board, the Investment Committee or the Administrative 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 Administrative 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 Administrative 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 Administrative 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 XVII.

(b) (1) Effective on and after September 1, 2007, in accordance with any rules, regulations and/or administrative guidelines prescribed by the Investment Committee or the Administrative Committee and unless and until otherwise elected by a Member, a Member who fails to make an affirmative election with regard to his Member Salary Deferral percentage shall be deemed as having made an election (A) to make contributions to his Member Salary Deferral Account pursuant to Section 5.01(a) equal to the Initial Automatic Enrollment Percentage and (B) if no proper election is on file, to invest such contributions in the Investment Fund or Funds prescribed by the Investment Committee in its sole discretion for such purpose. For purposes of this Section 5.01(b), an Employee who satisfies the requirements to be a Member and whose deferral percentage in effect as of the first payroll period on or after September 1, 2007 is zero percent (0%) and who has no Member Salary Deferral Account balance shall be auto-enrolled hereunder unless such Employee makes an affirmative election regarding his enrollment in accordance with the rules, regulations and/or administrative guidelines prescribed by the Investment Committee or the Administrative Committee.

(2) Effective with respect to Plan Years beginning on or after January 1, 2009, an Employee who satisfies the requirements to be a Member as of the first payroll period commencing on or after each February 1 and whose Member Salary Deferral percentage in effect for such payroll period is zero percent (0%) shall be auto-enrolled hereunder effective with the first administratively feasible payroll that occurs sixty (60) days after that payroll date, unless such Employee makes an affirmative election regarding his enrollment in accordance with the rules, regulations and/or administrative guidelines prescribed by the Investment Committee or the Administrative Committee.

(3) Effective on and after January 1, 2009, unless or until a Member makes an affirmative election otherwise, such a Member's deemed election shall automatically be increased by one percent (1%) each January 1 to a maximum of five percent (5%) of Salary Reduction Compensation; provided, however, that if a Member's Employment Commencement Date occurs on or after July 1 of a Plan Year, such automatic increase shall not apply in the following Plan Year. No deemed election nor automatic increase described in this Section 5.01(b) shall result in the Member's salary deferral exceeding the deferral limitation set forth in Section 5.01(a) above without respect to Catch-up Contributions under Section 5.07. The Investment Committee or the Administrative Committee may establish and adopt written rules, regulations and/or administrative guidelines designed to facilitate the administration and operation of the provisions of this paragraph, as it may deem necessary or proper, in its sole discretion.

(4) Notwithstanding this Section 5.01(b), a Member may affirmatively elect to make contributions to his Member Salary Deferral Account in an amount equal to, less than or greater than the Initial Automatic Enrollment Percentage or the automatically increased contribution percentage, as applicable subject to such deferral limitation.

(c) "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 Member 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 1.16 of the Plan. Salary Reduction Compensation may also include regular pay after Severance from Employment if: (i) the payment is regular compensation from services rendered during the Member's regular working hours, or compensation for services outside the Member's regular working hours (such as overtime or shift differential), commissions, bonuses, accrued sick pay or vacation pay, or other similar payments; and (ii) the payment would have been made to the Member prior to Severance from Employment if the Member had continued in employment with the Employer, provided such amounts are paid no later than the later of two and one-half (2-1/2) months following Severance from Employment or the last day of the Plan Year in which the Severance from Employment occurs. Salary Reduction Compensation for any Plan Year shall not exceed the applicable Code Section 401(a)(17) dollar limit. All Member Salary Deferrals shall cease in the payroll period in which Severance from Employment occurs or as soon as administratively feasible thereafter.

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 8.03.

Section 5.03. Rollover Contributions and After-Tax Rollover Contributions.

(a) An Employee may, with the consent of the Administrative 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 Administrative Committee for the Trust to accept a Rollover Contribution shall not give rise to any liability by the Administrative 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 Administrative Committee, be made at any time during the Plan Year, shall not be subject to the limitations of Article XVII, 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.

(b) Subject to the provisions of Section 5.03(a) above, effective on and after September 1, 2007, the Plan shall accept a rollover of After-Tax Rollover Contributions that would not otherwise be includible in the Member's taxable gross income. Prior to such date, a rollover of after-tax employee contributions is not permitted hereunder.

(c) Notwithstanding anything herein, the Plan will accept a rollover contribution of Roth Elective Deferrals only if it is a direct rollover from another Roth elective deferral account under an applicable retirement plan described in Code Section 402A(e)(1) and only to the extent the rollover is permitted under the rules of Code Section 402(c).

(d) 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 Administrative Committee) prior to any Accounting Date, request the Administrative Committee to direct the Trustees to, and upon such request, the Administrative 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.

(e) Any Employee who makes or causes to be made a contribution or transfer pursuant to Subsections (a) or (b) 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 7.01, 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 Administrative 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 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 Administrative 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 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 and Roth Elective Deferral Account, as applicable, 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. With respect to nondiscrimination testing for the Plan Year beginning 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 set forth in Subsection (b) below, a Catch-up Eligible Member (as defined in Subsection (e) below) may make additional Member Salary Deferrals (which, pursuant to Section 6.01(b) below, shall include Roth Elective 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 Sections 401(a)(30), 402(h), 403(b)(1)(E), 404(h), 408(k), 408(p), 415(c) or 457(b)(2) (without regard to Section 457(b)(3)), and without regard to any Plan provisions which effectuate the limitations in this Subsection; (iii) the Actual Deferral Percentage limitations described in Article V 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 V and Code Section 401(k)(8)(C) (the "Applicable Maximum"); or (iv) except as provided in Code Section 414(v)(4), any of the requirements of Code Sections 401(a)(4), 401(k)(3), 401(k)(11), 403(b)(12), 408(k), 410(b), or 416. To the extent the Member Salary Deferrals by a Catch-up Eligible Member for any year exceed the Applicable Maximum, such Member's Member 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 $5,000 for any year beginning with 2006 or such other amount as provided under Code Section 414(v). The Catch-Up Contribution elections and changes shall be on a form acceptable to the Administrative Committee in accordance with its rules and regulations.

(c) 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.

(d) "Catch-up Contribution" means a contribution under the Plan by a Catch-up Eligible Member, pursuant to Section 5.07.

(e) "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 Subsection (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

ROTH ELECTIVE DEFERRALS

Section 6.01. General Application.

(a) Effective as of the later of January 1, 2009 or such other date determined by the Investment Committee in its sole discretion, the Plan will accept Roth Elective Deferrals made on behalf of Members. A Member's Roth Elective Deferrals will be allocated to a separate account maintained for such contributions as described in Section 6.02 of the Plan.

(b) Unless specifically stated otherwise, Roth Elective Deferrals will be treated as Member Salary Deferrals for all purposes under the Plan.

Section 6.02. Separate Accounting.

(a) Contributions and withdrawals of Roth Elective Deferrals will be credited and debited to the Roth Elective Deferral Account maintained for each Member.

(b) The Plan will maintain a record of the amount of Roth Elective Deferrals in each Member's Account .

(c) Gains, losses, and other credits or charges must be separately allocated on a reasonable and consistent basis to each Member's Roth Elective Deferral Account and the Member's other Accounts under the Plan.

(d) No contributions (or forfeitures) other than Roth Elective Deferrals and properly attributable earnings will be credited to each Member's Roth Elective Deferral Account.

Section 6.03. Correction of Excess Contributions.

In the case of a distribution of Excess Contributions, Roth Election Deferrals will be distributed first and then pre-tax elective deferrals will be distributed.

ARTICLE VII

ALLOCATIONS OF COMPANY CONTRIBUTIONS AND FORFEITURES

Section 7.01. 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 9.01) 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 VII 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 7.02. Allocation to Company Contributions Accounts.

Effective for Plan Years beginning after December 31, 1989, the entire amount allocated under Section 7.01(b) to a Member for a Plan Year shall be credited to his Company Contributions Account.

Section 7.03. Actual Contribution Percentage Test.

(a) As used in this Section 7.03, 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 Percentage Test (as described in Section 401(k)(2) of the Code), set forth in Section 5.05 hereof except as otherwise 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 (which, pursuant to Section 6.01(b) below, shall include Roth Elective 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 7.03, 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 7.04. Return of Excess Aggregate Contributions.

(a) Notwithstanding any other provision of the Plan, any amount determined by the Administrative 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 7.04(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 7.04(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 7.04 means a Company Matching Contribution attributable to a Highly Compensated Employee 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 7.04 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 VIII

ACCOUNTS, ALLOCATIONS AND LOANS

Section 8.01. 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 Investment 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 8.02. Separate Accounts.

The Administrative Committee shall maintain a separate Company Contributions Account, Member Contributions Account, Member Salary Deferral Account, Roth Elective 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 Administrative Committee and/or the Investment 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 9.09. 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 8.03. Investing of the Company Contributions.

All contributions allocated to a Member's Account shall be allocated among the Investment Funds in accordance with a Member's investment election(s). If no proper election is on file governing the contributions involved, such contributions shall be invested in the Investment Fund(s) specified for such purpose by the Investment Committee.

Section 8.04. Elections.

(a) The Investment Committee shall prescribe such rules as it deems appropriate regarding the form, filing frequency and timeliness of elections under Section 8.03 as well as concerning the percentage or amounts of a contribution which may be invested in an Investment Fund. In these rules, the Investment Committee may specify that each Account of a Member be invested in the Investment Funds selected by the Member in the same proportion, or the Investment Committee may prescribe such other rule as it deems appropriate with respect to any Account. An election properly on file shall remain in force until changed.

Section 8.05. Inter-Account Transfers.

(a) A Member may elect, on a form provided by and timely filed with the Investment Committee and/or the Administrative 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 Investment Committee and/or the Administrative 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 soon as administratively practicable immediately following timely receipt by the Investment Committee of the election.

Section 8.06. 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 Investment Committee.

Section 8.07. Loans.

(a) Notwithstanding anything in this Plan to the contrary, the Investment Committee and/or the Administrative 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 Investment Committee and/or the Administrative 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 Investment Committee and/or the Administrative 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 IX

VALUATION

Section 9.01. 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 Investment Committee and/or the Administrative Committee among the Company Contributions Accounts, Member Contributions Accounts, Member Salary Deferral Accounts, Roth Elective Deferral Accounts, Rollover Accounts and the Uncashed Check Account, 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 9.02. 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 9.01, 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 VII, minus

(d) any distributions from, and transfers out of, such portion since the last preceding Accounting Date.

Section 9.03. Valuation of Member Contributions Account.

The value of a 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 9.01, 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 8.05, minus

(d) any distributions from, and transfers out of, such portion since the last preceding Accounting Date.

Section 9.04. Valuation of Member Salary Deferral Accounts.

The value of a 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 9.01, plus

(c) the amount, if any, transferred into such portion pursuant to Section 8.05 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 9.05. Valuation of Roth Elective Deferral Accounts.

The value of a Roth Elective 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 9.01, plus

(c) the amount, if any, transferred into such portion pursuant to Section 8.05 and the amount of Roth Elective 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 9.06. Valuation of Rollover Accounts.

The value of a 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 9.01, plus

(c) the amount of transfer, if any, into such portion since the last preceding Accounting Date pursuant to Section 5.03(a), minus

(d) any distributions from, and transfers out of, such portion since the preceding Accounting Date.

Section 9.07. Valuation of Uncashed Check Account.

The value of the Uncashed Check 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 9.01, plus

(c) the amount, if any, transferred into such portion pursuant to Section 10.06(d) since the last preceding Accounting Date, minus

(d) any distributions from, and transfers out of, such portion since the last preceding Accounting Date.

Section 9.08. Valuation of Loan Accounts.

The value of a 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 9.09. Statement to Members.

The Administrative Committee shall mail or deliver to each Member a statement of the value of his Accounts and his Loan Account, if any, on a quarterly basis.

Section 9.10. Unallocated Forfeitures Account

The value of the Unallocated Forfeitures Account shall be determined as provided in Section 9.02 applied as if the addition to the Unallocated Forfeitures Account was a Company Contributions Account.

ARTICLE X

DETERMINATION OF BENEFITS

Section 10.01. Retirement.

Upon a Member's Retirement on or after his Normal Retirement Date, he shall become entitled, at the time specified in Article XI, to a distribution of his Accounts and his Loan Account, if any, valued as of the Accounting Date specified in Section 11.01.

Section 10.02. Disability.

Upon a Member's Retirement on account of his Permanent Disability, the Member shall become entitled, at the time specified in Article XI, to a distribution of his Accounts and his Loan Account, if any, valued as of the Accounting Date applicable under Section 11.02.

Section 10.03. 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 XI, 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 11.03; provided, however, that if a valuation date was already fixed for payment pursuant to Article XI due to the Member's Retirement or Permanent Disability, that date shall be used.

Section 10.04. Vesting.

(a) Any Member who is employed by an Employer or an Affiliate on or after September 1, 2007 shall be fully vested in his Company Contributions Account.

(b) Any Member who is not employed by an Employer or an Affiliate on or after September 1, 2007 and who had 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 became a Member after that date and who is not employed by an Employer or an Affiliate on or after September 1, 2007 shall be fully (100%) vested in the balance in his Accounts if, prior to his Severance from Employment, he completed three (3) Years of Service calculated from the Member's Employment Commencement Date or reached his Normal Retirement Date prior to his Severance from Employment. 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 Roth Elective Deferral Account, if any, his Rollover Account, if any, and his Loan Account, if any.

(c) 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 10.05. Other Severance from Employment.

In the event of a Member's Severance from Employment 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 Roth Elective 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 11.04. Such distributions shall be made in the manner and at the time provided in Article XI. 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 Severance from Employment.

Section 10.06. 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 Severance from Employment. If the Member subsequently recommences employment prior to incurring five (5) consecutive Breaks in Service, he shall be recredited with the forfeited amounts as soon as administratively feasible upon recommencement of employment.

(b) Any amount held in an Unallocated Forfeiture Account may be applied to reduce the Company Contribution to be made to the Trust or to pay administrative expenses of the Plan, at the election of the Administrative Committee in its sole discretion. Any Company Contributions made to the Plan in error and any other excess amounts received by the Plan in error may be held in a subaccount under the Unallocated Forfeiture Account until applied in accordance with the foregoing.

(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.

(d) Effective on and after September 1, 2007, in the event that any portion of a distribution payable to a Member hereunder shall be unclaimed for a period designated by the Administrative Committee, such amount shall be allocated to the Uncashed Check Account, and if the amount remains unclaimed from such account at the expiration of a period determined by the Administrative Committee, the amount so distributable shall be held in an Unallocated Forfeiture Account until applied in accordance with the foregoing. In the event the Member is located subsequent to his benefit being forfeited, such benefit shall be restored. The Administrative Committee will establish and adopt related rules, regulations and/or administrative guidelines designed to facilitate the administration of unclaimed checks, including the institution of any procedures intended to ascertain the whereabouts of a missing Member, and may cease to implement the procedure set forth in this paragraph and any other related rules, regulations and/or administrative guidelines in its discretion at any time.

ARTICLE XI

TIME AND MANNER OF PAYMENT OF BENEFITS

Section 11.01. Retirement Benefits.

Retirement benefits, determined pursuant to Section 10.01, shall be paid in a single or partial cash lump sum, valued as of the Accounting Date immediately preceding the payment.

A Member who wishes to commence the distribution of his Retirement benefits shall notify the Administrative Committee of such intent no sooner than thirty (30) days following the Member's Severance from Employment. 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 one-hundred-eighty (180) 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 Administrative Committee shall provide the Member with a notice as to his or her rights and benefits under the Plan not more than one-hundred-eighty (180) 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 Administrative 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 11.02. Disability Benefits.

Disability benefits, determined pursuant to Section 10.02 shall be paid or commence to be paid at the time and in the manner provided in Section 11.01 (substituting Permanent Disability for Retirement).

Section 11.03. Death Benefits.

Death benefits, determined pursuant to Section 10.03, shall be paid to the Member's Beneficiary in a single cash sum as soon as reasonably practicable after the Member's death. A Member's Beneficiary who wishes to commence the distribution of such benefits shall notify the Administrative Committee of such intent no sooner than thirty (30) days following the Member's death. Notwithstanding the foregoing, if the Beneficiary is the Member's spouse, then death benefits, determined pursuant to Section 10.03, shall be paid to the Member's Beneficiary at the time and in the manner provided in Section 11.01 (substituting death for Retirement), subject to Code Section 401(a)(9).

Section 11.04. Termination Benefits.

The benefits payable to a Member upon his Severance from Employment, determined pursuant to Section 10.05, shall, subject to Section 11.09, be paid or commence to be paid at the time and in the manner provided in Section 11.01 (substituting Severance from Employment for Retirement).

Section 11.05. 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 XI 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) or to a Roth IRA as discussed in Code Section 408A (subject to the restrictions therein), the Administrative 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 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 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) Notwithstanding anything herein a direct rollover of a distribution from a Roth Elective Deferral Account under the Plan will only be made to another Roth elective deferral account under an applicable retirement plan described in Code Section 402A(e)(1) or to a Roth IRA described in Code Section 408A, and only to the extent the rollover is permitted under the rules of Code Section 402(c).

(c) Eligible rollover distributions from a Member's Roth Elective Deferral Account are taken into account in determining whether the total amount of the Member's Account balance under the Plan exceeds $1,000 for purposes of mandatory distributions from the Plan.

(d) 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 VIII 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(c)(8)(B) with respect to that distribution, the Administrative 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.

(e) The Administrative 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 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.

(f) In the case of an "eligible rollover distribution" to a nonspousal distributee (a "Nonspouse Rollover"), an "eligible retirement plan" is an individual retirement account described in Code Section 408(a) or an individual retirement annuity described in Code Section 408(b) that was established for the purpose of receiving the distribution on behalf of such nonspousal distributee. In order for such eligible retirement plan to accept a Nonspouse Rollover on behalf of a nonspousal distributee (1) a direct trustee-to-trustee transfer must be made to such eligible retirement plan and shall be treated as an eligible rollover distribution for purposes of the Code, (2) the individual retirement plan shall be treated as an inherited individual retirement account or individual retirement annuity (within the meaning of Code Section 408(d)(3)(C)) for purposes of the Code, and (3) Code Section 401(a)(9)(B) (other than clause (iv) thereof) shall apply to such plan. Any Nonspouse Rollover shall be made in accordance with the Pension Protection Act of 2006, Internal Revenue Service Notice 2007-7 and any subsequent guidance.

Section 11.06. 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 Severance from Employment.

Section 11.07. Indirect Payment of Benefits.

If any Member or 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 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 Administrative 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 11.08. 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 11.08, 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 11.08 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 Severance from Employment.

Section 11.09. Consent to Distributions.

No amount shall be distributed to a Member pursuant to Section 11.01, 11.02 or 11.04 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 11.09, 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 Administrative Committee.

Section 11.10. Pre-Retirement Distribution.

(a) On or after a Member's attainment at age 59-½, the Administrative 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) Effective on and after September 1, 2007, each Member may elect to withdraw all or a portion of his Member Contributions Account and the actual earnings thereon at any time. Prior to such date, only a Member who was a participant in the SCB Savings or Cash Option Plan for Employees could elect to withdraw his Member Contributions Account and the actual earnings thereon.

(c) In the event that the Administrative Committee makes a distribution pursuant to this Section 11.10 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 11.10 shall be made in a manner consistent with other applicable provisions of this Article XI, including, but not limited to, all notice and consent requirements of Code Section 411(a)(11) and the Regulations thereunder.

Section 11.11. Partial Withdrawals.

Effective on and after September 1, 2007, a Member who has a Severance from Employment but who has not otherwise been paid the balance of his Account pursuant to this Article XI may at any time request a partial distribution of his Account in a minimum amount equal to $1,000 (or the Account balance, if less than $1,000).

ARTICLE XII

ADMINISTRATION OF THE PLAN

Section 12.01. 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.

Section 12.02. Investment Committee.

There is hereby created an Investment Committee for the Plan which shall oversee the investment of the assets of the Trust Fund subject to ERISA.

Section 12.03. 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 12.04. 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 Member during any period hereunder, and (C) all other matters upon which the benefits or other rights of a Member or other person shall be based hereunder;

(5) Determine all questions relating to the administration of the Plan (A) when disputes arise between the Employer and a Member 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; and

(6) Interpret Plan terms to reflect the Company's intent, such that in the event of a scrivener's error that renders a Plan term inconsistent with the Company's intent, the Company's intent controls, and any inconsistent Plan term is made expressly subject to this requirement.

The Administrative Committee may recoup on behalf of the Plan any payment made in error by the Plan to any person, and any such amount will be returned to 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 12.05. 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 Administrative Committee, and the members of the Administrative 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 12.06. 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 Administrative Committee shall administer the Plan in accordance with the Employer's regular personnel policies at the time in effect.

Section 12.07. Fiduciaries.

Any person or group of persons may serve in more than one fiduciary capacity with respect to the Plan. The Company is the Named Fiduciary under the Plan. The Named Fiduciary and any fiduciary designated by the Named Fiduciary to whom such power is granted by the 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 12.08. Plan Administrator.

The Company shall be the administrator of the Plan, as defined in Section 3(16)(A) of the Act, 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 12.09. Notices and Elections (Administrative Committee).

A Member 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 Members from the Trustee and transmit them to the Members. All elections which may be made by a Member 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 12.10. Misrepresentation of Age.

In making a determination or calculation based upon a Member's age, the Administrative Committee shall be entitled to rely upon any information furnished by the Member. If a Member misrepresents the Member'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 Member's benefit to conform to the Member's actual age and offset future monthly payments to recoup any overpayments caused by the Member's misrepresentation.

Section 12.11. 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 12.12. Spouse's Consent.

In addition to when such consent is expressly required by the terms of this Plan, the Administrative 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 12.13. 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 12.14. 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 Administrative Committee under the Plan.

Section 12.15. Liability and Indemnification.

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 Members 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.

The Company shall indemnify and hold harmless any person who, by virtue of membership on the Board, Administrative Committee, Investment Committee or any other committee or by virtue of such person's status as a director, officer or employee of the Employer, is deemed or held to be a fiduciary of the Plan within the meaning of the Act, to the extent not covered by the Company's insurance, against any and all claims, loss, damages, expenses, including legal fees and other expenses of litigation and liability arising from any action or failure to act, provided that such act or failure to act is not judicially determined to be due to the gross negligence or willful misconduct of such person, except that the Company may, in its sole discretion, elect not to enforce this provision in a case of gross negligence or willful misconduct. 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. The Company may secure and maintain in full force and effect such insurance as may be reasonably available on behalf of the persons described in this section, to cover liability or losses from which the Company is obligated to indemnify such persons. The amount and conditions of such insurance shall be determined by the Company in its sole discretion.

Section 12.16. Claim and Appeal Procedure.

(a) Initial Claim.

(1) 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 Administrative Committee (or its designee) for such purpose. The Administrative 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. An authorized representative of a Claimant may act on behalf of the Claimant in pursuing a benefit claim or any subsequent appeal of an adverse benefit determination hereunder. If a Claimant is denied benefits under the Plan, the Administrative 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 Administrative Committee receives the claim, provided that in the event of special circumstances such period may be extended.

(2) 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 Administrative 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 Administrative 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 Administrative 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 Administrative 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 Administrative 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 Administrative 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 Administrative 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 Administrative 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 Administrative 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.

(3) Reserved.

(4) 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 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 the Act following an adverse determination on review.

(5) In addition, in the case of a disability claim that is wholly or partially denied, the notice to the Claimant shall set forth:

(A) if an internal rule, guideline, protocol, or other similar criterion was relied upon in making the adverse determination, either the specific rule, guideline, protocol, or other similar criterion; or a statement that such a rule, guideline, protocol, or other similar criterion was relied upon in making the adverse determination and that a copy of such rule, guideline, protocol, or other criterion will be provided free of charge to the Claimant upon request; and

(B) if the denial is based on a medical necessity or experimental treatment or similar exclusion or limit, either an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to the Claimant's medical circumstances, or a statement that such explanation will be provided free of charge upon request.

(b) Claim Denial Review.

(1) If a claim has been wholly or partially denied, the Claimant may submit the claim for review by the Administrative Committee. Any request for review of a claim must be made in writing to the Administrative 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.

(2) The decision of the Administrative 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 sixty (60) 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.

(3) 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 Administrative 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 Administrative 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 Administrative 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.

(4) The Administrative 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.

(5) The Administrative 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 the Act.

(D) In addition, in the case of a disability claim that is wholly or partially denied, the notice to the Claimant shall set forth:

(I) if an internal rule, guideline, protocol, or other similar criterion was relied upon in making the adverse determination, either the specific rule, guideline, protocol, or other similar criterion; or a statement that such rule, guideline, protocol, or other similar criterion was relied upon in making the adverse determination and that a copy of the rule, guideline, protocol, or other similar criterion will be provided free of charge to the Claimant upon request; and

(II) if the adverse benefit determination is based on a medical necessity or experimental treatment or similar exclusion or limit, either an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to the Claimant's medical circumstances, or a statement that such explanation will be provided free of charge upon request.

(6) 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 Administrative 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 Administrative Committee with respect to any claim, including without limitation the appeal of any claim, shall be made by the Administrative 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.

(e) A Claimant, or his or her duly authorized representative, may commence a lawsuit to obtain benefits only after he or she has exhausted the claims procedures described in this section, and a final decision has been rendered or deemed rendered on appeal. Notwithstanding anything herein to the contrary, unless prohibited by law, any lawsuit with regard to the denial of benefits under the Plan must be commenced within one (1) year from the earliest of (i) the date that the appeal was denied or (ii) the expiration of the time by which the Plan was required to render a decision on appeal under the procedures set forth above if an appeal had been made. All lawsuits commenced after such period shall be deemed to have been waived by the Claimant and shall thereafter be wholly unenforceable. Nothing in this paragraph shall be construed to extend any otherwise applicable statute of limitations period set forth under ERISA or any under any other applicable law.

Section 12.17. 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 Administrative Committee.

ARTICLE XIII

THE TRUST FUND

Section 13.01. 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 13.02. Trustee's Power and Duties.

The Trustee shall manage and control the Trust Fund in accordance with the terms of the Trust Agreement.

Section 13.03. 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. A transaction between the Plan and a common or collective trust fund or pooled investment fund maintained by a party in interest which is a bank or trust company supervised by a State or Federal agency, or a pooled investment fund of an insurance company qualified to do business in a State, and listed on Appendix B as amended from time to time shall be permitted in accordance with Section 408(b)(8) of the Act if the transaction is a sale or purchase of an interest in the fund, and the bank, trust company, or insurance company receives not more than reasonable compensation. All or any part of the assets of the Trust Fund may be invested in any group trust which then provides for the pooling of the assets of plans described in Code Section 401(a) and is exempt from tax under Code Section 501(a) in accordance with Revenue Ruling 81-100, provided that the provisions of the document governing such group trust, as it may be amended from time to time, shall govern any investment therein and are hereby made a part of this Plan.

Section 13.04. 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 Administrative Committee. The Company may make advances or extend credit to the Plan for the purpose of paying Plan benefits or expenses to the extent permitted, and in accordance with, applicable law.

ARTICLE XIV

CERTAIN RIGHTS AND OBLIGATIONS OF THE COMPANY

Section 14.01. 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 14.02. 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 Administrative Committee in accordance with this Plan. Upon termination of the Trust, distribution to each Member shall be made as soon as practicable thereafter in the manner described in Section 11.01. Until fully distributed, Members' accounts shall be revalued from time to time in accordance with Section 9.01. 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 14.03. 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 14.04. 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 1.09 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 14.05. 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 XV

NON-ALIENATION OF BENEFITS

Section 15.01. 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 15.02. 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 Administrative Committee, cease, and the Administrative 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 Administrative Committee may deem proper.

Section 15.03. Exceptions.

Notwithstanding anything herein to the contrary, effective August 5, 1997, the provisions of this Article XV 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.

Section 15.04. 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 10.04, 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 Administrative 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 Administrative Committee.

Section 15.05. 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. Effective as of January 1, 2008, in no event shall annual additions, as defined under Code Section 415(c)(2), made to a Member's Account for a Limitation Year exceed the lesser of 100 percent (100%) of Compensation or $46,000 (in 2008) and as adjusted in later Plan Years for cost-of-living increases pursuant to Code Sections 415(c)(1), 415(d)(1), 415(d)(3) and 415(d)(4), and Treasury Regulation Section 1.415(c)-1.

Section 16.02.

(a) If, with respect to any Plan Year beginning on and after January 1, 1992 and prior to January 1, 2008, contributions to a Member's Account must be reduced to conform to the limitations on "annual additions" as defined in Code Section 415(c)(2), 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.

(b) Effective as of January 1, 2008, notwithstanding anything herein to the contrary, in the event the annual additions, as defined under Code Section 415(c)(2), on behalf of a Member in any Plan Year exceed the limitations of Code Section 415, the Plan may only correct such excess in accordance with the Employee Plans Compliance Resolution System (EPCRS) as set forth in Revenue Procedure 2008-50 or any superseding guidance, including, but not limited to, the preamble of the final Section 415 regulations.

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 XVIII, 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 1.16 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 severance from employment, 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 1.16 of the Plan.

Section 17.02. If the Plan is or becomes top-heavy in any Plan Year, the provisions of Section 18.04 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 18.01(e) or 18.01(f) enables a defined benefit plan described in Section 18.01(f) to meet the requirements of Code Sections 401(a)(4) or Section 410, the minimum contribution required under this Section 18.04 shall be the amount specified in Section 18.04(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 (without reference to its Conflict of Laws provisions), except to the extent that such laws have been superseded by the Act, the Code, or other federal law, including the Defense of Marriage Act, and subject to the applicable provisions of the laws of the United States of America.

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 1.16 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 11.08 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 Member'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 Member'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 Member'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 Member'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 Member'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 1.40 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.

APPENDIX B

COMMON OR COLLECTIVE TRUST FUNDS OR

POOLED INVESTMENT FUNDS

AllianceBernstein Wealth Appreciation Strategy Collective Trust
AllianceBernstein Balanced Wealth Strategy Collective Trust
AllianceBernstein Wealth Preservation Strategy Collective Trust
AllianceBernstein US Short Duration Plus Collective Trust
AllianceBernstein US Strategic Core-Plus Fixed Income Collective Trust
AllianceBernstein US Style Blend Collective Trust
AllianceBernstein International Style Blend Collective Trust
AllianceBernstein Global All Country Blend Collective Trust
Bernstein Global Real Estate Securities Collective Trust
AllianceBernstein Customized Retirement Strategies

Exhibit 10.02

AMENDMENT AND RESTATEMENT

OF THE

RETIREMENT PLAN FOR EMPLOYEES

OF

ALLIANCEBERNSTEIN L.P.

