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

FORM 10-K

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

For the Fiscal Year Ended December 31, 2007

OR

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

For the transition period from to

Commission file number 000-29961

ALLIANCEBERNSTEIN L.P.

(Exact name of registrant as specified in its charter)

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

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

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

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

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

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

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

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

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

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

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

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

The number of units of limited partnership interest outstanding as of January 31, 2008 was 260,645,768.

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

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GLOSSARY OF CERTAIN DEFINED TERMS

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

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

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

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

"**AUM**" — assets under management for clients.

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

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

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

"**Bernstein GWM**" — Bernstein Global Wealth Management, a unit of AllianceBernstein that services private clients.

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

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

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

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

"**Holding**" — AllianceBernstein Holding L.P. (Delaware limited partnership).

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

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

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

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

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

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

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

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

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

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

PART I

Item 1. Business

The words “we” and “our” in this Form 10-K refer collectively to Holding and 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.

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 January 31, 2008, examples of such countries are Argentina, Brazil, Chile, Egypt, India, Indonesia, Israel, Malaysia, Mexico, the People’s Republic of China, Peru, the Philippines, Poland, 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.

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. As of December 31, 2007, our 304 buy-side research analysts, located around the world, supported our 180 portfolio managers. Our portfolio managers have an average of 20 years of experience in the industry and 10 years of experience with AllianceBernstein. Together, they oversee a number of different types of investment services within various vehicles and strategies discussed above. As of December 31, 2007, our 60 sell-side research analysts provided 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, 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 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 an increasingly important component of our product line. As of December 31, 2007, blend AUM was $175 billion (representing 22% of our company-wide AUM), an increase of 30% from $134 billion as of December 31, 2006 and 99% from $88 billion as of December 31, 2005.

We market and distribute our hedge funds globally to high-net-worth clients and, more recently, to institutional investors. Hedge fund AUM totaled $9.5 billion as of December 31, 2007, $7.5 billion of which was private client AUM and $2.0 billion of which was institutional AUM. 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 are 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.

Global Reach

We serve clients in major global markets through operations in 48 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, 2007, 2006, and 2005 were as follows:

By Client Domicile
($ in billions):

December 31, 2007

December 31, 2006

December 31, 2005

By Investment Service
($ in billions):

December 31, 2007

December 31, 2006

December 31, 2005

As the above charts indicate, our business continues to become increasingly global. Our international client base increased by 23% during 2007 and 44% during 2006 and, likewise, our global and international AUM increased by 27% during 2007 and 50% during 2006. In addition, approximately 80%, 76%, and 69% of our gross asset inflows (sales / new accounts) during 2007, 2006, and 2005, respectively, were invested in global and international investment services.

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 Institutional Investment Services. 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, many 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 do not exceed 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. Because the portion of our AUM on which we are eligible to earn performance-based fees has increased, the seasonality and volatility of our revenues and earnings have become more significant. Our performance-based fees in 2007 were $81.2 million, in 2006 were $235.7 million, and in 2005 were $131.9 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

As of December 31, 2007, we had 5,580 full-time employees located in 25 countries, including 364 research analysts, 180 portfolio managers, 42 traders, and 31 professionals with other investment-related responsibilities. We have employed these professionals for an average period of approximately seven years, and their average investment experience is approximately 16 years. We consider our employee relations to be good.

Institutional Investment Services

We serve our institutional clients primarily through AllianceBernstein 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). 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, 2007, institutional AUM was $508 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 2,448 mandates for these clients, which are located in 45 countries. As of December 31, 2007, we managed employee benefit plan assets for 57 of the Fortune 100 companies, and we managed public pension fund assets for 37 states and/or municipalities in those states.

Like our business generally, our Institutional Investment Services are becoming increasingly global. As of December 31, 2007, our institutional AUM invested in global and international investment services was $341 billion, or 67% of institutional AUM, as compared to $270 billion, or 59% of institutional AUM, as of December 31, 2006, and $172 billion, or 48% of institutional AUM, as of December 31, 2005. Similarly, as of December 31, 2007, the AUM we invested for clients domiciled outside the United States was $269 billion, or 53% of institutional AUM, as compared to $214 billion, or 47% of institutional AUM, as of December 31, 2006, and $138 billion, or 38% of institutional AUM, as of December 31, 2005.

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, 2007, retail AUM, which is determined by subtracting applicable liabilities from AUM, was $183 billion, or 23% of our company-wide AUM. For more information concerning retail AUM, revenues, and fees, *see "Assets Under Management, Revenues, and Fees" in this Item 1*.

Our Retail 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.

Our Retail Products and Services are becoming increasingly global. As of December 31, 2007, our retail AUM invested in global and international investment services was $110 billion, or 60% of retail AUM, as compared to $86 billion, or 52% of retail AUM, as of December 31, 2006, and $65 billion, or 45% of retail AUM, as of December 31, 2005. As of December 31, 2007, the AUM we invested for clients domiciled outside the U.S. was $44 billion, or 24% of retail AUM, as compared to $40 billion, or 24% of retail AUM, as of December 31, 2006, and $39 billion, or 27% of retail AUM, as of December 31, 2005.

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 120 different portfolios to U.S. investors. As of December 31, 2007, retail U.S. Funds AUM was approximately $66 billion, or 36% 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 $32 billion as of December 31, 2007, as private client AUM.

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

- Internationally-distributed funds that currently offer 42 different portfolios to non-U.S. investors distributed by local financial intermediaries by means of distribution agreements in most major international markets (AUM in these funds was $25 billion as of December 31, 2007);
- Local-market funds that we distribute in Japan through financial intermediaries (AUM in these funds was $4 billion as of December 31, 2007);
- Retail sub-advisory mandates (AUM in these relationships was $14 billion as of December 31, 2007); and
- Separately Managed Account Programs distributed by Canadian financial intermediaries (AUM in these programs was less than $1 billion as of December 31, 2007).

AllianceBernstein Investments serves as the principal underwriter and distributor of the U.S. Funds. AllianceBernstein Investments employs approximately 160 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 21 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.

Cash Management Services

During June 2005, Federated Investors, Inc. ("Federated") acquired our retail cash management services. For additional information, *see Note 22 to AllianceBernstein's consolidated financial statements in Item 8.*

Private Client Services

Bernstein GWM combines the former private client services group of Bernstein, which has served private clients for approximately 40 years, and the former private client group of Alliance Capital. As of December 31, 2007, private client AUM was $109 billion, or 14% 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 338 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. We added 40 financial advisors in 2007, a 13% increase from 2006; however, we anticipate that growth in the number of financial advisors will slow in 2008.

Non-U.S. investment services have become increasingly important in the private client channel. As of December 31, 2007, our private client AUM invested in global and international investment services was $38 billion, or 35% of private client AUM, as compared to $29 billion, or 30% of private client AUM, as of December 31, 2006, and $20 billion, or 26% of private client AUM, as of December 31, 2005.

Institutional Research Services

Institutional Research Services ("IRS") consist of independent research, portfolio strategy, 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. As of December 31, 2007, SCB LLC and SCBL (together, "SCB") served approximately 1,350 clients in the U.S. and approximately 460 clients outside the U.S. For more information concerning the revenues we derive from IRS, *see "Assets Under Management, Revenues, and Fees" in this Item 1*.

SCB provides 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. Along with quantitative analysts and portfolio strategists, our IRS research team totals approximately 175 people, including 55 senior analysts.

In 2007, SCBL launched its European equity program and algorithmic trading capabilities in London, where SCBL employs 16 published analysts covering industries and companies in Europe. These product additions complement similar programs rolled out in the U.S. in 2005 and 2006.

Assets Under Management, Revenues, and Fees

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

Assets Under Management[1]

	December 31,			% Change	
	2007	2006[2]	2005	2007-06	2006-05
		(in millions)			
Institutional Investment Services	$ 508,081	$ 455,095	$ 358,545	11.6%	26.9%
Retail Services	183,165	166,928	145,134	9.7	15.0
Private Client Services	109,144	94,898	74,873	15.0	26.7
Total	**$ 800,390**	**$ 716,921**	**$ 578,552**	**11.6**	**23.9**

(1) Excludes certain non-discretionary client relationships.
(2) AUM for 2006 has been increased by $26 million to reflect the assets associated with existing services not previously included in AUM.

Revenues

	Years Ended December 31,			% Change	
	2007	2006	2005	2007-06	2006-05
		(in thousands)			
Institutional Investment Services	$ 1,481,885	$ 1,221,780	$ 894,781	21.3%	36.5%
Retail Services	1,521,201	1,303,849	1,188,553	16.7	9.7
Private Client Services	960,669	882,881	673,216	8.8	31.1
Institutional Research Services	423,553	375,075	352,757	12.9	6.3
Other[1]	332,441	354,655	199,281	(6.3)	78.0
Total Revenues	4,719,749	4,138,240	3,308,588	14.1	25.1
Less: Interest Expense	194,432	187,833	95,863	3.5	95.9
Net Revenues	**$ 4,525,317**	**$ 3,950,407**	**$ 3,212,725**	**14.6**	**23.0**

(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 Financial, AXA Equitable, and our other affiliates, whose AUM consists primarily of fixed income investments, together constitute our largest client. Our affiliates represented approximately 15%, 17%, and 19% of our company-wide AUM as of December 31, 2007, 2006, and 2005, respectively. We also earned approximately 5% of our company-wide net revenues from our affiliates for each of 2007, 2006, and 2005. 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	
	2007	**2006[2]**	**2005**	**2007-06**	**2006-05**
		(in millions)			
Value Equity:					
U.S.	$ 49,235	$ 55,562	$ 50,556	(11.4)%	9.9%
Global and International	192,472	158,572	101,791	21.4	55.8
	241,707	214,134	152,347	12.9	40.6
Growth Equity:					
U.S.	31,908	36,668	39,721	(13.0)	(7.7)
Global and International	88,691	66,242	39,327	33.9	68.4
	120,599	102,910	79,048	17.2	30.2
Fixed Income:					
U.S.	73,240	73,414	74,964	(0.2)	(2.1)
Global and International	53,978	39,166	27,709	37.8	41.3
	127,218	112,580	102,673	13.0	9.6
Index / Structured:					
U.S.	12,426	19,942	20,908	(37.7)	(4.6)
Global and International	6,131	5,529	3,569	10.9	54.9
	18,557	25,471	24,477	(27.1)	4.1
Total:					
U.S.	166,809	185,586	186,149	(10.1)	(0.3)
Global and International	341,272	269,509	172,396	26.6	56.3
Total	**$ 508,081**	**$ 455,095**	**$ 358,545**	**11.6**	**26.9**

(1) Excludes certain non-discretionary client relationships.
(2) AUM for 2006 has been increased by $26 million to reflect the assets associated with existing services not previously included in AUM.

Revenues From Institutional Investment Services
(by Investment Service)

	Years Ended December 31,			% Change	
	2007	2006	2005	2007-06	2006-05
		(in thousands)			
Investment Advisory and Services Fees:					
Value Equity:					
U.S.	$ 153,747	$ 154,163	$ 155,046	(0.3)%	(0.6)%
Global and International	747,957	570,185	362,181	31.2	57.4
	901,704	724,348	517,227	24.5	40.0
Growth Equity:					
U.S.	108,691	122,132	126,894	(11.0)	(3.8)
Global and International	311,727	226,293	115,403	37.8	96.1
	420,418	348,425	242,297	20.7	43.8
Fixed Income:					
U.S.	91,144	97,452	95,585	(6.5)	2.0
Global and International	54,021	38,825	29,887	39.1	29.9
	145,165	136,277	125,472	6.5	8.6
Index / Structured:					
U.S.	4,441	4,993	5,159	(11.1)	(3.2)
Global and International	9,865	7,177	4,197	37.5	71.0
	14,306	12,170	9,356	17.6	30.1
Total Investment Advisory and Services Fees:					
U.S.	358,023	378,740	382,684	(5.5)	(1.0)
Global and International	1,123,570	842,480	511,668	33.4	64.7
	1,481,593	1,221,220	894,352	21.3	36.5
Distribution Revenues	292	560	429	(47.9)	30.5
Total	**$ 1,481,885**	**$ 1,221,780**	**$ 894,781**	**21.3**	**36.5**

As of December 31, 2007, 2006, and 2005, Institutional Investment Services represented approximately 63%, 63%, and 62%, respectively, of our company-wide AUM. The fees we earned from these services represented approximately 33%, 31%, and 28% of our company-wide net revenues for 2007, 2006, and 2005, respectively.

We manage assets for AXA and its subsidiaries, which together constitute our largest institutional client. These assets accounted for approximately 16%, 17%, and 18% of our total institutional AUM as of December 31, 2007, 2006, and 2005, respectively, and approximately 7%, 7%, and 8% of our total institutional revenues for 2007, 2006, and 2005, respectively.

The institutional AUM we manage for our affiliates, along with our nine other largest institutional accounts, accounts for approximately 28% of our total institutional AUM as of December 31, 2007 and approximately 17% of our total institutional revenues for the year ended December 31, 2007. 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, 2007.

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 16% of institutional assets under management, which are primarily invested in 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	
	2007	**2006**	**2005**	**2007-06**	**2006-05**
		(in millions)			
Value Equity:					
U.S.	$ 33,488	$ 35,749	$ 32,625	(6.3)%	9.6%
Global and International	56,560	38,797	16,575	45.8	134.1
	90,048	74,546	49,200	20.8	51.5
Growth Equity:					
U.S.	24,637	28,587	31,193	(13.8)	(8.4)
Global and International	23,530	19,937	19,523	18.0	2.1
	48,167	48,524	50,716	(0.7)	(4.3)
Fixed Income:					
U.S.	10,627	11,420	12,053	(6.9)	(5.3)
Global and International	29,855	27,614	27,648	8.1	(0.1)
	40,482	39,034	39,701	3.7	(1.7)
Index / Structured:					
U.S.	4,468	4,824	4,230	(7.4)	14.0
Global and International	—	—	1,287	—	(100.0)
	4,468	4,824	5,517	(7.4)	(12.6)
Total:					
U.S.	73,220	80,580	80,101	(9.1)	0.6
Global and International	109,945	86,348	65,033	27.3	32.8
Total	**$ 183,165**	**$ 166,928**	**$ 145,134**	**9.7**	**15.0**

Revenues From Retail Services
(by Investment Service)

	Years Ended December 31,			% Change	
	2007	2006	2005	2007-06	2006-05
		(in thousands)			
Investment Advisory and Services Fees:					
Value Equity:					
U.S.	$ 129,125	$ 123,355	$ 119,545	4.7%	3.2%
Global and International	262,369	133,314	64,718	96.8	106.0
	391,494	256,669	184,263	52.5	39.3
Growth Equity:					
U.S.	119,880	143,344	140,428	(16.4)	2.1
Global and International	168,817	152,883	119,173	10.4	28.3
	288,697	296,227	259,601	(2.5)	14.1
Fixed Income:					
U.S.	39,644	43,705	88,714	(9.3)	(50.7)
Global and International	224,335	186,196	156,068	20.5	19.3
	263,979	229,901	244,782	14.8	(6.1)
Index / Structured:					
U.S.	1,868	1,673	1,507	11.7	11.0
Global and International	—	3,363	3,640	(100.0)	(7.6)
	1,868	5,036	5,147	(62.9)	(2.2)
Total Investment Advisory and Services Fees:					
U.S.	290,517	312,077	350,194	(6.9)	(10.9)
Global and International	655,521	475,756	343,599	37.8	38.5
	946,038	787,833	693,793	20.1	13.6
Distribution Revenues[(1)]	471,031	418,780	395,402	12.5	5.9
Shareholder Servicing Fees[(1)]	104,132	97,236	99,358	7.1	(2.1)
Total	**$ 1,521,201**	**$ 1,303,849**	**$ 1,188,553**	**16.7**	**9.7**

(1) 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. As certain of the U.S. Funds have grown, we have revised our fee schedules to provide lower incremental fees above certain asset levels. Fees paid by the U.S. Funds, EQ Advisors Trust ("EQAT"), AXA Enterprise Multimanager Funds Trust ("AXA Enterprise Trust"), and AXA Premier VIP Trust are reflected in the applicable investment management agreement, 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 and 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.

Our Retail Products and Services include variable products, which are open-end mutual funds designed to fund benefits under variable annuity contracts and variable life insurance policies offered by life insurance companies ("Variable Products"). 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, 2007, we managed or sub-advised approximately $59 billion of Variable Product AUM.

The mutual funds we sub-advise for various affiliates together constitute our largest retail client. They accounted for approximately 22%, 24%, and 29% of our total retail AUM as of December 31, 2007, 2006, and 2005, respectively, and approximately 7%, 7%, and 8% of our total retail revenues for 2007, 2006 and 2005, respectively.

Our mutual fund distribution system (the "System") includes a multi-class share structure that permits open-end AllianceBernstein Funds to offer investors various options for the purchase of mutual fund shares, including both front-end load shares and back-end load shares. For front-end load shares, AllianceBernstein Investments pays sales commissions to financial intermediaries distributing the funds from the front-end sales charge it receives from investors at the time of the sale. For back-end load shares, AllianceBernstein Investments pays sales commissions to financial intermediaries at the time of sale and also receives higher ongoing distribution services fees from the mutual funds. In addition, investors who redeem back-end load shares before the expiration of the minimum holding period (which ranges from one year to four years) pay a contingent deferred sales charge ("CDSC") to AllianceBernstein Investments. We expect to recover deferred sales commissions over periods not exceeding five and one-half years through receipt of a CDSC and/or the higher ongoing distribution services fees we receive from holders of back-end load shares. Payments of sales commissions made to financial intermediaries in connection with the sale of back-end load shares under the System, net of CDSC received of $31.1 million, $23.7 million, and $21.4 million, totaled approximately $84.1 million, $98.7 million, and $74.2 million during 2007, 2006, and 2005, respectively.

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 not more than 60 days) and do not obligate the financial intermediary to sell any specific amount of fund shares. A small amount of mutual fund sales is made directly by AllianceBernstein Investments, in which case AllianceBernstein Investments retains the entire sales charge.

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

Financial intermediaries and record keepers that provide sub-transfer agency or accounting 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 2007, the 10 financial intermediaries responsible for the largest volume of sales of open-end AllianceBernstein Funds were responsible for 38% of such sales. AXA Advisors, LLC ("AXA Advisors"), a wholly-owned subsidiary of AXA Financial that utilizes members of AXA Equitable's insurance sales force as its registered representatives, was responsible for approximately 2%, 2%, and 3% of total sales of shares of open-end AllianceBernstein Funds in 2007, 2006, and 2005, 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") was responsible for approximately 7%, 6%, and 5% of open-end AllianceBernstein Fund sales in 2007, 2006, and 2005, respectively. Citigroup Inc. (and its subsidiaries, "Citigroup") was responsible for approximately 7% of open-end AllianceBernstein Fund sales in 2007 and 5% in each of 2006 and 2005. 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 1.0% of total open-end industry sales (and 3.4% of non-proprietary manager sales) in the U.S. during 2007. 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 4.1 million accounts in total). (Transfer agency and related services are provided to the SCB Funds primarily by Boston Financial Data Services.) As of December 31, 2007, AllianceBernstein Investor Services employed 258 people. 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 record revenues for providing these services to the AllianceBernstein Funds at the rate of approximately $7.0 million per year.