(As of January, 1, 2008)

TABLE OF CONTENTS

Amended and Restated
Retirement Plan for Employees
of AllianceBernstein L.P.
(as of January 1, 2008)

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 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, 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; and

WHEREAS, the Plan was 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.; and

WHEREAS, with regard to all Employees, all benefit accruals under the Plan shall cease as of December 31, 2008 (the Freeze Date, as defined below); and

WHEREAS, the Plan has been amended and is hereby amended and restated to reflect the foregoing freeze and to comply with the Pension Funding Equity Act of 2004, the Pension Protection Act of 2006, other applicable legislation, and certain additional design changes.

NOW, THEREFORE, the Plan is hereby amended and restated, as of January 1, 2008.

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. A Participant's Accrued Benefit under the Plan shall be frozen as of the Freeze 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 or not 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 available in September for the prior month 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" means the administrative committee appointed by the Board pursuant to Section 18.01.

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 (120%) 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. Notwithstanding the above, effective January 1, 2008, Applicable Interest Rate shall mean the interest rate specified in Section 417(e)(3)(C) of the Code as determined in accordance with published guidance from the Internal Revenue Service.

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. Notwithstanding the foregoing, effective January 1, 2008, Applicable Mortality Table shall mean the table specified in Section 417(e)(3)(B) of the Code (as periodically updated) as provided in Revenue Ruling 2007-67 and any other applicable guidance from the Internal Revenue Service.

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 earlier of (1) the date of his Retirement or other Termination of Employment, whichever is applicable, or (2) January 1, 2009, in which he received his highest aggregate Compensation (or his Compensation for his consecutive full calendar Years of Service prior to January 1, 2009, if less than five (5)), and dividing the sum thus obtained by five (5) (or the number of his full calendar Years of Service prior to January 1, 2009, if less than five (5)). Notwithstanding the foregoing, partial calendar Years of Service prior to January 1, 2009, 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) Compensation of a Member in excess of $200,000, or such other amount prescribed under Section 401(a)(17) of the Code (as adjusted each year with cost of living adjustments in the manner set forth in Section 415(d) of the Code), 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 EGTRRA 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.

Notwithstanding anything herein to the contrary, Compensation earned after the Freeze Date shall not be taken into account under the Plan for any purpose.

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.

Notwithstanding anything herein to the contrary, Credited Service shall not include any service for the Employer after the Freeze Date.

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.

1.19 "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 not 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.

1.20 "EARLY RETIREMENT" means Retirement on or after a Participant's Early Retirement Date and prior to his Normal Retirement Date.

1.21 "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).

1.22 "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.

1.23 "EFFECTIVE DATE" means January 1, 1980.

1.24 "EMPLOYEE" means an individual described in Sections 3121(d) (1) or (2) of the Code who is employed by an Employer or an Affiliate.

1.25 "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.

1.26 "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.

1.27 "ENTRY DATE" means the first day of each Plan Year.

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

1.29 (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.

1.30 "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 the last day of the calendar year coinciding with or immediately preceding the earlier of (i) the date of his Retirement or other Termination of Employment, whichever is applicable or (ii) the Freeze Date, (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 1.30 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.

If Termination of Employment or Retirement occurs before a Participant reaches that age, the taxable wage base in effect for the year in which such Participant leaves is used for subsequent years. Notwithstanding anything contained herein to the contrary, for purposes of calculating Covered Compensation, if a Participant terminates or retires after December 31, 2008 and before reaching their social security retirement age, the taxable wage base in effect for calendar year 2008 shall be used for subsequent years.

1.31 "FREEZE DATE" means December 31, 2008.

1.32 “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 (5%) of the outstanding stock of the Employer or stock possessing more than five percent (5%) 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 the $80,000 limit under Section 414(q) of the Code (with cost of living adjustments in the manner set forth under Section 415(d) of the Code) 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 $80,000 dollar threshold amount specified in (b) above shall be adjusted, in the manner set forth in Section 415(d) of the Code, 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”.

1.33 "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 severance from employment 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 1.33 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.

1.34 (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 1.37(a), 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 Administrative Committee on a timely basis such information as the Administrative Committee shall reasonably require to establish

that the absence from work is for reasons described in Subparagraph (A) hereof; and

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 Department of Labor Reg. § 2530.200b-2, 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 Administrative 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).

(d) Notwithstanding anything herein to the contrary, Hours of Service shall not include any service for the Employer after the Freeze Date, except with respect to vesting and eligibility for early retirement benefits.

1.35 "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.

1.36 "INVESTMENT COMMITTEE" shall mean the investment committee appointed by the Board pursuant to Section 18.02.

1.37 "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.

1.38 "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.

1.39 "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.

1.40 "PARTICIPANT" or "MEMBER" 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.

1.41 "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(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)).

1.42 “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.

1.43 “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 (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 the Freeze Date, 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 Administrative 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.

Notwithstanding anything contained herein to the contrary, under no circumstances shall the Primary Social Security Benefit reflect compensation increases or Social Security law changes after the Freeze Date.

1.44 "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: (a) one-half (½) of the amount of the annuity payable during the joint lives of the Participant and such Spouse (a "50% Qualified Joint and Survivor Annuity"); (b) the full amount of the annuity payable during the joint lives of the Participant and such Spouse; or (c) a QOSA. Any benefit payable in the form of a Qualified Joint and Survivor Annuity shall be the Actuarial Equivalent of the Participant's Retirement Pension.

1.45 "QUALIFIED OPTIONAL SURVIVOR ANNUITY" or "QOSA" 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 three-quarters (3/4) 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 Optional Survivor Annuity shall be the Actuarial Equivalent of the Participant's Retirement Pension.

1.46 "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 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.

1.47 "REQUIRED BEGINNING DATE"

(a) for a Participant who is not a five-percent (5%) 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 five-percent (5%) owner (as defined in Section 416 of the Code) in the Plan Year in which he attains age 701/2, or (ii) attains age 701/2 before January 1, 1999, April 1 of the calendar year following the calendar year in which the Participant attains age 701/2.

1.48 "RETIRED PARTICIPANT" means any Participant or former Participant who is entitled to benefits pursuant to Article III, IV or V.

1.49 "RETIREMENT" means any Termination of Employment, other than by reason of death, on or after an Employee's Early or Normal Retirement Date.

1.50 "RETIREMENT PENSION" (a) 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 or Qualified Optional Survivor Annuity under the provisions of Section 3.03 or to elect any optional form of payment under the provisions of Article VI.

1.51 "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.

1.52 "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.

1.53 "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 or 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 Administrative Committee or by a notary public; or

(b) it is established to the Administrative 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.

1.54 "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.

1.55 "TOP PAID GROUP" means the top twenty percent (20%) 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 1.32) 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.

1.56 "TREASURY REGULATIONS" means the regulations promulgated by the Internal Revenue Service and the Secretary of the Treasury under the Code.

1.57 "TRUST" means the trust forming part of this Plan.

1.58 “TRUST FUND” means all the assets of the Plan which are held by the Trustee.

1.59 “TRUSTEE” means the persons or entity acting, at any time, as trustee of the Trust Fund.

1.60 “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.

(j) Notwithstanding anything herein to the contrary, Years of Service shall not include any service for the Employer after the Freeze Date, except with respect to vesting and eligibility for early retirement benefits.

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 Administrative 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. With respect to distributions made on or after January 1, 2001 and prior to January 1, 2003, 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. With respect to distributions made on or after January 1, 2003, notwithstanding any provision of this Plan to the contrary, the Plan will apply the minimum distribution requirements of Section 401(a)(9) of the Code in accordance with the final Treasury Regulations thereunder, as reflected in Appendix A to the Plan.

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, the 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 50% 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 or Qualified Optional Survivor Annuity commences and the amount of such distribution is $5,000 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 180 day period (90 day period prior to January 1, 2007) 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 Administrative 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 Administrative 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 Administrative 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 Qualified Optional 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 1.52 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(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(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 or Qualified Optional 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: (1) 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. With respect to distributions made on or after January 1, 2001 and prior to January 1, 2003, 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. With respect to distributions made on or after January 1, 2003, notwithstanding any provision of this Plan to the contrary, the Plan will apply the minimum distribution requirements of Section 401(a)(9) of the Code in accordance with 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 Administrative 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) or to a Roth IRA under Section 408A (subject to the restrictions therein), 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 Administrative 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.

8.04 Effective for distributions made pursuant to the Plan after December 31, 2006, in the case of an "eligible rollover distribution" to a nonspousal distributee (a "Nonspouse Rollover"), an "eligible retirement plan" is an individual retirement account described in Section 408(a) of the Code or an individual retirement annuity described in Section 408(b) of the Code that was established for the purpose of receiving the distribution on behalf of such nonspousal distributee. In order for such eligible retirement plan to accept a Nonspouse Rollover on behalf of a nonspousal distributee (1) a direct trustee-to-trustee transfer must be made to such eligible retirement plan and shall be treated as an eligible rollover distribution for purposes of the Code, (2) the individual retirement plan shall be treated as an inherited individual retirement account or individual retirement annuity (within the meaning of Section 408(d)(3)(C) of the Code) for purposes of the Code, and (3) Section 401(a)(9)(B) of the Code (other than clause (iv) thereof) shall apply to such plan. Any Nonspouse Rollover shall be made in accordance with the Pension Protection Act of 2006, Internal Revenue Service Notice 2007-7 and any subsequent guidance.

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 The limitations of this Section 10.01 shall apply in limitation years beginning prior to July 1, 2007, except as otherwise provided herein.

(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 five percent (5%) 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 five percent (5%) 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 Section 417(e)(3) of the Code, the interest rate assumption shall be the greater of (i) the Applicable Interest Rate or (ii) five and one half percent (5.5%). 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 Section 417(e)(3) of the Code, the interest rate assumption shall be the greater of (i) the Applicable Interest Rate, (ii) five and one half percent (5.5%) 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.

10.02 The limitations of this Section 10.02 shall apply in limitation years beginning on or after July 1, 2007, except as otherwise provided herein.

(a) The application of the provisions of this Section 10.02 shall not cause the maximum permissible benefit for any Participant to be less than the Participant's accrued benefit under all the defined benefit plans of the Employer or a predecessor employer as of the end of the last limitation year beginning before July 1, 2007 under provisions of the plans that were both adopted and in effect before April 5, 2007. The preceding sentence applies only if the provisions of such defined benefit plans that were both adopted and in effect before April 5, 2007 satisfied the applicable requirements of statutory provisions, regulations, and other published guidance relating to Section 415 of the Code in effect as of the end of the last limitation year beginning before July 1, 2007, as described in section 1.415(a)-1(g)(4) of the Treasury Regulations.

(b) Notwithstanding anything contained in the Plan to the contrary, the limitations, adjustments, and other requirements prescribed in the Plan shall comply with the provisions of Section 415 of the Code and the final regulations promulgated thereunder, the terms of which are specifically incorporated herein by reference as of July 1, 2007, except where an earlier effective date is otherwise provided in the final regulations or in this Section 10.02. However, where the final regulations permit the Plan to specify an alternative option to a default option set forth in the regulations, and the alternative option was available under statutory provisions, regulations, and other published guidance relating to Section 415 of the Code as in effect prior to April 5, 2007, and the Plan provisions in effect as of April 5, 2007 incorporated the alternative option, said alternative option shall remain in effect as a plan provision for limitation years beginning on or after July 1, 2007 unless another permissible option is selected in this Section 10.02.

(c) For purposes of the Plan's provisions reflecting Section 415(b)(3) of the Code (i.e., limiting the annual benefit payable to no more than 100% of the Participant's average annual compensation), a Participant's average compensation shall be the average compensation for the three consecutive Years of Service that produces the highest average, except that a Participant's compensation for a Year of Service shall not include compensation in excess of the limitation under Section 401(a)(17) of the Code that is in effect for the calendar year in which such year of service begins. If the Participant has less than three consecutive Years of Service, compensation shall be averaged over the Participant's longest consecutive period of service, including fractions of years, but not less than one year. In the case of a Participant who is rehired by the Employer after a severance of employment, the Participant's high three-year average compensation shall be calculated by excluding all years for which the Participant performs no services for and receives no compensation from the Employer (the "Break Period"), and by treating the years immediately preceding and following the Break Period as consecutive.

In the case of a Participant who has had a "severance from employment" (as defined in Section 401(k) of the Code) with the Employer, the defined benefit dollar limitation applicable to the Participant in any Limitation Year beginning after the date of severance shall be automatically adjusted in the manner set forth in Section 415(d) of the Code.

10.03 Benefit Forms Not Subject to the Present Value Rules of Section 417(e)(3) of the Code.

(a) Form of benefit. Notwithstanding any provision of this Plan to the contrary, the Single Life Annuity that is the Actuarial Equivalence of the Participant's form of benefit shall be determined under this Section if the form of the Participant's benefit is either:

(i) a nondecreasing annuity (other than a Single Life Annuity) payable for a period of not less than the life of the Participant (or, in the case of a Qualified Preretirement Survivor Annuity, the life of the surviving Spouse), or

(ii) an annuity that decreases during the life of the Participant merely because of: (i) the death of the survivor annuitant (but only if the reduction is not below 50% of the benefit payable before the death of the survivor annuitant), or (ii) the cessation or reduction of Social Security supplements or qualified disability payments (as defined in Section 401(a)(11) of the Code).

(b) Notwithstanding any provision of this Plan to the contrary, for limitation years beginning before July 1, 2007, the Actuarial Equivalence of the Single Life Annuity is equal to the annual amount of the Single Life Annuity commencing at the same Benefit Starting Date that has the same actuarial present value as the Participant's form of benefit computed using whichever of the following produces the greater annual amount:

(i) the Applicable Interest Rate and the Applicable Mortality Table (or other tabular factor) specified in the Plan for adjusting benefits in the same form; and

(ii) a five percent (5%) interest rate assumption and the Applicable Mortality Table for that Benefit Starting Date.

(c) Notwithstanding any provision of this Plan to the contrary, for limitation years beginning on or after July 1, 2007, the Actuarial Equivalence of the Single Life Annuity is equal to the greater of:

(i) the annual amount of the Single Life Annuity (if any) payable to the Participant under the Plan commencing at the same Benefit Starting Date as the Participant's form of benefit; and

(ii) the annual amount of the Single Life Annuity commencing at the same Benefit Starting Date that has the same actuarial present value as the Participant's form of benefit, computed using a five percent (5%) interest rate assumption and the Applicable Mortality Table for that Benefit Starting Date.

10.04 Benefit Forms Subject to the Present Value Rules of Section 417(e)(3) of the Code.

(a) Form of benefit. Notwithstanding any provision of this Plan to the contrary, the Single Life Annuity that is the Actuarial Equivalence of the Participant's form of benefit shall be determined as indicated under this Section if the form of the Participant's benefit is other than a benefit form described in Section 10.03.

(b) Annuity Starting Date in Plan Years Beginning After 2005. Notwithstanding any provision of this Plan to the contrary, if the Benefit Starting Date of the Participant's form of benefit is in a Plan Year beginning after December 31, 2005, the Actuarial Equivalence of the Single Life Annuity is equal to the greatest of:

(i) the annual amount of the Single Life Annuity commencing at the same Benefit Starting Date that has the same actuarial present value as the Participant's form of benefit, computed using the Applicable Interest Rate and the Applicable Mortality Table (or other tabular factor) specified in the Plan for adjusting benefits in the same form;

(ii) the annual amount of the Single Life Annuity commencing at the same Benefit Starting Date that has the same actuarial present value as the Participant's form of benefit, computed using a five and one half percent (5.5%) interest rate assumption and the applicable mortality table for the distribution under Section 1.417(e)-1(d)(2) of the Treasury regulations; and

(iii) the annual amount of the Single Life Annuity commencing at the same Benefit Starting Date that has the same actuarial present value as the Participant's form of benefit, computed for the distribution under Section 1.417(e)-1(d)(3) of the Treasury regulations and the applicable mortality table for the distribution under section 1.417(e)-1(d)(2) of the Treasury regulations, multiplied by 1.05.

(c) Annuity Starting Date in Plan Years Beginning in 2004 or 2005. Notwithstanding any provision of this Plan to the contrary, if the Benefit Starting Date of the Participant's form of benefit is in a Plan Year beginning in 2004 or 2005, the Actuarial Equivalence of the Single Life Annuity is equal to the annual amount of the Single Life Annuity commencing at the same Benefit Starting Date that has the same actuarial present value as the Participant's form of benefit, computed using whichever of the following produces the greater annual amount:

(i) the Applicable Interest Rate and the Applicable Mortality Table (or other tabular factor) specified in the Plan for adjusting benefits in the same form; and

(ii) five and one half percent (5.5%) interest rate assumption and the applicable mortality table for the distribution under section 1.417(e)-1(d)(2) of the Treasury regulations.

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 (with cost of living adjustments in the manner set forth in Section 415(d) of the Code), 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 severance from employment, death or Disability, “5 year period” shall be substituted for “1-year period” wherever such term is found.

(5) “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 sixty percent (60%) 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 sixty percent (60%).

(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 sixty percent (60%).

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 do 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) (I) 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

(II) 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 1.44 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 1.44;

(2) the Retirement Pension thus provided is supplemented, to the extent necessary to provide the full Retirement Pension in the form provided in Section 1.44 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 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.

15.03 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 Participants 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.

15.04 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.

15.05 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. The Employers may make advances or extend credit to the Plan for the purpose of paying Plan benefits or expenses to the extent permitted, and in accordance with, applicable law.

15.06 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.

15.07 (a) The Company is hereby designated as "named fiduciary" 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 below, 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 named 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.

15.08 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. A transaction between the Plan and a common or collective trust fund or pooled investment fund maintained by a party in interest which is a bank or trust company supervised by a State or Federal agency, or a pooled investment fund of an insurance company qualified to do business in a State, and listed on Appendix B as amended from time to time shall be permitted in accordance with ERISA Section 408(b)(8) if the transaction is a sale or purchase of an interest in the fund, and the bank, trust company, or insurance company receives not more than reasonable compensation. All or any part of the assets of the Trust Fund may be invested in any group trust which then provides for the pooling of the assets of plans described in Section 401(a) of the Code and is exempt from tax under Section 501(a) of the Code in accordance with Revenue Ruling 81-100, provided that the provisions of the document governing such group trust, as it may be amended from time to time, shall govern any investment therein and are hereby made a part of this Plan.

15.09 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.

15.10 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 Trustees 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 Trustees 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.

15.11 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.

15.12 (a) The Trustees shall keep accurate and detailed accounts of all investments, receipts, disbursements and other transactions hereunder.

(b) Within the time required by law, 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 Any Trustee may be removed by the Board at any time. A Trustee may resign at any time upon thirty (30) days' notice in writing to the Board, which notice may be waived by the Board. Upon such removal or resignation of a Trustee, or upon the death or disability of a Trustee, the Board may appoint a successor Trustee, who shall have the same powers and duties as those conferred upon the Trustees hereunder. The Board 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.

15.14 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 Administrative Committee for such purpose. An authorized representative of a Claimant may act on behalf of the Claimant in pursuing a benefit claim or any subsequent appeal of an adverse benefit determination hereunder. The Administrative 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 Administrative 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 Administrative 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 Administrative 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 Administrative 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 Administrative 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 Administrative 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 Administrative 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 Administrative 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 Administrative 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 Administrative 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 Administrative 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 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.

(iv) In addition, in the case of a disability claim that is wholly or partially denied, the notice to the Claimant shall set forth:

(A) if an internal rule, guideline, protocol, or other similar criterion was relied upon in making the adverse determination, either the specific rule, guideline, protocol, or other similar criterion; or a statement that such a rule, guideline, protocol, or other similar criterion was relied upon in making the adverse determination and that a copy of such rule, guideline, protocol, or other criterion will be provided free of charge to the Claimant upon request; and

(B) if the denial is based on a medical necessity or experimental treatment or similar exclusion or limit, either an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to the Claimant's medical circumstances, or a statement that such explanation will be provided free of charge upon request.

(b) Claim Denial Review.

(i) If a claim has been wholly or partially denied, the Claimant may submit the claim for review by the Administrative Committee. Any request for review of a claim must be made in writing to the Administrative 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 Administrative 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 sixty (60) 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 Administrative 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 Administrative 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 Administrative 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) Reserved.

(iv) The Administrative 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 Administrative 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.

(D) In addition, in the case of a disability claim that is wholly or partially denied, the notice to the Claimant shall set forth:

(I) if an internal rule, guideline, protocol, or other similar criterion was relied upon in making the adverse determination, either the specific rule, guideline, protocol, or other similar criterion; or a statement that such rule, guideline, protocol, or other similar criterion was relied upon in making the adverse determination and that a copy of the rule, guideline, protocol, or other similar criterion will be provided free of charge to the Claimant upon request; and

(II) if the adverse benefit determination is based on a medical necessity or experimental treatment or similar exclusion or limit, either an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to the Claimant's medical circumstances, or a statement that such explanation will be provided free of charge upon request.

(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 Administrative 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 Administrative Committee with respect to any claim, including without limitation the appeal of any claim, shall be made by the Administrative 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 U.S. 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 Department of Labor Regulation § 2560.503-1.

(e) A Claimant, or his or her duly authorized representative, may commence a lawsuit to obtain benefits only after he or she has exhausted the claims procedures described in this Section 16.01, and a final decision has been rendered or deemed rendered on appeal. Notwithstanding anything herein to the contrary, unless prohibited by law, any lawsuit with regard to the denial of benefits under the Plan must be commenced within one (1) year from the earliest of (i) the date that the appeal was denied or (ii) the expiration of the time by which the Plan was required to render a decision on appeal under the procedures set forth above if an appeal had been made. All lawsuits commenced after such period shall be deemed to have been waived by the Claimant and shall thereafter be wholly unenforceable. Nothing in this paragraph shall be construed to extend any otherwise applicable statute of limitations period set forth under ERISA or any under any other applicable law.

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 The Plan shall be governed, construed and enforced in accordance with the laws of the State of New York (without reference to its Conflict of Laws provisions), except to the extent preempted by ERISA, the Code, or other federal law, including the Defense of Marriage Act, and subject to the applicable provisions of the laws of the United States of America.

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 Administrative Committee 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

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.

18.02 Investment Committee. There is hereby created an Investment Committee for the Plan, which shall oversee the investment of the assets of the Trust Fund subject to ERISA.

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.

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.

The Administrative Committee may recoup on behalf of the Plan any payment made in error by the Plan to any person, and any such amount will be returned to 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.

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 Administrative Committee, and the members of the Administrative 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.

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 Administrative Committee shall administer the Plan in accordance with the Employer’s regular personnel policies at the time in effect.

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.

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.

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.

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.

18.11 Decisions of Administrative Committee are Binding. Notwithstanding anything in the Plan to the contrary, the Administrative Committee shall have discretionary and final authority to (a) determine all questions concerning eligibility, elections, contributions and benefits under the Plan, (b) construe all terms of the Plan, including any uncertain terms, and (c) determine all questions concerning Plan administration. The Administrative Committee also has discretion and authority to interpret Plan terms to reflect the Plan Sponsor's intent. In the event of a scrivener's error that renders a Plan term inconsistent with the Plan Sponsor's intent, the Plan Sponsor's intent controls, and any inconsistent Plan term is made expressly subject to this requirement. 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. The Administrative Committee has the authority to review objective evidence to conform the Plan term to be consistent with the Plan Sponsor's intent. Any determination made by the Administrator shall be given deference in the event it is subject to judicial review and shall be overturned only if it is arbitrary and capricious.

18.12 Spouse's Consent. In addition to when such consent is expressly required by the terms of this Plan, the Administrative 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.

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.

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 Administrative Committee under the Plan.

18.15 Liability and Indemnification. 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.

The Company shall indemnify and hold harmless any person who, by virtue of membership on the Board, Administrative Committee, Investment Committee or any other committee or by virtue of such person's status as a director, officer or employee of the Employer, is deemed or held to be a fiduciary of the Plan within the meaning of the Act, to the extent not covered by the Company's insurance, against any and all claims, loss, damages, expenses, including legal fees and other expenses of litigation and liability arising from any action or failure to act, provided that such act or failure to act is not judicially determined to be due to the gross negligence or willful misconduct of such person, except that the Company may, in its sole discretion, elect not to enforce this provision in a case of gross negligence or willful misconduct. 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. The Company may secure and maintain in full force and effect such insurance as may be reasonably available on behalf of the persons described in this Section 18.15, to cover liability or losses from which the Company is obligated to indemnify such persons. The amount and conditions of such insurance shall be determined by the Company in its sole discretion.

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 Section 401(a)(9) of the Code 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 2.22.2(a) or 2.2(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 2.22.2(a) or 2.2(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 2.22.2(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 1.46 of the Plan.

APPENDIX B

COMMON OR COLLECTIVE TRUST FUNDS OR

POOLED INVESTMENT FUNDS

Bernstein Global Style Blend Series
Alliance Institutional Enhanced Sector Rotation Fund

EXHIBIT 10.03

AMENDED AND RESTATED
ALLIANCEBERNSTEIN PARTNERS COMPENSATION PLAN

As Amended and Restated Effective as of January 23, 2009

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, "**Alliance**Bernstein") 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**"). The Plan was again amended and restated effective December 5, 2008 to incorporate prior amendments and additional changes to clarify and reflect administrative practices and to comply with the final regulations issued under Section 409A. The Plan is hereby amended and restated effective January 23, 2009 to incorporate changes relating to the Committee's discretion to apply alternative forfeiture provisions with respect to any Post-2000 Award (as defined in Article 1) invested in Options (as defined in Article 1). 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. Although none of the Company, the Committee, their affiliates, and their agents make any guarantee with respect to the treatment of payments under this Plan and shall not be responsible in any event with regard to the Plan's compliance with Section 409A, the payments contained herein are intended to be exempt from Section 409A or otherwise comply with the requirements of Section 409A, and the Plan shall be limited, construed and interpreted in accordance with the foregoing. None of the Company, the Committee, any of their affiliates, and 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 unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, as determined by the carrier of the long-term disability insurance program maintained by the Company or its Affiliate that covers the Participant, or such other person or entity designated by the Committee in its sole discretion.

(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 Deferral 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; all Options shall be issued under AllianceBernstein's Amended and Restated 1997 Long Term Incentive Plan or any similar equity compensation plan AllianceBernstein may provide for in the future.

(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, and has had a "separation from service" within the meaning of Section 409A.

(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 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 Code Section 152, without regard to Code Sections 152(b)(1), (b)(2), and (d)(1)(B)) 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 what percentage of such Participant's Award 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; provided that with respect to a designation to invest in Options through the Special Program, the Board reserves the absolute right, in its sole discretion, to accept and reject such investment election. 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, within 90 days 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 Section 4.03.

(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, EXPIRATION AND FORFEITURES

Section 3.01 *General*.

(a) Subject to Section 3.01(b) below, an Award, including Earnings thereon, shall vest in equal annual installments during the vesting period (the "**Vesting Period**") specified below, as applicable, with respect to each such Award, with the first such installment vesting on the first anniversary of the date determined for this purpose by the Committee in connection with such Award (the "**Grant Date**"), and the remaining installments vesting on subsequent anniversaries of the Grant Date, provided in each case that the Participant is employed by a Company on such anniversary. For purposes of this Plan, the "**vesting**" of a Restricted Unit shall mean the lapsing of the restrictions thereon with respect to such Restricted Unit. 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, upon a Participant's 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, 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). In addition, the Committee may, in its sole discretion, determine that alternative forfeiture provisions will apply with respect to any Post-2000 Award invested in Options which shall be reflected in the applicable option award agreements.

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 incurred a Disability or 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 within 70 days after such portion vests under the applicable Vesting Period of Section 3.01.

(b) 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 Disability or 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 Disability, such distribution will be made to the Participant in a single lump sum payment within 90 days following the Participant's Disability.

(ii) 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 in the calendar year in which the 180th day anniversary of the death occurs.

(iii) With respect to Pre-1999 Awards, in the event of a Participant's Termination of Employment due to Retirement, such distribution will be made to the Participant in a single lump sum payment within 90 days following the six month anniversary of such Termination of Employment.

(iv) 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 within 70 days after each portion vests; provided, however, that any such payment that becomes payable prior to the six month anniversary of such Termination of Employment shall be paid within 70 days following such anniversary.

Section 4.03 *Distributions If Deferral Election Is In Effect.*

(a) Subject to Section 4.03(b), 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 not incurred a Disability but has a Termination of Employment for any reason other than death, the vested portion of such Participant's Award, including Earnings thereon, will be distributed to him within 90 days following the benefit commencement date specified on such Deferral Election Form and in the form of payment elected on such form.

(b) 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 incurs Termination of Employment due to death, the elections made by such Participant on his Deferral Election Form shall be disregarded, and the Participant's Award, including Earnings thereon, will be distributed to his Beneficiary in a single lump sum payment in the calendar year in which the 180th day anniversary of the death occurs.

In the event that a Participant incurs a Disability on or after January 1, 2009, payment will be made in accordance with such Participant's election on his Deferral Election Form. Such an election may be made with regard to awards granted on or after January 1, 2009 and, pursuant to transition guidance issued by the Internal Revenue Service in connection with Section 409A, including Internal Revenue Service Notice 2007-86, with regard to awards granted prior to such date. Notwithstanding the foregoing, in the event that a Participant incurs a Disability prior to January 1, 2009, the Participant's Award, including Earnings thereon, will be distributed to him or his Beneficiary, as applicable, in a single lump sum payment within 90 days following the Participant's Disability.

Section 4.04 *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, by liquidation of the individual's assets (to the extent the liquidation of such assets would not itself cause severe financial hardship), and by suspension of the individual's deferral(s) under the Plan.

Section 4.05 *Documentation.* Each Participant and Beneficiary shall provide the Committee with any documentation required by the Committee for purposes of administering this Plan.

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 version of this Plan in effect prior to January 1, 2005 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), 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 in calendar year 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" or separate custodial account 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 or 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 10.04

ALLIANCEBERNSTEIN L.P.
FINANCIAL ADVISOR WEALTH ACCUMULATION PLAN

Effective August 1, 2005

AS AMENDED AND RESTATED AS OF DECEMBER 5, 2008

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ALLIANCEBERNSTEIN L.P.
FINANCIAL ADVISOR WEALTH ACCUMULATION PLAN

EFFECTIVE AUGUST 1, 2005

AS AMENDED AND RESTATED AS OF DECEMBER 5, 2008

Section 1. PURPOSE.

1.1 **Purpose.** AllianceBernstein Holding L.P. (together with any successor to all or substantially all of its business and assets, "**Holding**") and its affiliate, AllianceBernstein L.P. (together with any successor to all or substantially all of its business and assets, "**Company**") have established this AllianceBernstein L.P. Financial Advisor Wealth Accumulation Plan to create a compensation program to attract and retain eligible employees expected to make a significant contribution to the future growth and success of Bernstein Global Wealth Management, a unit of the Company. The Plan was established effective August 1, 2005 and is hereby amended and restated to reflect prior amendments and certain administrative changes effective as of December 5, 2008.

1.2 **Compliance With Section 409A**. The Plan is intended to conform to the requirements of Section 409A of the Internal Revenue Code of 1986, as amended, and any regulations and guidance promulgated 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. Although none of the Company, the Committee, their affiliates, and their agents make any guarantee with respect to the treatment of payments under this Plan and shall not be responsible in any event with regard to the Plan's compliance with Section 409A, the payments contained herein are intended to be exempt from Section 409A or otherwise comply with the requirements of Section 409A, and all provisions of the Plan shall be limited, construed and interpreted in accordance with the foregoing. None of the Company, the Committee, any of their affiliates, and any of their agents shall have any liability to any Participant or Beneficiary as a result of any tax, interest, penalty or other payment or damages required to be paid or due pursuant to, or because of a violation of, Section 409A.

Section 2. DEFINITIONS.

Unless the context requires otherwise, the following words, as used in the Plan, shall have the meanings ascribed to each below:

2.1 "**Account**" shall mean the book entry-account which shall be credited with a Participant's Incentive Award pursuant to Section 3 herein and Earnings thereon.

2.2 "**Affiliate**" shall mean any entity affiliated with the Company within the meaning of Code Section 414(b) with respect to a controlled group of corporations, Code Section 414(c) with respect to trades or businesses under common control with the Company, Code Section 414(m) with respect to affiliated service groups and any other entity required to be aggregated with the Company under Code Section 414(o). No entity shall be treated as an Affiliate for any period during which it is not part of the controlled group, under common control or otherwise not required to be aggregated with the Company under Code Section 414.

2.3 "**Available Fund**" means any money-market, debt or equity fund or pooled investment vehicle sponsored by the Company or its Affiliate or other fund or security that is designated by the Committee from time to time as an Available Fund.

2.4 "**Award Agreement**" shall mean an agreement entered into between a Participant and the Company which specifies the terms of the Participant's Incentive Compensation, including the amount of such Incentive Award, the Elective Distribution Date and the Elective Distribution Form. An Award Agreement shall contain such provisions, consistent with the provisions of the Plan, as may be established from time to time by the Committee. An Award Agreement may, to the extent permitted by the Committee and by applicable law, be made by paper or electronic means.

2.5 "**Beneficiary**" shall mean the person or trust designated by the Participant to receive benefits payable under this Plan in the event of the Participant's death. If no Beneficiary is designated, then the Participant's Beneficiary shall be his estate. Upon the acceptance by the Committee of a new Beneficiary designation, all Beneficiary designations previously filed shall be canceled. A Participant's designation of a Beneficiary (or any election to revoke or change a prior Beneficiary designation) must be made and filed with the Committee, in writing, on such form(s) and in such manner prescribed by the Committee. The Committee shall be entitled to rely on the last Beneficiary designation filed by the Participant and accepted by the Committee prior to his death.

2.6 "**Board**" shall mean the Compensation Committee of the Board of Directors of AllianceBernstein Corporation or a duly authorized committee thereof.

2.7 "**Code**" shall mean the Internal Revenue Code of 1986, as amended and as hereafter amended from time to time, and any regulations promulgated thereunder.

2.8 "**Committee**" shall mean the committee or committees of management designated by the Board to administer the Plan or a designee of any such committee or committees.

2.9 "**Company**" shall mean AllianceBernstein L.P. and any successor entity by merger, consolidation or transfer of all or substantially all of its assets.

2.10 "**Disabled**" shall mean that a Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, as determined by the carrier of the long-term disability insurance program maintained by the Company or its Affiliate that covers the Participant, or such other person or entity designated by the Committee in its sole discretion.

2.11 "**Earnings**" shall mean earnings and/or losses on amounts credited to an Account in accordance with Section 5 hereof.

2.12 "**Elective Distribution Date**" shall mean, as elected by the Participant:

(a) The Participant's Separation from Service or, with respect to each Participant who is a Key Employee, six (6) months following his Separation from Service, as defined under Section 409A; or

(b) Subject to the requirements of Section 409A, a date elected by the Participant within a period permitted by the Committee as set forth in the Administrative Guidelines for the Plan.

2.13 "**Elective Distribution Form**" means either a lump sum or substantially equal annual installments over a period permitted by the Committee.

2.14 "**ERISA**" shall mean the Employee Retirement Income Security Act of 1974, as amended.

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

2.16 "**Incentive Award**" shall mean the amount credited to a Participant's Account pursuant to Section 3.

2.17 "**Incentive Benefit**" shall mean the vested benefit payable under the Plan, which shall be payable in accordance with Section 6 hereof.

2.18 "**Key Employee**" shall mean a "specified employee" within the meaning of Section 409A(a)(2)(B)(i) of the Code (or any successor provision).

2.19 "**Participant**" shall mean a financial advisor employed by the Company or its Affiliates who is designated as eligible to participate in this Plan by the Board, or if authorized by the Board, the Chief Executive Officer of the Company, and who enters into an Award Agreement with the Company. Notwithstanding any other provision to the contrary, a financial advisor who is designated as being eligible to participate in the Plan must enter into an Award Agreement within thirty (30) days of such designation. If such financial advisor does not enter into an Award Agreement within thirty (30) days of being designated as eligible to participate in the Plan, such financial advisor shall not be eligible to become a Participant until the first day of the following Plan Year provided that such Award Agreement is entered into before the first day of such Plan Year and the Participant's eligibility to participate in the Plan has not been rescinded.

2.20 "**Plan**" shall mean the AllianceBernstein L.P. Financial Advisor Wealth Accumulation Plan, as amended from time to time.

2.21 "**Plan Year**" shall mean the calendar year.

2.22 "**Section 409A**" shall mean Code Section 409A and any regulations and guidance promulgated thereunder.

2.23 "**Separation from Service**" shall mean separation from the employment of the Company and its Affiliates for any reason, including, but not limited to, retirement, death, resignation, dismissal, or the cessation of an entity as an Affiliate. In the event that all or substantially all of the assets of the Company or an Affiliate are sold or transferred, any Participant who in connection with, or as a result of, such sale becomes employed by the acquirer of such assets shall not be deemed to have incurred a Separation from Service unless and until the earlier of (i) the individual is no longer employed by such acquirer or any entity thereafter acquiring the aforesaid assets or (ii) the Committee determines, in its sole discretion, that such individual has incurred a Separation from Service and when such Separation from Service is deemed to have occurred. For purposes of the foregoing sentence, and only for such purposes, a sale or transfer of stock of the Company or Affiliate shall be deemed to be a sale or transfer of "assets."

Notwithstanding the foregoing, a Participant shall not be considered to have had a Separation from Service if, for purposes of Section 409A, the Participant would not be considered to have had a "separation from service."

Section 3. AWARD.

The Company shall make a book entry contribution to the Account of a Participant in an amount equal to the amount of the Participant's Incentive Award as designated in the Participant's Award Agreement. The Participant's Award Agreement shall evidence the Participant's agreement to the terms of the Plan.

Section 4. VESTING.

A Participant's Account will vest or be forfeited in accordance with the terms and conditions set forth in the Award Agreement.

Section 5. MEASUREMENT OF EARNINGS.

5.1 **Election between Notional Investments**. Each Participant shall designate, in accordance with deadlines and procedures established from time to time by the Committee, in his Award Agreement, that percentage of such Participant's Incentive Award which shall be treated for purposes of the Plan as notionally invested in (i) Holding Units or (ii) each of the Available Funds; provided, that the Committee may establish a minimum percentage of each Incentive Award that must be notionally invested in the Holding Units and a maximum percentage of each Incentive Award that may be notionally invested in Holding Units. No more than fifty percent (50%) of a Participant's Incentive Award may be notionally invested in Holding Units. Following the Participant's election between Holding Units and Available Funds, the Participant shall not be permitted to elect to change the percentage of his or her Incentive Award that may be notionally invested in Holding Units.

The Participant's Account shall be treated as notionally invested in the Available Funds or Holding Units (in accordance with the Participant's election) as of a date as determined by the Committee (the "Earnings Date") which shall be no later than thirty days after the effective date of the Participant's Award Agreement (the "Effective Date"), in the proportions set forth in the Participant's Investment Election Form. Notwithstanding the foregoing, varying arrangements with respect to the crediting of earnings in such notional investments may be made in connection with special programs as determined by the Committee in its sole discretion.

5.2 **Notional Investment in Available Funds**. After the Earnings Date, the portion of a Participant's Account that is invested in Available Funds will be credited or debited, as applicable, with notional investment earnings, gains and losses, as though the amounts in such Account had been actually invested in the Available Funds in the proportions reflected in the Account. The Committee in its sole discretion may permit each Participant to reallocate notional investments in each Account among the various Available Funds, subject to, without limitation, restrictions as to the frequency with which such reallocations may be made. 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 each of the Available Funds.

5.3 **Special Rules Applicable to Notional Investments in Holding Units**.

(a) **Recapitalization**. 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 event affects the 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 Holding Units held in Participant's Account.

(b) **Deferral of Holding Units**. Any Holding Units with respect to which a Participant has elected to notionally invest his or her Account shall be posted to the Participant's Account. Whenever quarterly or special distribution are paid with respect to Holding Units, an amount equal to the amount of such distribution per Holding Unit shall be deemed credited to the Participant's Account with respect to each Holding Unit credited to the Participant's Account and converted into additional Holding Units at such intervals as may be established by the Committee in such manner as determined by the Committee, but in any event no less frequently than annually, based on the fair market value of a Holding Unit on the date of such conversion, as determined by the Committee, in its sole discretion. In no event shall any distributions be paid, or any Holding Units converted pursuant to this subsection be distributed, to the Participant before the date that the Participant's Incentive Benefits are paid pursuant to Section 6 hereof.

Section 6. DISTRIBUTION OF INCENTIVE BENEFIT.

6.1 **Incentive Benefits**. Subject to Sections 6.2, 6.3 and 6.4 below and the remainder of this Section 6.1, a Participant's vested Incentive Benefits shall be paid to the Participant in installments as vesting occurs. Each installment shall consist of the vested portion of the Participant's Incentive Benefits not previously paid and be paid on or within seventy (70) days following each date on which the Participant becomes vested in a portion of his Incentive Benefits in accordance with the Plan and the Participant's Award Agreement; provided that in no event shall the first payment of the Participant's Incentive Benefit be made before the third anniversary of the Effective Date. Notwithstanding anything herein to the contrary, including Section 6.3 hereof, the Committee in its sole discretion may elect to modify the payment provisions described herein, subject to the requirements of Section 409A and the applicable transition rules.

6.2 **Initial Election of Elective Distribution Date**. If permitted by the Committee, in its sole discretion, and subject to Section 409A, a Participant may elect an Elective Distribution Date upon which to commence receiving his Incentive Benefits and an Elective Distribution Form in which to receive his Incentive Benefits; provided, however, that any such election to defer payment of all or a portion of a Participant's Incentive Award shall be made by the Participant in accordance with Section 409A and rules of the Committee as in effect from time to time. If a Participant makes an election pursuant to this Section 6.2, the payment of the Incentive Benefits to the Participant shall commence within seventy (70) days following the Participant's Elective Distribution Date, if elected and in the Elective Distribution Form, if elected.

6.3 **Changes to Elective Distribution Date and/or Elective Distribution Form.** Subject to any limitations imposed by Section 409A, if permitted by the Committee, in its sole discretion, a Participant may change his election regarding the Elective Distribution Date on which his Incentive Benefit will commence to be paid and/or his Elective Distribution Form in accordance with the following requirements to the extent imposed by Section 409A:

(a) Subject to subsections (b) and (c) of this Section, such election may not take effect until the twelve (12) month anniversary of the date the election is made and filed with the Committee (or a designee of the Committee);

(b) In connection with an election made by a Participant pursuant to this Section 6.3, the Participant must elect a new Elective Distribution Date that is no earlier than the five year anniversary of the Participant's previous Elective Distribution Date (regardless of whether the Participant's new election was solely to change his Elective Distribution Form); and

(c) Any election related to a payment of Incentive Benefits at an Elective Distribution Date described in Section 2.12(b) shall not be effective unless made at least twelve (12) months prior to the Elective Distribution Date that such election is changing (regardless if the new election merely changes the Elective Distribution Form).

6.4 **Death**. Notwithstanding any provision of the Plan to the contrary, if a Participant dies prior to receiving all of his Incentive Benefits, all unvested benefits will vest and the unpaid portion of such vested Incentive Benefits shall be paid to the Participant's Beneficiary in the form of a lump sum distribution in the calendar year during which the 180th day anniversary of the death occurs.

6.5 **Disability**. Notwithstanding any provision of the Plan to the contrary, if a Participant incurs a Disability prior to receiving all of his Incentive Benefits, all unvested benefits will immediately become vested. The unpaid portion of such vested Incentive Benefits shall be paid to the Participant in the form of a lump sum distribution on or within ninety (90) days following the Participant's Disability; provided, however, that in the event that a Participant incurs a Disability on or after January 1, 2009, payment will be made in accordance with such Participant's Elective Distribution Date, if elected, in the form of a lump sum distribution. Such an election may be made with regard to awards granted on or after January 1, 2009, and pursuant to transition guidance issued by the Internal Revenue Service in connection with Section 409A, including Internal Revenue Service Notice 2007-86, with regard to awards granted prior to such date.

6.6 **Severe Financial Hardship Withdrawals**.

(a) Upon the request of a Participant, the Committee, in its sole discretion, may approve, due to the Participant's "Unforeseeable Emergency," an immediate lump sum distribution to the Participant of all or a portion of a Participant's unpaid vested Incentive Benefits. For the purposes of this Section 6.6, an "Unforeseeable Emergency" means a severe financial hardship to a Participant or former Participant within the meaning of Section 409A resulting from (i) an illness or accident of the Participant, former Participant or spouse, or a dependent (as defined in Code Section 152 (without regard to Sections 152(b)(1), (b)(2), and (d)(1)(B)) 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.

(b) The amount to be paid pursuant to Section 6.6(a) of the Plan shall not exceed the amount necessary to satisfy the applicable Unforeseeable Emergency plus amounts necessary to pay taxes reasonably anticipated as a result of the payment, 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 Participant's assets (to the extent such assets would not itself cause severe hardship).

6.7 **Form of Payment**. Any payment of Incentive Benefits to the Participant (or in the event of his or her death, to the Participant's Beneficiary) shall consist of (i) cash equal to the fair market value of the interest of the Participant's Account in the Available Funds and (ii) Holding Units equal to the number of Holding Units notionally credited to the Participant's Account. The number of fractional Holding Units shall be aggregated to create a whole number of Holding Units, which shall be distributed in the form of Holding Units. Notwithstanding the foregoing, cash shall be distributed in lieu of the excess number of fractional Holding Units.

Section 7. CLAIMS PROCEDURES.

7.1 **Initial Claim**.

(a) Any claim by any employee, Participant or Beneficiary ("Claimant") with respect to eligibility, participation, vesting, contributions, benefits or other aspects of the operation of the Plan shall be made in writing to the Committee. 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 give written or electronic notice to the Claimant of the denial of the claim within ninety (90) days after the Committee or its designee receives the claim, provided that in the event of special circumstances such period may be extended.

(b) In the event of special circumstances, 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 give written notice to the Claimant within ninety (90) days of receipt of the claim. The 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.

(c) 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.

(d) If a claim is wholly or partially denied, the notice to the Claimant shall set forth:

(i) The specific reason or reasons for the denial;

(ii) Specific reference to the pertinent Plan provisions upon which the denial is based;

(iii) 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;

(iv) A description of the Plan's review procedures and steps to be taken, as well as the applicable time limits if the Claimant wishes to submit the adverse determination for review; and

(v) A statement of the Claimant's right to bring a civil action under Section 502(a) of ERISA following an adverse benefit determination on review.

7.2 **Claim Denial Review**.

(a) 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 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:

(i) Upon written 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

(ii) 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.

(b) The decision of the Committee upon review shall be made within sixty (60) days 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 sixty (60) day period may be extended by the Committee in its sole discretion for a period of up to one hundred twenty (120) days.

(c) 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.

(d) 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.

(e) The Committee's decision upon review on the Claimant's claim shall be communicated in writing or electronically to the Claimant. If the claim upon review is denied, the notice to the Claimant shall set forth:

(i) The specific reason or reasons for the decision, with references to the specific Plan provisions on which the determination is based;

(ii) 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

(iii) A statement of the Claimant's right to bring a civil action under Section 502(a) of ERISA.

7.3 **Discretion**. 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.

7.4 **Regulation § 2560.503-1**. The claims procedures set forth in this Section 7 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 8. NO FUNDING OBLIGATION.

The Plan shall not be construed to require the Company to fund any of the benefits payable under the Plan or to set aside or earmark any monies or other assets specifically for payments under the Plan. The Plan is "unfunded" and Incentive Benefits shall be paid by the Company out of its general assets. Participants and their Beneficiaries shall not have any interest in any specific asset of the Company as a result of this Plan. Nothing contained in this Plan and no action taken pursuant to the provisions of this Plan shall create or be construed to create a trust of any kind, or a fiduciary relationship amongst the Company, the Committee, and the Participants, their Beneficiaries or any other person. Any funds which may be invested under the provisions of this Plan shall continue for all purposes to be part of the general funds of the Company and no person other than the Company shall by virtue of the provisions of this Plan have any interest in such funds. To the extent that any person acquires a right to receive payments from the Company under this Plan, such right shall be no greater than the right of any unsecured general creditor of the Company. The Company may, in its sole discretion, establish a "rabbi trust" to pay Incentive Benefits hereunder. If the Company decides to establish any accrued reserve on its books against the future expense of benefits payable hereunder, or if the Company establishes a rabbi trust under this Plan, such reserve or trust shall not under any circumstances be deemed to be an asset of the Plan, the Participants or their Beneficiaries.

Section 9. NON-TRANSFERABILITY OF RIGHTS UNDER THE PLAN.

The benefits payable or other rights under the Plan shall not be subject to alienation, transfer, assignment, garnishment, execution, or levy of any kind, and any attempt to be so subjected shall not be recognized.

Section 10. MINORS AND INCOMPETENTS.

In the event that the Committee finds that a Participant is unable to care for his affairs because of illness or accident, including as a result of a Disability, then Incentive Benefits, unless claim has been made therefor by a duly appointed guardian, committee, or other legal representative, may be paid in such manner as the Committee in its sole and absolute discretion shall determine, and the application thereof shall be a complete discharge of all liability for any payments or benefits to which such Participant was or would have been otherwise entitled under the Plan.

Any payments to a minor from this Plan may be paid by the Committee in its sole and absolute discretion (a) directly to such minor; (b) to the legal or natural guardian of such minor; or (c) to any other person, whether or not appointed guardian of the minor, who shall have the care and custody of such minor. The receipt by such individual shall be a complete discharge of all liability under the Plan therefor.

Section 11. WITHHOLDING TAXES.

The Company shall have the right to make such provisions as it deems necessary or appropriate to satisfy any obligations it may have to withhold federal (including without limitation, employment taxes imposed by the Federal Insurance Contributions Act), state or local income or other taxes incurred by reason of payments pursuant to the Plan. In lieu thereof, the Company shall have the right to withhold the amount of such taxes from any other sums due or to become due from the Company to the Participant upon such terms and conditions as the Company may prescribe.

Section 12. ASSIGNMENT.

Subject to Section 9 of the Plan, the Plan shall be binding upon and inure to the benefit of the Company, its successors and assigns and the Participants and their heirs, executors, administrators and legal representatives. In the event that the Company sells all or substantially all of the assets of its business and the acquiror of such assets assumes the obligations hereunder, the Company shall be released from any liability imposed herein and shall have no obligation to provide any benefits payable hereunder.

Section 13. LIMITATION OF RIGHTS.

Nothing contained herein shall be construed as conferring upon any individual the right to continue in the employ of the Company or its Affiliates as an executive or in any other capacity or to interfere with the right of the Company or its Affiliate to discharge him at any time for any reason whatsoever.

Section 14. ADMINISTRATION.

On behalf of the Company, the Plan shall be administered by the Board or, to the extent specifically delegated by the Board and permitted under the terms of the Plan, the Plan shall be administered by the Committee. The Committee may, to the extent specifically permitted under the terms of the Plan, delegate its authority to administer the Plan to a designee of the Committee; provided that, if any authority to administer the Plan is delegated by the Board, such administration shall be subject to the oversight of the Board, and if any authority to administer the Plan is delegated by the Committee, such administration shall be subject to the oversight of the Committee. The Committee (or its designee) shall have the exclusive right, power, and authority, in its sole and absolute discretion, to administer, apply and interpret the Plan and any other Plan documents and to decide all matters arising in connection with the operation or administration of the Plan. Without limiting the generality of the foregoing, the Committee shall have the sole and absolute discretionary authority: (a) to take all actions and make all decisions with respect to the eligibility for, and the amount of, benefits payable under the Plan; (b) to formulate, interpret and apply rules, regulations and policies necessary to administer the Plan in accordance with its terms; (c) to decide questions, including legal or factual questions, relating to the calculation and payment of benefits under the Plan; (d) to resolve and/or clarify any ambiguities, inconsistencies and omissions arising under the Plan or other Plan documents; and (e) to process and approve or deny benefit claims and rule on any benefit exclusions. In the event of a scrivener's error that renders a Plan term inconsistent with the Company's intent, the Company's intent controls, and any inconsistent Plan term is made expressly subject to this requirement. All determinations made by the Committee (or any designee) with respect to any matter arising under the Plan and any other Plan documents including, without limitation, any question concerning eligibility and the interpretation and administration of the Plan shall be final, binding and conclusive on all parties. To the extent that a form prescribed by the Committee to be used in the operation and administration of the Plan does not conflict with the terms and provisions of the Plan document, such form shall be evidence of (i) the Committee's interpretation, construction and administration of this Plan and (ii) decisions or rules made by the Committee pursuant to the authority granted to the Committee under the Plan.

Decisions of the Committee shall be made by a majority of its members attending a meeting at which a quorum is present (which meeting may be held telephonically), or by unanimous written action in accordance with applicable law.

No member of the Committee and no officer, director or employee of the Company or any other Affiliate shall be liable for any action or inaction with respect to his functions under the Plan unless such action or inaction is adjudged to be due to fraud. Further, no such person shall be personally liable merely by virtue of any instrument executed by him or on his behalf in connection with the Plan.

The Company shall indemnify, to the fullest extent permitted by law and its governing documents (but only to the extent not covered by insurance maintained by the Company directly covering the individuals) its officers and directors (and any employee involved in carrying out the functions of the Company under the Plan) and each member of the Committee against any expenses, including amounts paid in settlement of a liability, which are reasonably incurred in connection with any legal action to which such person is a party by reason of his duties or responsibilities with respect to the Plan (other than as a Participant), except with regard to matters as to which he or she shall be adjudged in such action to be liable for fraud in the performance of his duties.

Section 15. AMENDMENT OR TERMINATION OF PLAN.

On behalf of the Company, the Board may, in its sole and absolute discretion, amend the Plan from time to time and at any time in such manner as it deems appropriate or desirable, and the Board may, in its sole and absolute discretion, terminate the Plan for any reason from time to time and at any time in such manner as it deems appropriate or desirable. In the event the Board terminates or freezes the Plan, there shall be no further accrual of Incentive Benefits hereunder (other than the crediting of Earnings).

Section 16. SEVERABILITY OF PROVISIONS.

In case any provision of this Plan shall be held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provisions hereof, and the Plan shall be construed and enforced as if such provisions had not been included.

Section 17. ENTIRE AGREEMENT.

This Plan, along with the Participant's elections hereunder, constitutes the entire agreement between the Company and the Participant pertaining to the subject matter herein and supersedes any other plan or agreement, whether written or oral, pertaining to the subject matter herein. No agreements or representations, other than as set forth herein, have been made by the Company with respect to the subject matter herein.

Section 18. HEADINGS AND CAPTIONS.

The headings and captions herein are provided for reference and convenience only. They shall not be considered part of the Plan and shall not be employed in the construction of the Plan.

Section 19. NON-EMPLOYMENT.

The Plan is not an agreement of employment and it shall not grant an employee any rights of employment.

Section 20. PAYMENT NOT SALARY.

Except to the extent a plan otherwise provides, any amounts payable under this Plan shall not be deemed salary or other compensation to the Participant or Beneficiary for the purposes of computing benefits to which he or she may be entitled under any pension plan or other arrangement of the Company.

Section 21. GENDER AND NUMBER.

Wherever used in this Plan, the masculine shall be deemed to include the feminine and the singular shall be deemed to include the plural, unless the context clearly indicates otherwise.

Section 22. CONTROLLING LAW.

The Plan is established in order to provide deferred compensation to a select group of management and highly compensated employees within the meanings of Sections 201(2) and 301(a)(3) of ERISA. The Plan is intended to comply with the requirements imposed under Section 409A and the provisions of the Plan shall be construed in a manner consistent with the requirements of such section of the Code. To the extent legally required, the Code and ERISA shall govern the Plan and, if any provision hereof is in violation of any applicable requirement thereof, the Company reserves the right to retroactively amend the Plan to comply therewith. To the extent not governed by the Code and ERISA, the Plan shall be governed by the laws of the State of New York without giving effect to conflict of law provisions.

Section 23. SECTION 409A.

23.1 **Six Month Delay for Key Employee.** Notwithstanding anything in the Plan to the contrary, if a Participant is deemed on the Separation from Service to be a "Key Employee," (i) with regard to any payment or the provision of any benefit that is considered deferred compensation under Section 409A payable on account of a Separation from Service, such payment or benefit shall be delayed for a period of six (6) months following such Separation from Service (or until death if earlier), and shall be paid on the expiration of such six (6) month period or earlier death, and (ii) any payments and benefits not required to be so delayed shall be paid or provided in accordance with the Plan.

23.2 **Discretion of Company to Pay Within Number of Days.** Whenever a payment under the Plan specifies a payment period with reference to a number of days (e.g., "payment shall be made within 30 days following the date of termination"), the actual date of payment within the specified period shall be within the sole discretion of the Company.

23.3 **Installments Treated as Separate Payments**. If under the Plan, an amount is to be paid in two or more installments, for purposes of Section 409A each installment shall be treated as a separate payment.

Exhibit 10.05

ALLIANCEBERNSTEIN COMMISSION SUBSTITUTION PLAN

As Amended And Restated Effective As Of December 5, 2008

AllianceBernstein Holding L.P. maintains this AllianceBernstein Commission Substitution Plan (the "**Plan**") to create a compensation program to attract and retain eligible employees expected to make a significant contribution to the future growth and success of AllianceBernstein. The Plan was originally effective as of January 1, 2003.

The right to defer Awards hereunder shall be considered a separate plan within the Plan. Such separate plan shall be referred to as the "**ACSP Deferral Plan**." The ACSP Deferral Plan is maintained primarily for the purpose of providing deferred compensation to a select group of management or highly compensated employees (a "**Top Hat Employee**"). No one who is not a Top Hat Employee may defer compensation under the ACSP Deferral Plan.

The Plan 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**"). The Plan is hereby amended and restated effective December 5, 2008 to incorporate prior amendments and additional changes to clarify and reflect administrative practices and to comply with the final regulations issued under 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. Although none of AllianceBernstein, Holding, the Committee, their affiliates, and their agents make any guarantee with respect to the treatment of payments under this Plan and shall not be responsible in any event with regard to the Plan's compliance with Section 409A, the payments contained herein are intended to be exempt from Section 409A or otherwise comply with the requirements of Section 409A, and the Plan shall be limited, construed and interpreted in accordance with the foregoing. None of AllianceBernstein, Holding, the Committee, their affiliates, and their agents shall have any liability to any Participant or Beneficiary as a result of any tax, interest, penalty or other payment required to be paid or due pursuant to, or because of a violation of, Section 409A. This restatement incorporates and supersedes all of the amendments to the Plan through November 28, 2007.

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 Committee.

(c) "**AllianceBernstein**" means AllianceBernstein Holding L.P., including any successor to all or substantially all of its business and assets.

(d) "**Approved Fund**" means any money-market, debt or equity fund designated by the Committee from time to time as an Approved Fund.

(e) "**Award**" means any award which the Committee shall grant under Section 2.01 of this Plan.

(f) "**Beneficiary**" means one or more Persons, trusts, estates or other entities, designated in accordance with Section 6.03(a), that are entitled to receive, in the event of a Participant's death, any amount or property to which the Participant would otherwise have been entitled under the Plan.

(g) "**Beneficiary Designation Form**" means the form established from time to time by the Committee that a Participant completes, signs and returns to the Committee to designate one or more Beneficiaries.

(h) "**Board**" means the Board of Directors of the general partner of Holding and AllianceBernstein or a duly authorized committee of thereof.

(i) "**Cause**" means: (i) an act or acts constituting a felony under the laws of the United States or any state thereof; (ii) willful dishonesty in the performance of a Participant's duties; (iii) acts or omissions by a Participant in the performance of his or her duties which are substantially injurious to the financial condition or business reputation of any of the Companies; (iv) a Participant's continued failure substantially to perform his or her duties; or (v) willful insubordination or failure to follow a lawful directive.

(j) "**Code**" means the Internal Revenue Code of 1986, as amended from time to time.

(k) "**Committee**" means the administrative committee designated by AllianceBernstein's management from time to time to administer the plan.

(l) "**Company**" means AllianceBernstein and any corporation or other entity of which AllianceBernstein or AllianceBernstein Holding L.P. ("**Holding**") (i) has sufficient voting power (not depending on the happening of a contingency) to elect at least a majority of its board of directors or other governing body, as the case may be, or (ii) otherwise has the power to direct or cause the direction of its management and policies.

(m) "**Deferral Election Form**" means the form(s) established from time to time by the Committee that a Participant completes, signs and returns to the Committee to elect to defer the distribution of an Award, including Earnings thereon, pursuant to Article 5.

(n) "**Disability**" means unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, as determined by the carrier of the long-term disability insurance program maintained by the Company or its Affiliate that covers the Participant, or such other person or entity designated by the Committee in its sole discretion.

(o) "**Earnings**" on any Account during any period means the amounts of gain or loss that would have been incurred with respect to such period if an amount equal to the balance of such Account at the beginning of such period had been actually invested in accordance with a Participant's investment direction.

(p) **"Eligible Employee"** means, for any calendar year commencing on and after January 1, 2005, an active employee of a Company whom the Committee determines to be eligible for an Award. Notwithstanding the foregoing, no Eligible Employee whose Total Compensation for a calendar year is less than such amount, if any, as established by the Committee in writing shall be eligible to participate in the ACSP Plan for that calendar year and any advance deferral election made by such Eligible Employee is made on the condition that such Eligible Employee satisfies the Total Compensation requirement and, if not, such deferral election shall be null and void ab initio.

(q) "**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

(r) "**Fair Market Value**" means, with respect to a Holding Unit as of any given date and except as otherwise expressly provided by the Board or the Committee, the closing price of a Holding Unit on such date as published in the Wall Street Journal or, if no sale of Holding Units occurs on the New York Stock Exchange on such date, the closing price of a Holding Unit on such Exchange on the last preceding day on which such sale occurred as published in the Wall Street Journal.

(s) "**Holding Units**" means units representing assignments of beneficial ownership of limited partnership interests in Holding.