A unit of AllianceBernstein Luxembourg ("ABIS Lux") is the transfer agent for substantially all of the Non-U.S. Funds. As of December 31, 2007, ABIS Lux employed 77 people. ABIS Lux operates in Luxembourg (and is supported by operations in Singapore, Hong Kong, and the United States) and receives a monthly fee for its transfer agency services and a transaction-based fee under various services agreements 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	
	2007	**2006**	**2005**	**2007-06**	**2006-05**
		(in millions)			
Value Equity:					
U.S.	$ 25,259	$ 27,703	$ 23,725	(8.8)%	16.8%
Global and International	25,497	19,091	12,959	33.6	47.3
	50,756	46,794	36,684	8.5	27.6
Growth Equity:					
U.S.	16,004	13,237	9,986	20.9	32.6
Global and International	12,175	9,418	6,390	29.3	47.4
	28,179	22,655	16,376	24.4	38.3
Fixed Income:					
U.S.	29,498	25,032	21,471	17.8	16.6
Global and International	676	328	241	106.1	36.1
	30,174	25,360	21,712	19.0	16.8
Index / Structured:					
U.S.	25	80	101	(68.8)	(20.8)
Global and International	10	9	—	11.1	—
	35	89	101	(60.7)	(11.9)
Total:					
U.S.	70,786	66,052	55,283	7.2	19.5
Global and International	38,358	28,846	19,590	33.0	47.2
Total	**$ 109,144**	**$ 94,898**	**$ 74,873**	**15.0**	**26.7**

Revenues From Private Client Services
(by Investment Service)

	Years Ended December 31,			% Change	
	2007	2006	2005	2007-06	2006-05
		(in thousands)			
Investment Advisory and Services Fees:					
Value Equity:					
U.S.	$ 322,366	$ 293,281	$ 256,580	9.9%	14.3%
Global and International	233,964	260,529	161,793	(10.2)	61.0
	556,330	553,810	418,373	0.5	32.4
Growth Equity:					
U.S.	164,547	134,070	93,716	22.7	43.1
Global and International	113,379	83,615	58,308	35.6	43.4
	277,926	217,685	152,024	27.7	43.2
Fixed Income:					
U.S.	121,895	108,418	99,868	12.4	8.6
Global and International	2,315	1,188	879	94.9	35.2
	124,210	109,606	100,747	13.3	8.8
Index / Structured:					
U.S.	—	75	103	(100.0)	(27.2)
Global and International	91	—	—	—	—
	91	75	103	21.3	(27.2)
Total Investment Advisory and Services Fees:					
U.S.	608,808	535,844	450,267	13.6	19.0
Global and International	349,749	345,332	220,980	1.3	56.3
	958,557	881,176	671,247	8.8	31.3
Distribution Revenues	2,112	1,705	1,969	23.9	(13.4)
Total	**$ 960,669**	**$ 882,881**	**$ 673,216**	**8.8**	**31.1**

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 8% of private client AUM, substantially all of which is held in hedge funds.

We eliminated transaction charges during 2005 on U.S. equity services for most private clients as part of a management initiative that changed the structure of investment advisory and services fees charged for our services. The restructuring eliminated transaction charges for trade execution performed by SCB LLC for most private clients; the transaction charges were replaced by higher asset-based fees. This fee structure provides greater transparency and predictability of asset management costs for our private clients. (The elimination of transaction charges was not the result of the New York State Attorney General's Assurance of Discontinuance dated September 1, 2004 ("NYAG AoD") or an agreement with any other regulator; *see "Governance" in this Item 1* for additional information.)

Revenues from Private Client Services represented approximately 21%, 22%, and 21% of our company-wide net revenues for the years ended December 31, 2007, 2006, and 2005, respectively.

Institutional Research Services

The following table summarizes Institutional Research Services revenues:

Revenues From Institutional Research Services

	Years Ended December 31,			% Change	
	2007	2006	2005	2007-06	2006-05
		(in thousands)			
Transaction Execution and Research:					
U.S. Clients	$ 302,721	$ 296,736	$ 290,511	2.0%	2.1%
Non-U.S. Clients	99,182	69,279	57,870	43.2	19.7
	401,903	366,015	348,381	9.8	5.1
Other	21,650	9,060	4,376	139.0	107.0
Total	**$ 423,553**	**$ 375,075**	**$ 352,757**	**12.9**	**6.3**

We earn revenues for providing investment research to, and executing brokerage transactions for, institutional clients. These clients compensate us principally by directing SCB to execute brokerage transactions, for which we earn transaction charges. These services accounted for approximately 9%, 9%, and 11% of our company-wide net revenues for the years ended December 31, 2007, 2006, and 2005, 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 sometimes execute client transactions through SCB LLC or SCBL, our affiliated broker-dealers. We do so only when our clients have consented to our use of affiliated broker-dealers or we are otherwise permitted to do so, and only when we can execute these transactions in accordance with applicable law (i.e., our obligation to obtain best execution). In 2007, we executed approximately $3.3 million in transactions through SCB. We may use brokers to effect client transactions that sell shares of AllianceBernstein Funds or third party funds we sub-advise; however, we prohibit our investment professionals who place trades from considering these other relationships or the sale of fund shares as a factor when selecting brokers to effect transactions.

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 have registered a number of service marks with the U.S. Patent and Trademark Office and various foreign patent offices, including an "AB" design logo and the combination of such logo with the mark "AllianceBernstein".

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

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 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 NYAG AoD (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 do not intend to seek to increase our fees at the end of this period); 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. To the extent it is determined by the IDC and the SEC that the harm to mutual fund shareholders caused by market timing exceeds $200 million, we will be required to contribute additional monies to the Restitution Fund. In September 2005, the IDC submitted to the SEC Staff the portion of his report concerning his methodology for determining damages and a proposed distribution plan, which addresses the mechanics of distribution; in February 2006, the final portion of his report was submitted. The Restitution Fund proceeds will not be distributed until after the SEC has issued an order approving the distribution plan. Until then, it is not possible to predict the exact timing, method, or amount of the distribution.

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 the New Hampshire banking laws. The primary fiduciary activities of ABTC consist of serving as trustee to a series of collective investment trusts, 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, 2007, each of our subsidiaries subject to a minimum net capital requirement satisfied the applicable requirement.

Holding Units trade publicly on the NYSE under the ticker symbol "AB". Holding is an NYSE listed company and, therefore, is subject to the 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 jurisdiction 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

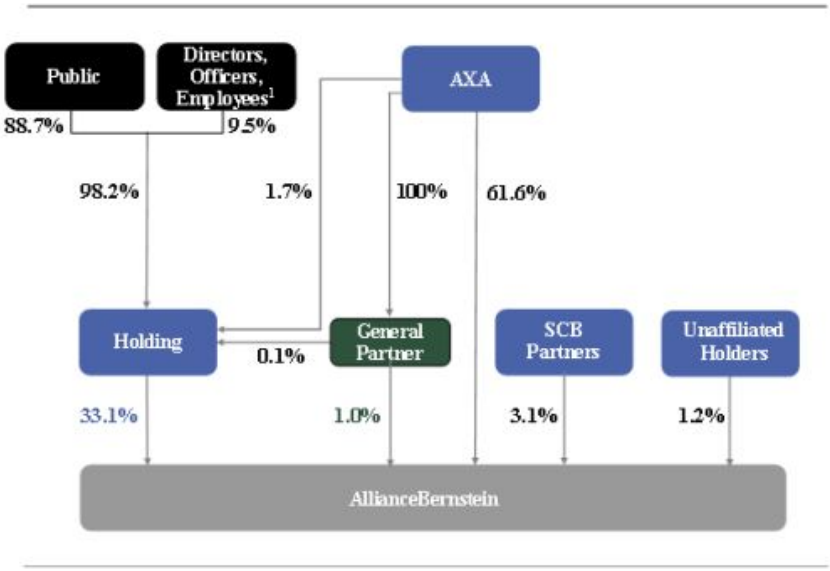
We have been in the investment research and management business for more than 35 years. Alliance Capital was founded in 1971 when the investment management department of Donaldson, Lufkin & Jenrette, Inc. (since November 2000, a part of Credit Suisse Group) merged with the investment advisory business 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, 2007, 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, 2007, AXA, through certain of its subsidiaries (*see "Principal Security Holders" in Item 12*), beneficially owned approximately 62.8% of the issued and outstanding AllianceBernstein Units (including those held indirectly through its ownership of approximately 1.7% 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 63.2% economic interest in AllianceBernstein as of December 31, 2007.

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.

AXA, AXA Equitable, and certain of their direct and indirect subsidiaries provide financial services, some of which are competitive with those offered by AllianceBernstein. The AllianceBernstein Partnership Agreement specifically allows AXA Financial and its subsidiaries (other than the General Partner) to compete with AllianceBernstein and to exploit opportunities that may be available to AllianceBernstein. AXA, AXA Financial, AXA Equitable and certain of their subsidiaries have substantially greater financial resources than we do and are not obligated to provide resources to us.

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

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

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

Competition is an important risk that our business faces and should be considered along with the other risk factors we discuss *in Item 1A below*.

Other Information

AllianceBernstein and Holding file or furnish annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and other reports required to comply with federal securities laws. The public may read and copy any materials filed with the SEC at the SEC's Public Reference Room at 100 F Street NE, Washington, DC 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC also maintains an Internet site (*http://www.sec.gov*) that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC.

AllianceBernstein and Holding maintain an Internet site (*http://www.alliancebernstein.com*). The portion of the site at "Investor & Media Relations" and "Reports & SEC Filings" links to both companies' annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act. These reports are available through the site free of charge as soon as reasonably practicable after such material is filed with, or furnished to, the SEC.

Item 1A. Risk Factors

Please read this section along with the description of our business *in Item 1*, the competition section just above, and the financial information *contained in Items 6, 7, and 8*. The majority of the risk factors discussed below directly affect AllianceBernstein. These risk factors also affect Holding because Holding's principal source of income and cash flow is attributable to its investment in AllianceBernstein. *See also "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 could have a material adverse effect on our revenues, financial condition, results of operations, and business prospects.

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

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

During the second half of 2007, significant weakness and volatility in global credit markets, particularly the rapid deterioration of the mortgage markets in the United States and Europe, spread to broader financial markets and began to adversely affect global economic growth. These difficulties had an adverse impact on our 2007 results of operations. Specifically, they adversely affected the investment performance for clients in most of our equity and hedge fund services. As a result, the amount of performance-based fees we earned in 2007 was significantly reduced. The weakness in global financial markets has continued thus far in 2008, causing a $49 billion decline in AUM during January 2008. Our 2008 results of operations would be adversely affected should this trend continue.

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

We derive most of our revenues pursuant to written investment management agreements (or other arrangements) with institutional investors, mutual funds, and private clients, and selling and distribution agreements between AllianceBernstein Investments and financial intermediaries that distribute AllianceBernstein Funds. Generally, the investment management agreements (and other arrangements) are terminable at any time or upon relatively short notice by either party. The selling and distribution agreements are terminable by either party upon notice (generally not more than 60 days) and do not obligate the financial intermediary to sell any specific amount of fund shares. In addition, investors in AllianceBernstein Funds can redeem their investments without notice. Any termination of, or failure to renew, a significant number of these agreements, or a significant increase in redemption rates, could have a material adverse effect on our revenues, financial condition, results of operations, and business prospects.

Our ability to establish new client relationships and maintain existing ones is partly dependent on our relationships with various financial intermediaries and consultants that are not obligated to continue to work with us.

Our ability to market our 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 all consultants. Also, our Private Client Services group relies on referrals from financial planners, registered investment advisers, and other professionals. We cannot be certain that we will continue to have access to, or receive referrals from, these third parties. Loss of such access or referrals could have a material adverse effect on our revenues, financial condition, results of operations, and business prospects.

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

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

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

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. Our inability to meet relevant investment benchmarks could result in clients withdrawing assets and in prospective clients choosing to invest with competitors. This could also result in lower investment management fees, including minimal or no performance-based fees, which could result in a decline in our revenues.

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

We sometimes charge our clients performance-based fees. 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, many 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 do not exceed 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. For example, for many of our hedge funds, performance in the fourth quarter of 2007 produced losses and was significantly below performance targets. With approximately 70% of our hedge fund assets subject to high-watermarks, we ended 2007 with approximately 50% of our hedge fund AUM with high-watermarks of 10% or more. This will make it very difficult for us to earn performance-based fees in most of our hedge funds in 2008.

We are eligible to earn performance-based fees on approximately 16% of the assets we manage for institutional clients and approximately 8% of the assets we manage for private clients (in total, approximately 11% of our company-wide AUM). Our performance-based fees in 2007 were $81.2 million, in 2006 were $235.7 million, and in 2005 were $131.9 million. Our performance-based fees are an increasingly important part of our business, in particular due to our hedge fund AUM. As the percentage of our AUM subject to performance-based fees grows, seasonality and volatility of revenue and earnings are likely to become more significant.

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.

A failure of our operations 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 cost 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 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 is not significant, inaccurate fair value determinations can harm our clients and create regulatory issues.

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

We are dedicated to earning and maintaining the trust and confidence of our clients; the good reputation created thereby is essential to our business. Damage to our reputation could substantially impair our ability to maintain or grow our business.

We may not always successfully manage 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, which could have an adverse effect on our revenues.

Fee rates charged for brokerage transactions have declined significantly in recent years and this has affected our Institutional Research Services revenues. In 2007, increases in transaction volume more than offset decreases in rates, but this may not continue. Brokerage transaction revenues are also affected by the increasing use of electronic trading systems which charge transaction fees for execution-only services that are a small fraction of the full service fee rates traditionally charged by SCB and other brokers for brokerage services and the provision of proprietary research. Also, regulatory changes in the United Kingdom and the United States have resulted or will result in investors being given more information regarding the allocation of amounts they are paying for brokerage between execution services and research services and this may further reduce the willingness of investors to pay current rates for full-service brokerage. All of these factors may result in reductions in per transaction brokerage fees that SCB charges its clients; we expect these reductions to continue.

The costs of insurance are substantial and may increase.

Our insurance expenses are significant and can fluctuate significantly from year to year. They increased in 2007, 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, a revised premium-sharing arrangement with certain U.S. Funds, and, to the extent certain U.S. Funds purchase separate directors and officers/errors and omissions liability coverage, an increased risk of insurance companies disputing responsibility for joint claims. Higher insurance costs and incurred deductibles reduce our net income.

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

Virtually all aspects of our business are subject to 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. As our global presence continues to expand, we may face competitors with more experience and more established relationships with clients, regulators and industry participants in the relevant market, which could adversely affect our ability to expand.

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

We are involved in various matters, including employee arbitrations, regulatory inquiries, administrative proceedings, and litigation, some of which allege material damages, and we may be involved in additional matters in the future. Litigation is subject to significant uncertainties, particularly when plaintiffs allege substantial or indeterminate damages, or when the litigation is highly complex or broad in scope. We have described 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 10.11 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 210,756 square feet of space in 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 2009. We also lease space in 17 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 in 2013, 2015, and 2016, and in Tokyo, Japan under leases expiring in 2009.

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 Financial Accounting Standards Board ("FASB") Interpretation No. 14, "*Reasonable Estimation of the Amount of a Loss - an interpretation of FASB Statement No. 5*". If the likelihood of a negative outcome is reasonably possible and we are able to indicate an estimate of the possible loss or range of loss, we disclose that fact together with the estimate of the possible loss or range of loss. However, it is difficult to predict the outcome or estimate a possible loss or range of loss because litigation is subject to significant uncertainties, particularly when plaintiffs allege substantial or indeterminate damages, or when the litigation is highly complex or broad in scope.

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, 2007, 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 employee arbitrations, regulatory inquiries, administrative proceedings, and litigation, some of which allege material damages. While any proceeding or litigation has the element of uncertainty, we believe that the outcome of any one of the other lawsuits or claims that is pending or threatened, or all of them combined, will not have a material adverse effect on our revenues, 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 2007.

PART II

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

Market for Holding Units and AllianceBernstein Units; Cash Distributions

Holding Units trade publicly on the NYSE under the ticker symbol "AB".

There is no established public trading market for AllianceBernstein Units, which are subject to significant restrictions on transfer. In general, transfers of AllianceBernstein Units will be allowed only with the written consent of both AXA Equitable and the General Partner. Generally, neither AXA Equitable nor the General Partner will permit any transfer that it believes would create a risk that AllianceBernstein would be treated as a corporation for tax purposes. AXA Equitable and the General Partner have implemented a transfer policy, a copy of which you may request from our corporate secretary (*corporate.secretary@alliancebernstein.com*). Also, we have filed the transfer program as Exhibit 10.11 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 2007 and 2006 and the high and low sale prices of Holding Units on the NYSE during 2007 and 2006:

	Quarters Ended 2007				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	$ 94.33	
Low	$ 71.31	$ 72.37	$ 82.96	$ 79.06	

	Quarters Ended 2006				Total
	December 31	September 30	June 30	March 31	
Cash distributions per AllianceBernstein Unit[1]	$ 1.60	$ 0.96	$ 0.99	$ 0.87	$ 4.42
Cash distributions per Holding Unit[1]	$ 1.48	$ 0.87	$ 0.89	$ 0.78	$ 4.02
Holding Unit prices:					
High	$ 82.92	$ 71.03	$ 72.11	$ 66.60	
Low	$ 68.27	$ 56.10	$ 55.50	$ 56.12	

(1) Declared and paid during the following quarter.

On January 31, 2008, the closing price of Holding Units on the NYSE was $66.39 per Unit and there were approximately 1,099 Holding Unitholders of record for approximately 120,000 beneficial owners. On January 31, 2008, 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

As reported in our Form 10-Q for the quarter ended March 31, 2005 and our Forms 10-K for the years ended December 31, 2005 and 2006, on February 25, 2005, we allocated 131,873 Holding Units with an aggregate value of $5,538,640 for the benefit of certain of our employees under an employee award plan. An exemption from registration under Section 4(2) of the Securities Act was available for the allocation of the Holding Units because these transactions did not involve a public offering.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

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

Issuer Purchases of Equity Securities

Period	(a) Total Number of Holding Units Purchased	(b) Average Price Paid Per Holding Unit, net of Commissions	(c) Total Number of Holding Units Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number (or Approximate Dollar Value) of Holding Units that May Yet Be Purchased Under the Plans or Programs
10/1/07-10/31/07[1]	17,859	$ 90.88	—	—
11/1/07-11/30/07[2]	175,000	75.81	175,000	—
12/1/07-12/31/07[3][4]	345,895	81.03	325,000	—
Total	**538,754**	**$ 79.66**	**500,000**	**—**

(1) On October 2, 2007, 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) In November 2007, we purchased these Holding Units on the open market to fund anticipated obligations under certain of our employee deferred compensation plans.

(3) On December 1, 2007, we purchased 20,895 Holding Units from employees to allow them to fulfill statutory withholding tax requirements at the time of distribution of deferred compensation awards.

(4) In December 2007, we purchased 325,000 Holding Units on the open market to fund anticipated obligations under certain of our employee deferred compensation plans.

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

Issuer Purchases of Equity Securities

Period	(a) Total Number of AllianceBernstein Units Purchased	(b) Average Price Paid Per AllianceBernstein Unit, net of Commissions	(c) Total Number of AllianceBernstein Units Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number (or Approximate Dollar Value) of AllianceBernstein Units that May Yet Be Purchased Under the Plans or Programs
10/1/07-10/31/07	—	$ —	—	—
11/1/07-11/30/07	—	—	—	—
12/1/07-12/31/07[1]	219,036	77.77	—	—
Total	**219,036**	**$ 77.77**	**—**	**—**

(1) On December 11, 2007, AXA Equitable purchased 219,036 AllianceBernstein Units from an unaffiliated third party in a private transaction.