(t) "**Investment Election Form**" means the form established from time to time by the Committee that a Participant completes, signs and returns to the Committee to designate the percentage of such Award to be treated as notionally invested in Restricted Units or Approved Funds, pursuant to Section 2.02.

(u) "**Participant**" means any Eligible Employee of any Company whose principal duties are to sell or market the products or services of a Company, whose compensation is entirely or mostly commission-based, and who has been designated by the Committee as a Participant of the Plan.

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

(w) "**Plan**" means the AllianceBernstein Commission Substitution Plan, as set forth herein and as amended from time to time.

(x) "**Restricted Unit**" means a right to receive a Holding Unit in the future, as accounted for in an Account, subject to vesting and any other terms and conditions established hereunder or by the Committee.

(y) "**Retirement**" with respect to a Participant means that the employment of the Participant with the Company has terminated on or after the Participant's attaining age 65.

(z) "**Termination of Employment**" means that the Participant involved is no longer performing services as an employee of any Company other than pursuant to a severance or special termination arrangement, and has had a "separation from service" within the meaning of Section 409A.

(aa) "**Total Compensation**" for a calendar year means base salary paid during such calendar year, bonus paid for such calendar year even if paid after the end of such calendar year or deferred, commissions paid during such calendar year and the Award for such calendar year.

(bb) "**Unforeseeable Emergency**" means a severe financial hardship to a Participant or former Participant within the meaning of 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 Code Section 152(a), without regard to Code Sections 152(b)(1),(b)(2) and (d)(1)(B)) of the Participant or former Participant, (ii) loss of property of the Participant or former Participant due to casualty or (iii) other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant or former Participant, all as determined in the sole discretion of the Committee.

(cc) **"Vesting Schedule"** means the "Default Vesting Schedule" or the "Alternative Vesting Schedule," as applicable, as provided for in Section 3.01.

ARTICLE 2
PARTICIPATION

Section 2.01. *Grant*. The Committee shall have the authority to provide from time to time for the grant of Awards to Participants. The amount of any such Award and the identity of any such Participant shall be designated by the Committee in its sole and absolute discretion. The total nominal amount of each Award will be credited to an Account established for such Award for the relevant Participant, as of the end of the calendar year for which the decision to grant such Award is made (the "**Effective Date**" for such Award). An Award, including Earnings thereon, vests in accordance with the terms of Article 3, and any such vested Award will be subject to the rules on distributions and deferral elections under Articles 4 and 5, respectively.

Section 2.02. *Investment Elections.* Each Participant shall submit, in accordance with deadlines and procedures established from time to time by the Committee, an Investment Election Form with respect to each Award. Such Investment Election Form shall designate that percentage of such Participant's Award which shall be treated for purposes of the Plan as notionally invested in (i) Restricted Units and (ii) each of the Approved Funds. The Committee in its sole discretion may, but shall not be obligated to, permit each Participant to reallocate notional investments in each Account among Restricted Units and the various Approved Funds or just among the Approved Funds, subject to, without limitation, restrictions as to the frequency with which such reallocations may be made. The Committee may determine for each calendar year a minimum percentage and a maximum percentage of each Award that may be treated as notionally invested in Restricted Units and each Approved Fund. As soon as reasonably practicable after the end of each calendar year, a statement shall be provided to each such Participant indicating the current balance in each Account maintained for the Participant as of the end of the calendar year, and the amounts in such Account notionally allocated to Restricted Units and each of the Approved Funds.

Section 2.03. *Earnings on an Account*.

(a) Each Award for which an Investment Election Form has been validly submitted shall be credited to a separate Account in the proportions set forth in such Investment Election Form or as directed by the Committee. The amount of such Account shall be treated as notionally invested in Restricted Units or Approved Funds, as applicable, as of a date determined by the Committee (the "**Earnings Date**"), which shall be no later than forty-five days after the Effective Date. Notwithstanding Sections 2.04 and 2.05, Earnings will be credited or debited, as applicable, beginning from the Earnings Date but will not be credited or debited for any period prior to the Earnings Date.

(b) Not less frequently than as of the end of each calendar year following the year during which an Account is established in connection with an Award, each Account maintained under the Plan will be credited or debited, as applicable, with the amount, if any, necessary to reflect Earnings as of that date.

Section 2.04. *Awards Invested in Approved Funds*.

(a) To the extent the Committee or an Investment Election Form validly directs the notional investment of all or a part of any Award in Approved Funds, that portion of such Award so designated shall, as of a date determined by the Committee, be treated as notionally invested in such Approved Funds. If a cash dividend or other cash distribution is made with respect to Approved Funds, as of a date determined and as calculated by the Committee in its sole discretion, a Participant whose Account is notionally invested in Approved Funds (whether vested or unvested) will have such notional investment increased by an amount equal to the cash dividend or other cash distribution that would have been due on the Account had there actually been an investment in Approved Funds. Such increase shall be proportionately allocated by the Committee in its sole discretion between Approved Funds, as applicable, and such increase shall be vested at all times.

(b) To the extent any Approved Fund is terminated, liquidated, merged with another fund or experiences a major change in investment strategy or other extraordinary event, the Committee may, if so authorized by the Board, in such manner as it may in its sole discretion deem equitable, reallocate or otherwise adjust the amount of any Account under this Article 2 to reflect the occurrence of such event.

Section 2.05. Awards Invested in Restricted Units.

(a) To the extent the Committee or an Investment Election Form validly directs the notional investment of all or part of any Award in Restricted Units, that portion of such Award so designated shall, as of a date and based on a Fair Market Value of a Holding Unit as determined by the Committee and pursuant to procedures established by the Committee from time to time, be converted into a whole number of Restricted Units. From and after the date of such conversion, that portion of an Award which has been validly made to notionally invest in Restricted Units shall be denominated, and shall thereafter be treated for all purposes as, a grant of that number of Restricted Units determined pursuant to the preceding sentence.

(b) If a cash dividend or other cash distribution is made with respect to Holding Units, within 90 days 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 Section 4.03.

(c) Fractional unit amounts remaining after conversion under this Section 2.05 may be used for any purposes for the benefit of the Participant as determined by the Committee in its sole discretion, including but not limited to the payment of taxes with respect to an Award or deposit in the Approved Funds.

(d) In the event that the Committee determines that any distribution (whether in the form of cash, limited partnership interests, other securities, or other property), recapitalization (including, without limitation, any subdivision or combination of limited partnership interests), reorganization, consolidation, combination, repurchase, or exchange of limited partnership interests or other securities of Holding, issuance of warrants or other rights to purchase limited partnership interests or other securities of Holding, any incorporation of Holding, or other similar transaction or events affects Holding Units such that an adjustment is determined by the Committee to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, then the Committee may, if so authorized by the Board, in such manner as it may deem equitable, adjust the number of Restricted Units or securities of Holding (or number and kind of other securities) subject to outstanding Awards, or, if deemed appropriate, make provision for a cash payment to the holder of an outstanding Award.

ARTICLE 3
VESTING AND FORFEITURES

Section 3.01. *General*. Subject to Section 3.02, with respect to any Award credited to an Account maintained for a Participant in connection with such Award, the Participant will vest, on each of the first three anniversaries of the date on which the Award is credited to the Account, in an amount equal to one-third of the relevant Award, plus an aliquot portion of the Earnings thereon (the "**Default Vesting Schedule**"). Notwithstanding the foregoing, at the time of any Award, the Committee may provide for an alternative vesting schedule rather than the Default Vesting Schedule (the "**Alternative Vesting Schedule**"). If a Participant has a Termination of Employment as a result of a termination for Cause or the Participant's resignation for any reason, the Participant shall forfeit the balance of any Account maintained for him or her which has not been vested in accordance with the Default Vesting Schedule or the Alternative Vesting Schedule, as the case may be (the "**Vesting Schedule**") on the effective date of the Participant's Termination of Employment; *provided, however*, that, the Committee may determine, in its sole discretion, and only if a Participant executes a release of liability in favor of the Company in a form approved by the Committee and satisfies such other conditions as established by the Committee, that the Participant who has a termination for Cause or has resigned for any reason will continue to vest in the balance of such Account following such Termination of Employment at the same time(s) that such balance would have otherwise vested under the Vesting Schedule. For purposes of this Plan, the "**vesting**" of a Restricted Unit shall mean the lapsing of the restrictions thereon with respect to such Restricted Unit.

Section 3.02. *Death, Disability, Retirement or Termination Without Cause*. Notwithstanding Section 3.01, a Participant's Account will become 100% vested upon the Participant's Termination of Employment due to death, upon the Participant's Disability, Retirement or a termination without Cause.

ARTICLE 4
DISTRIBUTIONS

Section 4.01. *General*. Subject to Section 2.05(b), no Award will be distributed unless such distribution is permitted under this Article 4. The payment of the vested portion of an Award, including Earnings thereon, shall be treated as drawn proportionately from the investment alternative(s) in effect as of the relevant payment date. Any such payment shall be made in Holding Units to the extent such payment is attributable to an Award notionally invested in Restricted Units. Any portion of an Award, including Earnings thereon, that is not vested will not be distributed hereunder.

Section 4.02. *Distributions If Deferral Election Is Not In Effect*.

(a) Unless a Participant elects otherwise on a Deferral Election Form under Sections 5.01 or 5.02 (if such election is permitted by the Committee), a Participant who has not had a Disability or 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 within [70 oe 90] days after such portion vests under the applicable Vesting Schedule of Section 3.01.

(b) 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 Disability or 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 in the calendar year in which the 180th day anniversary of the death occurs.

(ii) In the event of a Participant's Disability, such distribution will be made to the Participant in a single lump sum payment within 90 days following such Disability.

(iii) In the event of a Participant's Termination of Employment due to the Participant's Retirement or termination without Cause, such distribution will be made to the Participant in a single lump sum payment within 90 days following the six month anniversary of any such Termination of Employment.

(iv) In the event that the Committee determines in its sole discretion under Section 3.01 that a Participant shall continue to vest following his Termination of Employment, payments with respect to the Award, including Earnings thereon, will be made within [70 or 90] days after each portion 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 Section 4.03(b), 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 not incurred a Disability but has a Termination of Employment for any reason other than death, the vested portion of such Participant's Award, including Earnings thereon, will be distributed to him within 90 days following the benefit commencement date specified on such Deferral Election Form and in the form of payment elected on such form.

(b) 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 incurs Termination of Employment due to death, the elections made by such Participant on his Deferral Election Form shall be disregarded, and the Participant's Award, including Earnings thereon, will be distributed to his Beneficiary in a single lump sum payment in the calendar year in which the 180th day anniversary of the death occurs.

In the event that a Participant incurs a Disability on or after January 1, 2009, payment will be made in accordance with such Participant's election on his Deferral Election Form. Such an election may be made with regard to awards granted on or after January 1, 2009 and, pursuant to transition guidance issued by the Internal Revenue Service in connection with Section 409A, including Internal Revenue Service Notice 2007-86, with regard to awards granted prior to such date. Notwithstanding the foregoing, in the event that a Participant incurs a Disability prior to January 1, 2009, the Participant's Award, including Earnings thereon, will be distributed to him or his Beneficiary, as applicable, in a single lump sum payment within 90 days following the Participant's Disability.

Section 4.04. *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, by liquidation of the individual's assets (to the extent the liquidation of such assets would not itself cause severe financial hardship), and by suspension of the individual's deferral(s) under the Plan.

Section 4.05. *Documentation.* Each Participant and Beneficiary shall provide the Committee with any documentation required by the Committee for purposes of administering this Plan.

ARTICLE 5
Deferrals of Compensation

Section 5.01. *Initial Deferral Election.* The Committee may permit deferral elections in its sole and absolute discretion in accordance with procedures established by the Committee for this purpose from time to time. If so permitted, a Participant may elect in writing on a Deferral Election Form to have the portion of the Award which vests, including Earnings thereon, distributed as of a distribution commencement date elected by the Participant that occurs following the date that such Award becomes or is scheduled to become 100% vested under the applicable Vesting Schedule, or, if earlier and so permitted by the Committee, six months following such Participant's Termination of Employment. Any such distribution shall be made in such form(s) as permitted by the Committee at the time of deferral (including, if permitted by the Committee, a single lump sum or substantially equal annual installments over a period of up to ten years) as elected by the Participant. If the Participant has failed to properly elect a distribution commencement date, the Participant will be deemed to have elected to have the Award distributed as the Award vests, and if the Participant has failed to properly elect a method of payment, the Participant will be deemed to have elected to have the Award distributed in the form of a lump sum. If deferrals are permitted by the Committee, such Deferral Election Form must submitted to the Committee (or its delegate) no later than the last day of the calendar year prior to the Effective Date of an Award under Section 2.01, except that a Deferral Election Form may also be submitted to the Committee (or its delegate) in accordance with the following:

(a) In the case of the first year in which a Participant becomes eligible to participate in the Plan and with respect to services to be performed subsequent to such deferral election, a Deferral Election Form may be submitted within 30 days after the date the Participant becomes eligible to participate in the Plan.

(b) With respect to the deferral of an Award subject to Section 409A of the Code that relates all or in part to services performed in a calendar year, a Deferral Election Form may be submitted by March 15 of such calendar year.

(c) A Deferral Election Form may be submitted at such other time or times as permitted by the Committee in accordance with Section 409A of the Code.

Section 5.02. *Changes in Time and Form of Distribution.* The elections set forth in a Participant's Deferral Election Form governing the payment of the vested portion of an Award, including Earnings thereon, pursuant to Section 5.01 shall be irrevocable as to the Award covered by such election; *provided, however*, if permitted by the Committee, a Participant shall be permitted to change the time and form of distribution of such Award by making a subsequent election on a Deferral Election Form supplied by the Committee for this purpose in accordance with procedures established by the Committee from time to time, provided that any such subsequent election does not take effect for at least 12 months, is made at least 12 months prior to the scheduled distribution commencement date for such Award and the subsequent election defers commencement of the distribution for at least five years from the date such payment otherwise would have been made.

ARTICLE 6
ADMINISTRATION; MISCELLANEOUS

Section 6.01. *Administration of the Plan*. The Plan is intended to be an unfunded, non-qualified incentive plan and the ACSP Deferral Plan is intended to be an unfunded, non-qualified deferred compensation plan within the meaning of ERISA and shall be administered by the Committee as such. The right of any Participant or Beneficiary to receive distributions under the Plan shall be as an unsecured claim against the general assets of AllianceBernstein. Notwithstanding the foregoing, AllianceBernstein, in its sole discretion, may establish a "rabbi trust" or separate custodial account to pay benefits hereunder. The Committee shall have the full power and authority to administer and interpret the Plan and to take any and all actions in connection with the Plan, including, but not limited to, the power and authority to prescribe all applicable procedures, forms and agreements. The Committee's interpretation and construction of the Plan, including its computation of notional investment returns and Earnings, shall be conclusive and binding on all Persons having an interest in the Plan.

Section 6.02. *Amendment, Suspension and Termination of the Plan*. The Committee reserves the right at any time, without the consent of any Participant or Beneficiary and for any reason, to amend, suspend or terminate the Plan in whole or in part in any manner; provided that no such amendment, suspension or termination shall reduce the balance in any Account prior to such amendment, suspension or termination or impose additional conditions on the right to receive such balance, except as required by law.

Section 6.03. *General Provisions*.

(a) To the extent provided by the Committee, each Participant may file with the Committee a written designation of one or more Persons, including a trust or the Participant's estate, as the Beneficiary entitled to receive, in the event of the Participant's death, any amount or property to which the Participant would otherwise have been entitled under the Plan. A Participant may, from time to time, revoke or change his or her Beneficiary designation by filing a new designation with the Committee. If (i) no such Beneficiary designation is in effect at the time of a Participant's death, (ii) no designated Beneficiary survives the Participant, or (iii) a designation on file is not legally effective for any reason, then the Participant's estate shall be the Participant's Beneficiary.

(b) Neither the establishment of the Plan nor the grant of any Award or any action of any Company, the Board, or the Committee pursuant to the Plan, shall be held or construed to confer upon any Participant any legal right to be continued in the employ of any Company. Each Company expressly reserves the right to discharge any Participant without liability to the Participant or any Beneficiary, except as to any rights which may expressly be conferred upon the Participant under the Plan.

(c) An Award hereunder shall not be treated as compensation, whether upon such Award's grant, vesting, payment or otherwise, for purposes of calculating or accruing a benefit under any other employee benefit plan except as specifically provided by such other employee benefit plan.

(d) Nothing contained in the Plan, and no action taken pursuant to the Plan, shall create or be construed to create a fiduciary relationship between any Company and any other person.

(e) Neither the establishment of the Plan nor the granting of an Award hereunder shall be held or construed to create any rights to any compensation, including salary, bonus or commissions, nor the right to any other Award or the levels thereof under the Plan.

(f) No Award nor right to receive any payment, including Restricted Units, under the Plan may be transferred or assigned, pledged or otherwise encumbered by any Participant or Beneficiary other than by will, by the applicable laws of descent and distribution or by a court of competent jurisdiction. Any other attempted assignment or alienation of any payment hereunder shall be void and of no force or effect.

(g) If any provision of the Plan shall be held illegal or invalid, the illegality or invalidity shall not affect the remaining provisions of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included in the Plan.

(h) Any notice to be given by the Committee under the Plan to any party shall be in writing addressed to such party at the last address shown for the recipient on the records of any Company or subsequently provided in writing to the Committee. Any notice to be given by a party to the Committee under the Plan shall be in writing addressed to the Committee at the address of 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 10.06

AWARD AGREEMENT

UNDER THE AMENDED AND RESTATED
ALLIANCEBERNSTEIN PARTNERS COMPENSATION PLAN

You have been granted an award under the Amended and Restated AllianceBernstein Partners Compensation Plan (the "Plan"), as specified below:

Participant:

Amount of Award:

Date of Grant: **12/31/2008**

In connection with your award (the "Award"), you, AllianceBernstein Holding L.P.("Holding") and AllianceBernstein L.P. ("AllianceBernstein") 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 is 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 is 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 January 23, 2009.

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

By: /s/ Robert H. Joseph, Jr.
Robert H. Joseph, Jr.
SVP and Chief Financial Officer

Signature

Participant Name:

Exhibit 10.07

SPECIAL OPTION PROGRAM UNDER THE
1997 LONG TERM INCENTIVE PLAN

OPTION AWARD AGREEMENT

AGREEMENT, dated as of January 23, 2009, among AllianceBernstein L.P. ("Partnership"), AllianceBernstein Holding L.P. ("Holding") and <PARTC_NAME> ("Participant"), an employee of the Partnership or a subsidiary of the Partnership.

WHEREAS, 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 options ("Options") to purchase units representing assignments of the beneficial ownership of limited partnership interests in Holding ("Units") that vest over the first five anniversaries of grant date;

NOW, THEREFORE, 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 to the Participant 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.

2. Term and Vesting Schedule. (a) The Options shall not be exercisable to any extent prior to January 23, 2010 or after January 23, 2019 ("Option Expiration Date"). Subject to the terms and conditions of this Agreement and the Plan, the Participant shall be entitled to exercise the Options prior to the Option Expiration Date and to purchase Units pursuant to the Options in accordance with the schedule set forth in Section 3 of Schedule A.

(b) 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 the Option Expiration Date, 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 the Option Expiration Date (*i.e.*, any Units subject to the Options that have not been purchased on or before the Option Expiration Date may no longer be purchased). A Unit shall be considered to have been purchased on or before the Option Expiration Date if the Partnership has been given notice of the purchase and the Partnership has actually received payment therefor, pursuant to Sections 3, 7 and 15, on or before the Option 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 15, 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 Options may be authorized and newly-issued 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 exercised 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 all outstanding Options held by the Participant (and not previously cancelled or expired) for a period which ends not later than the earlier of (i) three months after such termination, and (ii) the Option Expiration Date. The Participant shall be deemed to have incurred a "Disability" if the Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to last for a continuous period of not less than 12 months, as determined by the carrier of the long-term disability insurance program maintained by the Partnership or its affiliate that covers the Participant, or such other person or entity designated by the Administrator in its sole discretion. In order to assist in the process described in this paragraph (a), the Participant shall, as reasonably requested by the Administrator, (A) be available for medical examinations by one or more physicians chosen by the long-term disability insurance provider or the Administrator and approved by the Participant, whose approval shall not unreasonably be withheld, and (B) grant the long-term disability insurance provider, the Administrator 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, (ii) within one month after incurring a Disability (as determined in accordance with paragraph (a) above), (iii) at any time after the Participant's Retirement (as defined in paragraph (c) below), or (iv) within one month after the Participant's employment is terminated for any reason other than Disability, Retirement or for Cause (as determined in accordance with paragraph (d) below), all outstanding Options held by the Participant (and not previously cancelled or expired) may be exercised by the person or persons to whom the Options shall have been transferred by will or by the laws of descent and distribution 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 Option Expiration Date.

(c) Retirement. If the Participant's employment with the Partnership terminates because of the Participant's Retirement, the outstanding Options held by the Participant (and not previously cancelled or expired) on his or her Retirement date shall expire on the earlier of the Option Expiration Date and the date that is five years from the date of such Retirement. Furthermore, to the extent any such Options are not fully vested on the Participant's Retirement date, the Options shall continue to vest as specified in Section 3 of Schedule A. "Retirement" with respect to a Participant means that the employment of the Participant with the Partnership or any subsidiary of the Partnership has terminated either (i) on or after the Participant's attaining the age 65, or (ii) on or after the Participant's attaining the age 55 at a time when the sum of the Participant's age and aggregate full calendar years of service with the Partnership or any subsidiary of the Partnership, including service prior to April 21, 1988 with the corporation then named Alliance Capital Management Corporation, equals or exceeds 70. The vesting and termination provisions in this paragraph (c) are conditioned upon the retiring Participant executing and complying with a standard release and non-competition agreement in favor of the Partnership and its subsidiaries (as defined below) in a form to be provided by the Partnership.

(d) Other Termination. If the Partnership terminates the Participant's employment for any reason other than death, Disability, Retirement 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 Option Expiration Date. "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 obligation 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 Section 2 of Schedule A, as it deems appropriate and equitable. In the event of incorporation (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 adjustment 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 purchase is given and payment in full is received by the Partnership and Holding under Sections 3, 7 and 15 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 delivered 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 Corporate 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 or her 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 requirements 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 Option Award Agreement, please click the “Accept” button below:

ACCEPT

DECLINE

SCHEDULE A
TO
SPECIAL OPTION PROGRAM AGREEMENT

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

2. The per Unit price to purchase Units pursuant to the Options granted under this Agreement is $17.05 per Unit.

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

1. January 23, 2010	20.0%
2. January 23, 2011	40.0%
3. January 23, 2012	60.0%
4. January 23, 2013	80.0%
5. January 23, 2014	100.0%

Exhibit 10.08

ALLIANCEBERNSTEIN L.P.
FINANCIAL ADVISOR WEALTH ACCUMULATION PLAN

INCENTIVE AWARD AGREEMENT

THIS AGREEMENT, made as of the 1st day of December, 2007, 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, 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	14.3%
January 1, 2015	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. **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.

5. **Post-Termination Obligations.** The Participant agrees that the Plan and the Incentive Award being made thereunder are in further consideration of the Participant's confidentiality and non-solicitation obligations, which are set forth in Paragraphs 3, 4 and 5 of the Participant's employment agreement with 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.

6. **Death**. The Participant's Beneficiary shall be the persons designated pursuant to the form attached hereto. The Participant may change his designation of beneficiary(ies) at any time prior to his death by submitting a new beneficiary form to the Company.

7. **Controlling Law**. This Agreement shall be governed by and construed in accordance with the laws of the State of New York without giving effect to conflict of law provisions.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

ALLIANCEBERNSTEIN L.P.

By: /s/ Robert H. Joseph, Jr.
Robert H. Joseph, Jr.
SVP and Chief Financial Officer

[NAME OF PARTICIPANT]

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

AMENDED ADMINISTRATIVE GUIDELINES
(EFFECTIVE AS OF JANUARY 1, 2007)

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 Advisor 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 immediately preceding 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 on the Financial Advisor's Eligible Revenues, a fixed amount that is selected from the new account and base servicing revenue for the Advisor's trailing four calendar quarters prior to the Incentive Award. 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 and at any time, 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 Hedge Fund rules for withdrawals.

Available Investment Elections

- AllianceBernstein Small Cap Growth Portfolio
- AllianceBernstein Small/Mid-Cap Value Fund
- AllianceBernstein Real Estate Investment Fund
- Federated Government Obligation Fund
- Bernstein Strategic Value Portfolio
- Bernstein Strategic Growth Portfolio
- Bernstein International Portfolio
- Bernstein Global Style Blend Portfolio
- Bernstein Emerging Markets Fund
- Bernstein Intermediate Duration Fund
- Bernstein Short Duration Fund
- Bernstein Advanced Value Hedge Fund
- Bernstein Global Opportunities Hedge Fund
- Bernstein Global Diversified Hedge Fund
- AllianceBernstein Global Diversified Strategies - Hedge Fund A
- AllianceBernstein Global Diversified Strategies - Hedge Fund B
- AllianceBernstein Holding Units[1]

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. 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.

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1 AllianceBernstein Holding Units in which Plan participants obtain a notional interest are issued pursuant to a registration statement on Form S-8 and prospectus. Copies of these documents are available, free of charge, from the Company or the plan administrator.

Incentive Award Distributions

The vested portion of an Incentive Award notionally invested in the Company's investment products will be paid in cash in the first calendar quarter following the end of the third year and annually thereafter. The vested portion of an Incentive Award notionally invested in AllianceBernstein Holding Units will be paid in kind 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 his or her employment or some date certain in the future. Additionally, he or she 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 any revenues deemed Eligible Revenues will be 3% of Base Servicing Revenue for the period of the Incentive Award. During the period of the Incentive Award, the 3% rate may be applied to revenues generated by any relationships, accounts or assets on a Participant's base in an amount equal to the Participant's Eligible Revenues amount. Upon acceptance of an Incentive Award, Base Level Servicing provisions in the Advisor's employment agreement will be superseded by the foregoing sentences.

Base Level Servicing on revenues in excess of the Eligible Revenues amount will be paid at the rate set by the Participant's employment agreement.

Full Production Bonus will be paid on all New Accounts and New Assets regardless of whether the assets or accounts are within relationships used to calculate the Eligible Revenues amount at the time the Incentive Award was made.

Adjustments To Incentive Awards

The Company 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 Incentive Award in those periods of upward market performance or positive net asset growth.

Plan Adminsitration

The Newport Group 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 Company will inform you of any change of plan administrator.

Exhibit 10.09

SUMMARY OF ALLIANCEBERNSTEIN L.P.'S LEASE AT

1345 AVENUE OF THE AMERICAS, NEW YORK, NEW YORK

TABLE OF CONTENTS

PARTIES

Landlord: 1345 Leasehold LLC, a Delaware limited liability company ("Landlord")

Tenant: AllianceBernstein L.P. (formerly known as Alliance Capital Management L.P.), a Delaware limited partnership ("Alliance")

DOCUMENTS

Agreement of Lease dated July 3, 1985 among The Fisher-Sixth Avenue Company and Hawaiian Sixth Avenue Corp. as landlord, and Alliance Capital Management Corporation, as tenant ("orig.")

Supplemental Agreement dated September 30, 1985 among The Fisher-Sixth Avenue Company and Hawaiian Sixth Avenue Corp. as landlord, and Alliance Capital Management Corporation, as tenant ("Sup1")

Second Supplemental Agreement dated December 31, 1985 among The Fisher-Sixth Avenue Company and Hawaiian Sixth Avenue Corp. as landlord, and Alliance Capital Management Corporation, as tenant

Third Supplemental Agreement dated July 29, 1987 among The Fisher-Sixth Avenue Company and Hawaiian Sixth Ave. Corp. as landlord, and Alliance Capital Management Corporation, as tenant

Fourth Supplemental Agreement dated February, 1989 among The Fisher-Sixth Avenue Company and Hawaiian Sixth Ave. Corp. as landlord, and Alliance, as tenant ("Sup4")

Fifth Supplemental Agreement dated October 9, 1989 among The Fisher-Sixth Avenue Company and Hawaiian Sixth Ave. Corp. as landlord, and Alliance, as tenant ("Sup5")

Sixth Supplemental Agreement dated December 13, 1991 among The Fisher-Sixth Avenue Company and Hawaiian Sixth Ave. Corp. as landlord, and Alliance, as tenant ("Sup6")

Seventh Supplemental Agreement dated May 27, 1993 among The Fisher-Sixth Avenue Company and Hawaiian Sixth Ave. Corp. as landlord, and Alliance, as tenant ("Sup7")

Eighth Supplemental Agreement dated June 1, 1994 among The Fisher-Sixth Avenue Company and Hawaiian Sixth Ave. Corp. as landlord, and Alliance, as tenant ("Sup8")

Ninth Supplemental Agreement dated August 16, 1994 among The Fisher-Sixth Avenue Company and Hawaiian Sixth Ave. Corp. as landlord, and Alliance, as tenant ("Sup9")

Tenth Supplemental Agreement dated December 31, 1994 among The Fisher-Sixth Avenue Company and Hawaiian Sixth Ave. Corp. as landlord, and Alliance, as tenant ("Sup10")

Eleventh Supplemental Agreement dated April 30, 1995 among The Fisher-Sixth Avenue Company and Hawaiian Sixth Ave. Corp. as landlord, and Alliance, as tenant ("Sup11")

Letter Agreement dated December 21, 1995 among The Fisher-Sixth Avenue Company and Hawaiian Sixth Ave. Corp., Carter-Wallace, Inc., Arnhold and S. Bleichroeder, Inc. and Alliance ("LTR1")

Letter Agreement dated December 21, 1995 among The Fisher-Sixth Avenue Company, Hawaiian Sixth Ave. Corp. and Alliance

Twelfth Supplemental Agreement dated September 9, 1998 between 1345 Leasehold Limited Partnership and Alliance (“Sup12”)

Letter Agreement dated October 7, 1998 between 1345 Leasehold Limited Partnership and Alliance

Thirteenth Supplemental Agreement dated March 15, 1999 between 1345 Leasehold Limited Partnership and Alliance (“Sup13”)

Fourteenth Supplemental Agreement dated February 8, 2000 between 1345 Leasehold Limited Partnership and Alliance (“Sup14”)

Fifteenth Supplemental Agreement dated August 3, 2000 between 1345 Leasehold Limited Partnership and Alliance (“Sup15”)

Letter dated September 7, 2000 from Alliance to Landlord (“LTR2”)

Sixteenth Supplemental Agreement dated August 31, 2001 between 1345 Leasehold Limited Partnership and Alliance (“Sup16”)

Seventeenth Supplemental Agreement dated October 31, 2001 between 1345 Leasehold Limited Partnership and Alliance (“Sup17”)

Eighteenth Supplemental Agreement dated February 15, 2002 between 1345 Leasehold Limited Partnership and Alliance (“Sup18”)

Nineteenth Supplemental Agreement dated December 4, 2002 between 1345 Leasehold Limited Partnership and Alliance (“Sup19”)

Twentieth Supplemental Agreement dated December 4, 2002 between 1345 Leasehold Limited Partnership and Alliance (“Sup20”)

Letter Agreement dated December 4, 2002 between Alliance and Hearst Communications, Inc. (“LTR3”)

Twenty-first Supplemental Agreement dated December 22, 2003 between Landlord and Alliance (“Sup21”)

Twenty-second Supplemental Agreement dated October 31, 2004 between Landlord and Alliance (“Sup22”)

Twenty-third Supplemental Agreement dated June 30, 2007 between Landlord and Alliance (“Sup23”)

Twenty-fourth Supplemental Agreement dated July 31, 2007 between Landlord and Alliance (“Sup24”)

Twenty-fifth Supplemental Agreement dated July 31, 2007 between Landlord and Alliance (“Sup25”)

Twenty-sixth Supplemental Agreement dated July 31, 2007 between Landlord and Alliance (“Sup26”)

Twenty-seventh Supplemental Agreement dated August 30, 2008 between Landlord and Alliance (“Sup27”)

Cleaning Agreements

Cleaning Agreement (“CAO”) dated August 16, 1994 between 1345 Cleaning Service Co. (“Original Cleaning Contractor”) and Alliance regarding the office space

First Amendment to Cleaning Agreement (“CAO-1”) dated December 31, 1994 between Original Cleaning Contractor and Alliance

Second Amendment to Cleaning Agreement (“CAO-2”) dated April 30, 1995 between Original Cleaning Contractor and Alliance

Third Amendment to Cleaning Agreement (“CAO-3”) dated September 9, 1998 between Original Cleaning Contractor and Alliance

Fourth Amendment to Cleaning Agreement (“CAO-4”) dated February 8, 2000 between Original Cleaning Contractor and Alliance

Fifth Amendment to Cleaning Agreement (“CAO-5”) dated August 3, 2000 between Original Cleaning Contractor and Alliance

Sixth Amendment to Cleaning Agreement (“CAO-6”) dated August 31, 2001 between Original Cleaning Contractor and Alliance

Seventh Amendment to Cleaning Agreement (“CAO-7”) dated October 31, 2001 between Original Cleaning Contractor and Alliance

Eighth Amendment to Cleaning Agreement (“CAO-8”) dated February 15, 2002 between Original Cleaning Contractor and Alliance

Ninth Amendment to Cleaning Agreement (“CAO-9”) dated October 31, 2004 between Original Cleaning Contractor and Alliance

Tenth Amendment to Cleaning Agreement (“CAO-10”) dated July 31, 2007 between 1345 Cleaning Service Company II, L.P. (“Cleaning Contractor”) and Alliance

Eleventh Amendment to Cleaning Agreement (“CAO-11”) dated July 31, 2007 between Cleaning Contractor and Alliance

Twelfth Amendment to Cleaning Agreement (“CAO-12”) dated July 31, 2007 between Cleaning Contractor and Alliance

Cleaning Agreement (“CAG”) dated as of March 15, 1999 between Original Cleaning Contractor and Alliance regarding the ground floor space

SNDAs

Subordination, Non-Disturbance and Attornment Agreement (Ground Lease) dated August 3, 2000 between 1345 Fee Limited Partnership, as owner, and Alliance, as tenant (“SNDA-G”)

Subordination, Nondisturbance and Attornment Agreement dated July 6, 2005 between Alliance, Morgan Stanley Mortgage Capital Inc. and UBS Rea Estate Investments Inc. (“SNDA-M”)

First Amendment to Subordination, Nondisturbance and Attornment Agreement dated July 6, 2005 between Alliance and LaSalle Bank National Association, as Trustee

DEMISED PREMISES

Floor (entire floor unless otherwise noted)	Delivery Date
Concourse (part) (Sup15 §23(a), Sup17 §13, Sup23 §2a)	Delivered.
Ground Floor (part) **	The Ground Floor (part) formerly leased to Alliance has been surrendered and deleted from the demised premises. Landlord has leased the Ground Floor (part) to Wachovia Bank, National Association ("Wachovia") pursuant to the Agreement of Lease dated December 22, 2003 (the "Wachovia Lease"), for a term coterminous with Alliance's lease which Wachovia may extend pursuant to its three 5-year extension options. If the term of the Wachovia Lease expires or terminates prior to the expiration or termination of Alliance's lease, then, on the day after said termination, the Ground Floor (part) will be added back to the demised premises on substantially the same terms (including the rent terms) as were in effect prior to its surrender and deletion from the demised premises (Sup21 §3). For more information regarding the terms of the surrender of Ground Floor part, see below.
2, 8, 9, 11 through 14 (Sup15 §2(a); Ltr2; Sup16 §11)	Delivered.
10 (Sup19 §3(a)) ***	Delivered.
15 (Sup12 §2(a))	Delivered.
16 (Sup12 §2(b))	Delivered.
17 (Sup16 §2(b); Sup17 §2(b); Sup18 §2(b); Sup22 §2(b))	Delivered.
31 (part) (Sup7 §2(c))	Delivered.
31 (part) (Sup24 §2(a))	Anticipated to be May 1, 2010.
32 (Sup6 §2)	Delivered.
33 (Sup7 §2(a))	Delivered.
34 (NW Cor. 94) (Sup8 §2(a))	Delivered.
34 (NW Cor. 95) (Sup8 §1(c))	Delivered.
34 (balance) (Sup7 §2(b))	Delivered.
35 (Sup14 §2(a))	Delivered.

36 (Sup14 §2(b))	Delivered.
37 (NE Cor.) (orig. intro.)	Delivered.
37 (NW Cor.) (orig. §46.01)	Delivered.
37 (SE Cor.) (Sup1 §2)	Delivered.
37 (SW Cor.) (Sup5 §2)	Delivered.
38 (orig. intro.)	Delivered.
39 (Sup4 §2)	Delivered.
40, 41 and 45 (Sup9 §3(a); LTR1 par 2)	Delivered.
42 (Sup25 §2(a))	Delivered.
43 and 44 (Sup26 §2(a))	Anticipated to be May 1, 2011.

**Ground Floor (part):

For a summary of the payments Alliance makes in lieu of rent and the credits Alliance receives in respect of the Ground Floor (part), see Monthly Fixed Rent, Tax Escalation and Expense Escalation. Other terms of the surrender and deletion of Ground Floor (part) from the demised premises are summarized below.

- Enforcement: Landlord will make reasonable efforts to enforce the Wachovia Lease (including the rent obligations). If Wachovia defaults under the Wachovia Lease, then Alliance may, at its option, participate in any action Landlord takes in respect of said default. If Landlord does not take any action, then Alliance may, at its option, (1) cause the Landlord to assign its right to proceed against Wachovia, in which case Alliance may then proceed directly against Wachovia provided that Alliance indemnifies Landlord from any loss arising from such action, or (2) require the Landlord to proceed against Wachovia in which case Alliance will reimburse Landlord within 30 days after demand for any reasonable out-of-pocket expenses incurred by Landlord in respect of enforcing the Wachovia Lease (Sup21 §4(f)).

- Amendments, Terminations, Extensions and Consents: Landlord is prohibited from amending the Wachovia Lease or waiving any provision thereof without first obtaining Alliance’s consent. Alliance must be reasonable in respect of consenting to any amendment that would not have an economic or adverse impact on Alliance and Alliance’s failure to respond to a request for such a consent within 5 business days of receipt is deemed consent. Landlord is prohibited from terminating the term of the Wachovia Lease except in the event of a default thereunder or extending the term of the Wachovia Lease except pursuant to the express provisions thereof without first obtaining Alliance's consent (Sup21 §5(a)). Landlord is prohibited from granting its consent to any matter contemplated by the Wachovia Lease (e.g., subleases and alterations) without first obtaining Alliance’s consent. Alliance's rights in respect of Wachovia signage is summarized in more detail below. Alliance is required to be reasonable in granting its consent to any such matter if Landlord is obligated to be reasonable under the Wachovia Lease. Alliance is required to respond in the same time period as Landlord is obligated to respond to any request for consent and Alliance will be deemed to have given its consent if it fails to respond (Sup21 §5(c); LTR3 §3).

- Signage: Wachovia is prohibited from displaying signage on the window, doors or the exterior of the perimeter walls of its demised premises unless Wachovia obtains the prior written reasonable consent of the Landlord and said signage is in conformity with the building standard sign program (Wachovia Lease §46.2(e)). However, Wachovia has the right to install signage on the interior and exterior of the demised premises that conforms with Wachovia's standard national or NYC signage program provided that said signage pertains primarily to general retail banking, safe deposits or electronic banking and not to certain permitted ancillary uses (e.g. brokerage, insurance, investment services). Nevertheless, Wachovia has the right to display temporary signage which describes said ancillary uses in certain designated areas provided that Wachovia is obligated to remove said signage if either Landlord or Alliance reasonably believes that said temporary signage is not in keeping with the quality or character of the building. The size and location of signage on or visible from the exterior of the Ground Floor (part) is subject to the reasonable approval and Landlord and Alliance. Wachovia also has the right to display promotional banners provided the size, color and location of said banners is subject to the reasonable approval of Landlord and Alliance. Landlord's (and, therefore, Alliance's) failure to respond within 15 business days to any request for consent regarding signage is deemed consent (Wachovia Lease §46.3(a)).

- Assignment/Subletting Profits: Landlord and Alliance will share equally any sublease or assignment of lease profits payable to Landlord under the Wachovia Lease (Sup21 §6(a)).

- Hold Over by Wachovia: If Wachovia holds over following the termination of the Wachovia Lease term, then Landlord will promptly commence summary dispossess proceedings and will use commercially reasonable efforts to evict Wachovia. Landlord will pay to Alliance any amounts recovered from Wachovia arising from said proceedings after first deducting Landlord's actual out-of-pocket expenses, provided that if the amounts paid over by Landlord exceed the sums paid by Alliance in respect of the Ground Floor (part) for the corresponding period, then Landlord will be permitted to retain 50% of said excess (Sup21 §8).

- Reimbursement of Landlord on Account of Payments to Cushman & Wakefield, Inc.: Alliance will reimburse Landlord up to $601,854.52 in respect of any amounts paid by Landlord to Cushman & Wakefield, Inc. arising from Sup21 (Sup21 §10).

MONTHLY FIXED RENT

Concourse (part):

Approximately 3,000 rsf:

12/01/01 through 11/30/06:	$7,000 (Sup17 §13(b)(i))
12/01/06 through 11/30/11:	$8,250 (Sup17 §13(b)(ii))
12/01/11 through 12/31/19:	$9,500 (Sup17 §13(b)(iii))

Balance of Concourse Space Leased Pursuant to Sup15:

Date the concourse space (or portion thereof) is included in the demised premises through the day before the 5th anniversary of such inclusion date: $28 per rsf (Sup15 §23(d)).

5th anniversary of such inclusion date through the day before the 10th anniversary of such inclusion date: $33 per rsf (Sup15 §23(d)).

10th anniversary of such inclusion date through 12/31/19: $38 per rsf (Sup15 §23(d)).

Concourse Space Leased Pursuant to Sup23:

Date the concourse space is included in the demised premises through the day before the 5th anniversary of such inclusion date: $9,616.25 (Sup23 §3(a)(1)).

5th anniversary of such inclusion date through the day before the 10th anniversary of such inclusion date: $10,440.50 (Sup23 §3(a)(2)).

10th anniversary of such inclusion date through 12/31/19: $11,264.75 (Sup23 §3(a)(3)).

Ground Floor (part) - Payments in Lieu of Rent and Credits:

Notwithstanding that the Ground Floor (part) has been deleted from the demised premises, Alliance is obligated to pay monthly installments equal to the fixed rent and the tax and operating expense escalation payments Alliance would have been obligated to pay had the Ground Floor (part) not been deleted from the demised premises. The rate for the payment in lieu of the fixed rent payment is described below and the payments in lieu of the tax and operating expense escalations are described in the applicable portions of this summary.

Payment in Lieu of Fixed Rent

01/16/05 through 01/15/10: $58,333.33 (Sup13 §3(a)(2))

01/16/10 through 12/31/19: $62,500.00 (Sup13 §3(a)(3); Sup20 §3(b))

Wachovia Credit

Wachovia pays monthly installments of fixed rent as follows (assuming that the lease commencement date was January 1, 2004):

06/01/07 through 05/31/10:	$107,662.50
06/01/10 through 05/31/13:	$118,428.75
06/01/13 through 05/31/16:	$130,271.58
06/01/16 through 12/30/19:	$143,298.79

Wachovia also pays a tax escalation based on a 0.483% share of the excess over a 2003/04 base year.

Each month, Landlord and Alliance apportion the fixed rent and tax escalation payments (if any) made by Wachovia that month and the portion to which Alliance is entitled is a credit against rent next payable. The apportionment is done as follows:

First, to Alliance up to the sum of the fixed rent and tax and operating expense escalation payments Alliance made for such month in respect of the Ground Floor (part);

Second, to Alliance up to $10,408.26 a month provided that the aggregate of such installments cannot exceed $1,935,9410.10);

Third, to Landlord up to $2,889.79 a month provided that the aggregate of such installments cannot exceed $537,500; and

Finally, any remainder is shared equally between Landlord and Tenant (Sup21 §4).

2nd, 8th, 9th, 11th through 14th Floors:

09/01/04 through 08/31/09: $1,419,941.25 (Sup15 §3(a); Sup19 §26))

09/01/09 through 08/31/14: $1,532,635.00 (Sup15 §3(a); Sup19 §26)

09/01/14 through 12/31/19: $1,645,328.75 (Sup15 §3(a); Sup19 §26))

This schedule assumes that all of this space was delivered simultaneously on May 1, 2004. It was anticipated, however, that floors 8 and 9 would be delivered six months after Floors 2, 11-14 are delivered (Sup16 §11). If that occurred, the commencement and subsequent increases in fixed rent for Floors 8 and 9 occurs six months after the commencement of and subsequent increases in fixed rent for Floors 2, 11-14.

10th Floor:

From the termination or expiration of the Hearst Lease through 04/30/09: $203,589.75 (Sup19 §3(b)(1))

05/01/09 through 04/30/14: $219,747.67 (Sup19 §3(b)(2))

05/01/14 through 12/31/19: $235,905.58 (Sup19 §3(b)(3))

15th Floor:

12/01/04 through 11/30/10: $172,851.87 (Sup12 §3(a)(1))

12/01/09 through 12/31/16: $189,313.95 (Sup12 §3(a)(1))

01/01/17 through 12/31/19: Rent for the 15th, 16th, 31st (part), 32nd-41st and 45th floors will be the product of the average of fixed annual rent per square foot as of 12/30/16 of all space leased to Alliance other than concourse/subconcourse space, multiplied by the square footage of such space (Sup15 §12(b)); Sup20 §3(a)).

16th Floor:

05/01/05 through 04/30/09: $172,851.87 (Sup12 §3(b)(1))

05/01/10 through 12/31/16: $189,313.95 (Sup12 §3(b)(1))

01/01/17 through 12/31/19: Rent for the Ground (part), 15th, 16th, 31st (part), 32nd-41st and 45th floors will be the product of the average of fixed annual rent per square foot as of 12/30/16 of all space leased to Alliance other than concourse/subconcourse space, multiplied by the square footage of such space (Sup15 §12(b); Sup20 §3(a)).

17th Floor:

02/01/07 through 01/31/12:
$90,995.33 (Sup16 §3(a)) + $35,054.00 (Sup17 §3(a)) + $14,104.33 (Sup18 §3(a)) + $65,104.58 (Sup22 §3(a)) = $205,258.24

02/01/12 through 12/31/19:
$97,686.17 (Sup16 §3(a)) + $37,631.50 (Sup17 §3(a)) + $15,141.42 (Sup18 §3(a)) + $70,161.25 (Sup22 §3(a)) = $220,620.34

*Fixed annual rent on the portion of the 17th floor demised under the 22nd Supplemental Agreement is abated through July 31, 2005.

31st Floor (part):

7/1/94 through 10/31/09: $45,180.84 (Sup7 §3(c))

11/1/09 through 12/31/16: For the aggregate of Floors 31 (part)-34 and 37-39, $1,031,773.10 (Sup9 §4(b)). Note that by 11/1/09, Floors 31 (part)-34 and 37-39 are scheduled to have check meters and, therefore, Alliance will be charged separately for electricity for such floors instead of paying electricity charges as a "rent inclusion factor" included in fixed rent for such floors.

01/01/17 through 12/31/19: Rent for the 15th, 16th, 31st (part), 32nd-41st and 45th floors will be the product of the average of fixed annual rent per square foot as of 12/30/16 of all space leased to Alliance other than concourse/subconcourse space, multiplied by the square footage of such space (Sup15 §12(b); Sup20 §3(a)).

31st Floor (part):

commencement through April 30, 2015: $194,794.67 (Sup24 §3(a)(1)), except that the first 5 months are abated (Sup24 §3(b)).

5/1/09 through 12/31/19: $209,616 (Sup24 §3(b)).

32nd Floor:

05/01/94 through 10/31/09: $120,936.94 (Sup6 §3(a) and §7(b); Sup7 §7))

11/1/09 through 12/31/16: For the aggregate of Floors 31 (part)-34 and 37-39, $1,031,773.10 (Sup9 §4(b)). Note that by 11/1/09, Floors 31 (part)-34 and 37-39 are scheduled to have check meters and, therefore, Alliance will be charged separately for electricity for such floors instead of paying electricity charges as a "rent inclusion factor" included in fixed rent for such floors.

01/01/17 through 12/31/19: Rent for the Ground (part), 15th, 16th, 31st (part), 32nd-41st and 45th floors will be the product of the average of fixed annual rent per square foot as of 12/30/16 of all space leased to Alliance other than concourse/subconcourse space, multiplied by the square footage of such space (Sup15 §12(b); Sup20 §3(a)).

33rd Floor:

1/1/94 through 10/31/09: $105,185.28 (Sup7 §3(a)(i) and §7)

(Note: Calendar 1994's rent is deferred and will be paid in monthly installments of $11,007.76 beginning July 1, 1995 through December 1, 2004 with $7,339.00 due on January 1, 2005 (Sup7 §3(a)(ii)). (Rent for the first half of calendar 1995 is deferred and will be paid in monthly installments of $3,668.76 due on January 1, 2005 and $11,007.76 per month beginning February 1, 2005 through October 1, 2009 (Sup7 §3(a)(iii)).

11/01/09 through 12/31/16: For the aggregate of Floors 31 (part)-34 and 37-39, $1,031,773.10 (Sup9 §4(b)). Note that by 11/1/09, Floors 31 (part)-34 and 37-39 are scheduled to have check meters and, therefore, Alliance will be charged separately for electricity for such floors instead of paying electricity charges as a "rent inclusion factor" included in fixed rent for such floors.

01/01/17 through 12/31/19: Rent for the 15th, 16th, 31st (part), 32nd-41st and 45th floors will be the product of the average of fixed annual rent per square foot as of 12/30/16 of all space leased to Alliance other than concourse/subconcourse space, multiplied by the square footage of such space (Sup15 §12(b); Sup20 §3(a)).

34th Floor:

05/01/99 through 10/31/09: $114,614.66 (Sup7 §3(b) and §7)

11/01/09 through 12/31/16: For the aggregate of Floors 31 (part)-34 and 37-39, $1,031,773.10 (Sup9 §4(b)). Note that by 11/1/09, Floors 31 (part)-34 and 37-39 are scheduled to have check meters and, therefore, Alliance will be charged separately for electricity for such floors instead of paying electricity charges as a "rent inclusion factor" included in fixed rent for such floors.

01/01/17 through 12/31/19: Rent for the 15th, 16th, 31st (part), 32nd-41st and 45th floors will be the product of the average of fixed annual rent per square foot as of 12/30/16 of all space leased to Alliance other than concourse/subconcourse space, multiplied by the square footage of such space (Sup15 §12(b); Sup20 §3(a)).

35th Floor:

08/01/05 through 07/31/10: $215,974.08 (Sup14 §3(a)(1))

08/01/10 through 12/31/16: $232,979.92 (Sup14 §3(a)(1))

01/01/17 through 12/31/19: Rent for the 15th, 16th, 31st (part), 32nd-41st and 45th floors will be the product of the average of fixed annual rent per square foot as of 12/30/16 of all space leased to Alliance other than concourse/subconcourse space, multiplied by the square footage of such space (Sup15 §12(b) ; Sup20 §3(a)).

36th Floor (assuming that the space is delivered on 07/01/01, as anticipated):

08/01/05 through 07/31/10: $216,201.63 (Sup14 §3(b)(1))

08/01/10 through 12/31/16: $233,225.38 (Sup14 §3(b)(1))

01/01/17 through 12/31/19: Rent for the 15th, 16th, 31st (part), 32nd-41st and 45th floors will be the product of the average of fixed annual rent per square foot as of 12/30/16 of all space leased to Alliance other than concourse/subconcourse space, multiplied by the square footage of such space (Sup15 §12(b); Sup20 §3(a)).

37th, 38th and 39th Floors:

11/01/06 through 10/31/09: $437,872.58 (Sup7 §7)

11/01/09 through 12/31/16: For the aggregate of Floors 31 (part)-34 and 37-39, $1,031,773.10 (Sup9 §4(b)). Note that by 11/1/09, Floors 31 (part)-34 and 37-39 are scheduled to have check meters and, therefore, Alliance will be charged separately for electricity for such floors instead of paying electricity charges as a "rent inclusion factor" included in fixed rent for such floors.

01/01/17 through 12/31/19: Rent for the Ground (part), 15th, 16th, 31st (part), 32nd-41st and 45th floors will be the product of the average of fixed annual rent per square foot as of 12/30/16 of all space leased to Alliance other than concourse/subconcourse space, multiplied by the square footage of such space (Sup15 §12(b)).

40th, 41st and 45th Floors:

Through 11/30/16: $422,395.67 (Sup11 §2(c)(i); LTR1)

01/01/17 through 12/31/19: Rent for the 15th, 16th, 31st (part), 32nd-41st and 45th floors will be the product of the average of fixed annual rent per square foot as of 12/30/16 of all space leased to Alliance other than concourse/subconcourse space, multiplied by the square footage of such space (Sup15 §12(b); Sup20 §3(a)).

42nd Floor

Through 4/30/11: $214,170.05 (Sup25 §3(a)(i)).

5/1/11 through 9/30/11: Abated (Sup25 §3(b)).

10/1/11 through 4/30/16: $337,624.00 (Sup25 §3(a)(ii)).

5/1/16 through 12/31/19: $362,242.41 (Sup25 §3(a)(iii)).

Note that by 5/1/11, Floor 42 is scheduled to have check meters and, therefore, Alliance will be charged separately for electricity for Floor 42 instead of paying electricity charges as a "rent inclusion factor" included in fixed rent for Floor 42.

43rd and 44th Floors

commencement through 4/30/12: $670,920.00 (Sup26 §3(a)(i)), except that the first 131 days are abated (Sup26 §3(b))

5/1/12 through 4/30/17: $740,807.50 (Sup26 §3(a)(ii))

5/1/17 through 12/31/19: $810,695 (Sup26 §3(a)(iii))

ELECTRICITY

Check Meters: All floors have check meters except for Floors 31 (part), 32-34, and 37-39, which will have check meters on or before November 1, 2009 (Sup9 §5) and Floor 42, which will have check meters on or before May 1, 2011 (Sup25 §4(c)(i)). The check meters measure electricity demand and consumption for each floor during a calendar month. Alliance pays Landlord, within 30 days after receipt of a bill, Landlord's cost of the electricity consumed based on the applicable rate charged to the Landlord by the supplying utility, plus a 2% administrative fee (Sup9 §5(b) and (c); Sup12 §4(b) and (c); Sup14 §4(b) and (c); Sup15 §4(b) and (c); Sup22 §4(b); Sup24 §4(b); Sup25 §4(c); Sup26 §4(b)). Landlord will provide check meters for any portion of the Concourse (part) space measuring at least 3,000 contiguous rsf (Sup15 §23(f)(i)). If the check meters for Floors 31 (part), 32-34, and 37-39 are not installed by November 1, 2009, then Alliance will pay Landlord what Landlord's electrical consultant determines to be Landlord's cost for such electricity, provided that Alliance may dispute such determination in accordance with a specified procedure.

Dispute: Each bill is binding on Alliance unless Alliance disputes such bill within 90 days of receipt. In case of a dispute, Alliance's electrical consultant will submit its determination within such 90 day period and Landlord and Alliance will seek a resolution. Upon Alliance's request, Landlord will make available its utility bills for the building for at least the last 3 years. If Landlord and Alliance cannot agree, they will choose a third electrical consultant to perform a limited review (Sup12, §5(c)(ii); Sup12 §4(c)(ii); Sup14 §4(c)(ii); Sup15 §4(c)(ii); Sup22 §4(c)(ii); Sup24 §4(c)(ii); Sup25 §4(c)(iii); Sup26 §4(b)).

Wattage: 6 watts per usable square foot excluding building HVAC systems and other base building systems (Sup9 §5(e); Sup12 §4(e); Sup14 §4(e); Sup15 §4(e); Sup22 §4(e); Sup24 §4(e); Sup25 §4(e); Sup26 §4(e)).

Additional Capacity: Upon notice from Alliance, Landlord will provide Alliance with (1) an additional 400 amperes in the aggregate for the 15th and 16th floors (Sup12 §4(e)), and (2) up to another 1,800 amperes for the entire demised premises (Sup14 §4(f)). Such notice will be given by Alliance on or before, with regard to the 15th and 16th floors, the date Alliance delivers to Landlord its plans for its initial fit-out of the 15th floor (but in no event later than June 30, 2001), and, with regard to the rest of the demised premises, by December 31, 2001 (Sup12 §4(e) and Sup14 §4(e)). Alliance is responsible for any construction costs it would incur in connection with alterations relating to such additional electricity supply, as well as a pro-rata share of Landlord's construction costs (Sup12 §4(e); Sup14 §4(e); and Sup15 §4(f)).

Discontinuance of Service: Landlord may discontinue furnishing electricity to Alliance only if Landlord simultaneously discontinues service to 80% of the other building tenants (Sup15 §4(d)), upon 60 days' written notice, provided such period is extended as reasonably necessary to permit Alliance to obtain electricity from the utility company servicing the Building. In such case, Alliance may use the existing wiring. The cost of installation of any additional wiring will be borne, if such discontinuance is voluntary, by Landlord, and if such discontinuance is involuntary, by Landlord and Alliance with Alliance's share equal to the total cost of such additional wiring multiplied by a fraction, the numerator of which is remaining months of the Lease term and the denominator of which is as follows:

Floor(s)	Denominator
2, 8-14	188 (Sup15 §4(d))
15, 16	248 (Sup12 §4(d) and (h); Sup15 §4(d))
17	182 for the space demised by Sup22, 214 for the space demised by Sup18 and 219 for all other space on Floor 17 (Sup22 §4(d)).
31 (part), 32-34, 37-41, 45	294 (Sup9 §15(d); Sup15 §4(d))
31 (part)	116 (Sup24 §4(d))
35 and 36	237 (Sup14 §4(d); Sup15 §4(d))
42	150 (Sup25 §4(d))
43 and 44	104 (Sup26 §4(d))

Electricity Rent Inclusion Factor for Floors 31 (part), 32-34, and 37-39:

Until November 1, 2009, the charge for electricity for Floors 31 (part), 32-34, and 37-39 (the "ERIF") is included in fixed annual rent (orig. §7.02(a)). Such charge, however, is separately quantified (as listed below) and is subject to increase or decrease (but in no event below $2.75 per s.f. per annum) in proportion to increases or decreases in Landlord's electricity costs for the building (orig. §7.02(a)).

Floor (entire floor unless otherwise noted)	**Original ERIF**
31(part), 33, 34	$249,902.46 (Sup7 §3(g))
32	$104,337.75 (Sup6 §3(c))
37 (NE Cor.), 38	$127,187.50 (orig. §7.02(a))
37 (NW Cor.)	$27,500.00 (orig. §46.02(d))
37 (SE Cor.)	$13,750.00 (Sup1 §3(e)
37 (SW Cor.)	$27,912.50 (Sup5 §3(c))
39	$96,937.50 (Sup4 §3(c))

A determination by Landlord of a change in the ERIF as a result of a survey of electrical consumption in the Demised Premises will be binding on Alliance unless Alliance disputes such determination within 15 days of receipt of such determination. If Alliance disputes such determination, it will have its own electrical consultant at its own cost, attempt to resolve the dispute in consultation with Landlord's electrical consultant. If they cannot agree on a resolution, they will choose a third electrical consultant who's decision will control (orig. §7.03(b)).

Electricity Rent Inclusion Factor for 42nd Floor: Until May 1, 2011, the charge for electricity for Floor 42 is included in fixed annual rent. The initial amount of such charge is $5.81 per s.f. and is subject to increase or decrease (but in no event below $5.81 per s.f. per annum) in proportion to increases or decreases in Landlord's electricity costs for the building as well based on Alliance's electricity consumption. A determination by Landlord of a change in the rent inclusion charge as a result of a survey of electrical consumption in the Demised Premises will be binding on Alliance unless Alliance disputes such determination within 30 days of receipt of such determination. If Alliance disputes such determination, it will have its own electrical consultant at its own cost attempt to resolve the dispute in consultation with Landlord's electrical consultant. If they cannot agree on a resolution, they will choose a third electrical consultant who's decision will control (Sup25 §4(b)).

Supplies: At Landlord's option, Alliance is required to purchase (for a reasonable charge) from Landlord all lighting tubes, lamps, bulbs and ballasts used in the demised premises (orig. §7.05(b)).

Concourse Space: Subject to the following sentence, for any portion of the demised premises located on the concourse consisting of less than 3,000 contiguous rsf, Alliance will pay an ERIF of $0.75/rsf, subject to increase if Alliance uses the space for anything other than storage (Sup15 §23(f)(ii)). For the portion of the demised premises located on the concourse and leased pursuant to Sup23, however, Landlord will provide electricity at no additional charge provided that if Landlord determines on a reasonable basis that Alliance is consuming excessive electricity, then Landlord may commence charging Alliance for such electricity on either (at Landlord's option) a rent inclusion or submeter basis.