Item 6. Selected Financial Data

ALLIANCEBERNSTEIN L.P.
Selected Consolidated Financial Data

	Years Ended December 31,				
	2007	**2006[1]**	**2005[1]**	**2004[1]**	**2003[1]**
	(in thousands, except per unit amounts and unless otherwise indicated)				
INCOME STATEMENT DATA:					
Revenues:					
Investment advisory and services fees	$ 3,386,188	$ 2,890,229	$ 2,259,392	$ 1,996,819	$ 1,769,562
Distribution revenues	473,435	421,045	397,800	447,283	436,037
Institutional research services	423,553	375,075	352,757	420,141	380,705
Dividend and interest income	284,014	266,520	152,781	72,743	37,841
Investment gains (losses)	29,690	62,200	29,070	14,842	12,588
Other revenues	122,869	123,171	116,788	136,401	148,610
Total revenues	4,719,749	4,138,240	3,308,588	3,088,229	2,785,343
Less: interest expense	194,432	187,833	95,863	32,796	20,415
Net revenues	4,525,317	3,950,407	3,212,725	3,055,433	2,764,928
Expenses:					
Employee compensation and benefits	1,833,796	1,547,627	1,262,198	1,085,163	914,529
Promotion and servicing:					
Distribution plan payments	335,132	292,886	291,953	374,184	370,575
Amortization of deferred sales commissions	95,481	100,370	131,979	177,356	208,565
Other	252,468	218,944	198,004	202,327	197,079
General and administrative	591,221	583,296	384,339	426,389	339,706
Interest on borrowings	23,970	23,124	25,109	24,232	25,286
Amortization of intangible assets	20,716	20,710	20,700	20,700	20,700
Charge for mutual fund matters and legal proceedings	—	—	—	—	330,000
	3,152,784	2,786,957	2,314,282	2,310,351	2,406,440
Operating income	**1,372,533**	**1,163,450**	**898,443**	**745,082**	**358,488**
Non-operating income	15,756	20,196	34,446	—	—
Income before income taxes	**1,388,289**	**1,183,646**	**932,889**	**745,082**	**358,488**
Income taxes	127,845	75,045	64,571	39,932	28,680
Net income	**$ 1,260,444**	**$ 1,108,601**	**$ 868,318**	**$ 705,150**	**$ 329,808**
Basic net income per unit	**$ 4.80**	**$ 4.26**	**$ 3.37**	**$ 2.76**	**$ 1.30**
Diluted net income per unit	**$ 4.77**	**$ 4.22**	**$ 3.35**	**$ 2.74**	**$ 1.29**
Operating margin[2]	30.3%	29.5%	28.0%	24.4%	13.0%
CASH DISTRIBUTIONS PER UNIT[3]	**$ 4.77**	**$ 4.42**	**$ 3.33**	**$ 2.40**	**$ 1.65**
BALANCE SHEET DATA AT PERIOD END:					
Total assets	$ 9,368,754	$ 10,601,105	$ 9,490,480	$ 8,779,330	$ 8,171,669
Debt	$ 533,872	$ 334,901	$ 407,291	$ 407,517	$ 405,327
Partners' capital	$ 4,541,226	$ 4,570,997	$ 4,302,674	$ 4,183,698	$ 3,778,469
ASSETS UNDER MANAGEMENT AT PERIOD END (in millions)[4]	**$ 800,390**	**$ 716,921**	**$ 578,552**	**$ 538,764**	**$ 477,267**

(1) Certain prior-year amounts have been reclassified to conform to our 2007 presentation. *See Note 2* to *AllianceBernstein's consolidated financial statements in Item 8* for a discussion of reclassifications.

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

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

(4) 2006 assets under management have been increased by $26 million to reflect the assets associated with existing services previously not included in assets under management.

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

Executive Overview

Investment results for clients were mixed in 2007, amid considerable market turbulence. Investment returns were respectable, averaging 7% across our entire service suite – a figure close to the performance of the global capital markets. Growth equity services delivered strong returns and exceeded institutional benchmarks in all geographies and capitalization categories. In contrast, our value equity services had a difficult year, with returns falling below benchmarks. Increased pressure on this style of equity management compounded this effect in the second half of 2007. Global fixed income results were respectable, although mandates which focused on corporate and mortgage credit generally underperformed. Our blend strategies performance was relatively neutral as the value sleeve of these services was a drag on performance. Finally, returns for our suite of diversified hedge fund services were decidedly negative. These performed poorly as risk premiums rose sharply in all segments of the capital markets in the second half of 2007.

For 2007, both net inflows and market appreciation contributed to an 11.6% increase in total AUM. Net inflows for the year were $32.2 billion and represent 38.5% of the increase in AUM. These flows translate into an organic growth rate of 4.5%, as outflows of $9.1 billion in index/structured services negatively impacted this metric. Our Institutional Investment channel accounted for over one-half of total net inflows, followed by Private Client Services and then Retail Services. Our Private Client channel delivered the highest organic growth rate for the year at over 9%, while the organic growth rate for the Institutional Investments channel was nearly 6%, after adjusting for the aforementioned index mandate terminations.

Our success in growing our assets globally continues, as assets from non-U.S. based clients grew by 23% versus 2006, accounting for 72% of the growth and representing 40% of total assets. Assets in global and international services grew by 27% from the end of 2006, or more than double our total AUM growth rate. Furthermore, assets in U.S.–focused products actually declined by over 6% from last year, so our year-over-year growth in assets is entirely attributable to growth in our global and international investment services. AUM in these services accounted for 61% of our total AUM at the end of 2007, up from 54% at the end of 2006.

Our hedge fund AUM was up 31% for the year to $9.5 billion at year-end, a result of strong first half net inflows and market appreciation which were more than offset by negative performance in the second half of the year. As negative performance and continued market turbulence have lessened our clients' appetite for risk, we expect net redemptions in the first quarter of 2008. However, we believe that the turmoil that caused the poor performance in the second half of 2007 has, in fact, created opportunities for these funds to provide strong returns for our clients in the future.

Looking at our AUM by investment service for 2007, value equity services record gross sales of $71.4 billion drove strong net inflows of $32.1 billion. Our fixed income services net inflows of $12.1 billion were significantly greater than 2006, as the investments we've made in these services have led to stronger performance and have greatly improved our ability to attract new clients. Value and fixed income inflows were partially offset by outflows of $9.1 billion in index/structured services and $2.9 billion in growth services.

Our Institutional Investment Services AUM rose by 11.6%, or $53.0 billion, during the year to $508.1 billion. For the year, net inflows amounted to $17.7 billion. Global and international services accounted for approximately 87% of all new accounts in 2007. Additionally, Blend Strategies accounted for approximately 28% of all new Institutional accounts in 2007. Finally, our pipeline of won but unfunded new mandates currently is approximately $13 billion. Our pipeline includes approximately $6 billion in services which provide new solutions for our clients and are expected to become operational in the first quarter of 2008 – including $4 billion of defined contribution mandates and $2 billion of currency mandates. These services have fee structures higher than our index services but lower than our more traditional actively managed services.

Our Retail Services AUM rose by 9.7%, or $16.3 billion, during the year to $183.2 billion. For 2007, growth in U.S. funds more than offset non-U.S. weakness. Net inflows for U.S. funds during 2007 were more than three times those in 2006, although the pace did slow in the second half of 2007. Our "Investment Strategies for Life" had continued success with AUM increasing to over $24 billion as net inflows more than offset market depreciation. We believe that these services will be a key driver of success for our Retail Services.

Our Private Client Services AUM rose 15.0%, or $14.2 billion, during the year to $109.1 billion. Net inflows were $8.6 billion for the year, although only $1.1 billion in the fourth quarter of 2007. Our efforts to grow our ultra-high-net-worth client base (clients with financial assets of $10 million or more) were quite successful in 2007, as assets from these clients were up 21% year-over-year and currently represent 53% of total Private Client Services AUM. Financial Advisor headcount of 338 is up 13% versus the end of 2006 but is down sequentially from 341 at the end of the third quarter of 2007. While we expect to add additional advisors through 2008, we have, in fact, begun moderating the rate of expansion of this sales force.

Our Institutional Research Services revenues were a firm record $423.5 million in 2007, a 12.9% increase from 2006, driven by both U.S. and European businesses. We have continued to expand our research platform, having launched coverage of pharmaceuticals in the U.S. and Europe, U.S. broadline retail, and U.S. telecom services during the fourth quarter of 2007. We ended 2007 with 43 published senior analysts, the most in the firm's history. The pipeline of new coverage for 2008 remains strong.

During the second half of 2007, significant weakness and volatility in global credit markets, particularly the rapid deterioration of the mortgage markets in the United States and Europe, spread to broader financial markets and began to adversely affect global economic growth. These difficulties had an adverse impact on our 2007 results of operations. Specifically, they adversely affected the investment performance for clients in most of our equity and hedge fund services. As a result, the amount of performance-based fees we earned in 2007 was significantly reduced. The weakness in global financial markets has continued thus far in 2008, causing a $49 billion decline in AUM during January 2008. Our 2008 results of operations would be adversely affected should this trend continue.

Although capital market turbulence is unsettling, it brings with it a dramatic widening in risk premiums, which provides the basis for strong absolute and relative returns. The year 2008 has begun as an extremely challenging year in the capital markets but, notwithstanding these market conditions, we are pursuing initiatives to find new and different ways to improve results for our clients, which are vital to the firm's long-term growth.

Assets Under Management

Assets under management by distribution channel were as follows:

	As of December 31,			% Change	
	2007	**2006**	**2005**	**2007-06**	**2006-05**
		(in billions)			
Institutional Investment	$ 508.1	$ 455.1	$ 358.6	11.6%	26.9%
Retail	183.2	166.9	145.1	9.7	15.0
Private Client	109.1	94.9	74.9	15.0	26.7
Total	**$ 800.4**	**$ 716.9**	**$ 578.6**	**11.6**	**23.9**

Assets under management by investment service were as follows:

	As of December 31,			% Change	
	2007	2006	2005	2007-06	2006-05
		(in billions)			
Equity					
Value:					
U.S.	$ 108.0	$ 119.0	$ 106.9	(9.3)%	11.3%
Global & international	274.5	216.5	131.3	26.8	64.8
	382.5	335.5	238.2	14.0	40.8
Growth:					
U.S.	72.5	78.5	80.9	(7.6)	(3.0)
Global & international	124.4	95.6	65.3	30.1	46.5
	196.9	174.1	146.2	13.1	19.1
Total Equity	**579.4**	**509.6**	**384.4**	**13.7**	**32.6**
Fixed Income:					
U.S.	113.4	109.9	108.5	3.2	1.3
Global & international	84.5	67.1	55.6	25.9	20.7
	197.9	177.0	164.1	11.8	7.9
Index/Structured:					
U.S.	16.9	24.8	25.3	(31.9)	(1.6)
Global & international	6.2	5.5	4.8	10.9	14.0
	23.1	30.3	30.1	(24.1)	1.0
Total:					
U.S.	310.8	332.2	321.6	(6.4)	3.3
Global & international	489.6	384.7	257.0	27.3	49.7
Total	**$ 800.4**	**$ 716.9**	**$ 578.6**	**11.6**	**23.9**

Changes in assets under management during 2007 were as follows:

	Distribution Channel				Investment Service				
	Institutional Investment	Retail	Private Client	Total	Value Equity	Growth Equity	Fixed Income	Index/ Structured	Total
					(in billions)				
Balance as of January 1, 2007	$ 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**

Changes in assets under management during 2006 were as follows:

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

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

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

	Years Ended December 31,			% Change	
	2007	2006	2005	2007-06	2006-05
		(in billions)			
Distribution Channel:					
Institutional Investment	$ 491.1	$ 405.6	$ 325.9	21.1%	24.4%
Retail	180.5	150.8	146.7	19.7	2.8
Private Client	104.8	84.6	68.6	23.8	23.5
Total	**$ 776.4**	**$ 641.0**	**$ 541.2**	**21.1**	**18.4**
Investment Service:					
Value Equity	$ 373.3	$ 281.1	$ 208.9	32.8%	34.6%
Growth Equity	186.0	160.2	128.4	16.1	24.8
Fixed Income	188.3	169.2	174.5	11.3	(3.1)
Index/Structured	28.8	30.5	29.4	(5.8)	3.8
Total	**$ 776.4**	**$ 641.0**	**$ 541.2**	**21.1**	**18.4**

Consolidated Results of Operations

	Years Ended December 31,			% Change	
	2007	2006	2005	2007-06	2006-05
	(in millions, except per unit amounts)				
Net revenues	$ 4,525.3	$ 3,950.4	$ 3,212.7	14.6%	23.0%
Expenses	3,152.8	2,786.9	2,314.3	13.1	20.4
Operating income	1,372.5	1,163.5	898.4	18.0	29.5
Non-operating income	15.8	20.2	34.5	(22.0)	(41.4)
Income before income taxes	1,388.3	1,183.7	932.9	17.3	26.9
Income taxes	127.9	75.1	64.6	70.4	16.2
Net income	$ 1,260.4	$ 1,108.6	$ 868.3	13.7	27.7
Diluted net income per unit	$ 4.77	$ 4.22	$ 3.35	13.0	26.0
Distributions per unit	$ 4.77	$ 4.42	$ 3.33	7.9	32.7
Operating margin[1]	30.3%	29.5%	28.0%		

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

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.

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

During the fourth quarter of 2006, we recorded a $56.0 million pre-tax charge in general and administrative expenses ($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. We believe that most of this cost will ultimately be recovered from residual settlement proceeds and insurance. Our fourth quarter 2006 cash distribution was declared by the Board of Directors prior to recognition of this adjustment. As a result, to the extent that all or a portion of the cost is recovered in subsequent periods, we do not intend to include recoveries in Available Cash Flow (as defined in the AllianceBernstein Partnership Agreement), and would not distribute those amounts to unitholders. During 2007, we recorded an additional $0.7 million expense related to this matter and paid $45.5 million to clients. As of December 31, 2007, we had $11.2 million remaining in accrued expenses.

Net Revenues

The following table summarizes the components of net revenues:

	Years Ended December 31,			% Change	
	2007	2006	2005	2007-06	2006-05
		(in millions)			
Investment advisory and services fees:					
Institutional Investment:					
Base fees	$ 1,416.0	$ 1,108.2	$ 821.3	27.8%	34.9%
Performance-based fees	65.6	113.0	73.1	(42.0)	54.7
	1,481.6	1,221.2	894.4	21.3	36.5
Retail:					
Base fees	946.0	787.5	693.1	20.1	13.6
Performance-based fees	—	0.3	0.7	(96.0)	(56.8)
	946.0	787.8	693.8	20.1	13.6
Private Client:					
Base fees	943.0	758.8	613.1	24.3	23.8
Performance-based fees	15.6	122.4	58.1	(87.3)	110.5
	958.6	881.2	671.2	8.8	31.3
Total:					
Base fees	3,305.0	2,654.5	2,127.5	24.5	24.8
Performance-based fees	81.2	235.7	131.9	(65.6)	78.7
	3,386.2	2,890.2	2,259.4	17.2	27.9
Distribution revenues	473.4	421.0	397.8	12.4	5.8
Institutional research services	423.5	375.1	352.7	12.9	6.3
Dividend and interest income	284.0	266.5	152.8	6.6	74.4
Investment gains (losses)	29.7	62.2	29.1	(52.3)	114.0
Other revenues	122.9	123.2	116.8	(0.2)	5.5
Total revenues	4,719.7	4,138.2	3,308.6	14.1	25.1
Less: Interest expense	194.4	187.8	95.9	3.5	95.9
Net revenues	**$ 4,525.3**	**$ 3,950.4**	**$ 3,212.7**	**14.6**	**23.0**

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 at a point in time, 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 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 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, many 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 do not exceed 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. For example, for many of our hedge funds, performance in the fourth quarter of 2007 produced losses and was significantly below performance targets. With approximately 70% of our hedge fund assets subject to high-watermarks, we ended 2007 with approximately 50% of our hedge fund AUM with high-watermarks of 10% or more. This will make it very difficult for us to earn performance-based fees in most of our hedge funds in 2008.

We are eligible to earn performance-based fees on approximately 16% of the assets we manage for institutional clients and approximately 8% of the assets we manage for private clients (in total, approximately 11% of our company-wide AUM). Our performance-based fees in 2007 were $81.2 million, in 2006 were $235.7 million, and in 2005 were $131.9 million. They are an increasingly important part of our business, in particular due to our hedge fund AUM. As the percentage of our AUM subject to performance-based fees grows, seasonality and volatility of revenue and earnings are likely to become more significant.

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 reflects increases in average assets under management in our global and international services of 40.4%, where base fee rates are generally higher than on domestic services. Institutional investments advisory and services fees increased 36.5% in 2006 as a result of an increase in average assets under management of 24.4%, a more favorable fee mix, and an increase in performance-based fees of $39.9 million. The favorable fee mix reflects increases in average assets under management in our global and international services of 55.5%.

Retail investment advisory and services fees increased 20.1% in 2007 due primarily to an increase of 19.7% in average assets under management. For 2006, these fees increased 13.6%, due primarily to an increase of 30.5% in global and international services average assets under management, partially offset by the disposition of our cash management services during the second quarter of 2005.

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. Any recovery in performance-based fees in 2008 will be affected by the need to overcome high-watermarks in some of our hedge funds. Private Client investment advisory and services fees increased 31.3% in 2006 as a result of higher base fees from a 26.7% increase in assets under management and a $64.3 million, or 110.5%, increase in performance-based fees, earned largely from our hedge funds.

Distribution Revenues

AllianceBernstein Investments and AllianceBernstein Luxembourg (both wholly-owned subsidiaries 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 increased 12.4% in 2007, principally due to higher average mutual fund assets under management. Distribution revenues increased 5.8% in 2006, due primarily to higher non-U.S. and 529 Plan revenues, partially offset by lower U.S. revenues and the disposition of our cash management services during the second quarter of 2005.

Institutional Research Services

Institutional Research Services revenue consists principally of brokerage transaction charges received for providing independent research and brokerage-related services to institutional investors. Revenues from Institutional Research Services increased 12.9% for 2007 due to higher revenues from both European and U.S. operations, and increased revenues from hard dollar arrangements. Revenues from Institutional Research Services increased 6.3% in 2006 due to higher U.S. and Europe revenues. U.S. revenues were higher due to increased market volumes and higher market share, partly offset by lower pricing. Revenues in Europe were also higher due to increased market volumes and higher pricing.

Declines in commission rates charged by broker-dealers are likely to continue and may accelerate. Increasing use of electronic trading systems and algorithmic trading strategies (which permit investors to execute securities transactions at a fraction of typical full-service broker-dealer charges) and pressure exerted by funds and institutional investors are likely to result in continuing, perhaps significant, declines in commission rates, which would, in turn, reduce the revenues generated by our Institutional Research Services. *See "Risk Factors" in Item 1A.*

Dividend and Interest Income and Interest Expense

Dividend and interest income consists of investment income, interest earned on United States Treasury Bills and interest earned on collateral given for securities borrowed from brokers and dealers. Interest expense includes interest accrued on cash balances in customers' brokerage accounts and on collateral received for securities loaned. 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 investments. 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 stock borrow and stock loan activity. As a result, interest earned and interest accrued for such activity will be lower in future years. Dividend and interest, net of interest expense, increased $21.8 million in 2006. The increase was due primarily to higher mutual fund dividends and increased stock borrowed income as a result of higher average customer credit balances and interest rates in 2006.