TAX ESCALATION

FLOOR	BASE YEAR	PERCENTAGE
Ground Floor (part)	1999/2000 (Sup13§3(c)(1)).	0.483% (Sup13 §3(c)(2))
2, 8, 9, 11-14	Average of 2000/01 and 2001/02 (Sup15 §3(d)(i)).	14.72% (Sup15 §3(d)(ii); Sup19 §2(d))
10	Average of 2000/01 and 2001/02 (Sup15 §3(d)(i)).	2.11% (Sup19 §3(d))
15	1999/2000 (Sup12 §3(a)(4)(a)).	2.150% (Sup12 §3 (a)(4)(b))
16	1999/2000 (Sup12 §3(b)(4)(a)).	2.150% (Sup12 §3(b)(4)(b))
17	Average of 2000/01 and 2001/02 (Sup16 §3(d)(i); Sup17 §3(d)(i); Sup18 §3(d)(i)) Except with respect to the Sup22 17th floor space, for which it is the average of 2003/04 and 2004/05 (Sup22 §3(d)(i)).	2.147% (Sup16 §3(d)(ii); Sup17 §3(d)(ii); Sup18 §3(d)(ii); Sup22 §3(d)(ii))
31 (part), 33, 34	Average of 1994/95 and 1995/96 (Sup7 §(3)(f)(i)). Beginning on 11/01/09, changed to 1995/96 (Sup9 §4(e)).	5.130% (Sup7 §3(f)(ii))
31 (part)	Average of 2007/08 and 2008/09 (Sup24 §3(d)(i)).	1.35% (Sup24 §3(d)(ii))
32	1993/94 (Sup6 §3(b)(i)). Beginning on 11/01/09, changed to 1995/96 (Sup9 §4(e)).	2.150% (Sup6 §3(b)(ii))
35	2000/01 (Sup14 §3(a)(4)(a)).	2.150% (Sup14 §3(a)(4)(b))
36	2000/01 (Sup14 §3(b)(4)(a)).	2.150% (Sup14 §3(b)(4)(b))
37 (NE Cor.), 38	1985/86 (orig. §4.01(a)(i)). Beginning on 11/01/09, changed to 1995/96 (Sup9 §4(e)).	2.820% (orig. §4.01(a)(ii)
37 (NW Cor.)	1985/86 (orig. §4.01(a)(i)). Beginning on 11/01/09, changed to 1995/96 (Sup9 §4(e)).	0.610% (orig. §46.02(b))
37 (SE Cor.)	1985/86 (Sup1 §3(a)). Beginning on 11/01/09, changed to 1995/96 (Sup9 §4(e)).	0.300% (Sup1 §3(b))
37 (SW Cor.)	1988/89 (Sup5, §3(b)(i)). Beginning on 11/01/09, changed to 1995/96 (Sup9 §4(e)).	0.618% (Sup5 §3(b)(ii)
39	1988/89 (Sup4 §3(b)(i)). Beginning on 11/01/09, changed to 1995/96 (Sup9 §4(e)).	2.150% (Sup4 §3(b)(ii))
40, 41, 45	1995/96 (Sup9 §4(d)(i)).	6.446% (Sup10 §2(a))
42	1988/89 (Sup25 §3(d)(i)(a)). Beginning on 5/1/11, changed to average of 2007/08 and 2008/09 (Sup25 §3(d)(i)(b)).	2.24% (Sup25 §3(d)(ii))
43 and 44	Average of 2007/08 and 2008/09 (Sup26 §3(d)(i)).	4.45% (Sup26 §3(d)(ii))

Due Date: 6/1 and 12/1 of each comparative year, subject to rescheduling based on the date tax payments are due from Landlord (orig §4.01(b)(1)).

Audit/Dispute: Landlord's real estate tax statements given to Alliance are binding unless Alliance challenges such statement in writing within 90 days (Sup7 §6(d)) of receipt. Alliance must make payments in accordance with the statement pending dispute resolution (orig §4.01(b)(4)).

Tax Increase upon Disposition: Under certain circumstances, if, as a result of the sale of an interest in the property or entity owning the property, the real estate taxes increase, Alliance will receive an abatement of the resulting escalation, and thereafter this Lease provision is deleted. Under certain circumstances, if, after Fisher-Sixth Avenue Company's or a Fisher family affiliate's purchase of Hawaiian Sixth Avenue Corp.'s or its successor's interest in the property or the entity owning the property, as a result of a sale of a less than majority interest in the property or the entity owning the property or the admission into the entity owning the property of an entity owning less than a majority interest in such entity, the real estate taxes increase, Landlord will pay Alliance $1,500,000.00 (Sup9 §15; Sup12 §17).

Building Square Footage: Total rentable area of the office and store space in the building is 1,641,000 sf for tax escalation purposes (orig §4.01(a)(ii)).

Concourse Space: Alliance will pay a tax escalation for its concourse space only if the previous tenant of such space was subject to a tax escalation. The base year for any such escalation will be the average of 2000/01 and 2001/02 (Sup15, §23(g)).

EXPENSE ESCALATION

Floor	Base	Percentage
Ground (part)	Expenses for 1999 calendar year (Sup13 §3(c)(3)).	0.483% (Sup13 §3(c)(4))
2, 8, 9, 11-14	Expenses for 2001 calendar year (Sup15 §3(d)(ii)).	15.67% (Sup15 §3(d)(iv); Sup19 §2(c))
15	Expenses for 1999 calendar year (Sup12 §3(a)(4)(c)).	2.290% (Sup12 §3(c)(4)(d))
16	Expenses for 1999 calendar year (Sup12 §3(b)(4)(c)).	2.290% (Sup12 §3(b)(4))
17	Expenses for 2001 calendar year (Sup16 §3(d)(iii); Sup17 §3(d)(iii); Sup18 §3(d)(iii)), except for the Sup22 17th floor space, for which it is 2004 (Sup22 §3(d)(iii)).	2.288% (Sup16 §3(d)(iv); Sup17 §3(d)9iv); Sup18 §3(d)(iv) and Sup22 §3(d)(iv))
31 (part), 33, 34	Expenses for 1995 calendar year (Sup7 §3(f)(iii); Sup9 §4(e)).	5.450% (Sup7 §3(f)(iv))
31 (part)	Expenses for 2008 calendar year (Sup24 §3(d)(iii)).	1.43% (Sup24 §3(d)(iv))
32	Expenses for 1993 calendar year (Sup6 §3(b)(iii)). As of 11/01/09, changed to expenses for calendar year 1995 (Sup9 §4(e)).	2.290% (Sup6 §3(b)(iv))
35	Expenses for 2000 calendar year (Sup14 §3(a)(4)(c)).	2.290% (Sup14 §3(a)(4)(d))
36	Expenses for 2000 calendar year (Sup14 §3(b)(4)(c)).	2.290% (Sup14 §3(b)(4)(d))
37 (NE Cor.) and 38	$6,509,748 (orig §5.01(a)(i)). As of 11/01/09, changed to expenses for 1995 calendar year (Sup9 §4(e)).	3.000% (orig §5.01(a)(iv))
37 (NW Cor.)	$6,509,748 (orig. §5.01(a)(i)). As of 11/01/09, changed to expenses for 1995 calendar year (Sup9 §4(e)).	0.650% (orig. §46.01(b))
37 (SE Cor.)	$6,509,748 (Sup1 §5.01(a)(i)). As of 11/01/09, changed to expenses for calendar year 1995 (Sup9 §4(e)).	0.330% (Sup1 §3(c))
37 (SW Cor.)	Expenses for calendar year 1989 (Sup5 §3(b)(iii)). As of 11/01/09, changed to expenses for calendar year 1995 (Sup9 §4(e)).	0.659% (Sup5 §3(b)(iv)
39	Expenses for calendar year 1989 (Sup4 §3(b)(iii)). As of 11/01/09, changed to expenses for calendar year 1995 (Sup9 §4(e)).	2.290% (Sup4 §3(b)(iv))
40, 41, 45	Expenses for calendar year 1995 (Sup9 §4(d)9iii)).	6.865% (Sup11 §2(c))
42	Expenses for calendar year 1989 (Sup25 §3(d)(iii)(a)). As of 5/1/11, changed to expenses for calendar year 2008 (Sup25 §3(d)(iii)(b)).	2.38% (Sup25 §3(d)(iv))
43 and 44	Expenses for calendar year 2008 (Sup26 §3(d)(iii)).	4.73% (Sup26 §3(d)(iv))

Management Fee: The management fee included in building expenses is an amount equal to the greater of (a) $152,250, and (b) the product of $152,250 multiplied by a fraction the numerator of which is building expenses (exclusive of management fees for such year) and the denominator of which is $6,357,498 (orig §5.01(a)(v)).

Payment Frequency: Monthly, equal to $1/12^{th}$ of Alliance's share of previous comparative year's annual escalation over the base year, subject to adjustment for reasonably anticipated increases (orig §5.01(b)(1)).

Audit/Dispute: Landlord's expense statements given to Alliance are final and determinative unless Alliance challenges such statement in writing (which will also set forth the basis of such challenge with particularity) within 90 days (Sup7 §6(d)) of receipt. Alliance must make payments in accordance with the statement pending dispute resolution. So long as Alliance has continued to pay the expense escalation pursuant to Landlord's statements, Alliance has the right to examine Landlord's books and records provided such examination is commenced within 60 days and concluded within 90 days (Sup7 §6(d)) following the rendition of the expense statement in dispute. Landlord and Alliance will resolve the dispute by arbitration with 3 arbitrators, each of whom will have at least 10 years experience in the operation and management of major Manhattan office buildings (orig. §5.01(b)(2)).

Concourse Space: Alliance will pay an expense escalation for its concourse space only if the previous tenant of such space was subject to an expense escalation. The base year for any such escalation will be calendar year 2001 (Sup15, §23(g)).

Building Square Footage Total rentable area of the building is 1,540,000 sf for expense escalation purposes (orig. §5.01 (a)(iv)).

CLEANING

Cleaning services are provided by the Cleaning Contractor pursuant to two separate agreements, one covering the office space and the other covering the ground floor space. The following summary is applicable to both such agreements. Unless otherwise noted, the section references are also applicable to both agreements.

Services: The Cleaning Contractor provides certain cleaning services for the office areas and lavatories of the demised premises (§1(a)). The cleaning services provided do not include the cleaning of below-grade space, kitchen, pantry or dining space, storage, shipping, computer or word-processing space, or private or executive lavatories (§1(b)). The Cleaning Contractor is not responsible for removing debris and rubbish from areas under construction in the demised premises (§2). The quality of the cleaning services will be comparable to that provided in first class buildings in midtown Manhattan (§1(a)).

Access: The Cleaning Contractor has access to the demised premises from 6 p.m. to 2 a.m. on business days. The Cleaning Contractor has the right to use Alliance's light, power and water, as reasonably required (§1(a)).

Term: The cleaning agreements are co-terminous with the Lease (§2).

Fee: Alliance pays the Cleaning Contractor, for the office space, a fixed monthly fee of $310,465.73, plus an amount equal to the fee for Floor 36 multiplied by the percentage increase in the labor rate in 2000 over 1999, plus an amount equal to the fee for Floors 2, 8, 9, 11-14 multiplied by the percentage increase in the labor rate in 2001 over 2000, plus an amount equal to the fee for Floor 10 multiplied by the percentage increase in the labor rate in 2001 over 2000 (CAO §3; CAO-2 §3; CAO-3 §3; CAO-4 §3; CAO-5 §3; CAO-6 §3; CAO-7 §3; CAO-8 §3; CAO-9 §3; CAO-11 §3). Alliance pays the Cleaning Contractor a fixed monthly fee of $2,833.33 for the ground floor space (CAG §3). The fixed monthly fee for cleaning the office space will increase by $11,087.73 plus an adjustment based on the increase in the labor rate in 2008 over 2007 with the addition of remainder of Floor 31 to demised premises (CAO-10 §3) and will increase by $36,604.68 plus an adjustment based on the increase in the labor rate in 2008 over 2007 with the addition of Floor 10 to demised premises (CAO-12 §3). The fixed monthly fee is inclusive of sales tax and is payable in advance on the first of each month (§3). Payment for any additional cleaning services will be made by Alliance within 20 days of demand. The cost of such additional services must be comparable to services provided in comparable buildings (§1(a)). In addition to the fixed fee, Alliance pays the Cleaning Contractor a percentage of annual increases in cleaning costs (which annual increases are equal to the annual percentage increase in porters' wages over a porter's wage base year) over an amount representing base year cleaning costs. The percentage for the office space is 53.899% (CAO §3 and §4; CAO-2 §3; CAO-3 §3; CAO-4 §3; CAO-5 §3; CAO-6 §3; CAO-7 §3; CAO-8 §3; CAO-9 §3; CAO-11 §3) and 0.483% for the ground floor space (CAG §4). The percentage for the office space will increase by 1.46% (CAO-10 §3) to with the addition of the remainder of Floor 31 and will increase by 4.82% with the addition of Floors 43 and 44. The other variables in such calculation are as follows:

Floor	Base Year for Porter's Wages	Base for Cleaning Costs
Ground (part)	1999 (CAG §4)	$6,286,271.55 (CAG §4)
2, 8-14	2001 (CAO-5, §4)	$6,444,056.97 (CAO-5, §4)
15 and 16	1999 (CAO-3 §4)	$6,247,986 (CAO-3, §4)
17 (except for the part demised by Sup22)	2001 (CAO-6 §4; CAO-7 §4; CAO-8 §4)	$6,629,645.81
17 (the part demised by Sup22)	2004 (CAO-9 §4)	$7,606,434.69 (CAO-9 §4)
31 (part) , 32-34, 37-41 and 45	1995 (CAO §4(a)(i))	$5,827,772 (CAO §4(a)(iii))
31 (the part demised by Sup24)	2008 (CAO-10 §4)	$8,408,948.97 (CAO-10 §4)
35 and 36	2000 (CAO-4 §4)	$6,381,693 (CAO-4 §4)
42	2008 (CAO-11 §4)	$8,408,948.97 (CAO-11 §4)
43 and 44	2008 (CAO-12 §4)	$8,408,948.97 (CAO-12 §4)

Dispute with Cleaning Contractor: If Alliance believes that the Cleaning Contractor is not adequately performing under a cleaning agreement, and the Cleaning Contractor has not corrected such inadequate performance within 10 days after notice, Alliance may arbitrate whether the Cleaning Contractor is adequately performing. If a majority of the required arbitrators find that the Cleaning Contractor is not adequately performing, then the Cleaning Contractor will correct such inadequate performance within 10 days of such finding. If Contractor fails to do so, Alliance may terminate the cleaning agreement upon 10 days notice. (§5).

Default by Alliance: If Alliance fails to make a payment due under a cleaning agreement within 15 days of notice of such failure, the Cleaning Contractor may, upon 10 days notice terminate the cleaning agreement if Alliance also fails to make such payment within such 10 day period. In case of such termination, Alliance may only use the approved cleaning contractor for the building (§6). If a payment is not made within 3 days of notice of such failure, such payment accrues interest from the due date at prime rate, provided that Cleaning Contractor is not obligated to give such notice more than twice a year (§12).

Rent Credit:	Alliance is entitled to a credit against the monthly installment of fixed rent in the amount of $169,479.10 per month (Sup9 §4(c); Sup10 §2(c); Sup11 §2(c); LTR1; Sup12 §3(a)(3) and §3(b)(3); Sup14 §3(a)(3) and §3(b)(3); Sup15 §3(c)) Sup16 §3(c); Sup17 §3(c); Sup18 §3(c) and Sup22 §3(c) plus an amount equal to the credit for Floor 36 multiplied by the percentage increase in the labor rate in 2000 over 1999 (Sup14 §3(b)(3)). The monthly credit will increase by (i) $92,734.38 plus an adjustment based on the increase in the labor rate in 2001 over 2000 with the addition of Floors 2, 8, 9, 11-14 to the demised premises (Sup15 §3(c); Sup19 §2(c)), (ii) by $13,296.17 plus an adjustment based on the increase in the labor rate in 2001 over 2000 with the addition of Floor 10 to the demised premises (Sup19 §3(c)); (iii) by $11,087.72 plus an adjustment based on the increase in the labor rate in 2008 over 2007 with the addition of remainder of Floor 31 to the demised premises (Sup24 §3(c)); (iv) by $220,539.40 plus an adjustment based on the increase in the labor rate in 2008 over 2007 on May 1, 2011 (Sup25 §3(c)); and (v) by $439,256.17 plus an adjustment based on the increase in the labor rate in 2008 over 2007 on May 1, 2011.
Termination of Cleaning Agreement:	In the event the cleaning agreement for the office space is terminated, Landlord will provide cleaning services and Alliance will pay Landlord on a monthly basis for the office space (assuming that all of the office space demised under the lease is delivered to Alliance at that time) 60.17% (Sup26 §7(a)) of annual increases in cleaning costs (which annual increases are equal to annual percentage increases in porter's wages) over Landlord's cleaning costs for the entire building during the first full calendar year after the Cleaning Agreement's termination (orig. §6.04, as modified by Sup9 §8(a)). Landlord's cleaning cost escalation statements are final and determinative unless Alliance challenges such statement in writing within 90 days (Sup7 §6(d)) of receipt. Alliance must make payment in accordance with such statement pending dispute resolution. Landlord and Alliance will resolve any dispute by arbitration with 3 arbitrators, each of whom will have at least 10 years' experience in the operation and management of major Manhattan office buildings (orig. §6.01(d)).

Total rentable area of the building is 1,515,000 sf for cleaning cost escalation purposes.

MAINTENANCE & REPAIRS

Alliance's Responsibility	Alliance will make repairs to the demised premises necessitated by its acts, omissions, occupancy or negligence (except for fire or other casualty caused by Alliance's negligence if Landlord's insurance is not invalidated thereby) (orig. §9.01).
Landlord's Responsibility	Landlord will maintain the building and its common areas in a manner appropriate to a first class office building. The building exterior, the window sills outside the window and the windows are not part of the demised premises (orig. §9.01).

ALTERATIONS

Approval: All alterations require Landlord's prior written approval, which will not be unreasonably withheld or delayed, provided that it does not (1) affect the structural integrity of the building, (2) affect the exterior of the building, or (3) adversely affect the building's systems without, in Landlord's opinion, adequate mitigation (orig. §8.01).

Landlord's Reimbursement: Alliance will reimburse Landlord's out-of-pocket costs incurred in reviewing alterations (orig. §8.01).

Contractors: Landlord's affiliate will act as general contractor for any alteration work performed anywhere in the demised premises for one year after the delivery of the 2nd and 8th-14th floors, for a fee not to exceed 6% of the aggregate cost of such work. In acting as general contractor, Landlord's affiliate will obtain competitive bids from at least 3 subcontractors approved by Landlord for each category of work, except that there is only one approved subcontractor for air conditioning balancing work (although Alliance may have another subcontractor verify the work) and there are only 2 unaffiliated subcontractors for the base building work (Sup15 §6(a)). Alliance and Plaza Construction Corp., Landlord's affiliate, have subsequently entered into that certain Master Agreement dated January 27, 2004 pursuant to which Plaza Construction Corp. will provide construction management services to Alliance in respect of construction projects at the building. Landlord must have given its approval of any contractors performing alterations. Alliance will inform the Landlord of the name of any contractors or subcontractors Alliance proposes to do any alterations at least 10 days prior to work commencement (orig. §8.01 2(a)).

Insurance Certificates: Prior to commencing any alterations, Alliance will deliver to Landlord an insurance certificate evidencing the existence of workmen's compensation insurance covering all persons involved in such alterations and reasonable comprehensive general liability and property damage insurance with coverage of at least $1 million single limit (orig. §8.01(7)).

Records: Alliance will keep records of alterations exceeding $25,000 in cost and provide copies of such records to Landlord within 45 days of demand (orig. §8.07).

38th/39th Floor Staircase: Alliance has the right to install a staircase between the 38th and 39th floors provided that Landlord approves the plans therefor and the staircase is installed in compliance with Articles 8 and 45 of the lease (Sup4 §14).

Expiration of Term: All improvements installed by Landlord are the property of the Landlord (orig. §8.03) and all permanent improvements (including, therefore, any kitchen, pantry or dining room) will remain at the expiration of the term without Alliance being obligated to remove such permanent improvements. (orig. §8.04) All fixtures (other than trade fixtures) installed by Landlord become the property of the Landlord, and will remain as part of the demised premises, upon expiration of the lease. All furnishings and trade fixtures supplied by Alliance at its expense are Alliance's property and, with regard to Alliance's furniture and movable office equipment only (Sup7 §6(e)), will be removed upon the expiration of the lease term following the lease expiration unless Landlord notifies Alliance (within 30 days after Alliance's notice, which notice will be given at least 3 months prior to expiration of the lease term) that such property may remain in the demised premise following the lease term expiration (orig. §8.05). Alliance has no obligation to remove any staircases in the demised premises (Sup9 §21).

MISCELLANEOUS MATTERS RELATING TO IMPROVEMENTS

Emergency Generator:	Alliance is permitted to install a 2800 KW Detroit diesel emergency generator back-up power system in specified locations in the building (Sup27 §2(b)). Alliance is permitted to connect the back-up power system to the building's emergency generator system. Up to 1500 KW of the power generated by the back-up power system will back-up the building's emergency generator system (Sup27 §2(d)). Landlord will operate and maintain the back-up power system at Alliance's expense and, as part of such obligation, Landlord will enter into a maintenance contract for same subject to the reasonable approval of Alliance (Sup27 §2(d)). Alliance is obligated to pay a one-time fee for such emergency generator rights equal to $75,000, adjusted for inflation based on increases in the Consumer Price Index (Sup27 §2(f)). Alliance will pay for its proportionate share (based on KW capacity) of fuel purchased for the emergency generator system and has the right, subject to Landlord's reasonable approval, to install its own fuel storage tanks (Sup27 §2(g)). The back-up power system will remain and not be removed at the end of the lease term (Sup27 §2(i)). Alliance has, through 1/31/10, a limited right of first offer to lease space to install another emergency generator. Alliance has 15 days to accept any such offer (Sup27 §3).
Communications Antenna or Dish:	Alliance has the right, subject to the other alteration provisions of the Lease and to all applicable legal requirements, to install a communications antenna or dish on the roof in a location reasonably determined by Landlord. Landlord may require Alliance to relocate the antenna, at Landlord's expense, to mitigate interference with other uses, so long as the antenna is able to function in its relocated position, provided that if such relocation does mitigate the interference, Landlord may require Alliance to remove the antenna so long as no other antennas are allowed to be installed on the roof and Landlord bears the cost of such removal and the unamortized value of the antenna. If deemed reasonably advisable by Landlord's engineer, Landlord will, at Alliance's expense, reinforce the area under the antenna and, upon lease expiration, Alliance will remove the antenna and restore any damage caused thereby. Alliance will pay Landlord one-half of fair market rent for the roof space used by the antenna. Alliance, under Landlord's supervision (the cost of which Alliance is obligated to reimburse, has access to the roof and other areas of the building as reasonably necessary to maintain and repair the antenna (Sup9 §20).
Communications Wiring:	Landlord will provide Alliance a reasonable area in a common vertical riser shaft in the building for the installation of data, communications and security system cabling.
Initial Fit-Out of Balance of 31st Floor:	Alliance, at its expense, will prepare a complete set of plans for the work, which is subject to the reasonable approval of Landlord (orig. §45.01). Although Alliance is permitted to use its own engineer, such plans ultimately are subject to the reasonable approval of Landlord's designated engineer. There is no deadline for the delivery to Landlord of the plans for Alliance's initial fit-out (Sup24 §6(a)). Landlord will provide Alliance with a $762,240 allowance for the hard costs and certain soft costs of the fit-out. The allowance can be disbursed in installments upon Alliance's request and any unused portion will be credited against fixed rent (Sup24 §6(b)(i)). Alliance may use the allowance to pay for construction work undertaken in the demised premises leased prior to Sup24, but if Alliance draws on the allowance prior to May 1, 2010 then the allowance will be reduced by the future value of the amount drawn upon calculated at 6% per year (Sup24 §6(b)(ii)).

Initial Fit-Out of 42nd Floor:	Alliance, at its expense, will prepare a complete set of plans for the work, which is subject to the reasonable approval of Landlord (orig. §45.01). Although Alliance is permitted to use its own engineer, such plans ultimately are subject to the reasonable approval of Landlord's designated engineer. There is no deadline for the delivery to Landlord of the plans for Alliance's initial fit-out (Sup25 §6(a)). Landlord will provide Alliance with a $1,266,090 allowance for the hard costs and certain soft costs of the fit-out. The allowance can be disbursed in installments upon Alliance's request and any unused portion will be credited against fixed rent (Sup25 §6(b)). If, however, Alliance draws on the allowance prior to May 1, 2011 then the allowance will be reduced by the future value of the amount drawn upon calculated at 6% per year (Sup25 §6(b)(ii)).
Initial Fit-Out of 43rd and 44th Floors:	Alliance, at its expense, will prepare a complete set of plans for the work, which is subject to the reasonable approval of Landlord (orig. §45.01). Although Alliance is permitted to use its own engineer, such plans ultimately are subject to the reasonable approval of Landlord's designated engineer. There is no deadline for the delivery to Landlord of the plans for Alliance's initial fit-out (Sup26 §6(a)).

SNDA & ESTOPPEL

Subordination, Non-Disturbance and Attornment: The Lease is subordinate to all present and future mortgages and ground leases only to the extent Alliance receives a subordination, non-disturbance and attornment agreement from the holder thereof (orig. §11.01; Sup15 §8). Alliance will not exercise any right to terminate the lease due to an act or omission of Landlord without first giving notice of such act or omission to any mortgagee or ground lessor of which Alliance has been notified and giving such mortgagee or ground lessor an opportunity to cure such act or omission within a reasonable period of time after such notice provided that such mortgagee or ground lessor notifies Alliance that it will commence and continue to remedy such act or omission (orig. §11.02). Alliance and the property's mortgagee are parties to a subordination, non-disturbance and attornment agreement (SNDA-M). Alliance and the property's ground lessor are parties to a subordination, non-disturbance and attornment agreement (SNDA-G).

Estoppel: Alliance will provide an estoppel certificate within 10 days after Landlord's request. The estoppel certificate will certify:

(a) that the Lease is unmodified and in full force and effect or, if there has been any modification that the same is in full force and effect as modified and state any such modification;

(b) whether the term of the Lease has commenced and rent become payable thereunder; and whether Alliance has accepted possession of the demised premises;

(c) whether or not there are then existing any defenses or offsets which are not claims under paragraph (e) below against the enforcement of any of the agreements, terms, covenants, or conditions of the Lease any modification thereof upon the part of Alliance to be performed or complied with, and, if so, specifying the same;

(d) the dates to which the fixed annual rent, and additional rent, and other charges hereunder, have been paid; and

(e) whether or not Alliance has made any claim against Landlord under the Lease and if so the nature thereof and the dollar amount, if any, of such claim (orig. §36).

INSURANCE AND LIABILITY

Insurance:	Alliance will reimburse Landlord for any increases in Landlord's fire insurance caused by Alliance (orig. §10.03).
Landlord	Landlord is not liable for damage or injury to property or persons unless caused by or due to the negligence of Landlord or its agents, servants or employees (orig. §12.01). Alliance will look solely to Landlord's estate in the Building for the satisfaction of any judgment (o rig. §12.05).
Alliance:	Alliance will reimburse Landlord for all costs incurred by Landlord that Landlord does not recover from insurance resulting from Alliance's breach under the lease, by reason of damage or injury caused by Alliance in connection with the moving of Alliance's property except as provided in the lease, and by reason of the negligence of Alliance or its agents, servants or employees in the use or occupancy of the demised premises (orig. §12.03). Alliance will indemnify, defend and save Landlord harmless from any liability arising from Alliance's use of the demised premises, breach of the lease, or holding over, except for any liability arising from Landlord's negligence (orig. 35.01).
Waiver of Subrogation	Both parties are required to obtain waivers of their insurer's rights of subrogation provided that such waiver does not result in an additional expense to the party waiving the right of subrogation, unless the other party agrees to be responsible for such additional expense (orig. §12.06(a) and (b)).

USE

General: The demised premises are permitted to be used for executive and general offices (orig. §2). Landlord represents that such use does not violate the certificate of occupancy for the demised premises (orig. §17). The demised premises may not be used for a banking office open to street traffic or certain other undesirable businesses (orig. §42.01).

Dwyer Unit: Alliance may, subject to Landlord's consent which may not be unreasonably withheld, install in the demised premises a Dwyer Unit at its sole cost expense provided that:

(a) it is used for Alliance's employees and guests;

(b) no installation of ventilation equipment is required and no odors emanate from the demised premises from the use thereof;

(c) no additional air conditioning service is required thereby;

(d) use of the unit is expressly subject to the extra cleaning and water consumption provisions of the lease; and

(e) Alliance will engage an extermination service (orig. §49.01; Sup7 §18).

Dining: Alliance may, subject to Landlord's consent which may not unreasonably be withheld, install a dining room with kitchen for use by Alliance's employees and guests in the demised premises (Sup7 §18), provided that such facilities (a) comply with all applicable laws, (b) are properly ventilated and (c) all wet garbage is bagged and stored so that no odor emanates therefrom (orig. §49.06). If Alliance installs such facilities, then (a) Alliance will pay landlord the cost of an extermination service and (b) will have a refrigerated garbage storage room or other means of disposing of garbage therefrom reasonably satisfactory to Landlord (orig. 32.08 (as modified by Sup9 §6(b)); orig. §49.02), but such refrigerated room will only be required if such wet garbage creates an odor or pest problem (orig. §49.02). Alliance may install additional dining facilities on any floor of the demised premises comparable to the dining facility located on the 39th floor (as it existed as of 8/16/94). (Sup9 §25)

Corporate Training Facility: Subject to the other terms of the lease and all applicable laws, Alliance may use a portion of the demised premises for a corporate training facility (Sup5 §11(c)).

Concourse: Subject to the following sentence, the portion of demised premises located on the concourse may be used for storage, mailroom, computer printing room, incidental office, dining room or cafeteria purposes and any other legal purpose (Sup15 §23(e)). The portion of the demised premises located on the concourse and leased pursuant to Sup23, however, may be used only for storage purposes except that Alliance may also install electrical switches therein in certain specified locations (Sup23 §4).