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 $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. Investment gains (losses) increased $33.1 million in 2006 due primarily to higher mark-to-market gains on investments related to deferred compensation plan obligations. The impact of these gains on our obligations to plan participants is amortized over the vesting period of the awards, or immediately for fully vested awards.

Other Revenues

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 were essentially flat in 2007 as compared to 2006, and increased 5.5% in 2006, primarily due to higher brokerage income.

Expenses

The following table summarizes the components of expenses:

	Years Ended December 31,			% Change	
	2007	2006	2005	2007-06	2006-05
		(in millions)			
Employee compensation and benefits	$ 1,833.8	$ 1,547.6	$ 1,262.2	18.5%	22.6%
Promotion and servicing	683.1	612.2	621.9	11.6	(1.6)
General and administrative	591.2	583.3	384.4	1.4	51.8
Interest	24.0	23.1	25.1	3.7	(7.9)
Amortization of intangible assets	20.7	20.7	20.7	—	—
Total	**$ 3,152.8**	**$ 2,786.9**	**$ 2,314.3**	**13.1**	**20.4**

Employee Compensation and Benefits

We had 5,580 full-time employees as of December 31, 2007 compared to 4,914 in 2006 and 4,312 in 2005. Employee compensation and benefits, which represented approximately 58%, 56%, and 55% of total expenses in 2007, 2006, and 2005, respectively, includes base compensation, cash and deferred incentive compensation, commissions, fringe benefits, and other employment costs.

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.

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

Promotion and Servicing

Promotion and servicing expenses, which represented approximately 22%, 22%, and 27% of total expenses in 2007, 2006, and 2005, respectively, include distribution plan payments to financial intermediaries for distribution of company-sponsored mutual funds and cash management services products (in 2005), 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 Notes 11 and 22 to AllianceBernstein's consolidated financial statements in Item 8* for further discussion of deferred sales commissions and the disposition of cash management services. Also included in this expense category are costs related to travel and entertainment, advertising, promotional materials, and investment meetings and seminars for financial intermediaries that distribute company-sponsored mutual fund products.

Promotion and servicing expenses increased 11.6% in 2007 and decreased 1.6% in 2006. The increase in 2007 was primarily due to higher distribution payments, travel and entertainment, and transfer fees. The decrease in 2006 was primarily due to a $31.6 million decrease in amortization of deferred sales commissions as a result of lower sales of back-end load shares, partly offset by higher travel and entertainment and promotional materials costs.

General and Administrative

General and administrative expenses, which represented approximately 19%, 21%, and 17% of total expenses in 2007, 2006, and 2005, respectively, are costs related to operations, including technology, professional fees, occupancy, communications, minority interests in consolidated subsidiaries, and similar expenses. General and administrative expenses increased $7.9 million, or 1.4% in 2007, and increased $198.9 million, or 51.8% in 2006.

The increase in 2007 was primarily due to higher occupancy costs, technology costs, and minority interest expenses as a result of mark-to-market gains on investments in our consolidated venture capital fund. The impact of these higher costs was partly 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.

The increase in 2006 was primarily due to the $56.0 million charge we recorded in 2006 for the estimated cost of reimbursing certain clients for losses arising out of an error we made in processing claims for class action settlement proceeds on behalf of these clients (*see "Consolidated Results of Operations" in this Item 7* for a discussion of the charge), as well as higher occupancy and legal costs. Occupancy costs increased as a result of the expansion of certain private client offices in the U.S., increased office space in New York, and new office space in London and Hong Kong. Legal costs increased, reflecting our continued efforts to resolve outstanding litigation in 2006, and the fact that 2005 legal costs were substantially offset by an $18.3 million insurance recovery and a $5.1 million reimbursement of litigation expenses we received in connection with a securities law claim we brought on behalf of certain clients. Other increases in general and administrative expenses include higher market data services and data processing costs.

Interest on Borrowings

Interest on our borrowings for 2007 increased $0.9 million, or 3.7%. The increase in 2007 reflects higher short-term borrowing levels partly offset by lower interest rates. Interest on borrowings for 2006 decreased $2.0 million, or 7.9%. The decrease reflects the retirement of our Senior Notes in August 2006, partly offset by higher short-term borrowing levels in 2006.

Non-operating Income

Non-operating income consists of the gains from the disposition of our cash management services, Indian mutual funds, and South African joint venture interest in 2005, as well as contingent purchase price payments earned from the disposition of our cash management services. 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. Non-operating income for 2006 decreased $14.3 million, or 41.4%, due to gains on dispositions in 2005. *See Note 22 to AllianceBernstein's consolidated financial statements in Item 8* for information about these dispositions.

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

Earlier this year, Congress proposed tax legislation that would cause certain partnerships whose partnership interests are traded in a public market and that derive income from investment adviser or asset management services to be taxed as corporations, thus subjecting their income to a higher level of income tax. In its current form, the proposed legislation would not affect AllianceBernstein, which is a private partnership. For additional information, *see "Risk Factors" in Item 1A.*

Capital Resources and Liquidity

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

				% Change	
	2007	**2006**	**2005**	**2007- 06**	**2006 - 05**
	(in millions, except per unit amounts)				
As of December 31:					
Partners' capital	$ 4,541.2	$ 4,571.0	$ 4,302.7	(0.7)%	6.2%
Cash and cash equivalents	576.4	546.8	610.2	5.4	(10.4)
For the years ended December 31:					
Cash flow from operations	1,291.4	1,103.9	452.1	17.0	144.2
Proceeds from sales (purchases) of investments, net	26.5	(42.0)	5.3	n/m	n/m
Capital expenditures	(137.5)	(97.1)	(72.6)	41.7	33.7
Distributions paid	(1,364.6)	(1,025.5)	(800.5)	33.1	28.1
Purchases of Holding Units	(50.9)	(22.3)	(33.3)	127.6	(32.8)
Issuance of Holding Units	—	47.2	—	(100.0)	n/m
Additional investments by Holding with proceeds from exercise of compensatory options to buy Holding Units	50.1	100.5	42.4	(50.2)	136.9
Issuance (repayment) of commercial paper, net	175.8	328.1	(0.2)	(46.4)	n/m
Repayment of long-term debt	—	(408.1)	—	(100.0)	n/m
Available Cash Flow	1,253.2	1,153.4	858.7	8.7	34.3

Cash and cash equivalents increased $29.6 million in 2007 and decreased $63.4 million in 2006. Cash inflows are primarily provided by operations, proceeds from sales of investments, the issuance of commercial paper, and additional investments by Holding using proceeds from exercises of compensatory options to buy Holding Units. Significant cash outflows include cash distributions paid to the General Partner and unitholders, capital expenditures, 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 $31.1 million, $23.7 million, and $21.4 million, totaled approximately $84.1 million, $98.7 million, and $74.2 million during 2007, 2006, and 2005, respectively.

Debt and Credit Facilities

Total committed credit, debt outstanding, and weighted average interest rates as of December 31, 2007 and 2006 were as follows:

	December 31,					
	2007			2006		
	Committed Credit	Debt Outstanding	Interest Rate	Committed Credit	Debt Outstanding	Interest Rate
	(in millions)					
Commercial paper[1]	$ —	$ 533.9	4.3%	$ —	$ 334.9	5.3%
Revolving credit facility[1]	1,000.0	—	—	800.0	—	—
Total	**$ 1,000.0**	**$ 533.9**	**4.3**	**$ 800.0**	**$ 334.9**	**5.3**

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

In February 2006, we entered into an $800 million five-year revolving credit facility with a group of commercial banks and other lenders. The revolving credit facility is intended to provide back-up liquidity for our $800 million commercial paper program. Under the revolving credit facility, the interest rate, at our option, is a floating rate generally based upon a defined prime rate, a rate related to the London Interbank Offered Rate ("LIBOR") or the Federal Funds rate. On November 2, 2007, we increased the revolving credit facility by $200 million to $1.0 billion. We also increased our commercial paper program by $200 million to $1.0 billion. 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, 2007. To supplement this revolving credit facility, in January 2008 we entered into a $100 million uncommitted line of credit with a major bank which expires in March 2008.

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

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

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 other customer activities. 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 the LIBOR or the Federal Funds rate.

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

Off-Balance Sheet Arrangements and Aggregate Contractual Obligations

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

Guarantees

In February 2002, AllianceBernstein signed a $125 million agreement with a commercial bank, under which we guaranteed certain obligations in the ordinary course of business of SCBL. In the event SCBL is unable to meet its obligations in full when due, AllianceBernstein will pay the obligations within three days of being notified of SCBL's failure to pay. This agreement is continuous and remains in effect until payment in full of any such obligation has been made by SCBL. During 2007, we were not required to perform under the agreement and as of December 31, 2007 had no liability outstanding 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 such obligation has been made or the maturity date.

Aggregate Contractual Obligations

The following table summarizes our contractual obligations as of December 31, 2007:

	Contractual Obligations				
	Total	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years
			(in millions)		
Commercial paper	$ 533.9	$ 533.9	$ —	$ —	$ —
Operating leases, net of sublease commitments	2,329.5	113.8	226.2	232.0	1,757.5
Accrued compensation and benefits	438.9	273.5	95.7	36.2	33.5
Unrecognized tax liabilities	19.0	—	19.0	—	—
Total	**$ 3,321.3**	**$ 921.2**	**$ 340.9**	**$ 268.2**	**$ 1,791.0**

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 provide for election by participants to have their deferred compensation awards invested notionally in Holding Units and in company-sponsored investment services. Since January 1, 2008, we have made purchases of mutual funds and hedge funds totaling $261.2 million to fund our future obligations resulting from participant elections with respect to 2007 awards. We also allocated Holding Units with an aggregate value of approximately $72.4 million within our deferred compensation trust to fund our future obligations that resulted from participant elections with respect to 2007 awards. To fund this allocation, we used $55.1 million of units existing in the trust and issued $17.3 million of new units.

We expect to make contributions to our qualified profit sharing plan of approximately $30.0 million in each of the next four years. We currently expect to contribute an estimated $3.5 million to our qualified, noncontributory, defined benefit plan during 2008.

Acquisitions

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

Dispositions

See Note 22 to AllianceBernstein's consolidated financial statements in Item 8 for a discussion of dispositions in 2005.

Contingencies

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

Critical Accounting Estimates

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

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

Deferred Sales Commission Asset

Management tests the deferred sales commission asset for recoverability quarterly. Significant assumptions utilized to estimate the company's future average assets under management and undiscounted future cash flows from back-end load shares include expected future market levels and redemption rates. Market assumptions are selected using a long-term view of expected average market returns based on historical returns of broad market indices. As of December 31, 2007, management used average market return assumptions of 5% for fixed income and 8% for equity to estimate annual market returns. Higher actual average market returns would increase undiscounted future cash flows, while lower actual average market returns would decrease undiscounted future cash flows. Future redemption rate assumptions, determined by reference to actual redemption experience over the five-year, three-year, and one-year periods ended December 31, 2007, and calculated as a percentage of the company's average assets under management represented by back-end load shares, ranged from 21% to 25% for U.S. fund shares and 23% to 31% 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. 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. Management determined that the deferred sales commission asset was not impaired as of December 31, 2007. If management determines in the future that the deferred sales commission asset is not recoverable, an impairment condition would exist and a loss would be measured as the amount by which the recorded amount of the asset exceeds its estimated fair value. Estimated fair value is determined using management's best estimate of future cash flows discounted to a present value amount.

Goodwill

As a result of the adoption of Statement of Financial Accounting Standards No. 142 ("SFAS No. 142"), "*Goodwill and Other Intangible Assets*", goodwill is tested at least annually, as of September 30, for impairment. Significant assumptions are required in performing goodwill impairment tests. Such tests include determining whether the estimated fair value of AllianceBernstein, the reporting unit, exceeds its book value. There are several methods of estimating AllianceBernstein's fair value, which includes valuation techniques such as market quotations and discounted expected cash flows. In developing estimated fair value using a discounted cash flow valuation technique, business growth rate assumptions are applied over the estimated life of the goodwill asset and the resulting expected cash flows are discounted to arrive at a present value amount that approximates fair value. These assumptions consider all material events that have impacted, or that we believe could potentially impact, future discounted expected cash flows. The impairment test indicated that goodwill was not impaired as of September 30, 2007. Management believes that goodwill was also not impaired as of December 31, 2007. However, future tests may be based upon different assumptions which may or may not result in an impairment of this asset. Any impairment could reduce materially the recorded amount of the goodwill asset with a corresponding charge to our earnings.

Intangible Assets

Acquired intangibles are recognized at fair value and amortized over their estimated useful lives of twenty years. Intangible assets are evaluated for impairment quarterly. A present value technique is applied to management's best estimate of future cash flows to estimate the fair value of intangible assets. Estimated fair value is then compared to the recorded book value to determine whether an impairment is indicated. The estimates used include estimating attrition factors of customer accounts, asset growth rates, direct expenses and fee rates. We choose assumptions based on actual historical trends that may or may not occur in the future. Management believes that intangible assets were not impaired as of December 31, 2007. However, future tests may be based upon different assumptions which may or may not result in an impairment of this asset. Any impairment could reduce materially the recorded amount of intangible assets with a corresponding charge to our earnings.

Retirement Plan

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

In developing the expected long-term rate of return on plan assets of 8.0%, we considered the historical returns and future expectations for returns for each asset category, as well as the target asset allocation of the portfolio. The expected long-term rate of return on assets is based on weighted average expected returns for each asset class. We assumed a target allocation weighting of 50% to 70% for equity securities, 20% to 40% for debt securities, and 0% to 10% for real estate investment trusts. Exposure of the total portfolio to cash equivalents on average should not exceed 5% of the portfolio's value on a market value basis. The plan seeks to provide a rate of return that exceeds applicable benchmarks over rolling five-year periods. The benchmark for the plan's large cap domestic equity investment strategy is the S&P 500 Index; the small cap domestic equity investment strategy is measured against the Russell 2000 Index; the international equity investment strategy is measured against the MSCI EAFE Index; and the fixed income investment strategy is measured against the Lehman Brothers Aggregate Bond Index. The actual rate of return on plan assets was 4.1%, 9.0%, and 13.7% in 2007, 2006, and 2005, 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 2007 net pension charge of $3.7 million by approximately $0.1 million.

The objective of our discount rate assumption was to reflect the rate at which the pension benefits could be effectively settled. In making this determination, we took into account the timing and amount of benefits that would be available under the plan's lump sum option. To that effect, our methodology for selecting the discount rate as of December 31, 2007 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 6.55% discount rate as of December 31, 2007 represents the approximate mid-point (to the nearest five basis points) of the single rates determined under two independently constructed yield curves, one of which, prepared by Mercer Human Resources, produced a rate of 6.58%; the other, prepared by Citigroup, produced a rate of 6.48%. The discount rate as of December 31, 2006 was 5.90%, which was used in developing the 2007 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 2007 net pension charge of $3.7 million by approximately $0.5 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 23 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, 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 or any other public statements we issue may turn out to be wrong. It is important to remember that other factors besides those listed in "Risk Factors" and those listed below could also adversely affect our revenues, financial condition, results of operations, and business prospects.

The forward-looking statements referred to in the preceding paragraph include statements regarding:

- our belief that financial market turmoil in the second half of 2007 and thus far in 2008 has created opportunities for our hedge funds to provide strong returns for our clients in the future: The actual performance of the capital markets and other factors beyond our control will affect our investment success for clients and asset inflows. In addition, for many of our hedge funds, performance in the fourth quarter of 2007 produced losses and was significantly below performance targets; this will make it very difficult for us to earn performance-based fees in 2008.

- our institutional pipeline including approximately $6 billion in services which are expected to become operational in the first quarter of 2008: 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 intention to proceed with initiatives in 2008 to provide new and different ways to improve results for our clients: Some or all of our initiatives may not be realized due to management's subsequent determination that other activities are a better use of company resources and/or unanticipated changes in global regulatory and economic environments.

- the effect on future earnings of the disposition of our cash management services to Federated Investors, Inc.: The effect of this disposition on future earnings, resulting from contingent payments to be received in future periods, will depend on the amount of net revenue earned by Federated Investors, Inc. during these periods on assets under management maintained in Federated's funds by our former cash management clients. The amount of gain ultimately realized from this disposition depends on whether we receive a final contingent payment payable on the fifth anniversary of the closing of the transaction (*see Note 22 to AllianceBernstein's consolidated financial statements in Item 8*).

- our estimate of what it will cost us to reimburse certain of our clients for losses arising out of an error we made in processing class action claims, and our ability to recover most of this cost: Our estimate of the cost to reimburse clients is based on our review to date; as we continue our review, our estimate and the ultimate cost we incur may change. Our ability to recover most of the cost of the error depends, in part, on the availability of funds from the related class-action settlement funds, the amount of which is not known, and the willingness of our insurers to reimburse us under existing policies.

- 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, 2007 and 2006. 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,			
	2007		2006	
	Fair Value	Effect of +100 Basis Point Change	Fair Value	Effect of +100 Basis Point Change
	(in thousands)			
Fixed Income Investments:				
Trading	$ 106,152	$ (5,117)	$ 31,669	$ (1,435)
Available-for-sale and other investments	28,368	(1,367)	31,957	(1,448)

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, 2007 and 2006. 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,			
	2007		2006	
	Fair Value	Effect of -10% Equity Price Change	Fair Value	Effect of -10% Equity Price Change
	(in thousands)			
Equity Investments:				
Trading	$ 466,085	$ (46,609)	$ 432,133	$ (43,213)
Available-for-sale and other investments	314,476	(31,448)	251,844	(25,184)

Item 8. Financial Statements and Supplementary Data

ALLIANCEBERNSTEIN L.P.
AND SUBSIDIARIES

Consolidated Statements of Financial Condition

	December 31,	
	2007	**2006**
	(in thousands, except unit amounts)	
ASSETS		
Cash and cash equivalents	$ 576,416	$ 546,777
Cash and securities segregated, at market (cost $2,366,925 and $2,009,014)	2,370,019	2,009,838
Receivables, net:		
Brokers and dealers	493,873	2,445,552
Brokerage clients	410,074	485,446
Fees, net	729,636	557,280
Investments	620,275	543,653
Furniture, equipment and leasehold improvements, net	367,279	288,575
Goodwill, net	2,893,029	2,893,029
Intangible assets, net	264,209	284,925
Deferred sales commissions, net	183,571	194,950
Other investments	294,806	203,950
Other assets	165,567	147,130
Total assets	**$ 9,368,754**	**$ 10,601,105**
LIABILITIES AND PARTNERS' CAPITAL		
Liabilities:		
Payables:		
Brokers and dealers	$ 161,387	$ 661,790
Brokerage clients	2,728,271	3,988,032
AllianceBernstein mutual funds	408,185	266,849
Accounts payable and accrued expenses	389,300	333,007
Accrued compensation and benefits	458,861	392,014
Debt	533,872	334,901
Minority interests in consolidated subsidiaries	147,652	53,515
Total liabilities	**4,827,528**	**6,030,108**
Commitments and contingencies *(See Note 11)*		
Partners' capital:		
General Partner	45,932	46,416
Limited partners: 260,341,992 and 259,062,014 units issued and outstanding	4,526,126	4,584,200
	4,572,058	4,630,616
Capital contributions receivable from General Partner	(26,436)	(29,590)
Deferred compensation expense	(57,501)	(63,196)
Accumulated other comprehensive income	53,105	33,167
Total partners' capital	**4,541,226**	**4,570,997**
Total liabilities and partners' capital	**$ 9,368,754**	**$ 10,601,105**

See Accompanying Notes to Consolidated Financial Statements.

ALLIANCEBERNSTEIN L.P.
AND SUBSIDIARIES

Consolidated Statements of Income

	Years Ended December 31,		
	2007	**2006**	**2005**
	(in thousands, except per unit amounts)		
Revenues:			
Investment advisory and services fees	$ 3,386,188	$ 2,890,229	$ 2,259,392
Distribution revenues	473,435	421,045	397,800
Institutional research services	423,553	375,075	352,757
Dividend and interest income	284,014	266,520	152,781
Investment gains (losses)	29,690	62,200	29,070
Other revenues	122,869	123,171	116,788
Total revenues	4,719,749	4,138,240	3,308,588
Less: Interest expense	194,432	187,833	95,863
Net revenues	4,525,317	3,950,407	3,212,725
Expenses:			
Employee compensation and benefits	1,833,796	1,547,627	1,262,198
Promotion and servicing:			
Distribution plan payments	335,132	292,886	291,953
Amortization of deferred sales commissions	95,481	100,370	131,979
Other	252,468	218,944	198,004
General and administrative	591,221	583,296	384,339
Interest on borrowings	23,970	23,124	25,109
Amortization of intangible assets	20,716	20,710	20,700
	3,152,784	2,786,957	2,314,282
Operating income	**1,372,533**	**1,163,450**	**898,443**
Non-operating income	15,756	20,196	34,446
Income before income taxes	**1,388,289**	**1,183,646**	**932,889**
Income taxes	127,845	75,045	64,571
Net income	**$ 1,260,444**	**$ 1,108,601**	**$ 868,318**
Net income per unit:			
Basic	**$ 4.80**	**$ 4.26**	**$ 3.37**
Diluted	**$ 4.77**	**$ 4.22**	**$ 3.35**

See Accompanying Notes to Consolidated Financial Statements.

ALLIANCEBERNSTEIN L.P.
AND SUBSIDIARIES

Consolidated Statements of Changes in Partners' Capital and Comprehensive Income

	General Partner's Capital	Limited Partners' Capital	Capital Contributions Receivable	Deferred Compensation Expense	Accumulated Other Comprehensive Income	Total Partners' Capital
			(in thousands, except per unit amounts)			
Balance as of December 31, 2004	**$ 42,917**	**$ 4,220,753**	**$ (33,053)**	**$ (89,019)**	**$ 42,100**	**$ 4,183,698**
Comprehensive income (loss):						
Net income	8,683	859,635	—	—	—	868,318
Other comprehensive income (loss), net of tax:						
Unrealized gain (loss) on investments	—	—	—	—	1,985	1,985
Foreign currency translation adjustment	—	—	—	—	(20,013)	(20,013)
Comprehensive income (loss)	8,683	859,635	—	—	(18,028)	850,290
Cash distributions to General Partner and unitholders ($3.11 per unit)	(8,005)	(792,504)	—	—	—	(800,509)
Capital contributions from General Partner	—	—	4,191	—	—	4,191
Purchases of Holding Units to fund deferred compensation plans, net	16	(733)	—	(32,536)	—	(33,253)
Compensatory Holding Unit options expense	—	2,192	—	—	—	2,192
Amortization of deferred compensation awards	—	—	—	53,660	—	53,660
Compensation plan accrual	29	2,884	(2,913)	—	—	—
Additional investment by Holding with proceeds from exercise of compensatory options to buy Holding Units	425	41,980	—	—	—	42,405
Balance as of December 31, 2005	**44,065**	**4,334,207**	**(31,775)**	**(67,895)**	**24,072**	**4,302,674**
Comprehensive income:						
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**

See Accompanying Notes to Consolidated Financial Statements.

ALLIANCEBERNSTEIN L.P.
AND SUBSIDIARIES

Consolidated Statements of Cash Flows

	Years Ended December 31,		
	2007	2006	2005
		(in thousands)	
Cash flows from operating activities:			
Net income	**$ 1,260,444**	**$ 1,108,601**	**$ 868,318**
Adjustments to reconcile net income to net cash provided by operating activities:			
Amortization of deferred sales commissions	95,481	100,370	131,979
Amortization of non-cash deferred compensation	49,815	46,500	55,852
Depreciation and other amortization	102,394	72,445	67,980
Other, net	31,484	(19,898)	(14,774)
Changes in assets and liabilities:			
(Increase) in segregated cash and securities	(360,181)	(245,077)	(239,934)
Decrease (increase) in receivable from brokers and dealers	1,955,260	(324,640)	(605,389)
Decrease (increase) in receivable from brokerage clients	77,052	(31,974)	(90,453)
(Increase) in fees receivable, net	(161,174)	(135,821)	(65,861)
(Increase) in trading investments	(144,443)	(125,121)	(135,121)
(Increase) in deferred sales commissions	(84,101)	(98,679)	(74,161)
(Increase) in other investments	(67,466)	(115,317)	(23,045)
(Increase) in other assets	(14,648)	(9,638)	(27,645)
(Decrease) increase in payable to brokers and dealers	(500,869)	(422,492)	279,926
(Decrease) increase in payable to brokerage clients	(1,266,050)	1,035,367	268,608
Increase in payable to AllianceBernstein mutual funds	141,336	126,236	14,966
Increase in accounts payable and accrued expenses	25,370	41,290	15,225
Increase in accrued compensation and benefits	75,477	69,330	33,512
Increase (decrease) in minority interests in consolidated subsidiaries	76,249	32,454	(7,883)
Net cash provided by operating activities	**1,291,430**	**1,103,936**	**452,100**
Cash flows from investing activities:			
Purchases of investments	(25,932)	(54,803)	(7,380)
Proceeds from sales of investments	52,393	12,812	12,717
Additions to furniture, equipment and leasehold improvements	(137,547)	(97,073)	(72,586)
Purchase of business, net of cash acquired	—	(16,086)	—
Net cash used in investing activities	**(111,086)**	**(155,150)**	**(67,249)**
Cash flows from financing activities:			
Issuance (repayment) of commercial paper, net	175,750	328,119	(150)
Repayment of long-term debt	—	(408,149)	—
Increase (decrease) in overdrafts payable	23,321	(1,575)	(184)
Cash distributions to General Partner and unitholders	(1,364,611)	(1,025,461)	(800,509)
Capital contributions from General Partner	4,854	4,303	4,191
Additional investment by Holding with proceeds from exercise of compensatory options to buy Holding Units	50,051	100,469	42,405
Purchases of Holding Units to fund deferred compensation plans, net	(50,853)	(22,345)	(33,253)
Net cash used in financing activities	**(1,161,488)**	**(1,024,639)**	**(787,500)**
Effect of exchange rate changes on cash and cash equivalents	10,783	12,414	(12,872)
Net increase (decrease) in cash and cash equivalents	**29,639**	**(63,439)**	**(415,521)**
Cash and cash equivalents as of beginning of the period	546,777	610,216	1,025,737
Cash and cash equivalents as of end of the period	**$ 576,416**	**$ 546,777**	**$ 610,216**
Cash paid:			
Interest	$ 218,398	$ 229,009	$ 122,152
Income taxes	87,329	59,704	56,521
Non-cash financing activities:			
Additional investment by Holding through issuance of Holding Units in exchange for cash awards made under the Partners Compensation Plan	—	47,161	—

See Accompanying Notes to Consolidated Financial Statements.

ALLIANCEBERNSTEIN L.P.
AND SUBSIDIARIES

Notes to Consolidated Financial Statements

The words "we" and "our" refer collectively to AllianceBernstein Holding L.P. ("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. Its principal services include:

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

- Retail Services - servicing individual investors, 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 high-net-worth individuals, trusts and estates, charitable foundations, partnerships, private and family corporations, and other entities, by means of separately managed accounts, hedge funds, mutual funds, and other investment vehicles.

- Institutional Research Services - servicing institutional investors 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, 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 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 early-stage companies.

As of December 31, 2007, AXA, a *société anonyme* organized under the laws of France and the holding company for an international group of insurance and related financial services companies, AXA Financial, Inc. (an indirect wholly-owned subsidiary of AXA, "AXA Financial"), AXA Equitable Life Insurance Company (a wholly-owned subsidiary of AXA Financial, "AXA Equitable"), and certain subsidiaries of AXA Financial, collectively referred to as "AXA and its subsidiaries", owned approximately 1.7% of the issued and outstanding units representing assignments of beneficial ownership of limited partnership interests in Holding ("Holding Units").

As of December 31, 2007, the ownership structure of AllianceBernstein, as a percentage of general and limited partnership interests, was as follows:

AXA and its subsidiaries	62.6%
Holding	33.1
SCB Partners Inc. (a wholly-owned subsidiary of SCB Inc.; formerly known as Sanford C. Bernstein Inc.)	3.1
Other	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. Including the general partnership interests in AllianceBernstein and Holding, and their equity interest in Holding, as of December 31, 2007, AXA and its subsidiaries had an approximate 63.2% economic interest in AllianceBernstein.

2. Summary of Significant Accounting Policies

Basis of Presentation

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

Principles of Consolidation

The consolidated financial statements include AllianceBernstein and its majority-owned and/or controlled subsidiaries. All significant inter-company transactions and balances among the consolidated entities have been eliminated.

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 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, 2007, we have significant variable interests in certain structured products and hedge funds with approximately $180.3 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 $0.2 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, principally investments in United States Treasury Bills and unconsolidated company-sponsored mutual funds, are classified as either trading or available-for-sale securities. The 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. The specific identified cost method is used to determine the realized gain or loss on investments sold.

The valuation of non-public private equity investments, held by a consolidated venture capital fund we sponsor, 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 based on transaction price. 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 our 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 current operating performance and future expectations of the investment, 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, emphasis is placed on current company performance and market conditions. These investments are included in other investments on the consolidated statements of financial condition and are stated at fair value with unrealized gains and losses reported in investment gains and losses on the consolidated statements of income.

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

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 units of limited partnership interest in AllianceBernstein ("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 goodwill at least annually, as of September 30, for impairment. As of September 30, 2007, the impairment test indicated that goodwill was not impaired. Also, as of December 31, 2007, management believes that goodwill was not impaired.

Intangible Assets, Net

Intangible assets consist primarily of costs assigned to investment management contracts of SCB Inc., less accumulated amortization. Intangible assets are being amortized over the estimated useful life of approximately 20 years. The gross carrying amount of intangible assets subject to amortization totaled $414.3 million as of December 31, 2007 and 2006, and accumulated amortization was $150.1 million as of December 31, 2007 and $129.4 million as of December 31, 2006, resulting in the net carrying amount of intangible assets subject to amortization of $264.2 million as of December 31, 2007 and $284.9 million as of December 31, 2006. Amortization expense was $20.7 million for each of the years ended December 31, 2007, 2006, and 2005, and estimated amortization expense for each of the next five years is approximately $20.7 million. Management tests intangible assets for impairment quarterly. Management believes that intangible assets were not impaired as of December 31, 2007.

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, 2007 was not impaired.

Loss Contingencies – 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 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 of a stated benchmark over a specified period of time. Performance-based fees are recorded as revenue at the end of each measurement period (generally year-end).

Institutional research services revenue consists of brokerage transaction charges received by SCB LLC and SCBL for in-depth research and brokerage-related services provided to institutional investors. Brokerage transaction charges earned and related expenses are recorded on a trade date basis. Distribution revenues, shareholder servicing fees, and interest income are accrued as earned.

Mutual Fund Underwriting Activities

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

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

In December 2004, the FASB issued Statement of Financial Accounting Standards No. 123 (revised 2004) ("SFAS No. 123-R"), "*Share Based Payment*". SFAS No. 123-R requires that compensation cost related to share-based payments, based on the fair value of the equity instruments issued, be recognized in financial statements. SFAS No. 123-R supersedes Accounting Principles Board Opinion No. 25 ("APB No. 25"), "*Accounting for Stock Issued to Employees*", and its related implementation guidance. We adopted SFAS No. 123-R effective January 1, 2006 utilizing the modified prospective method. Prior period amounts have not been restated.

Prior to January 1, 2006, we utilized the fair value method of recording compensation expense (including a straight-line amortization policy), related to compensatory option awards of Holding Units granted subsequent to 2001, as permitted by Statement of Financial Accounting Standards No. 123 ("SFAS No. 123"), *"Accounting for Stock-Based Compensation*", as amended by Statement of Financial Accounting Standards No. 148, *"Accounting for Stock-Based Compensation—Transition and Disclosure"*. Under the fair value method, compensation expense is measured at the grant date based on the estimated fair value of the award (determined using the Black-Scholes option valuation model) and is recognized over the vesting period.

For compensatory option awards granted prior to 2002, we applied the provisions of APB No. 25, under which compensation expense is recognized only if the market value of the underlying Holding Units exceeds the exercise price at the date of grant. We did not record compensation expense for compensatory option awards made prior to 2002 because those options were granted with exercise prices equal to the market value of the underlying Holding Units on the date of grant. Had we recorded compensation expense for those options based on their fair value at grant date under SFAS No. 123, net income for the year ended December 31, 2005 would have been reduced to the pro forma amounts indicated below (in thousands, except per unit amounts):

SFAS No. 123 pro forma net income:		
Net income as reported	$	868,318
Add: stock-based compensation expense included in net income, net of tax		2,040
Deduct: total stock-based compensation expense determined under fair value method for all awards, net of tax		(3,918)
SFAS No. 123 pro forma net income	$	866,440
Net income per unit:		
Basic net income per unit as reported	$	3.37
Basic net income per unit pro forma	$	3.37
Diluted net income per unit as reported	$	3.35
Diluted net income per unit pro forma	$	3.34

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 $7.1 million, ($0.2) million, and $(0.7) million for 2007, 2006, and 2005, 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 23, 2008, the General Partner declared a distribution of $307.7 million, or $1.17 per AllianceBernstein Unit, representing a distribution of Available Cash Flow for the three months ended December 31, 2007. 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 14, 2008 to holders of record as of February 4, 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 reclassifications: (i) within cash provided by operating activities, amounts from accrued compensation and benefits, relating to non-cash deferred compensation, to amortization of non-cash deferred compensation, (ii) within cash provided by operating activities, amounts from accounts payable and accrued expenses to minority interests in consolidated subsidiaries, (iii) changes in overdrafts payable from cash provided by operating activities to financing activities, (iv) amounts from other revenues in the consolidated statements of income, primarily related to deferred compensation investments, to investment gains (losses), and (v) the reclassification of several special bank accounts for the exclusive benefit of customers from cash and cash equivalents to cash and securities segregated.

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

As of December 31, 2007 and 2006, $2.2 billion and $1.9 billion, respectively, of United States Treasury Bills were segregated in a special reserve bank custody account for the exclusive benefit of brokerage customers of SCB LLC under Rule 15c3-3 of the Securities Exchange Act of 1934, as amended ("Exchange Act"). During the first week of January 2008, we deposited an additional $0.2 billion in United States Treasury Bills in this special account pursuant to Rule 15c3-3 requirements.

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, 2007 and 2006, $133.2 million and $145.9 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 as follows:

	Years Ended December 31,		
	2007	2006	2005
	(in thousands, except per unit amounts)		
Net income	$ 1,260,444	$ 1,108,601	$ 868,318
Weighted average units outstanding—basic	259,854	257,719	254,883
Dilutive effect of compensatory options	1,807	2,243	1,714
Weighted average units outstanding—diluted	261,661	259,962	256,597
Basic net income per unit	$ 4.80	$ 4.26	$ 3.37
Diluted net income per unit	$ 4.77	$ 4.22	$ 3.35

As of December 31, 2007 and 2005, we excluded 1,678,985 and 3,950,100 out-of-the-money options (i.e., options to buy Holding Units with an exercise price greater than the weighted average closing price of a unit for the relevant period), respectively, 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. Receivables, Net and Payables

Receivables, net are comprised of:

	December 31,	
	2007	2006
	(in thousands)	
Brokers and dealers:		
Collateral for securities borrowed (fair value $77,997 in 2007 and $2,117,885 in 2006)	$ 79,848	$ 2,182,167
Other	414,025	263,385
Total brokers and dealers	493,873	2,445,552
Brokerage clients	410,074	485,446
Fees, net:		
AllianceBernstein mutual funds	173,746	180,260
Unaffiliated clients (net of allowance of $1,792 in 2007 and $1,113 in 2006)	545,787	369,690
Affiliated clients	10,103	7,330
Total fees receivable, net	729,636	557,280
Total receivables, net	**$ 1,633,583**	**$ 3,488,278**

Payables are comprised of:

	December 31,	
	2007	2006
	(in thousands)	
Brokers and dealers:		
Collateral for securities loaned (fair value $114 in 2007 and $470,798 in 2006)	$ 122	$ 489,093
Other	161,265	172,697
Total brokers and dealers	161,387	661,790
Brokerage clients	2,728,271	3,988,032
AllianceBernstein mutual funds	408,185	266,849
Total payables	**$ 3,297,843**	**$ 4,916,671**

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.

6. Investments

As of December 31, 2007 and 2006, investments consisted of investments available-for-sale, principally company-sponsored mutual funds, and trading investments, principally United States Treasury Bills and company-sponsored mutual funds. As of December 31, 2007 and 2006, United States Treasury Bills with a fair market value of $89.3 million and $17.0 million, respectively, were on deposit with various clearing organizations, which are included in fixed income trading investments.

The following is a summary of the cost and fair value of investments as of December 31, 2007 and 2006:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	(in thousands)			
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
Total				$ 620,275
December 31, 2006:				
Available-for-sale:				
Equity investments	$ 39,232	$ 8,665	$ (3)	$ 47,894
Fixed income investments	31,476	486	(5)	31,957
	$ 70,708	$ 9,151	$ (8)	79,851
Trading:				
Equity investments	$ 407,790	$ 34,264	$ (9,921)	432,133
Fixed income investments	31,155	517	(3)	31,669
	$ 438,945	$ 34,781	$ (9,924)	463,802
Total				$ 543,653

Proceeds from sales of investments available-for-sale were approximately $52.4 million, $12.8 million, and $12.7 million in 2007, 2006, and 2005, respectively. Realized gains from our sales of available-for-sale investments were $8.5 million, $1.0 million, and $1.6 million in 2007, 2006, and 2005, respectively. Realized losses from our sales of available-for-sale investments were zero in 2007 and 2006, and $0.7 million in 2005.

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

7. Furniture, Equipment and Leasehold Improvements, Net

Furniture, equipment and leasehold improvements, net are comprised of:

	December 31,	
	2007	2006
	(in thousands)	
Furniture and equipment	$ 495,669	$ 426,848
Leasehold improvements	306,908	254,421
	802,577	681,269
Less: Accumulated depreciation and amortization	(435,298)	(392,694)
Furniture, equipment and leasehold improvements, net	**$ 367,279**	**$ 288,575**

Depreciation and amortization expense on furniture equipment and leasehold improvements were $58.4 million, $43.8 million, and $45.8 million for the years ended December 31, 2007, 2006, and 2005, respectively.

8. Deferred Sales Commissions, Net

The components of deferred sales commissions, net for the years ended December 31, 2007 and 2006 were as follows:

	December 31,[1]	
	2007	2006
	(in thousands)	
Carrying amount of deferred sales commissions	$ 478,504	$ 530,231
Less: Accumulated amortization	(215,664)	(250,626)
Cumulative CDSC received	(79,269)	(84,655)
Deferred sales commissions, net	**$ 183,571**	**$ 194,950**

[1] Excludes amounts related to fully amortized deferred sales commissions.