TERM

Expiration Date:	December 31, 2019 (Sup15 §12(a)).
Early Termination (45th Floor):	Provided Alliance never occupies the 45th floor, Alliance may upon written notice to Landlord given on or before 1/1/15, terminate the Lease with respect to the 45th floor effective 12/31/16 without penalty (Sup15, §21).
Landlord's 5 Year Extension Option:	· Landlord may upon written notice to Alliance given on or before 11/30/16, extend the term from 12/31/19 to 12/31/24 (Sup15 §13(a)(i)). · Fixed annual rent during such extension period would be at the rate of the average fixed annual rent per s.f. being paid by Alliance on 12/30/19 for all of its space in building (other than ground floor, concourse or subconcourse space). The method of calculating escalations would remain unchanged for such period (Sup15 §13(a)(ii) and (iii); Sup21 §9(a)).
Alliance's 5 Year Extension Option:	· If Landlord extends the term to 12/31/24 as provided above, then on or before 12/31/16, Alliance may extend the term to 12/31/29 (Sup15 §13(b)). · Fixed annual rent during such extension period would be at the rate of the average fixed annual rent per s.f. being paid by Alliance on 12/30/19 for all of its space in the building (other than concourse or subconcourse space). The method of calculating escalations would remain unchanged for such period (Sup15 §13(b)). · Upon exercise of this 5 year extension option, Alliance loses its right to exercise its 10 year extension option described below.
Alliance's 10 Year Extension Option:	· Alliance has the option to extend the term for 10 years (Sup9 §12(a)) to expire on 12/31/29 if Landlord does not exercise its 5 year extension option, or 12/31/34 if Landlord does exercise its 5 year extension option and Alliance does not exercise its 5 year extension option. · If Landlord does not exercise its 5 year extension option, the exercise deadline for Alliance's 10 year extension option is no later than 1/31/17, but no earlier than 12/1/16 (Sup15 §13(c)). If Landlord does exercise its 5 year extension option and Alliance does not exercise its 5 year extension option, then the exercise deadline for Alliance's 10 year extension option is 12/31/21 (Sup9 §12(a)(i)). · As conditions to the exercise of Alliance's 10 year extension option, as of the date of exercise and as of the first day of the extension period (i) Alliance can not be in default of beyond applicable notice and grace periods of its obligation to pay fixed annual rent, tax escalations and expense escalations, and (ii) Alliance and its affiliates must occupy at least 200,000 rsf (Sup9 §12(a)(ii) and (iii)). · The fixed annual rent for Alliance's 10 year extension period is 95% of fair market rent determined as of 36 months before what would have been the expiration of the term if the term had not been extended by Alliance's ten year extension option, as determined by Landlord and notified to Alliance in writing within 30 days thereafter, plus an increase in proportion to the increase over such 36 month period of the average of the CPI for Urban Consumers and CPI for Urban Wage Earners (both New York, NY-Northeast NJ, base year 1982-84 =100, "All Items") (Sup9 §12(b)). If Alliance disputes Landlord's determination of the rent, then Landlord and Alliance will resolve the dispute according to a specified arbitration process (Sup9 §12(b) and §16).

- For purposes of calculating real estate tax escalations, the base year during such extension period is 2019/20 if Landlord does not exercise its 5 year extension option, or 2024/25 if Landlord does exercise its 5 year extension option (Sup9 §12(c)(i); Sup15 §13(b) and (c)). For purposes of calculating expense escalations, the base year for building expenses during such extension period is calendar year 2019 if Landlord does not exercise its 5 year extension option, or calendar year 2024 if Landlord does exercise its 5 year extension option. (Sup9 §12(c)(ii) and (iii); Sup15 §13(b) and (c)).

SERVICES

Electricity: See page 14.

Elevator:

Passenger: Service will be provided as necessary on business days between 8 am and 6 pm and sufficient service at all other times (orig. §32.01). In case of special events at the demised premises, upon 24 hours notice from Alliance, Landlord will provide 2 dedicated elevators staffed by Landlord personnel, the labor cost of which will be reimbursable by Alliance within 30 days of demand (Sup9 §24(a)). Landlord is required to have, in 1996, reconfigured the elevators so that the 32nd floor and the 37th, 38th and 39th floors are served by the same elevators (Sup6, §4(c)).

Freight: Landlord will provide reasonable freight elevator service on business days from 8 am to 6 pm and after-hours service at landlord's established rates (orig. §32.01). During tenant's initial fit-out of the remainder of the 31st floor, and the 42nd, 43rd and 44th floors, Alliance has priority but not exclusive use of one freight elevator and non-priority use of a second freight elevator at no charge (Sup14 §13(a); Sup15 §16(a); Sup24 §10(a); Sup25 §10; Sup26 §10). Subject to the terms of the alterations provisions and so long as Alliance is leasing floors 31 (part) through 41, Alliance has the right, at its expense, to make alterations so that any elevator servicing Floors 31 (part) through 41 can stop on any other floor leased by Alliance (Sup15 §24).

HVAC:

Regular Service: During regular hours of operation on business days as from time to time determined by Landlord, but always at least from 8 am to 6 pm, but excluding 9pm to 8 am (orig. §32.02(a)).

After-Hours Service: Available upon reasonable notice at Landlord's established rates, payable upon presentation of bill, provided that:

- if any other tenants in the same air conditioning zone obtain after-hours service, the charge therefore will be equitably pro-rated (orig. §32.02(d)), and
- Landlord will provide HVAC to Alliance free of charge on any non-business day that the New York Stock Exchange is open (Sup9 §24(b)).

Supplemental AC: Subject to the lease provisions (including the alterations section) and all applicable laws, Alliance may at its expense install self-contained package air-conditioning units in the demised premises. Alliance is responsible for the maintenance and repair of such units. Alliance may connect such units to any existing supplementary air-conditioning systems located in the demised premises as of the date the lease commenced with respect to the 37th and 38th floors (orig. §32.10). Alliance has the right to install at its own expense additional supplemental air conditioning in the demised premises subject to service being available from Landlord at Landlord's established per ton per annum connected load and line charge (Sup5 §11(d)). Alliance has the right to install a supplemental air conditioning system on the 31 (part)-34th, and 37th-39th floors and Landlord will provide condenser water therefor at a connected load and line charge fee of $500 per ton per annum increased after 1991 in proportion to the lease's expense escalations (Sup6 §17; Sup7 §19).

Condenser Water:

- Floors 2, 8-14: Alliance has reserved 190 tons of condenser water for use on the 2nd and 8th-14th floors, with an option to reserve up to an additional 80 tons upon written notice to Landlord on or before 8/30/04. Landlord's charge for such condenser water is $568.35 plus annual increases based on the percentage increases in building and parking expenses. Alliance begins paying for such condenser water upon use (but no later after 1 year after delivery of the 2nd and 8th through 14th floors). If Alliance requires more than 270 tons of condenser water for such space, then Landlord will use best efforts to obtain additional condenser from the building's existing supply and, if unsuccessful, will enter into good faith discussions regarding the installation of an additional cooling tower and allocation of costs relating thereto (Sup15 §16(b)).

- Floors 15-16: The 15th floor has an existing supply of 12 tons of condenser water and the 16th floor has an existing supply of 11 tons of condenser water. Alliance has the right to install at its own expense, pursuant to the alterations provisions of the Lease, a supplemental air-conditioning system on the 15th and 16th floors. Alliance was to have reserved its requirements of condenser water for such supplemental system from the existing supply on or before May 1, 1999 and of additional condenser water (up to 100 tons) by June 30, 2001 (Sup14 §13(b)(ii)). We have been advised by Judd S. Meltzer Co. Inc., however, that Landlord has agreed to reduce such available tonnage to 60 tons in exchange for increasing the available tonnage to 100 tons with respect to Floors 35-36. Landlord's charge for such condenser water is $552/ton per annum plus annual increases over a 1997 base year (Sup12 §14).

- Floors 2, 8-14, 17 (part): Alliance was required to notify the Landlord of the amount of additional condenser water required by Alliance for its premises on Floors 2, 8-14 and 17 (part), which amount cannot exceed 20 tons, by August 31, 2002. Alliance begins paying for such condenser water upon use at a rate equal to $594.90 per ton per annum increased annually from 2001 at the same percentage rate that building operating expenses increase (Sup16 §10(b)).

- Floors 31 (part) - 34, 40, 41, 45: We have been advised by Judd S. Meltzer Co. Inc. that Alliance has exercised its right to have Landlord supply Alliance with 250 tons condenser water for use in supplemental air conditioning units on Floors 31 (part)-34 or 40, 41 and 45 at a cost $250/ton/yr for the first 250 tons/yr and $500/ton/yr (plus annual increases over the 1994 expenses base year). Any condenser water already being provided for Floors 31(part)-34 and 40, 41 and 45 are included in determining such rates. Alliance pays for the condenser water that Landlord has agreed to commit to Alliance, regardless of whether Alliance actually uses it (Sup9 §24(f)).

- Floors 35-36: Alliance may purchase up to 60 tons (in the aggregate) of condenser water for use in connection with its supplemental air-conditioning on the 35th and 36th floors. We have been advised, however, by Judd S. Meltzer Co. Inc. that Landlord has agreed to increase such available tonnage to 100 tons in exchange for reducing the available tonnage of additional condenser water to 60 tons with respect to Floors 15-16. Alliance must reserve the condenser water it wishes to purchase by February 8, 2001 (in respect of the 35th floor) and December 31, 2001 (in respect of the 36th floor) Landlord's charge for such condenser water is $568.35/ton per annum plus annual increases over a 1999 base year (Sup14 §13(b)).

Standards:

· indoor conditions to be 75° 50% RH when outdoor conditions are 92° DB and 74° WB; indoor conditions to be 70° when outdoor conditions are 11°

· outdoor air at a minimum of 20 cfm per person

assumes occupancy of 1 person per 100 usf, electric demand load of 5 watts per usf, and appropriate use of blinds (Sup9 §24(c)(ii)).

Water: Landlord is required to supply an adequate quantity for ordinary lavatory, drinking, cleaning and pantry purposes. Water consumed for any additional purposes is subject to charge therefor and, separate metering. Alliance is subject to charge and separate metering for water used for any additional purposes.

Housekeeping Supplies: Landlord must approve, in its reasonable discretion, suppliers of laundry, linen, towels, drinking water, ice and similar supplies to be consumed in the demised premises. Landlord may designate exclusive suppliers of any such supply provided that such suppliers' rates and quality are comparable to other suppliers (orig. §32.05).

Food & Beverages: Landlord must approve, in its reasonable discretion any vendor of food or beverages to be consumed in the demised premises (orig. §32.06).

Cleaning: See page 21.

Building Directory and Concierge: Alliance is provided with its proportionate share (based upon the same percentage used in calculating Alliance's share of operating expense escalations) of listings for itself, and any other person or entity in occupancy of the demised premises and their employees. Landlord may reduce the number of such listings provided that Alliance always has its share in proportion to the space it occupies in the building (Sup6 §23).

So long as Alliance and its affiliates are in occupancy of at least 200,000 rsf, Alliance, at no additional cost, is permitted to station 1 or, if practicable, 2 of its employees at the lobby's concierge desk with a telephone, an employee telephone directory, guest passes and an identifying sign (Sup9 §10(f)).

Signage and Flag: So long as Alliance and its affiliates are in occupancy of at least 200,000 rsf, Alliance has exclusive right to name the building after itself or, subject to Landlord's consent, any of its affiliates, and Alliance has the right to install signage with its name and logo:

· above the lobby entrance (which may be illuminated subject to Landlord's reasonable approval, but not neon, and provided that any other exterior signage is subject to Alliance's approval),

· on the building plaza kiosks (with signage for the building's retail tenants on such kiosks subject to Alliance's reasonable approval and any other kiosk signage or retail signage subject to Alliance's approval),

· behind the lobby concierge desk (which may be illuminated subject to Landlord's reasonable approval, but not neon, and which will be the only sign behind the lobby concierge desk, although Landlord may install less prominent signage for other tenants elsewhere in the lobby subject to Alliance's reasonable approval), and

· place "tombstone" signs on the building plaza

If occupancy decreases to less than 200,000, Landlord may remove Alliance's signage (Sup9 §10(a)). Landlord has reasonable approval rights as to the design and location of Alliance's signage. All installation, maintenance and removal work relating to Alliance's signage will be performed by Landlord at Alliance's reasonable expense (Sup9 §10(b)).

So long as Alliance and its affiliates are in occupancy of at least 200,000 rsf, Alliance may fly a flag bearing its name and logo, the design of which is subject to landlord's reasonable approval, from a flagpole on the building plaza. No other flagpole may be installed on the building plaza without Alliance's approval (Sup9 §10(d)).

Landlord is prohibited from installing any signage in the area of the lobby's upper elevator bank for an Alliance competitor occupying Floors 46-50, or a majority thereof (Sup13 §19(d)).

General Contractor: Landlord's affiliate will act as general contractor for any alteration work performed anywhere in the demised premises for one year after Landlord delivers the 2nd and 8th- 14th floors to Alliance following substantial completion of Landlord's work thereon, for a fee not to exceed 6% of the aggregate cost of such work (Sup15 §6(a)). Alliance and Plaza Construction Corp., Landlord's affiliate, have subsequently entered into that certain Master Agreement dated January 27, 2004 pursuant to which Plaza Construction Corp. will provide construction management services to Alliance in respect of construction projects at the building.

Parking: 37 spaces in the building garage at the garage's standard rates and terms, but the first 25 are at a 10% discount if Alliance reserved such spaces before the Sup9 Adjustment Date (Sup9 §18; Sup12 §12). Landlord's parking obligations continue so long as Landlord is the garage operator or so long as the garage is generally available to building tenants (Sup15 §22).

Allowances and Credits: The following allowances and credit may have been used or applied:

10th Floor: $130,000 credit against fixed annual rent due from and after Floor 10 is included in the demised premises (Sup19 §9).

15th Floor: $987,725 for tenant's initial fit-out and professional fees relating thereto. Any portion not used for such purposes is credited against fixed annual rent (Sup12 §6(b)).

16th Floor: $987,725 for cost of initial fit out and professional fees relating thereto. Any portion not used for such purposes is credited against fixed annual rent (Sup12 §6(c)).

CASUALTY/CONDEMNATION

Casualty:	In case of casualty, Landlord is required to restore the building and/or the demised premises (other than property installed by or on behalf of Alliance). Fixed annual rent and additional rent is abated to the extent that the demised premises or a portion thereof are unrentable and are not occupied by Alliance for the conduct of its business. In case of substantial casualty affecting the demised premises, Alliance may terminate the lease if Landlord's restoration is not completed within 1 year, subject to extension of up to an additional 6 months for circumstances beyond Landlord's reasonable control. (orig. §13.01). In case the building or the demised premises are substantially damaged in the last 2 years of the term, either Landlord or Alliance may cancel the lease upon notice given within 60 days of such casualty (orig. §13.02). Landlord may terminate the lease upon 30 days' notice given within 120 days of a casualty that so damages the building that Landlord decides to demolish it or not rebuild it (orig. §13.03).
Condemnation:	In case of a total condemnation of the demised premises, the lease terminates (orig. §14.01). In case of a condemnation other than a total condemnation of the demised premises, the lease will continue, but fixed annual rent and additional rent, will be abated proportionately, provided that if more than 25% of the demised premises is condemned, Alliance may terminate the lease upon 30 days notice given within 30 days after such condemnation (orig. §14.02). Landlord is required to repair any damage caused by such condemnation (orig. §14.02). In case of a condemnation of more than 25% of the demised premises, Landlord will, to the extent of the condemnation award, repair damage caused by such condemnation within 6 months of the condemnation, as such period may be extended due to force majeure. If Landlord fails to complete repairs within 6 months, as extended due to force majeure, Alliance may terminate upon 30 days' notice (orig. §14.04). In case of any partial condemnation within the last 2 years of the term, either party may terminate the lease within 32 days of the condemnation upon 30 days notice (orig. §14.04). In case of a temporary taking of all or part of the of the demised premises, there will be no abatement of rent, but Alliance is entitled to any condemnation award and if such temporary taking occurs in the last 3 years of the terms, Alliance may terminate the lease upon 30 days' notice given within the 30 days of title vesting in such condemnation (orig. §14.05).

ASSIGNMENT/SUBLETTING

Subletting the demised premises, assigning the Lease, allowing others to use the demised premises, and advertising for a subtenant or assignee are not permitted without the consent of Landlord (§15.01), which consent will not unreasonably be withheld (§15.05) except with regard to the ground floor portion of the demised premises. Landlord has no recapture rights. Alliance may, without Landlord's consent, assign or sublet to a corporation into or with which Alliance is merged, with an entity to which substantially all of Alliance's assets are transferred, or to an entity which controls or is controlled by Alliance or is under common control with Alliance, subject to a net worth test (§15.02). Also, Alliance may, without Landlord's consent, permit an affiliate (defined as "an entity which controls or is controlled by Alliance or is under common control with Alliance") to occupy all or a portion of the premises (orig. §15.08). Any permitted assignment or sublease will not be effective until Alliance delivers to Landlord a recordable sublease or assignment agreement reasonably satisfactory to Landlord pursuant to which the subtenant or assignee assumes all of Alliance's obligations under the Lease. Alliance will remain fully liable under the lease for the payment of rent and the performance of all of Alliance's other obligations under the Lease notwithstanding any such assignment or sublease (orig. §15.03).

Landlord's Consent to assignment or sub-subletting by an assignee or subtenant:

Landlord's consent will not be unreasonably withheld or delayed, provided that such further assignment or sub-sublease is subject to all of the other terms and conditions of the Lease regarding assignment and subletting (Sup7 §12(b)).

Profits:

If Alliance assigns the lease or sublets any portion of the demised premises other than to a corporation into which Alliance is merged or consolidated, or to which Alliance's assets are transferred or to any entity which controls or is controlled by Alliance or is under common control with Alliance, then Alliance will pay Landlord 50% of any profits after first deducting reasonable expenses incurred in connection with such assignment/sublease amortized on a straight line basis over the balance of the lease term (in case of an assignment) or over the term of the sublease (in case of a sublease) (orig. §15.07). For the first 50% of rsf of demised premises other than ground floor space (including Floors 2 and 8-14 after such floors are delivered to Alliance (Sup15 §19(a)) assigned or sublet by Alliance, Alliance will have the right to deduct as such a reasonable expense a "Tenant Improvement Deduction", determined as of the commencement date of such sublease or assignment, and calculated as follows:

((A/2 – B) ÷ C) x D, where

A = amortized value of Alliance leasehold improvements (regardless of whether paid for with tenant allowance) based upon the average value of Alliance's unamortized leasehold improvements on a per rentable square foot basis for all of the demised premises other than any concourse space (Sup15 §19(b) or ground floor space (Sup20 §2(a)), amortized on a straight line basis from completion date until 10/31/09 (if located on Floors 37-39 and completed prior to 8/16/94 and such calculation is being made prior to the delivery of Floors 2 and 8-14 (Sup15 §19(a))) or the lease expiration date (in all other cases)

B = total landlord cash contribution or allowance to Alliance for leasehold improvements under the lease,

C = total rsf of the demised premises, and

D = rsf of the space being sublet or assigned. (Sup9 §13(d))

In determining profits, Alliance is permitted to take into account its electricity expenses under the lease and cleaning expenses (whether under separate agreement with Landlord's contractor or pursuant to the lease) (Sup9 §13(d)), and its rental cost for the space being sublet or assigned will be determined using an average, on a rentable square foot basis, of its rental cost for the entire demised premises other than any concourse space or ground floor space (Sup20 §2(b)) except with respect to any sublease or assignment of the 2nd, 8th-14th or 17th (part) floors made before Alliance ever occupies such space (which is the case for Floor 10 (Sup19 §6(b)) in which case Alliance's rental cost will be based on its actual rental without including any deduction for unamortized tenant improvements (Sup15 §19(d); Sup16 §12, Sup17 §11; Sup18 §11). If Alliance subleases any part of Floors 2 and 8-14 or assigns the Lease with respect thereto after first occupying such space, then Alliance will have the right to take a "Tenant Improvement Deduction" as provided above.

RIGHTS TO ADDITIONAL SPACE

Except as noted below, all of the following rights are subject to the condition that Alliance and its affiliates are occupying at least 200,000 rsf of the building and to the condition that Alliance is not in default beyond the expiration of applicable notice and cure periods under any of the terms, provisions and conditions of the Lease.

Ground Floor:	Alliance has the right of first offer to lease all or a portion of the space occupied by European American Bank as of August 16, 1994, upon such space (or portion thereof) becoming available, at 95% of fair market rent (as determined by Landlord but subject to a specified arbitration process if Landlord and Alliance cannot agree within 60 days of Alliance's acceptance of the offer) (Sup9 §14(a)). So long as Alliance and its affiliates occupy at least 200,000 rsf of the building, Landlord is restricted from leasing such space to a competitor of Alliance (Sup9 §14(a)(ii)). This right of first offer is not subject to the condition that Alliance not be in default beyond the expiration of applicable notice and cure periods under any of the terms, provisions and conditions of the Lease.
24th and 25th Floors:	[Note: The 24th and the 25th floors are currently used for the building's mechanical equipment and are not leased to tenants.]
26th, 27th and 28th Floors:	Subject to the superior rights (as of 8/16/94) of any then-existing tenant or occupant of the building and the superior rights of any tenant that leases floors 26 through 28, Alliance has the right of first offer to lease, at fair market rent (as determined by Landlord but subject to a specified arbitration process if Landlord and Alliance cannot agree within 60 days of Alliance's acceptance of the offer), the 26th, 27th and 28th floors (or a portion of any such floor, if offered to Alliance as a partial floor), upon availability (Sup9 §14(c)). We have been advised by Judd S. Meltzer Co. Inc. that this space is presently leased to Avon pursuant to a lease which expires on October 31, 2016 and that Avon has three 5-year extension options which are superior to Alliance's right of first offer.
29th Floor:	Subject to the superior rights (as of 8/16/94) of any then-existing tenant or occupant of the building and the superior rights of any tenant that leases floors 26 through 28, Alliance has the right of first offer to lease, at fair market rent (as determined by Landlord but subject to a specified arbitration process if Landlord and Alliance cannot agree within 60 days of Alliance's acceptance of the offer), the 29th floor (or a portion thereof, if offered to Alliance as a partial floor), upon availability (Sup9 §14(c)). We have been advised by Judd S. Meltzer Co. Inc. that this space is presently leased to Dean Witter pursuant to a lease which expires on February 28, 2005 and that Avon has superior rights to this right of first offer.
30thFloor:	Subject to the superior rights (as of 8/16/94) of any then-existing tenant or occupant of the building and the superior rights of any tenant that leases floors 26 through 28, Alliance has the right of first offer to lease, at fair market rent (as determined by Landlord but subject to a specified arbitration process if Landlord and Alliance cannot agree within 60 days of Alliance's acceptance of the offer), the 30th floor (or a portion of any such floor, if offered to Alliance as a partial floor), upon availability (Sup9 §14(c)). We have been advised by Judd S. Meltzer Co. Inc. that this space is presently leased to Rubenstein pursuant to a lease which expires on December 31, 2009 and that Rubenstein has one 5-year extension option which may be preempted by Alliance.

46th through 50th Floors: Subject to the superior rights (as of 8/16/94) of any then-existing tenant or occupant of the building and the superior rights of any tenant that leases floors 26 through 28, Alliance has the right of first offer to lease, at fair market rent (as determined by Landlord but subject to a specified arbitration process if Landlord and Alliance cannot agree within 60 days of Alliance's acceptance of the offer), the 49th and 50th floors (or a portion of any such floor, if offered to Alliance as a partial floor), upon availability (Sup9 §14(c)). This right of first offer also applies to the 46th through 48th floors (Sup10 §4(b); Sup14 §16). We have been advised by Judd S. Meltzer Co. Inc. that this space is presently leased to Pimco pursuant to a lease which expires on December 31, 2016 and that there are no superior rights to this right of first offer.

All other space: We have been advised by Judd S. Meltzer Co. Inc. that the companies listed below have leased the floors under leases expiring as follows:

Tenant	Floor(s)	Lease Expiration
Arthur Andersen	3 through 7	04/30/04
Linklaters	19	11/30/13
Stern Stewart	20	04/30/08
Smith Barney	21 and 22	04/30/05
Nichimen	23	04/30/12

Alliance has the right of first offer to lease all other space in the building it does not already lease or that is not subject to another of Alliance's rights of first offer, upon availability, at fair market rent (as determined by landlord but subject to a specified arbitration process if Landlord and Alliance cannot agree within 60 days of Alliance's acceptance of the offer) (Sup15 §9(a)(1); Sup16 §14). This right of first offer is subject to the conditions that Alliance and its affiliates are in occupancy of at least 400,000 rsf and is subject to any rights of first offer or refusal held by any other building occupant or tenant existing as of August 3, 2000 (Sup15 §9(a)(i) and (ii)). (Note: We have been advised by Judd S. Meltzer Co. Inc. that the following superior rights exist: Linklaters has two 5-year extension options with respect to the 19th floor, Smith Barney has one 5-year extension option with respect to the 21st and 22nd floors; Nichimen has one 5-year extension option with respect to the 23rd floor and Avon has rights to the 23rd floor.) Alliance may not exercise such right of first offer during the last 10 years of the term unless (i) Alliance simultaneously extends the lease term pursuant to the Lease, or (ii) such offer is made during the period beginning 10 years before the expiration date and ending 5 years before the expiration date and is for 2 or fewer floors (provided that if it is for more than 2 floors and Alliance wishes to accept the offer, Alliance must accept Landlord's terms (including, perhaps, a non-coterminous expiration date) for those excess floors) (15 Sup, §9(a)(iii)(7)).

DEFAULT AND LANDLORD REMEDIES

Events of Default: Landlord may terminate the lease upon 10 days' notice if:

(i) Alliance fails to pay fixed annual rent or any other lease payment within 10 days after notice from Landlord of such failure;

(ii) Alliance fails to cure its default under any of its other obligations under the lease, or fails to re-occupy the demised premises after abandoning the demised premises, within 30 days after notice from Landlord (reduced to 5 days in case of default under Alliance's obligation to use the demised premises in conformance with the certificate of occupancy or Alliance's failure to provide an estoppel), but if such default cannot be cured within such period, such period is extended as necessary to permit Alliance with diligence and good faith, to cure such default; or

(iii) an execution or attachment against Alliance or its property results in a party other than Alliance continuing to occupy the demised premises after 30 days' notice from Landlord (orig. §19.01).

Upon termination, Landlord may re-enter the demised premises and dispossess Alliance (orig. §19.02).

Alliance's obligation to pay fixed annual rent and additional rent survives any termination of the lease due to Alliance's default (orig. §19.03). Upon such termination, Alliance will pay landlord re-letting expenses and at Landlord's option, either a lump sum representing the present value of the excess of Alliance's combined fixed annual rent and additional rent over the rental value for the terminated portion of the term, or on a monthly basis the excess of Alliance's combined fixed annual rent and additional rent over the rent received from any re-letting of the demised premises for the period representing the terminated lease term (orig. §20.01).

Landlord's Right to Cure: If Alliance fails to cure a default within any applicable grace period after notice of such default (provided that no notice is required in case of emergency), then Landlord may cure such default and bill Alliance for the cost of such cure, which bill will be due upon receipt (orig. §21.01).

Right to Contest: Alliance may contest any law that Alliance is obligated to comply with under the lease and compliance thereunder, provided that:

(a) such non-compliance will not subject Landlord to criminal prosecution or subject the building to lien or sale;

(b) such non-compliance does not violate any fee mortgage, ground lease or leasehold mortgage thereon;

(c) Alliance will deliver a bond or other security to Landlord; and

(d) Alliance will diligently prosecute such contest.

Arbitration: Where arbitration is required by the lease, unless otherwise expressly provided, the arbitration will be in New York City in accordance with the Commercial Arbitration Rules of the American Arbitration Association and the lease, and judgment may be entered in any court having jurisdiction (orig. §33.01).

Limits on Alliance's Remedies: Alliance cannot, in response to Landlord's act or omission, terminate the lease or set-off rent before giving any ground lessor or mortgagee of the fee or ground leasehold estate for which Alliance has been given an address notice of such act or omission and a reasonable period of time to cure. Such ground lessor or mortgagee, however, has no obligation to cure such act or omission.

ACCESS

Landlord:	Landlord may enter the demised premises to perform alteration work, to inspect the demised premises or to exhibit the demised premises to prospective purchasers, mortgagees or lessors of the building and (during the last 6 months of the term) to prospective lessees of the demised premises, provided that Landlord provides Alliance advance notice (which may be oral) of such entry (orig. §16.01). Landlord will exercise reasonable diligence so as to minimize the disturbance (orig. §16.01).
Carter-Wallace, Inc.	Carter-Wallace, Inc. is allowed, once a month upon reasonable notice during business hours, access in the vicinity of column 63 on the northeast side of the 41st floor to service a humidifier, provided that Carter-Wallace, Inc. will move such portion of humidifier off the 41st floor if Alliance reasonably requires Carter-Wallace, Inc. to do so as part of Alliance's alteration work on the 41st floor (LTR1, par 2).

NOTICES

All notices required to be given by the lease or by law are required to be in writing. Notices, which are required to be sent by certified or registered mail, are deemed sent by the sender and received by the recipient when deposited in the exclusive care and custody of the U.S. mail. Notices to Landlord are to be addressed as follows:

1345 Leasehold Limited Partnership
c/o Fisher Brothers
299 Park Avenue
New York, New York

with a copy to:

Fisher Brothers
299 Park Avenue
New York, New York
Attn: General Counsel

(orig. §31.01)

Exhibit 10.10

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, BNY Mellon Shareowner Services, 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 AllianceBernstein's transfer agent, BNY Mellon Shareowner Services, 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, BNY Mellon Shareowner Services, 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

Exhibit 10.11

AMENDED AND RESTATED COMMERCIAL PAPER DEALER AGREEMENT

[4(2) Commercial Paper Program]

This Amended and Restated Commercial Paper Dealer Agreement, dated as of February 10, 2009, confirms the agreement among Banc of America Securities LLC ("BAS"), Merrill Lynch Money Markets Inc. ("Merrill"), Deutsche Bank Securities Inc. ("Deutsche Bank") and AllianceBernstein L.P., formerly known as Alliance Capital Management L.P. (the "Partnership"), whereby each of BAS, Merrill and Deutsche Bank, severally and not jointly, will act as a dealer with respect to the promissory notes to be issued by the Partnership, which will be issued either in physical bearer form or book-entry form, and amends and restates the Amended and Restated Commercial Paper Dealer Agreement, dated as of May 3, 2006 (the "2006 Dealer Agreement") among BAS, Merrill and the Partnership. Each of BAS, Merrill and Deutsche Bank is also sometimes referred to herein as a "Dealer" and collectively as the "Dealers." Notes in book-entry form will be represented by master notes registered in the name of a nominee of The Depository Trust Company ("DTC") and recorded in the book-entry system maintained by DTC. The promissory notes shall (a) be issued in denominations of not less than $250,000; (b) have maturities not exceeding 270 days from the date of issue; and (c) not contain any condition of redemption or right to prepay. Such notes, including the master notes, shall hereinafter be referred to as "Commercial Paper" or "Notes." Certain terms used in this Agreement are defined in paragraph 11 below. Any Exhibits described in this Agreement are hereby incorporated by reference into this Agreement and made fully a part hereof.