Amortization expense was $95.5 million, $100.4 million, and $132.0 million for the years ended December 31, 2007, 2006, and 2005, respectively. Estimated future amortization expense related to the December 31, 2007 net asset balance, assuming no additional CDSC is received in future periods, is as follows (in thousands):

2008	$ 75,562
2009	53,187
2010	34,234
2011	15,553
2012	4,557
2013	478
	$ 183,571

9. Other Investments

Other investments consist primarily of investments in limited partnership hedge funds that we sponsor and manage, investments held by a consolidated venture capital fund we sponsor, and investments in unconsolidated joint ventures. The components of other investments as of December 31, 2007 and 2006 were as follows:

	December 31,	
	2007	2006
	(in thousands)	
Investments in limited partnership hedge funds	$ 156,678	$ 166,412
Investments held by a consolidated venture capital fund	135,601	33,996
Investments in unconsolidated joint ventures and other investments	2,527	3,542
Other investments	**$ 294,806**	**$ 203,950**

The underlying investments of the hedge funds 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.

10. Debt

Total committed credit, debt outstanding, and weighted average interest rates as of December 31, 2007 and 2006 were as follows:

	December 31,					
	2007			2006		
	Committed Credit	Debt Outstanding	Interest Rate	Committed Credit	Debt Outstanding	Interest Rate
	(in millions)					
Commercial paper[1]	$ —	$ 533.9	4.3%	$ —	$ 334.9	5.3%
Revolving credit facility[1]	1,000	—	—	800.0	—	—
Total	**$ 1,000**	**$ 533.9**	**4.3**	**$ 800.0**	**$ 334.9**	**5.3**

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

In February 2006, we entered into an $800 million five-year revolving credit facility with a group of commercial banks and other lenders. The revolving credit facility is intended to provide back-up liquidity for our $800 million commercial paper program. Under the revolving credit facility, the interest rate, at our option, is a floating rate generally based upon a defined prime rate, a rate related to the London Interbank Offered Rate ("LIBOR") or the Federal Funds rate. On November 2, 2007, we increased the revolving credit facility by $200 million to $1.0 billion. We also increased our commercial paper program by $200 million to $1.0 billion. 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, 2007. To supplement this revolving credit facility, in January 2008 we entered into a $100 million uncommitted line of credit with a major bank which expires in March 2008.

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

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

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 other customer activities. 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 the 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 agreement is continuous and remains in effect until the later of payment in full of any such obligation 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 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 payments, net of sublease commitments as of December 31, 2007 are as follows:

	Payments	Sublease	Net Payments
		(in millions)	
2008	$ 117.1	$ 3.3	$ 113.8
2009	115.0	3.0	112.0
2010	117.2	3.0	114.2
2011	117.5	3.0	114.5
2012	120.7	3.2	117.5
2013 and thereafter	1,770.4	12.9	1,757.5
Total future minimum payments	**$ 2,357.9**	**$ 28.4**	**$ 2,329.5**

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 $106.8 million, $99.7 million, and $76.0 million, respectively, for the years ended December 31, 2007, 2006, and 2005, respectively, net of sublease income of $3.4 million, $3.7 million, and $5.9 million for the years ended December 31, 2007, 2006, and 2005, 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 $183.6 million and $195.0 million as of December 31, 2007 and 2006, 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 $31.1 million, $23.7 million, and $21.4 million, totaled approximately $84.1 million, $98.7 million, and $74.2 million during 2007, 2006, and 2005, respectively.

Management tests the deferred sales commission asset for recoverability quarterly. Significant assumptions utilized to estimate the company’s future average assets under management and undiscounted future cash flows from back-end load shares include expected future market levels and redemption rates. Market assumptions are selected using a long-term view of expected average market returns based on historical returns of broad market indices. As of December 31, 2007, management used average market return assumptions of 5% for fixed income and 8% for equity to estimate annual market returns. Higher actual average market returns would increase undiscounted future cash flows, while lower actual average market returns would decrease undiscounted future cash flows. Future redemption rate assumptions range from 21% to 25% for U.S. fund shares and 23% to 31% for non-U.S. fund shares, determined by reference to actual redemption experience over the five-year, three-year, and one-year periods ended December 31, 2007, calculated as a percentage of the company’s average assets under management represented by back-end load shares. An increase in the actual rate of redemptions would decrease undiscounted future cash flows, while a decrease in the actual rate of redemptions would increase undiscounted future cash flows. These assumptions are reviewed and updated quarterly. Estimates of undiscounted future cash flows and the remaining life of the deferred sales commission asset are made from these assumptions and the aggregate undiscounted future cash flows are compared to the recorded value of the deferred sales commission asset. As of December 31, 2007, management determined that the deferred sales commission asset was not impaired. If management determines in the future that the deferred sales commission asset is not recoverable, an impairment condition would exist and a loss would be measured as the amount by which the recorded amount of the asset exceeds its estimated fair value. Estimated fair value is determined using management’s best estimate of future cash flows discounted to a present value amount.

During 2007, U.S. equity markets increased by approximately 5.5% as measured by the change in the Standard & Poor's 500 Stock Index and U.S. fixed income markets increased by approximately 7.0% as measured by the change in the Lehman Brothers' Aggregate Bond Index. The redemption rate for domestic back-end load shares was 21.0% in 2007. Non-U.S. capital markets increases ranged from 9.0% to 39.4% as measured by the MSCI World, Emerging Market, and EAFE Indices. The redemption rate for non-U.S. back-end load shares was 30.8% in 2007. 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 employee arbitrations, regulatory inquiries, administrative proceedings, and litigation, some of which allege material damages. While any proceeding or litigation has the element of uncertainty, management believes that the outcome of any one of the other lawsuits or claims that is pending or threatened, or all of them combined, will not have a material adverse effect on our results of operations or financial condition.

Claims Processing Contingency

During the fourth quarter of 2006, we recorded a $56.0 million pre-tax charge in general and administrative expenses ($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. We believe that most of this cost will ultimately be recovered from residual settlement proceeds and insurance. Our fourth quarter 2006 cash distribution was declared by the Board of Directors prior to recognition of this adjustment. As a result, to the extent that all or a portion of the cost is recovered in subsequent periods, we do not intend to include recoveries in Available Cash Flow (as defined in the AllianceBernstein Partnership Agreement), and would not distribute those amounts to unitholders. During 2007, we recorded an additional $0.7 million expense related to this matter and paid $45.5 million to clients. As of December 31, 2007, we had $11.2 million remaining in accrued expenses.

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, 2007, SCB LLC had net capital of $138.0 million, which was $128.2 million in excess of the minimum net capital requirement of $9.8 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, 2007, $24.6 million was not available for payment of cash dividends and advances.

SCBL is a member of the London Stock Exchange. As of December 31, 2007, SCBL was subject to financial resources requirements of $19.4 million imposed by the Financial Services Authority of the United Kingdom and had aggregate regulatory financial resources of $40.8 million, an excess of $21.4 million.

AllianceBernstein Investments serves as distributor and/or underwriter for certain company-sponsored mutual funds. AllianceBernstein Investments is registered as a broker-dealer under the Exchange Act and is subject to the minimum net capital requirements imposed by the SEC. AllianceBernstein Investments' net capital as of December 31, 2007 was $67.0 million, which was $52.7 million in excess of its required net capital of $14.3 million.

13. Counterparty Risk

Customer Activities

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

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

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

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

Other Counterparties

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

In connection with SCB LLC's security borrowing and lending arrangements, 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 2007, 2006, and 2005 were $29.4 million, $25.3 million, and $22.0 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 $8.3 million, $5.9 million, and $4.9 million in 2007, 2006, and 2005, 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. 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,	
	2007	2006
	(in thousands)	
Change in projected benefit obligation:		
Projected benefit obligation at beginning of year	$ 84,683	$ 83,815
Service cost	3,446	4,048
Interest cost	4,769	4,578
Actuarial gains	(8,280)	(4,916)
Plan amendment	(4,365)	—
Benefits paid	(3,522)	(2,842)
Projected benefit obligation at end of year	76,731	84,683
Change in plan assets:		
Plan assets at fair value at beginning of year	53,315	47,406
Actual return on plan assets	2,193	4,414
Employer contribution	4,800	4,337
Benefits paid	(3,522)	(2,842)
Plan assets at fair value at end of year	56,786	53,315
Funded status	**$ (19,945)**	**$ (31,368)**

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 a prior service credit, the decrease in costs will be recognized into income over the next 11 years.

The amounts included in accumulated other comprehensive income (loss) as of December 31, 2007 and 2006 were as follows:

	2007	2006
	(in thousands)	
Unrecognized net loss from experience different from that assumed and effects of changes and assumptions	$ (1,438)	$ (7,430)
Unrecognized prior service cost	3,844	(343)
Unrecognized net plan assets as of January 1, 1987 being recognized over 26.3 years	710	849
Accumulated other comprehensive income (loss)	**$ 3,116**	**$ (6,924)**

The estimated initial plan assets and prior service cost for the Retirement Plan that will be amortized from accumulated other comprehensive income over the next year is $143,000 and $427,000, respectively.

The accumulated benefit obligation for the plan was $65.0 million and $68.4 million as of December 31, 2007 and 2006, respectively. The accumulated benefit obligation differs from the projected benefit obligation in that it includes no assumption about future compensation levels. We currently estimate we will contribute $3.5 million to the plan during 2008. 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, 2007 and 2006 (measurement dates) were made utilizing the following weighted-average assumptions:

	2007	2006
Discount rate on benefit obligations	6.55%	5.90%
Annual salary increases	3.14%	3.50%

The Retirement Plan's asset allocation percentages consisted of:

	December 31,	
	2007	2006
Equity securities	69%	69%
Debt securities	21	22
Real estate	10	9
	100%	100%

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

2008	$ 1,849
2009	2,717
2010	3,395
2011	3,200
2012	5,727
2013-2017	25,487

Net expense under the Retirement Plan was comprised of:

	Years Ended December 31,		
	2007	2006	2005
		(in thousands)	
Service cost	$ 3,447	$ 4,048	$ 4,268
Interest cost on projected benefit obligations	4,769	4,578	4,274
Expected return on plan assets	(4,310)	(3,800)	(3,225)
Amortization of prior service credit	(59)	(59)	(59)
Amortization of transition asset	(143)	(143)	(143)
Amortization of loss	—	280	501
Net pension charge	**$ 3,704**	**$ 4,904**	**$ 5,616**

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

	Years Ended December 31,		
	2007	2006	2005
Discount rate on benefit obligations	5.90%	5.65%	5.75%
Expected long-term rate of return on plan assets	8.00%	8.00%	8.00%
Annual salary increases	3.14%	3.50%	3.35%

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 Lehman Brothers Aggregate Bond Index.

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

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 2007, our net periodic benefit cost was $0.4 million, and our aggregate benefit obligation as of December 31, 2007 is $3.4 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, 2007, 2006, and 2005 were $1.7 million, $2.1 million, and $2.9 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, 2007, 2006, and 2005 were $0.6 million, $3.6 million, and $29.1 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 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 2007, 2006, and 2005 aggregating $314.6 million, $228.7 million, $202.0 million, respectively. 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, 2007, 2006, and 2005 were $227.2 million, $191.9 million, and $133.1 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, and $31.8 million in 2005. The amounts charged to employee compensation and benefits expense for the years ended December 31, 2007, 2006, and 2005 were $31.9 million, $27.0 million, and $15.8 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 $23.5 million in 2007, $14.5 million in 2006, and $14.1 million in 2005. The amounts charged to employee compensation and benefits expense for the years ended December 31, 2007, 2006, and 2005 were $8.0 million, $4.2 million, and $0.5 million, respectively.

In accordance with the terms of the employment agreement between Mr. Sanders, Chairman and CEO, and AllianceBernstein dated October 26, 2006 (and the terms of Mr. Sanders's prior employment agreement), Mr. Sanders is entitled to receive a deferred compensation award of not less than 1% of AllianceBernstein's consolidated operating income before incentive compensation for each calendar year during the employment term, beginning with 2004. The 2005 award of $14.8 million vested 67% in December 2006 and 33% in June 2007. The 2006 award of $19.0 million vests 65% in December 2007 and 35% in December 2008. The 2007 award of $21.5 million vests 75% in December 2008 and 25% in December 2009. The amounts charged to employee compensation and benefits expense for the years ended December 31, 2007, 2006, and 2005 were $19.7 million, $15.0 million, and $4.8 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. In future years, 50% of each award must be allocated to notional investments in each of Holding Units and investment services offered to clients.

16. Compensatory Unit Award and Option Plans

In 1988, we established an employee unit option plan (the "Unit Option Plan"), under which options to buy Holding Units were granted to certain key employees. Options were granted for terms of up to 10 years and each option had an exercise price of not less than the fair market value of Holding Units on the date of grant. Options were exercisable at a rate of 20% of the Holding Units subject to such options on each of the first five anniversary dates of the date of grant. No options have been granted under the Unit Option Plan since it expired in 1999. There were no options awarded under the Unit Option Plan that were outstanding as of December 31, 2007 and 2006.

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. 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, 2007, options to buy 14,485,555 Holding Units, net of forfeitures, had been granted and 1,080,298 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 25,434,147 Holding Units were available for grant as of December 31, 2007.

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. Since we do not have sufficient history of issuing options to selected officers under the Special Option Program, the expected terms were calculated using the "simplified" method, in accordance with SFAS No. 123-R and SEC Staff Accounting Bulletin No. 107.

Options to buy Holding Units were granted as follows: 3,708,939 options were granted during 2007; 9,712 options were granted during 2006; and 17,604 options were granted during 2005. The weighted average fair value of options to buy Holding Units granted during 2007, 2006, and 2005 was $15.96, $12.35, and $7.04, respectively, on the date of grant, determined using the Black-Scholes option valuation model with the following assumptions:

	2007	2006	2005
Risk-free interest rate	3.5 – 4.9%	4.9%	3.7%
Expected cash distribution yield	5.6 – 5.7%	6.0%	6.2%
Historical volatility factor	27.7 – 30.8%	31.0%	31.0%
Expected term	6.0 – 9.5 years	6.5 years	3 years

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 (in thousands)
Outstanding as of December 31, 2006	**4,819,099**	**$ 41.62**		
Granted	3,708,939	85.07		
Exercised	(1,234,917)	39.25		
Forfeited	(19,500)	33.18		
Outstanding as of December 31, 2007	**7,273,621**	**64.20**	**6.9**	**$ 80,374**
Exercisable as of December 31, 2007	**3,526,342**	**42.52**	**3.5**	**115,417**
Expected to vest as of December 31, 2007	**3,562,321**	**84.59**	**10.2**	**(33,272)**

The total intrinsic value of options exercised during 2007, 2006, and 2005 was $58.8 million, $79.0 million, and $40.6 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 $5.9 million, $2.7 million, and $2.2 million, respectively, for the years ended December 31, 2007, 2006, and 2005. As of December 31, 2007, there was $55.1 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 7.8 years.

Other Unit Awards

Restricted Units

In 2007, 2006, and 2005, restricted Holding Units (“Restricted Units”) were awarded to the independent directors of the General Partner. The Restricted Units give the directors, in most instances, all the rights of other Holding Unitholders subject to such restrictions on transfer as the Board may impose. We awarded 1,705, 1,848, and 2,644 Restricted Units in 2007, 2006, and 2005, respectively, with grant date fair values of $87.98, $65.02, and $45.45 per Holding Unit, respectively. All of the Restricted Units vest on the third anniversary of grant date or immediately upon a director’s resignation. We fully expensed these awards on the grant date. As of December 31, 2007, 4,875 Restricted Units, net of distributions made upon retirement of two directors, were outstanding. We recorded compensation expense of $178,000, $164,000, and $48,000 in 2007, 2006, and 2005, respectively, related to Restricted Units.

The following table summarizes the activity of unvested Restricted Units during 2007:

	Holding Units	Weighted Average Grant Date Fair Value
Unvested as of January 1, 2007	**3,170**	**$ 56.86**
Granted	1,705	87.98
Vested	—	—
Forfeited	—	—
Unvested as of December 31, 2007	**4,875**	**67.74**

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 45,072, 36,020, and 33,800 Holding Units in 2007, 2006, and 2005, respectively, with grant date fair values of $82.37, $63.82, and $46.60 per Holding Unit, respectively.

The following table summarizes the activity of unvested Century Club units during 2007:

	Holding Units	Weighted Average Grant Date Fair Value
Unvested as of January 1, 2007	**60,692**	**$ 55.01**
Granted	45,072	82.37
Vested	(30,058)	52.04
Forfeited	(1,716)	65.76
Unvested as of December 31, 2007	**73,990**	**72.63**

The total fair value of units that vested during 2007, 2006, and 2005 was $2.5 million, $1.7 million, and $1.2 million, respectively.

We recorded compensation expense relating to the Century Club Plan of $2.3 million, $1.5 million, and $1.1 million, respectively, for the years ended December 31, 2007, 2006, and 2005. As of December 31, 2007, there was $3.5 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, 2005	**255,624,870**
Options exercised	2,567,017
Units awarded	37,868
Issuance of units	834,864
Units forfeited	(2,605)
Outstanding as of December 31, 2006	**259,062,014**
Options exercised	1,234,917
Units awarded	46,777
Units forfeited	(1,716)
Outstanding as of December 31, 2007	**260,341,992**

Units awarded and units forfeited pertain to Restricted Unit awards to independent members of the Board of Directors and Century Club Plan unit awards to company-sponsored mutual fund sales personnel, *see Note 16*. In 2006, we issued units to certain Partners Plan participants, *see Note 15*.

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 are comprised of:

	Years Ended December 31,		
	2007	2006	2005
	(in thousands)		
Earnings before income taxes:			
United States	$ 1,096,529	$ 1,050,212	$ 812,450
Foreign	291,760	133,434	120,439
Total	**$ 1,388,289**	**$ 1,183,646**	**$ 932,889**
Income tax expense:			
Partnership UBT	$ 30,219	$ 23,696	$ 16,365
Corporate subsidiaries:			
Federal	6,852	4,901	7,100
State and local	2,733	374	1,236
Foreign	87,494	41,061	35,676
Current tax expense	127,298	70,032	60,377
Deferred tax expense	547	5,013	4,194
Income tax expense	**$ 127,845**	**$ 75,045**	**$ 64,571**

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,					
	2007		2006		2005	
	(in thousands)					
UBT statutory rate	$ 55,532	4.0%	$ 47,346	4.0%	$ 37,315	4.0%
Corporate subsidiaries' federal, state, local, and foreign income taxes	83,195	6.0	40,708	3.4	37,114	3.9
Other non-deductible and permanent items, primarily income not taxable resulting from use of UBT business apportionment factors	(10,882)	(0.8)	(13,009)	(1.1)	(9,858)	(1.0)
Income tax expense and effective tax rate	**$ 127,845**	**9.2**	**$ 75,045**	**6.3**	**$ 64,571**	**6.9**

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 (in thousands):

Balance as of January 1, 2007	**$ 17,862**
Additions for prior year tax positions	2,000
Reductions for prior year tax positions	(1,452)
Additions for current year tax positions	3,317
Reductions for current year tax positions	(303)
Reductions related to settlements with tax authorities/closed years	(2,408)
Balance as of December 31, 2007	**$ 19,016**

During the year 2007, unrecognized tax benefits with respect to certain tax positions taken in the prior years have been adjusted resulting in a net increase to the reserve totaling $0.5 million. As described below, settlements with taxing authorities resulted in a $2.4 million reduction to the reserve. The amount of unrecognized tax benefits as of December 31, 2007, when recognized, will be 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, 2007, the amount is $2.2 million. There were no accrued penalties as of January 1, 2007 or December 31, 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 2004. However, by agreement, the year 2003 remains open in connection with the New York City tax examinations that are discussed below. The Internal Revenue Service ("IRS") commenced an examination of our domestic corporate subsidiaries' federal tax returns for 2003 and 2004 in the second quarter of 2006. This examination was settled during the third quarter of 2007 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 recently notified us of their intention to examine our aforementioned federal tax returns for the year 2005, for which we do not believe an increase for unrecognized tax benefits is necessary. In addition, examinations of AllianceBernstein's New York City Partnership and corporate subsidiary tax returns for 2003 through 2005 commenced in the second quarter of 2007. These examinations remain in the preliminary stage and we do not currently believe that an increase in the reserve for unrecognized tax benefits is necessary. Adjustment to the reserve could occur in light of changing facts and circumstances. Subject to the results of the examinations for the tax years 2003-2005, 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 $14.5 million including accrued interest could occur over the next twelve months.

During the fourth quarter of 2007, the Japanese National Tax Agency commenced an examination of our corporate subsidiary located in Japan. The examination is substantially complete resulting in a settlement of approximately $0.5 million which has been recorded in the books of the company. 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.

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,	
	2007	**2006**
	(in thousands)	
Deferred tax asset:		
Differences between book and tax basis:		
Deferred compensation plans	$ 10,252	$ 9,768
Intangible assets	401	512
Charge for mutual fund matters, legal proceedings, and claims processing contingency	4,179	5,612
Other, primarily revenues taxed upon receipt and accrued expenses deductible when paid	3,909	2,452
	18,741	18,344
Valuation allowance	—	(1,761)
Deferred tax asset, net of valuation allowance	18,741	16,583
Deferred tax liability:		
Differences between book and tax basis:		
Furniture, equipment and leasehold improvements	301	848
Investment partnerships	1,634	3,136
Intangible assets	14,889	12,427
Translation adjustment	5,694	2,106
Other, primarily undistributed earnings of certain foreign subsidiaries	2,359	2,686
	24,877	21,203
Net deferred tax (liability) asset	**$ (6,136)**	**$ (4,620)**

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, 2007, $334.9 million of accumulated undistributed earnings of non-U.S. corporate subsidiaries were permanently invested. At existing applicable income tax rates, additional taxes of approximately $17.0 million would need to be provided if such earnings were remitted.

On October 22, 2004, the American Jobs Creation Act of 2004 ("AJCA") was signed into law. The AJCA contained a one-time foreign dividend repatriation provision, which provided for a special deduction with respect to certain qualifying dividends from foreign subsidiaries until December 31, 2005. In December 2005, our foreign subsidiaries distributed $42.7 million of previously unremitted earnings which qualified for the special deduction under the AJCA. The company incurred income taxes of less than $0.5 million as a result of these distributions.

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, 2007, 2006, and 2005 were as follows:

Services

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

	Years Ended December 31,		
	2007	2006	2005
		(in millions)	
Institutional investment	$ 1,482	$ 1,222	$ 895
Retail	1,521	1,304	1,189
Private client	961	883	673
Institutional research services	424	375	353
Other	332	354	199
Total revenues	4,720	4,138	3,309
Less: Interest expense	195	188	96
Net revenues	**$ 4,525**	**$ 3,950**	**$ 3,213**

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:

	2007	2006	2005
		(in millions)	
Net revenues:			
United States	$ 3,013	$ 2,733	$ 2,376
International	1,512	1,217	837
Total	**$ 4,525**	**$ 3,950**	**$ 3,213**
Long-lived assets:			
United States	$ 3,656	$ 3,619	$ 3,597
International	52	42	18
Total	**$ 3,708**	**$ 3,661**	**$ 3,615**

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 2%, 2%, and 3% of our open-end mutual fund sales in 2007, 2006, and 2005, respectively. Subsidiaries of Merrill Lynch & Co., Inc. ("Merrill Lynch") were responsible for approximately 7%, 6%, and 5% of our open-end mutual fund sales in 2007, 2006, and 2005, respectively. Citigroup, Inc. and its subsidiaries ("Citigroup"), was responsible for approximately 7%, 5%, and 5% of our open-end mutual fund sales in 2007, 2006, and 2005, 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, 2007, 2006, and 2005. No single institutional client other than AXA and its subsidiaries accounted for more than 1% of total revenues for the years ended December 31, 2007, 2006, and 2005, 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,		
	2007	2006	2005
		(in thousands)	
Investment advisory and services fees	$ 1,025,394	$ 840,453	$ 728,492
Distribution revenues	473,435	421,045	397,800
Shareholder servicing fees	103,604	97,236	99,358
Other revenues	6,502	6,917	8,014
Institutional research services	1,583	1,902	3,855

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 $0.5 billion for each of the years ended December 31, 2007, 2006, and 2005. 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,		
	2007	2006	2005
		(in thousands)	
Revenues:			
Investment advisory and services fees	$ 208,786	$ 184,122	$ 168,124
Institutional research services	606	657	2,051
Other revenues	824	736	734
	$ 210,216	**$ 185,515**	**$ 170,909**
Expenses:			
Commissions and distribution payments to financial intermediaries	$ 7,178	$ 5,708	$ 5,500
Other promotion and servicing	1,409	936	1,158
General and administrative	10,219	9,533	6,665
	$ 18,806	**$ 16,177**	**$ 13,323**
Balance Sheet:			
Institutional investment advisory and services fees receivable	$ 10,103	$ 7,330	$ 7,182
Other due (to) from AXA and its subsidiaries	(506)	(965)	1,362
	$ 9,597	**$ 6,365**	**$ 8,544**

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 $77.6 million, $61.1 million, and $44.6 million for the years ended December 31, 2007, 2006, and 2005, respectively, of which approximately $22.9 million, $21.3 million, and $19.9 million, respectively, were from AXA affiliates and are included in the table above. Minority interest recorded for these companies was $11.1 million, $8.8 million, and $5.9 million for the years ended December 31, 2007, 2006, and 2005, 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 $136 million and $34 million of investments on the consolidated statement of financial condition as of December 31, 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, 2007, 2006, and 2005 are as follows:

	December 31,		
	2007	2006	2005
		(in thousands)	
Due from Holding, net	$ 7,460	$ 7,149	$ 7,197
Due from (to) unconsolidated joint ventures, net	$ 255	$ 376	$ (2,678)

21. Acquisition

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

22. Dispositions

Cash Management Services

In June 2005, AllianceBernstein and Federated Investors, Inc. (“Federated”) completed a transaction pursuant to which Federated acquired our cash management services. In the transaction, $19.3 billion in assets under management from 22 of our third-party distributed money market funds were transitioned into Federated money market funds.

The total sales price (much of which is contingent) is estimated to be approximately $95.0 million, which is composed of three parts: (1) an initial cash payment of $25.0 million which was received in the second quarter of 2005, (2) annual contingent purchase price payments payable over a five-year period ending 2010, which we estimate will total $60.0 million, and (3) a final contingent $10.0 million payment, which is based on comparing revenues generated by applicable assets during the fifth year following the closing of the transaction to the revenues generated by those assets during a specified period prior to the closing of the transaction.

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

During 2005, we recorded a $19.4 million pre-tax gain as non-operating income, net of transaction expenses and a “clawback” provision that would have required us to pay Federated up to $7.5 million if average daily transferred assets for the six-month period ended June 29, 2006 had fallen below a certain percentage of initial assets transferred at closing. We were not required to make a payment under the clawback provision and, accordingly, we recognized a gain of $7.5 million during the second quarter of 2006. In addition, we earned contingent purchase price payments of $15.8 million and $12.8 million during 2007 and 2006, respectively.

Indian Mutual Funds

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

South African Joint Venture

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

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

23. Accounting Pronouncements

In September 2006, the FASB issued Statement of Financial Accounting Standards No. 157 ("SFAS No. 157"), "*Fair Value Measurements*". Among other requirements, SFAS No. 157 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. In February 2007, the FASB issued Statement of Financial Accounting Standards No. 159 ("SFAS No. 159"), "*Fair Value Option for Financial Assets and Financial Liabilities*". SFAS No. 159 expands the use of fair value measurement by permitting entities to choose to measure many financial instruments and certain other items at fair value that are not currently required to be measured at fair value. Both SFAS No. 157 and SFAS No. 159 are effective beginning the first fiscal year that begins after November 15, 2007. We adopted both standards on January 1, 2008. SFAS No. 157 is not expected to have a material impact on our consolidated financial statements. Currently, we have not elected to expand the use of fair value measurements in our consolidated financial statements as permitted by SFAS No. 159.

In June 2007, the FASB ratified the consensus reached by the Emerging Issues Task Force ("EITF") in EITF Issue No. 06-11 ("EITF 06-11"), *"Accounting for Income Tax Benefits of Dividends on Share-Based Payment Awards"*. Under EITF 06-11, a realized income tax benefit from distributions or distribution equivalents that are charged to partners' capital and are paid to employees for equity classified non-vested Units should be recognized as an increase to partners' capital. The amount recognized in partners' capital for the realized income tax benefit from distributions on those awards should be included in the pool of excess tax benefits available to absorb tax deficiencies on share-based payment awards. EITF 06-11 is effective January 1, 2008 and is to be applied prospectively. EITF 06-11 is not expected to have a material impact on our financial condition or results of operations.

In December 2007, the FASB issued Statement of Financial Accounting Standards No. 141 (revised 2007) ("SFAS No. 141-R"), *"Business Combinations"*. SFAS No. 141-R improves the relevance, representational faithfulness, and comparability regarding business combinations and their effects. Also in December 2007, the FASB issued Statement of Financial Accounting Standards No. 160 ("SFAS No. 160"), *"Noncontrolling Interests in Consolidated Financial Statements – an amendment of ARB No. 51"*. SFAS No. 160 establishes accounting, reporting, and disclosure standards for the noncontrolling interest, sometimes referred to as a minority interest, in a subsidiary and for the deconsolidation of the subsidiary. Both of these standards seek to improve, simplify, and converge internationally the accounting for business combinations and the reporting of noncontrolling interests in consolidated financial statements. Both SFAS No. 141-R and SFAS No. 160 are effective for fiscal years beginning on or after December 15, 2008. We do not believe the application of SFAS No. 141-R or SFAS No. 160 will have a material effect on our future results of operations, liquidity, or capital resources.

24. Quarterly Financial Data (Unaudited)

	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

	Quarters Ended 2006			
	December 31	September 30	June 30	March 31
	(in thousands, except per unit amounts)			
Net revenues	$ 1,186,698	$ 934,711	$ 933,330	$ 895,668
Net income[3]	$ 366,952	$ 252,974	$ 261,102	$ 227,573
Basic net income per unit[1] [3]	$ 1.40	$ 0.97	$ 1.00	$ 0.88
Diluted net income per unit[1] [3]	$ 1.39	$ 0.96	$ 0.99	$ 0.87
Cash distributions per unit[2] [3]	$ 1.60	$ 0.96	$ 0.99	$ 0.87

(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 for the estimated cost of reimbursing certain clients for losses arising out of an error we made in processing claims for class action settlement proceeds on behalf of these clients, which include some AllianceBernstein-sponsored mutual funds. The charge and related income tax benefit decreased 2006 net income and net income per unit by $54.5 million and $0.21, respectively. We believe that most of this cost will ultimately be recovered from residual settlement proceeds and insurance. Our fourth quarter 2006 cash distribution was declared by the Board of Directors prior to recognition of this adjustment. As a result, to the extent that all or a portion of the cost is recovered in subsequent periods, we do not intend to include recoveries in Available Cash Flow (as defined in the AllianceBernstein Partnership Agreement), and would not distribute those amounts to unitholders.

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, 2007 and 2006, and the results of their operations and their cash flows for each of the two years in the period ended December 31, 2007 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, 2007, 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 the accompanying *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 22, 2008

Report of Independent Registered Public Accounting Firm

The General Partner and Unitholders
AllianceBernstein L.P.:

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

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

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

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

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

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, 2007. 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, 2007, 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 2007 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, 2007. 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 2007 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 2007.

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 January 31, 2008, the directors and executive officers of the General Partner were as follows (officers of the General Partner also serve as officers of AllianceBernstein and Holding):

Name	Age	Position
Lewis A. Sanders	61	Chairman of the Board and Chief Executive Officer
Dominique Carrel-Billiard	41	Director
Henri de Castries	53	Director
Christopher M. Condron	60	Director
Denis Duverne	54	Director
Richard S. Dziadzio	44	Director
Peter Etzenbach	40	Director
Deborah S. Hechinger	57	Director
Weston M. Hicks	51	Director
Gerald M. Lieberman	61	Director, President and Chief Operating Officer
Lorie A. Slutsky	55	Director
A.W. (Pete) Smith, Jr.	64	Director
Peter J. Tobin	63	Director
Lawrence H. Cohen	46	Executive Vice President
Laurence E. Cranch	61	Executive Vice President and General Counsel
Edward J. Farrell	47	Senior Vice President and Controller
Sharon E. Fay	47	Executive Vice President
Marilyn G. Fedak	61	Executive Vice President
James A. Gingrich	49	Executive Vice President
Mark R. Gordon	54	Executive Vice President
Thomas S. Hexner	51	Executive Vice President
Robert H. Joseph, Jr.	60	Senior Vice President and Chief Financial Officer
Mark R. Manley	45	Senior Vice President, Deputy General Counsel and Chief Compliance Officer
Seth J. Masters	48	Executive Vice President
Marc O. Mayer	50	Executive Vice President
Douglas J. Peebles	42	Executive Vice President
Jeffrey S. Phlegar	41	Executive Vice President
James G. Reilly	46	Executive Vice President
Lisa A. Shalett	44	Executive Vice President
David A. Steyn	48	Executive Vice President
Gregory J. Tencza	41	Executive Vice President
Christopher M. Toub	48	Executive Vice President

Biographies

Mr. Sanders was elected Chairman of the Board of the General Partner effective January 1, 2005 and Chief Executive Officer of AllianceBernstein effective July 1, 2003. Before taking on his current roles, he 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, a subsidiary of AXA (“AXA IM”), since June 13, 2006. 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 and Company where he specialized in the financial services industry. During the 12 years he spent at McKinsey, Mr. Carrel-Billiard worked on a broad array of topics (including insurance, asset gathering and management, and corporate and investment banking) for the top management of international banks, insurance companies, including AXA, and other financial services groups. Mr. Carrel-Billiard also led the European Retail Savings and Life Insurance practice, with focus on distribution issues for asset gathering products to retail investors.

Mr. de Castries was elected a Director of the General Partner in October 1993. Since May 3, 2000, he has been Chairman of the Management Board of AXA. Prior thereto, he served AXA in various capacities, including Vice Chairman of the 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 Financial Services Round Table ("FSR"); he is the 2008 Chairman–Elect of the FSR.

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.

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

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

Ms. Slutsky was elected a Director of the General Partner in July 2002. 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 since March 1999.

Mr. Cohen has been Executive Vice President and Chief Technology Officer since joining AllianceBernstein in 2004. In this role, he is responsible for technology strategy, application development, and infrastructure services throughout AllianceBernstein. Prior to joining AllianceBernstein, Mr. Cohen held executive IT positions at UBS, Goldman Sachs, Morgan Stanley, and Fidelity Investments.

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

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

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

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

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

Mr. Gordon, a Chartered Financial Analyst, joined Bernstein in 1983 and currently serves as Director of Global Quantitative Research of AllianceBernstein, co-head of Alternative Investments, and Chief Investment Officer for the Global Diversified Funds. He was elected an Executive Vice President of AllianceBernstein in February 2004. Mr. Gordon previously served as Bernstein's Head of Risk Management, Director of Product Development, and Director of Quantitative Research.

Mr. Hexner joined Bernstein in 1986 as a financial advisor. An Executive Vice President of AllianceBernstein since 2000, he is Head of Bernstein GWM and oversees the firm's private client business worldwide. Mr. Hexner has been responsible for the firm's private client business since 1996. He was named President of Bernstein Investment Research and Management, a unit of AllianceBernstein, in 2000, and Head of Bernstein GWM in 2006 in recognition of the global expansion of the private client business. Mr. Hexner is a Director of SCB Inc.

Mr. Joseph joined AllianceBernstein in 1984 and held various financial positions until his election as Senior Vice President and Chief Financial Officer in 1994. Before joining AllianceBernstein, Mr. Joseph was a Senior Audit Manager with Price Waterhouse for 13 years.

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

Mr. Masters joined Bernstein in 1991 as a research analyst covering banks, insurance companies, and other financial firms. He currently heads the AllianceBernstein Blend Strategies team and is Chief Investment Officer for Style Blend, roles he has held since 2002. Mr. Masters was named Executive Vice President of AllianceBernstein in 2004 and Senior Vice President in 2000. Between 1994 and 2002, Mr. Masters was Chief Investment Officer of Emerging Markets Value Equities, a service he took the lead in designing.

Mr. Mayer joined Bernstein in 1989 as a research analyst and later became research director in the institutional research services group. He has been an Executive Vice President of AllianceBernstein since 2000 and was elected Executive Managing Director of AllianceBernstein Investments in November 2003. Mr. Mayer had been Head of AllianceBernstein Institutional Investments from 2001 until that time. Prior to 2001, Mr. Mayer was Head of SCB LLC. Mr. Mayer is President of the U.S. Funds (other than the SCB Funds), and he is a Director of SCB Inc.

Mr. Peebles joined AllianceBernstein in 1987 and has been an Executive Vice President of AllianceBernstein and Co-Chief Investment Officer of Fixed Income since 2004. He is Co-Chairman of the Fixed Income Investment Strategy Committee. He is also Director of Global Fixed Income, with investment responsibility for the institutional and retail global fixed income portfolios managed by AllianceBernstein. His responsibilities include formulating daily portfolio management and risk decisions. From February 1998 until April 2004, Mr. Peebles served as a Senior Vice President in Global Fixed Income.

Mr. Phlegar joined AllianceBernstein in 1993 and has been an Executive Vice President of AllianceBernstein and Co-Chief Investment Officer of Fixed Income since 2004. He is Co-Chairman of the Fixed Income Investment Strategy Committee. Mr. Phlegar oversees 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 AllianceBernstein 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 Bernstein 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 Bernstein 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 Client Service and Marketing 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 AllianceBernstein Institutional Investments since November 2003. Mr. Steyn was elected a Senior Vice President of AllianceBernstein in 2000.

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

Corporate Governance

Board of Directors

The Board holds 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. Dziadzio attended fewer than 75% of the aggregate of all Board and committee meetings which he was entitled to attend in 2007.

Committees of the Board

The Executive Committee of the Board ("Executive Committee") is composed of Ms. Slutsky and Messrs. Condron, Duverne, Lieberman, Sanders (Chair), 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 five meetings in 2007.

The Corporate Governance Committee of the Board ("Governance Committee") is composed of Mr. Condron, Ms. Hechinger, Mr. Sanders, and Ms. Slutsky (Chair). The Governance Committee assists the Board in (i) identifying and evaluating qualified individuals to become Board members; (ii) determining the composition of the Board and its committees; (iii) developing and monitoring a process to assess Board effectiveness; (iv) developing and implementing our corporate governance guidelines; and (v) reviewing our policies and programs that relate to matters of corporate responsibility of the General Partner and the Partnerships. The Governance Committee held three meetings in 2007.