1. (a) The Partnership represents and warrants to the Dealers that: (i) the Partnership has been duly organized and is validly existing as a limited partnership in good standing under the laws of the State of Delaware; (ii) this Agreement and the amended and restated issuing and paying agency agreement dated as of May 3, 2006 with Deutsche Bank National Trust Company (the "Issuing and Paying Agent", which term shall include any successor issuing and paying agent under such agreement), a copy of which has been provided to each of the Dealers (as such agreement may be amended or supplemented from time to time, the "Issuing Agreement"), have been duly authorized, executed and delivered by the Partnership and each constitutes the valid and legally binding obligation of the Partnership enforceable in accordance with its respective terms subject to any applicable law relating to or affecting indemnification for liability under the securities laws, and except to the extent such enforceability may be limited by bankruptcy, insolvency or other similar laws affecting creditors' rights generally and the applicability of equitable principles thereto whether in a proceeding of law or in equity; (iii) the Notes have been duly authorized and, when issued and duly delivered in accordance with the Issuing Agreement, will constitute the valid and legally binding obligations of the Partnership, enforceable in accordance with their terms, except to the extent such enforceability may be limited by bankruptcy, insolvency or other similar laws affecting creditors' rights generally and the applicability of equitable principles thereto whether in a proceeding of law or in equity; (iv) the private placement memorandum approved by the Partnership for distribution pursuant to Section 7 hereof (the "Private Placement Memorandum") and the Annual Report on Form 10-K of the Partnership, for the fiscal year ended December 31, 2007 and other documents subsequently filed with the Securities and Exchange Commission ("SEC") pursuant to Section 13 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), by the Partnership (together, the "Offering Materials"), taken as a whole, except insofar as any information therein relates to BAS, Merrill or Deutsche Bank (or their respective affiliates), each in its respective capacity as dealer hereunder, do not include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading; (v) the offer and sale of the Notes in the manner contemplated by this Agreement will be exempt from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), pursuant to Section 4(2) thereof, and no indenture in respect of the Notes is required to be qualified under the Trust Indenture Act of 1939, as amended; (vi) the Partnership is not an "investment company" or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended; (vii) the Notes will rank at least pari passu with all other unsecured and unsubordinated indebtedness of the Partnership; (viii) no consent or action of, or filing or registration with, any governmental or public regulatory body or authority, including the SEC, is required for the Partnership to authorize, or is otherwise required in connection with the execution, delivery or performance by the Partnership of, this Agreement, the Notes or the Issuing Agreement, except as may be required by the securities or Blue Sky laws of the various states in connection with the offer and sale of the Notes; (ix) neither the execution and delivery of this Agreement and the Issuing Agreement, nor the issuance of the Notes in accordance with the Issuing Agreement, nor the fulfillment of or compliance with the terms and provisions hereof or thereof by the Partnership, will (A) result in the creation or imposition of any mortgage, lien, charge or encumbrance of any nature whatsoever upon any of the properties or assets of the Partnership, which mortgage, lien, charge or encumbrance would have a material adverse effect on the financial condition or operations of the Partnership and its subsidiaries considered as one enterprise, or (B) violate or result in a breach or a default under any of the terms of the Partnership's limited partnership certificate or agreement, any contract or instrument to which the Partnership is a party or by which it or its property is bound, or any law or regulation, or any order, writ, injunction or decree of any court or government instrumentality, to which the Partnership is subject or by which it or its property is bound, which violation, breach or default would have a material adverse effect on the financial condition or operations of the Partnership and its subsidiaries considered as one enterprise or the ability of the Partnership to perform its obligations under this Agreement, the Notes or the Issuing Agreement; and (x) except as may be disclosed in the Offering Materials, there is no litigation or governmental proceeding pending, or to the knowledge of the Partnership threatened, against or affecting the Partnership or any of its subsidiaries which would have a material adverse effect on the financial condition or operations of the Partnership and its subsidiaries considered as one enterprise or the ability of the Partnership to perform its obligations under this Agreement, the Notes or the Issuing Agreement.

(b) Each sale of a Note by the Partnership under this Agreement shall constitute an affirmation that the foregoing representations and warranties remain true and correct at the time of sale, and will remain true and correct at the time of delivery, of such Note, and since the date of the most recent Private Placement Memorandum, there has been no material adverse change in the financial condition or operations of the Partnership and its subsidiaries considered as one enterprise which has not been disclosed to the Dealers in writing.

2. Each of the Dealers may, from time to time, but shall not be obligated to, purchase Commercial Paper from the Partnership.

3. Prior to the initial issuance of Commercial Paper, the Partnership shall have delivered to each of the Dealers an incumbency certificate identifying persons authorized to sign Commercial Paper on the Partnership's behalf and containing the true signatures of each of such persons.

4. Prior to the initial issuance of Commercial Paper, the Partnership shall have supplied each of the Dealers with an opinion or opinions of counsel addressing the matters set forth in paragraph 1(a)(i)-(iii), (v) – (vi) and (viii) above and such other matters as the Dealers shall reasonably request, such opinion or opinions to be in form and substance satisfactory to the Dealers.

5. All transactions in Commercial Paper between each of the Dealers and the Partnership shall be in accordance with the custom and practice in the commercial paper market. In accordance with such custom and practice, the purchase of Commercial Paper by the applicable Dealer shall be negotiated verbally between the applicable Dealer's personnel and the authorized representative of the Partnership. Such negotiation shall determine the principal amount of Commercial Paper to be sold, the discount rate or interest rate applicable thereto, and the maturity thereof. The applicable Dealer's fee for such sales shall be included in the discount rate with respect to Commercial Paper issued at a discount, or stated separately as a fee, in the case of Commercial Paper bearing interest. The applicable Dealer shall confirm each transaction made with the Partnership in writing in such Dealer's customary form. Delivery and payment of Commercial Paper shall be effected in accordance with the Issuing Agreement.

6. The applicable Dealer shall pay for the Notes purchased by such Dealer in immediately available funds on the business day such Notes, executed in a manner satisfactory to such Dealer, are delivered to such Dealer in the case of physical bearer Notes, or in the case of book-entry Notes, on the business day such Notes are credited to such Dealer's Participant Account at DTC. Payment shall be made in any manner permitted in the Issuing Agreement. The amount payable by the applicable Dealer to the Partnership shall be (i) in the case of discount Notes, the face value thereof less the original issue discount and less the compensation payable to such Dealer and (ii) in the case of interest to follow Notes, the face value thereof less the compensation payable to such Dealer.

7. From and after the date of this Agreement, the Partnership will supply to each of the Dealers on a continuing basis three copies of all annual and quarterly and other reports filed by the Partnership pursuant to Section 13 of the Exchange Act, and reports mailed by the Partnership to its unitholders (in their capacity as unitholders), plus such other information as the Dealers may reasonably request; provided, however, that so long as such reports or other information is available on the Partnership's website, delivery to each of the Dealers shall be deemed to have occurred when such information first becomes available on the Partnership's website. The Partnership understands, however, that the Dealers shall distribute or otherwise use any informational documents concerning the Partnership, including the Private Placement Memorandum, only with the prior review and approval of the Partnership. The Partnership further undertakes to supply copies of such reports when requested by any Commercial Paper customer of the Dealers, as set forth in the Private Placement Memorandum. The Partnership further agrees to notify the Dealers promptly upon the occurrence of any event or other development, the result of which causes the informational documents and the Partnership's annual or quarterly and other reports filed pursuant to Section 13 of the Exchange Act, taken as a whole, to include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading. The Partnership agrees promptly to supplement or amend the Private Placement Memorandum so that the Private Placement Memorandum, as amended or supplemented, shall not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, and the Partnership shall make such supplement or amendment available to the Dealers.

8. (a) Partnership agrees to indemnify and hold harmless each Dealer, each person, if any, who controls such Dealer within the meaning of either Section 15 of the Act or Section 20 of the Exchange Act and each of their respective directors and officers (collectively, the "Indemnitee"), against any and all losses, claims, damages, liabilities or expenses, joint or several, to which any Indemnitee may become subject, under the Act, the Exchange Act, or otherwise, insofar as such losses, claims, damages, liabilities or expenses (or actions in respect thereof) arise out of or are based upon (i) any untrue statement or alleged untrue statement of material fact contained in the Offering Materials, taken as a whole, or the omission or alleged omission to state therein a material fact necessary to make the statements therein, in the light of the circumstances in which they are made, not misleading, or (ii) the breach by the Partnership of any agreement, covenant or representation made in or pursuant to this Agreement, and the Partnership further agrees to reimburse each Indemnitee for any legal or other expenses reasonably incurred by it in connection with investigating or defending any such loss, claim, damage, liability, expense or action; provided, however, that the Partnership will not be liable in any such case to the extent that any such loss, claim, damage, liability or expense arises out of or is based upon an untrue statement or omission contained in the Offering Materials which relates to a Dealer (or its affiliates) in its capacity as dealer hereunder provided by such Dealer in writing expressly for inclusion in the Private Placement Memorandum. At the date hereof, the only such material is such Dealer's contact information included in the Private Placement Memorandum.

(b) Promptly after receipt by an Indemnitee of notice of the existence of any such loss, claim, damage, liability or expense, such Indemnitee will, if a claim in respect thereof is to be made against the Partnership, notify the Partnership in writing of the existence thereof; provided that (i) the omission so to notify the Partnership will not relieve the Partnership from any liability which it may have hereunder unless and except to the extent it did not otherwise learn of such claim and such failure results in the forfeiture by the Partnership of substantial rights and defenses, and (ii) the omission so to notify the Partnership will not relieve it from liability which it may have to an Indemnitee otherwise than on account of this Agreement. In case any such claim is made against any Indemnitee and it notifies the Partnership of the existence thereof, the Partnership will be entitled to participate therein, and to the extent that it may elect by written notice delivered to the Indemnitee, to assume the defense thereof, with counsel reasonably satisfactory to such Indemnitee; provided that if the defendants in any such claim include both the Indemnitee and the Partnership, and the Indemnitee shall have concluded that there may be legal defenses available to it which are different from or additional to those available to the Partnership, the Partnership shall not have the right to direct the defense of such claim on behalf of such Indemnitee, and the Indemnitee shall have the right to select separate counsel to assert such legal defenses on behalf of such Indemnitee. Upon receipt of notice from the Partnership to such Indemnitee of the Partnership's election so to assume the defense of such claim and approval by the Indemnitee of counsel, the Partnership will not be liable to such Indemnitee for expenses incurred thereafter by the Indemnitee in connection with the defense thereof (other than reasonable costs of investigation) unless (i) the Indemnitee shall have employed separate counsel in connection with the assertion of legal defenses in accordance with the proviso to the next preceding sentence (it being understood, however, that the Partnership shall not be liable for the expenses of more than one separate counsel (in addition to any local counsel in the jurisdiction in which any claim is brought), approved by the applicable Dealer, representing the Indemnitee who is party to such claim), (ii) the Partnership shall not have employed counsel reasonably satisfactory to the Indemnitee to represent the Indemnitee within a reasonable time after notice of existence of the claim or (iii) the Partnership has authorized in writing the employment of counsel for the Indemnitee. The indemnity, reimbursement and contribution obligations of the Partnership hereunder shall be in addition to any other liability the Partnership may otherwise have to an Indemnitee and shall be binding upon and inure to the benefit of any successors, assigns, heirs and personal representatives of the Partnership and any Indemnitee. The Partnership agrees that without the applicable Dealer's prior written consent, it will not settle, compromise or consent to the entry of any judgment in any claim in respect of which indemnification may be sought under the indemnification provision of this Agreement (whether or not such Dealer or any other Indemnitee is an actual or potential party to such claim), unless such settlement, compromise or consent (i) includes an unconditional release of each Indemnitee from all liability arising out of such claim and (ii) does not include a statement as to or an admission of fault, culpability or failure to act, by or on behalf of any Indemnitee.

(c) In order to provide for just and equitable contribution in circumstances in which the indemnification provided for in paragraph 8(a) is for any reason held unavailable (otherwise than in accordance with the provision stated therein), the Partnership shall contribute to the aggregate costs of satisfying any loss, damage, liability or expense sought to be charged against or incurred by any Indemnitee in such proportion as is appropriate to reflect the relative benefits received by the Partnership on the one hand and the Dealers on the other from the offering of the Notes. For purposes of this paragraph 8(c), the "relative benefits" received by the Partnership shall be equal to the aggregate net proceeds received by the Partnership from Notes sold pursuant to this Agreement and the "relative benefits" received by each Dealer shall be equal to the aggregate commissions and fees earned by such Dealer hereunder.

9. The Dealers and the Partnership hereby establish and agree to observe the following procedures in connection with offers, sales and subsequent resales or other transfers of the Notes:

(a) Offers and sales of the Notes by or through the Dealers shall be made only to: (i) investors reasonably believed by the applicable Dealer to be Qualified Institutional Buyers or Institutional Accredited Investors and (ii) non-bank fiduciaries or agents that will be purchasing Notes for one or more accounts, each of which is reasonably believed by the Dealer to be an Institutional Accredited Investor.

(b) Resales and other transfers of the Notes by the holders thereof shall be made only in accordance with the restrictions in the legend described in clause (e) below.

(c) No "general solicitation or general advertising" within the meaning of Regulation D shall be used in connection with the offering of the Notes. Without limiting the generality of the foregoing, without the prior written approval of the other parties hereto, no party hereto shall issue any press release or place or publish any “tombstone” or other advertisement relating to the Notes.

(d) No sale of Notes to any one purchaser shall be for less than $250,000 principal or face amount, and no Note shall be issued in a smaller principal or face amount. If the purchaser is a non-bank fiduciary acting on behalf of others, each person for whom such purchaser is acting must purchase at least $250,000 principal or face amount of Notes.

(e) Offers and sales of the Notes by the Partnership through a Dealer acting as agent for the Partnership shall be made in accordance with Rule 506 under the Securities Act, and shall be subject to the restrictions described in the legend appearing on Exhibit A hereto. A legend substantially to the effect of such Exhibit A shall appear as part of the Private Placement Memorandum used in connection with offers and sales of Notes hereunder, as well as on each individual certificate representing a Note and each master note representing book-entry Notes offered and sold pursuant to this Agreement.

(f) Each Dealer shall furnish or shall have furnished to each purchaser of Notes for which it has acted as the Dealer a copy of the then-current Private Placement Memorandum unless such purchaser has previously received a copy of the Private Placement Memorandum as then in effect. The Private Placement Memorandum shall expressly state that any person to whom Notes are offered shall have an opportunity to ask questions of, and receive information from, the Partnership and the applicable Dealer and shall provide the names, addresses and telephone numbers of the persons from whom information regarding the Partnership may be obtained.

(g) The Partnership agrees, for the benefit of the Dealers and each of the holders and prospective purchasers from time to time of the Notes that, if at any time the Partnership shall not be subject to Section 13 or 15(d) of the Exchange Act, the Partnership will furnish, upon request and at its expense, to the Dealers and to holders and prospective purchasers of Notes information required by Rule 144A(d)(4)(i) in compliance with Rule 144A(d).

(h) In the event that any Note offered or to be offered by the Dealers would be ineligible for resale under Rule 144A, the Partnership shall immediately notify the Dealers (by telephone, confirmed in writing) of such fact and shall promptly prepare and deliver to the Dealers an amendment or supplement to the Private Placement Memorandum describing the Notes that are ineligible, the reason for such ineligibility and any other relevant information relating thereto.

(i) The Partnership will give the Dealers prompt notice (but in any event prior to any subsequent issuance of Notes hereunder) of any amendment to, modification of or waiver with respect to, the Notes or the Issuing Agreement, including a complete copy of any such amendment, modification or waiver.

(j) The Partnership shall, whenever there shall occur any adverse change in the financial condition or operations of the Partnership and its subsidiaries considered as one enterprise or any other adverse development or occurrence in relation to the Partnership that, in either case, would be material to holders of the Notes or potential holders of the Notes (including any downgrading or receipt of any notice of intended or potential downgrading or any review for potential change in the rating accorded any of the Partnership's securities by any nationally recognized statistical rating organization which has published a rating of the Notes), promptly, and in any event prior to any subsequent issuance of Notes hereunder, notify the Dealers (by telephone, confirmed in writing) of such change, development or occurrence.

(k) The Partnership will take all such action as the Dealers may reasonably request to ensure that each offer and each sale of the Notes will comply with any applicable state Blue Sky laws; provided, however, that the Partnership shall not be obligated to file any general consent to service of process or to qualify as a foreign partnership in any jurisdiction in which it is not so qualified or subject itself to taxation in respect of doing business in any jurisdiction in which it is not otherwise so subject.

10. The Partnership hereby represents and warrants to each Dealer, in connection with offers, sales and resales of Notes, as follows:

(a) The Partnership hereby confirms to each Dealer that within the preceding six months neither the Partnership nor any person other than the Dealers acting on behalf of the Partnership has offered or sold any Notes, or any substantially similar security of the Partnership to, or solicited offers to buy any such security from, any person other than the Dealers; provided, that the parties hereto acknowledge that, within the preceding six months, BAS and Goldman, Sachs & Co. ("Goldman") have offered extendible commercial notes on behalf of the Partnership as pursuant to the extendible commercial notes dealer agreement, dated as of December 14, 1999, among BancAmerica, Goldman and the Partnership. The Partnership also agrees that as long as the Notes are being offered for sale by the Dealers as contemplated hereby and until at least six months after the offer of Notes hereunder has been terminated, neither the Partnership nor any person other than the Dealers will offer the Notes or any substantially similar security of the Partnership for sale to, or solicit offers to buy any such security from, any person other than the Dealers if, as a result of the doctrine of "integration" referred to in Rule 502 under the Securities Act, such offer or sale would render invalid the exemption from the registration requirements of the Securities Act provided by Section 4(2) thereof for the offer and sale of the Notes, it being understood that such agreement is made with a view to bringing the offer and sale of the Notes within the exemption provided by Section 4(2) of the Securities Act and shall survive any termination of this Agreement. The Partnership hereby represents and warrants that it has not taken or omitted to take, and will not take or omit to take, any action that would cause the offering and sale of Notes hereunder to be integrated with any other offering of securities, whether such offering is made by the Partnership or some other party or parties.

(b) The Partnership represents and agrees that the proceeds of the sale of the Notes are not currently contemplated to be used for the purpose of buying, carrying or trading securities within the meaning of Regulation T and the interpretations thereunder by the Board of Governors of the Federal Reserve System. In the event that the Partnership determines to use such proceeds for the purpose of buying, carrying or trading securities, whether in connection with an acquisition of another company or otherwise, the Partnership shall give the Dealers at least five business days' prior written notice to that effect. The Partnership shall also give the Dealers prompt notice of the actual date that it commences to purchase securities with the proceeds of the Notes. Thereafter, in the event that a Dealer purchases Notes as principal and does not resell such Notes on the day of such purchase, to the extent necessary to comply with Regulation T and the interpretations thereunder, such Dealer will sell such Notes either (i) only to offerees it reasonably believes to be Qualified Institutional Buyers or to Qualified Institutional Buyers it reasonably believes are acting for other Qualified Institutional Buyers, in each case in accordance with Rule 144A or (ii) in a manner which would not cause a violation of Regulation T and the interpretations thereunder.

11. The following are definitions for certain terms used in this Agreement:

(a) "Institutional Accredited Investor" shall mean an institutional investor that is an accredited investor within the meaning of Rule 501 under the Securities Act and that has such knowledge and experience in financial and business matters that it is capable of evaluating and bearing the economic risk of an investment in the Notes, including, but not limited to, a bank, as defined in Section 3(a)(2) of the Securities Act, or a savings and loan association or other institution, as defined in Section 3(a)(5)(A) of the Securities Act, whether acting in its individual or fiduciary capacity.

(b) "Non-bank fiduciary or agent" shall mean a fiduciary or agent other than (a) a bank, as defined in Section 3(a)(2) of the Securities Act, or (b) a savings and loan association, as defined in Section 3(a)(5)(A) of the Securities Act.

(c) "Qualified Institutional Buyer" shall have the meaning assigned to that term in Rule 144A under the Securities Act.

(d) "Regulation D" shall mean Regulation D (Rules 501 et seq.) under the Securities Act.

(e) "Rule 144A" shall mean Rule 144A under the Securities Act.

12. This Agreement may be terminated by the Partnership or either Dealer, with respect to such Dealer, upon thirty days' written notice to the Dealers or the Partnership, as the case may be. Any such termination, however, shall not affect the obligations of the Partnership under Sections 8 and Section 14 hereof. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

13. This Agreement shall inure to the benefit of and be binding upon the undersigned parties and their respective successors and assigns, but no other person, partnership, association, company or corporation.

14. The Partnership and each Dealer agree that any suit, action or proceeding brought by the Partnership against a Dealer, or by a Dealer against the Partnership, in connection with or arising out of this Agreement or the Notes or the offer and sale of the Notes shall be brought solely in the United States federal courts located in the Borough of Manhattan or the courts of the State of New York located in the Borough of Manhattan. EACH DEALER AND THE PARTNERSHIP WAIVE ITS RIGHT TO TRIAL BY JURY IN ANY SUIT, ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

15. This Agreement is not assignable by the Partnership without the written consent of the Dealers or by a Dealer without the consent of the Partnership; provided, however, that, upon prior written notice, a Dealer may assign its rights and obligations under this Agreement to any affiliate of such Dealer.

16. The Partnership acknowledges and agrees that (i) the purchase and sale of the Notes pursuant to this Agreement, including the determination of the offering price of the Notes and any related discounts and commissions, is an arm's-length commercial transaction between the Partnership, on the one hand, and the applicable Dealer, on the other hand, (ii) in connection with the offering contemplated hereby and the process leading to such transaction each Dealer is and has been acting solely as a dealer and is not the fiduciary, or, except to the extent expressly set forth herein, the agent, of the Partnership or its unitholders, creditors, employees or any other party, (iii) each Dealer has not assumed nor will it assume an advisory or fiduciary responsibility in favor of the Partnership with respect to the offering contemplated hereby or the process leading thereto (irrespective of whether such Dealer has advised or is currently advising the Partnership on other matters) and the Dealers have no obligation to the Partnership with respect to the offering contemplated hereby except the obligations expressly set forth in this Agreement, (iv) each Dealer and its affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Partnership, and (v) the Dealers have not provided any legal, accounting, regulatory or tax advice with respect to the offering contemplated hereby and the Partnership has consulted its own legal, accounting, regulatory and tax advisors to the extent it deemed appropriate.

17. Unless otherwise expressly provided herein, all notices under this Agreement to parties hereto shall be in writing and shall be effective when received at the address of the respective party set forth as follows:

For the Partnership:

Address:	1345 Avenue of the Americas New York, New York 10105
Attention:	Treasury
Telephone number:	212-823-3232
Fax number:	212-823-3250

For Banc of America Securities LLC:

Address:	600 Montgomery Street CA5-801-15-31 San Francisco, California 94111
Attention:	Manager, Money Market Finance
Telephone number:	415-913-3689
Fax number:	415-913-6288

For Merrill Lynch Money Markets Inc.:

Address:	World Financial Center, 11th Floor New York, New York 10080
Attention:	Money Markets Origination
Telephone number:	212-449-3264
Fax number:	212-449-8939

For Deutsche Bank Securities Inc.:

Address:	60 Wall Street New York, New York 10005
Attention:	Vaughn Smith
Telephone number:	212-250-7179
Fax number:	212-797-5177
Attention:	Christopher Shirk
Telephone number:	212-250-7179
Fax number:	212-797-5177
Attention:	Raj Sodhi
Telephone number:	212-250-7179
Fax number:	212-797-5177

(Remainder of page left blank intentionally; Signature Page follows)

If the foregoing accurately reflects our agreement, please sign the enclosed copy in the space provided below and return it to the undersigned.

The parties hereto have caused the execution of this Agreement on the date first provided above.

AllianceBernstein L.P.

By: /s/ John J. Onofrio, Jr.
Name: John J. Onofrio, Jr.
Title: Vice President and Treasurer

Banc of America Securities LLC

By: /s/ Robert Porter
Name: Robert Porter
Title: Managing Director

Merrill Lynch Money Markets Inc.

By: /s/ Robert J. Little
Name: Robert J. Little
Title: Managing Director

Deutsche Bank Securities Inc.

By: /s/ John Cipriani
Name: John Cipriani
Title: Director

By: /s/ Vaughn Smith
Name: Vaughn Smith
Title: Director

FORM OF LEGEND FOR
PRIVATE PLACEMENT MEMORANDUM AND NOTES

THE NOTES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR ANY OTHER APPLICABLE SECURITIES LAW, AND OFFERS AND SALES THEREOF MAY BE MADE ONLY IN COMPLIANCE WITH AN APPLICABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS. BY ITS ACCEPTANCE OF A NOTE, THE PURCHASER WILL BE DEEMED TO REPRESENT THAT IT HAS BEEN AFFORDED AN OPPORTUNITY TO INVESTIGATE MATTERS RELATING TO THE ISSUER AND THE NOTES, THAT IT IS NOT ACQUIRING SUCH NOTE WITH A VIEW TO ANY DISTRIBUTION THEREOF AND THAT IT IS (A) AN INSTITUTIONAL INVESTOR THAT IS AN ACCREDITED INVESTOR WITHIN THE MEANING OF RULE 501(a) UNDER THE ACT (AN "INSTITUTIONAL ACCREDITED INVESTOR") AND THAT EITHER IS PURCHASING NOTES FOR ITS OWN ACCOUNT, IS A U.S. BANK (AS DEFINED IN SECTION 3(a)(2) OF THE ACT) OR A SAVINGS AND LOAN ASSOCIATION OR OTHER INSTITUTION (AS DEFINED IN SECTION 3(a)(5)(A) OF THE ACT) ACTING IN ITS INDIVIDUAL OR FIDUCIARY CAPACITY OR IS A FIDUCIARY OR AGENT (OTHER THAN A U.S. BANK OR SAVINGS AND LOAN ASSOCIATION) PURCHASING NOTES FOR ONE OR MORE ACCOUNTS EACH OF WHICH IS SUCH AN INSTITUTIONAL ACCREDITED INVESTOR OR (B) A QUALIFIED INSTITUTIONAL BUYER ("QIB") WITHIN THE MEANING OF RULE 144A UNDER THE ACT THAT IS ACQUIRING NOTES FOR ITS OWN ACCOUNT OR FOR ONE OR MORE OTHER ACCOUNTS, EACH OF WHICH IS A QIB AND WITH RESPECT TO EACH OF WHICH THE PURCHASER HAS SOLE INVESTMENT DISCRETION; AND THE PURCHASER ACKNOWLEDGES THAT IT IS AWARE THAT THE SELLER MAY RELY UPON THE EXEMPTION FROM THE REGISTRATION PROVISIONS OF SECTION 5 OF THE ACT PROVIDED BY RULE 144A. BY ITS ACCEPTANCE OF A NOTE, THE PURCHASER THEREOF SHALL ALSO BE DEEMED TO AGREE THAT ANY RESALE OR OTHER TRANSFER THEREOF WILL BE MADE ONLY (A) IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE ACT, EITHER (1) TO THE ISSUER OR TO BANC OF AMERICA SECURITIES LLC, DEUTSCHE BANK SECURITIES INC., MERRILL LYNCH MONEY MARKETS INC. OR ANOTHER PERSON DESIGNATED BY THE ISSUER AS A PLACEMENT AGENT FOR THE NOTES (COLLECTIVELY, THE "PLACEMENT AGENTS"), NONE OF WHICH SHALL HAVE ANY OBLIGATION TO ACQUIRE SUCH NOTE,

(2) THROUGH A PLACEMENT AGENT TO AN INSTITUTIONAL ACCREDITED INVESTOR OR A QIB, OR (3) TO A QIB IN A TRANSACTION THAT MEETS THE REQUIREMENTS OF RULE 144A AND (B) IN MINIMUM AMOUNTS OF $250,000.

Exhibit 12.01

AllianceBernstein L.P.
Consolidated Ratio Of Earnings To Fixed Charges
(In Thousands)

	Years Ended		
	12/31/2008	12/31/2007	12/31/2006
Fixed Charges:			
Interest Expense	$ 13,077	$ 23,970	$ 23,124
Estimate of Interest Component In Rent Expense [(1)]	-	-	-
Total Fixed Charges	13,077	23,970	23,124
Earnings:			
Income Before Income Taxes and Non-Controlling Interest in Earnings of Consolidated Entities	944,229	1,405,004	1,192,038
Other	(72,965)	(6,861)	(9,446)
Fixed Charges	13,077	23,970	23,124
Total Earnings	$ 884,341	$ 1,422,113	$ 1,205,716
Consolidated Ratio Of Earnings To Fixed Charges	67.63	59.33	52.14

[(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)

AllianceBernstein Japan Inc.
(Delaware)

Alliance Capital Management LLC
(Delaware)

Alliance Capital Real Estate, Inc.
(Delaware)

AllianceBernstein ESG Venture Management, L.P.
(Delaware; 10%-owned)

AllianceBernstein Trust Company, LLC
(New Hampshire)

AllianceBernstein Canada, Inc.
(Canada)

AllianceBernstein (Mexico), S. de R.L. de C.V.
(Mexico)

AllianceBernstein Investmentimentos (Brasil) Ltda.
(Brazil)

AllianceBernstein (Argentina) S.R.L.
(Argentina)

AllianceBernstein Limited
(U.K.)

AllianceBernstein Services Limited
(U.K.)

Sanford C. Bernstein Limited
(U.K.)

Sanford C. Bernstein (CREST Nominees) Limited
(U.K.)

AllianceBernstein (Luxembourg) S.A.
(Luxembourg)

AllianceBernstein (France) S.A.S
(France)

ACM Bernstein GmbH
(Germany)

ACM Bernstein (Deutschland) GmbH
(Germany)

AllianceBernstein Investment Research (Proprietary) Limited
(South Africa; 80%-owned)

AllianceBernstein Investment Research and Management (India) Pvt. Ltd.
(India)

Alliance Capital (Mauritius) Private Limited
(Mauritius)

AllianceBernstein Japan Ltd.
(Japan)

AllianceBernstein Asset Management (Korea) Limited
(Korea)

AllianceBernstein Hong Kong Limited
(Hong Kong)

AllianceBernstein (Singapore) Ltd.
(Singapore)

AllianceBernstein (Taiwan) Limited
(Taiwan; 99%-owned)

AllianceBernstein Investment Management Australia Limited
(Australia)

AllianceBernstein Australia Limited
(Australia; 50%-owned)

AllianceBernstein New Zealand Limited
(New Zealand; 50%-owned)

Exhibit 23.01

Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on Form S-3 (No. 333-64886) and Form S-8 (No. 333-47192) of AllianceBernstein L.P. of our report dated February 20, 2008 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in the Annual Report to Unitholders, which is incorporated in this Annual Report on Form 10-K. We also consent to the incorporation by reference of our report dated February 20, 2008 relating to the financial statement schedules, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
New York, New York
February 20, 2008

Exhibit 31.01

I, Peter S. Kraus, 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 20, 2009

/s/ Peter S. Kraus
Peter S. Kraus
Chief Executive Officer
AllianceBernstein L.P.

Exhibit 31.02

I, Robert H. Joseph, Jr., 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 20, 2009

/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 ending December 31, 2008 to be filed with the Securities and Exchange Commission on or about March 2, 2009 (the "Report"), I, Peter S. Kraus, Chief Executive Officer of the Company, certify, for the purpose of complying with Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 (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 20, 2009

/s/ Peter S. Kraus
Peter S. Kraus
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 ending December 31, 2008 to be filed with the Securities and Exchange Commission on or about March 2, 2009 (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 Rule 15d-14(b) of the Securities Exchange Act of 1934 (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 20, 2009

/s/ Robert H. Joseph, Jr.
Robert H. Joseph, Jr.
Chief Financial Officer
AllianceBernstein L.P.