The Audit Committee of the Board ("Audit Committee") is composed of Messrs. Hicks, Smith, and Tobin (Chair). The primary purposes of the Audit Committee are to: (i) assist the Board in its oversight of (1) the integrity of the financial statements of the Partnerships, (2) the Partnerships' status and system of compliance with legal and regulatory requirements and business conduct, (3) the independent registered public accounting firm's qualification and independence, and (4) the performance of the Partnerships' internal audit function; and (ii) oversee the appointment, retention, compensation, evaluation, and termination of the Partnerships' independent registered public accounting firm. Consistent with this function, the Audit Committee encourages continuous improvement of, and fosters adherence to, the Partnerships' policies, procedures, and practices at all levels. With respect to these matters, the Audit Committee provides an open avenue of communication among the independent registered public accounting firm, senior management, the Internal Audit Department, and the Board. The Audit Committee held nine meetings in 2007.

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. Sanders, 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 2007.

Audit Committee Financial Experts

In January 2007 and January 2008, 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 February 2007 and February 2008. 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 2007, the Governance Committee, after reviewing materials prepared by management, recommended that the Board determine that each of Mr. Hicks, Ms. Slutsky, Mr. Smith, and Mr. Tobin is "independent" within the meaning of Section 303A.02 of the NYSE Listed Company Manual. The Board considered immaterial relationships of Mr. Hicks (relating to Alleghany Corporation being a client of SCB LLC and Mr. Hicks being a former employee of Bernstein), and Ms. Slutsky (relating to contributions made by AllianceBernstein to The New York Community Trust, of which she is President and Chief Executive Officer) and then determined, at its February 2007 regular meeting, that each of Mr. Hicks, Ms. Slutsky, Mr. Smith, and Mr. Tobin is independent within the meaning of the relevant rules.

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 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.

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 Code of Business Conduct, and AXA Financial Policy Statement on Ethics from any director or executive officer of the General Partner. Any such waiver that has been granted 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 2007 Certification by our Chief Executive Officer under NYSE Listed Company Manual Section 303A.12(a) was submitted to the NYSE on March 26, 2007.

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 the Corporate Secretary of AllianceBernstein (*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, Lieberman, Manley, Masters, Mayer, Peebles, Phlegar, Reilly, Sanders, Steyn, Tencza and Toub, and Mses. Fay, Fedak, and Shalett, who together are the group of key executives responsible for managing AllianceBernstein, enacting strategic initiatives, and allocating resources to our company's various departments. Mr. Sanders serves *ex-officio* as Chairman of the Management Executive Committee. The Management Executive Committee meets on a regular basis and at such other times as circumstances warrant.

The Code of Ethics Oversight Committee ("Ethics Committee"), composed of each member of the Management Executive Committee and certain other senior executives, oversees all matters relating to issues arising under the AllianceBernstein Code of Business Conduct and Ethics. The Ethics Committee, which was created pursuant to the SEC Order (*see "Business - Regulation" in Item 1*), meets on a quarterly basis and at such other times as circumstances warrant.

The Internal Compliance Controls Committee ("Compliance Committee"), also composed of each member of the Management Executive Committee and certain other senior executives, reviews compliance issues throughout our company, endeavors to develop solutions to those issues as they may arise from time to time, and oversees implementation of those solutions. The Compliance Committee, which was created pursuant to the SEC Order (*see "Business - Regulation" in Item 1*), meets on a quarterly basis and at such other times as circumstances warrant.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires directors of the General Partner and executive officers of the Partnerships, and persons who own more than 10% of the Holding Units or AllianceBernstein Units, to file with the SEC initial reports of ownership and reports of changes in ownership of Holding Units or AllianceBernstein Units. To the best of management's knowledge, during 2007: (i) all Section 16(a) filing requirements relating to Holding were complied with, except that a Form 3 was filed late for Mr. Dziadzio in respect of his election to the Board in May 2007, a Form 4 was filed late for Mr. Cohen in respect of his January 2007 award under the Special Option Program (the Special Option Program is more fully discussed below *in "Compensation Discussion and Analysis" in Item 11)*, a Form 4 was filed late for Ms. Slutsky in respect of a gift of Holding Units she made in March 2006, and a Form 4 was filed late for Mr. Toub in respect of the Holding Units withheld from his December 2007 employee deferred compensation distribution to pay a portion of applicable withholding taxes*;* and (ii) all Section 16(a) filing requirements relating to AllianceBernstein were complied with, except that a Form 3 was filed late for Mr. Dziadzio in respect of his election to the Board. You can find our Section 16 filings under "Investor & Media Relations" / "Reports & SEC Filings" on our Internet site (*http://www.alliancebernstein.com*).

Item 11. Executive Compensation

Compensation Discussion and Analysis ("CD&A")

Overview of Compensation Philosophy and Program

Our employees' intellectual capital 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 58% of our operating expenses and representing approximately 41% of our net revenues for 2007. These percentages are not unusual for companies in the financial services industry. The magnitude of this expense also requires that it be monitored by management, and overseen by the Board, with the particular attention of the Compensation Committee.

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

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

We do not set firm-wide financial performance targets (such as earnings per unit, market capitalization, net income or organic growth) and, therefore, management efforts are not directed at meeting any such specific targets. Estimates are developed for budgeting and strategic planning purposes, but employee and officer compensation is not directly tied to "hitting" or "missing" financial performance targets. Some salespeople do have compensation incentives based on sales levels.

Our incentive compensation, consisting of annual cash bonuses and awards of deferred compensation, is intended to encourage our officers to remain with the firm. Annual cash bonuses provide a shorter-term incentive to remain through year-end because such bonuses are typically paid during the last week of the year. Deferred awards encourage longer-term retention because such awards vest over time and are subject to forfeiture; recipients are therefore discouraged from leaving.

The gross amount of incentive compensation – that is, the "bonus pool" available to pay annual cash bonuses and make deferred awards – is a function of our overall financial performance. The bonus pool is based on formula-driven calculations (with separate calculations for cash bonuses and deferred awards) using annual operating income and institutional research services revenues. It may be increased or decreased in the discretion of management, subject to the approval of the Compensation Committee, to maintain appropriate levels of compensation. This results in an "adjusted bonus pool" (*discussed below*). In the past three years, we granted incentive compensation awards that, in the aggregate, were significantly less than the bonus pool calculation permitted.

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

We also consider each executive's current salary, and prior-year cash bonus and deferred award, the appropriate balance between incentives for long-term and short-term performance, and the compensation paid to the executive's peers within the company. In addition, we review information provided by McLagan Partners, compensation consultants retained by management, about compensation levels at other companies. 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.

In addition to the benefits of aligning the interests of employees and clients, we recognize that there are benefits to aligning the interests of employees and Unitholders. Our CEO's employment agreement was amended in 2007 to require that half of his unvested balance be allocated to Holding Units and that half of his future awards be allocated to Holding Units (in each case, the other half must be allocated to investment services offered to clients by AllianceBernstein). Before this amendment, the agreement did not permit Mr. Sanders to allocate any portion of his deferred awards to Holding Units. In addition, there is a small 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 of their exceptional individual contributions to the company's success. 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 do not receive awards under the Special Option Program.

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.

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*).

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 2007 to our chief executive officer, chief financial officer, and our three most highly compensated executive officers (the "named executive officers") are shown in column (c) of the Summary Compensation Table.

2. Cash Bonus. We pay annual cash bonuses in late December from the cash portion of the bonus pool to reward individual performance for the year. These bonuses are based on management's evaluation (subject to the Compensation Committee's review and approval) of each executive's performance during the year, and the performance of the executive's business unit or function, compared to business and operational goals established at the beginning of the year, and in the context of our overall financial performance. The aggregate amount of cash bonuses awarded to all employees is limited by the size of the cash portion of the adjusted bonus pool. The cash bonuses we awarded in 2007 to our named executive officers are shown in column (d) of the Summary Compensation Table.

In 2007, the calculations described above resulted in a larger bonus pool than in 2006, and total cash incentive compensation in 2007 was therefore higher than in the prior year, primarily due to higher headcount. However, turbulence in the global financial markets during the second half of the year adversely affected our firm's financial results, in particular our performance-based investment management fees (for additional information about these fees, *see "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Item 7*). Given these results, and in light of our increased headcount, we determined generally to award senior officers cash bonuses equal to those received in 2006, while increasing appropriately the amount of their deferred awards.

3. Deferred Compensation. The Partners Plan is an unfunded, non-qualified deferred compensation plan under which awards may be granted to eligible employees. Since 2001, participants have been permitted to allocate their Partners Plan awards in a combination of notional investments in certain of our investment services offered to clients and notional investments in Holding Units. Since 2003, no more than 50% of an annual award may be allocated to Holding Units. As described above, we have created a Special Option Program which permits a limited number of senior officers to allocate a portion of their Partners Plan award to options to buy Holding Units. A participant's allocation to options is subject to this 50% limitation. The aggregate amount of all deferred compensation available for award to employees is limited by the size of the deferred portion of the adjusted bonus pool. The 2007 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.

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 trust does not hold a sufficient number of Holding Units to fulfill the aggregate amount of participant allocations, the company issues the needed amount of 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 fully vest if a participant remains in our employ through December 1 in the year during which he or she turns 65. Upon vesting, awards are distributed to participants unless the participant has, in advance, voluntarily elected to defer receipt to future periods. Quarterly cash distributions on unvested Holding Units for which a deferral election has not been made are paid currently to participants. Quarterly cash distributions on vested and unvested Holding Units for which a voluntary deferral election has been made, and earnings credited on investment services, are reinvested and distributed as elected by participants. 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. Because the Special Option Program is designed to retain individuals whom we believe will constitute the *next* generation of the firm's leadership, our named executive officers were not selected to participate in the Special Option Program.

5. Defined Contribution Plan. All employees are eligible to participate in the Amended and Restated Profit Sharing Plan for Employees of AllianceBernstein L.P. ("Profit Sharing Plan"), a tax-qualified plan. The Compensation Committee determines the amount of company contributions (both the level of annual matching by the firm of an employee's pre-tax salary deferral contributions and the annual company profit sharing contribution). In recent years, we have matched employee deferral contributions on a one-to-one basis up to five percent of eligible compensation; profit sharing contributions have been an additional five percent of eligible compensation. 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. Mr. Sanders, our chief executive officer, is compensated in accordance with the October 2006 employment agreement, as amended, between himself and our company ("Employment Agreement"). The Employment Agreement is *described below under "Other Information regarding Compensation of Named Executive Officers"*. The Employment Agreement sets minimum amounts of annual base salary ($275,000) and of deferred compensation awards (one percent of the firm's adjusted consolidated operating income). The Compensation Committee may award amounts in excess of each minimum; they did not do so at year-end 2007. Mr. Sanders is not paid a cash bonus. Substantially all of the compensation paid to Mr. Sanders under the Employment Agreement vests on a deferred basis in accordance with the terms of the Employment Agreement and is distributed to Mr. Sanders upon vesting. The deferral of such awards, and the notional investments available for such awards, are designed to serve the same retention function as the deferral of Partners Plan awards. At year-end 2007, Mr. Sanders was required to allocate his 2007 award in a manner that would result in his aggregate deferred balance being 50% invested in Holding Units and 50% in investment services offered to clients by AllianceBernstein. In future years, 50% of each award must be allocated to notional investments in each of Holding Units and investment services offered to clients.

Compensation Committee

The Compensation Committee is composed of Mr. Condron (Chair), Mr. Sanders, 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. Because AXA owns, indirectly, an approximate 63.2% economic interest in AllianceBernstein, and because compensation expense is such a significant factor in our financial results, Mr. Condron, President and Chief Executive Officer of AXA Financial, serves as chairman of the Compensation Committee.

The Compensation Committee has general oversight of compensation and compensation-related matters, including, but not limited to: (i) determining cash bonuses; (ii) determining contributions and awards under incentive plans or other compensation arrangements (whether qualified or non-qualified) for employees of AllianceBernstein and its subsidiaries, and amending or terminating such plans or arrangements or any welfare benefit plan or arrangement or making recommendations to the Board with respect to adopting any new incentive compensation plan, including equity-based plans; (iii) reviewing and approving corporate goals and objectives relevant to the compensation of our chief executive officer, evaluating his performance in light of those goals and objectives, and determining and approving his compensation level based on this evaluation (Mr. Sanders recuses himself from voting on his own compensation); and (iv) reviewing the CD&A, and recommending to the Board its inclusion in the Partnerships' Forms 10-K. In December 2007, the Compensation Committee delegated responsibility for managing AllianceBernstein's non-qualified plans to the Omnibus Committee for Non-Qualified Plans, a newly-formed committee whose five members are senior officers of AllianceBernstein. The Compensation Committee held three meetings in 2007, including the approval of the Special Option Program and related awards on January 26, 2007.

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 Employment Agreement. Mr. Sanders plays an active role in the work of the Compensation Committee. Messrs. Lieberman and Sanders, working with other members of senior management, provide recommendations of awards to the Compensation Committee for their consideration. Management periodically retains McLagan Partners 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 Amended and Restated 1997 Long Term Incentive Plan ("1997 Plan"), which Holding Unitholders initially approved in 1997. Holding Unitholders approved amendments to the 1997 Plan (increasing the number of Holding Units that may be issued thereunder, and extending its life) in 2000. No more than 41 million Holding Units may be awarded under the 1997 Plan through July 26, 2010. As of December 31, 2007, 25,434,147 Holding Units were available for future awards under the 1997 Plan.

Compensation Committee Interlocks and Insider Participation

Mr. Condron is the President and Chief Executive Officer of AXA Equitable, the sole stockholder of the General Partner. AXA Equitable and its affiliates own an aggregate 63.2% economic interest in AllianceBernstein. Mr. Sanders is Chairman and Chief Executive Officer of the General Partner, and, accordingly, also serves in those positions for AllianceBernstein and Holding. No executive officer of AllianceBernstein served as a member of a compensation committee or a director of another entity, an executive officer of which served as a member of AllianceBernstein's Compensation Committee or Board.

Compensation Committee Report

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

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

Summary Compensation Table

The following table summarizes the total compensation of our named executive officers as of the end of 2007 and 2006:

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compen-sation ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)	All Other Compen-sation ($)	Total ($)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Lewis A. Sanders Chairman & Chief Executive Officer	2007 2006	275,002 275,002	- -	- -	- -	- -	- -	21,893,098 19,501,985	22,168,100 19,776,987
Gerald M. Lieberman President & Chief Operating Officer	2007 2006	200,000 200,000	4,050,000 4,050,000	- -	42,908 61,192	- -	- -	7,568,795 6,224,070	11,861,703 10,535,262
Marilyn G. Fedak Executive Vice President	2007 2006	160,000 140,769	4,000,000 4,000,000	- -	- -	- -	- -	7,356,000 6,123,707	11,516,000 10,264,476
Sharon E. Fay Executive Vice President	2007 2006	160,000 150,000	3,900,000 3,900,000	- -	- -	- -	- -	8,370,008 7,284,717	12,430,008 11,334,717
Robert H. Joseph, Jr. Senior Vice President & Chief Financial Officer	2007 2006	185,000 175,000	1,050,000 1,050,000	- -	16,091 22,947	- -	18,664 31,041	1,088,406 868,726	2,358,161 2,147,714

Each named executive officer received a base salary for 2007 and 2006 and, except for Mr. 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*.

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

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

Column (i) reflects awards under the Partners Plan, Mr. Sanders's deferred award under his Employment Agreement, and other items. We report Partners Plan awards and Mr. Sanders's award under column (i) because of their nature. They are designed to provide incentives to recipients, but they cannot be categorized as having been granted under an "incentive plan" under relevant SEC rules because there are no 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 employees. In addition, awards under the Partners Plan are not accounted for under SFAS No. 123-R.

During 2007, we owned fractional interests in two aircraft with an aggregate operating cost of $3,362,012 (including $1,025,422 in maintenance fees, $1,651,440 in usage fees, and $685,150 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, 2007 was $9,958,136.

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

Our interests in aircraft facilitate business travel of members of our management executive committee. In 2007, we also permitted our Chief Executive Officer, our President, and our former Chairman to use the aircraft for personal travel; in 2006, in addition to these officers, we also permitted our former Vice Chairman to use the aircraft for personal travel. Overall, personal travel constituted approximately 21.1% and 38.1% of our actual use of the aircraft in 2007 and 2006, respectively.

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, 2007 for personal use imputed to Mr. Sanders is $55,068 and to Mr. Lieberman is $14,669. Ms. Fedak, Ms. Fay, and Mr. Joseph did not make personal use of company-owned aircraft during those 12 months, so no income was imputed to them. Taxable income for the twelve months ended October 31, 2006 for personal use imputed to Mr. Sanders is $66,368 and to Mr. Lieberman is $12,958. Ms. Fedak, Ms. Fay, and Mr. Joseph did not make personal use of company-owned aircraft during those 12 months, so no income was imputed to them.

Column (i) also includes the aggregate incremental cost to our company of certain other expenses and perquisites, including 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 2007, column (i) includes:

for Mr. Sanders, $21,472,988 for his 2007 annual deferred award under his Employment Agreement, $238,916 for personal use of aircraft, $157,506 for personal use of a car (including lease costs ($25,547), driver salary ($110,579), and other car-related costs ($21,380) such as parking, gas, tolls, and repairs and maintenance), a $22,500 contribution to the Profit Sharing Plan, and $1,188 of life insurance premiums.

for Mr. Lieberman, $7,350,000 for his 2007 Partners Plan award, $58,395 for personal use of aircraft, $140,400 for personal use of a car (including lease costs ($25,556), driver salary ($97,504), and other car-related costs ($17,340) such as parking, gas, tolls, and repairs and maintenance), and a $20,000 contribution to the Profit Sharing Plan.

for Ms. Fedak, $7,340,000 for her 2007 Partners Plan award and a $16,000 contribution to the Profit Sharing Plan.

for Ms. Fay, $7,140,000 for her 2007 Partners Plan award, a $16,000 contribution to the Profit Sharing Plan, $5,500 for tax preparation, and $198 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 2007 to Ms. Fay include $112,839 for living expenses in London and tax equalization of approximately $1,095,471.

for Mr. Joseph, $1,040,000 for his 2007 Partners Plan award, $16,235 for personal use of a car (including lease costs ($9,515) and other car-related costs ($6,720) such as parking, gas, and repairs and maintenance), $6,741 in business club dues, an $18,500 contribution to the Profit Sharing Plan, and $6,930 of life insurance premiums.

For 2006, column (i) includes:

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

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

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

for Ms. Fay, $5,700,000 for her 2006 Partners Plan award, a $15,000 contribution to the Profit Sharing Plan, and $180 of life insurance premiums. Column (i) for Ms. Fay also includes payments and reimbursements under our Expatriate Policy. Payments and reimbursements for 2006 to Ms. Fay include $202,320 for living expenses in London and tax equalization of approximately $1,367,217 (we reported 2006 tax equalization as $185,579 last year; we are revising this figure to more accurately represent the tax equalization cost on an accrued basis).

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

Grant of Plan-based Awards

We have not granted Holding Units or options to buy Holding Units to the named executive officers for a number of years, and the Partners Plan cannot be categorized as an "incentive plan" under relevant SEC rules. Accordingly, we made no grants of plan-based awards to the named executive officers in 2007, and we have omitted the related table.

Outstanding Equity Awards at Fiscal Year-End

The following table describes any outstanding equity awards as of December 31, 2007 of our named executive officers, if any:

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

Of the named executive officers, only Messrs. Lieberman and Joseph have been granted options to buy Holding Units. No named executive officer has been awarded Holding Units.

Option Exercises and Stock Vested

None of our named executive officers exercised options or had Holding Units vest during 2007. Accordingly, we have omitted the table.

Pension Benefits

The following table describes the accumulated benefit under our company pension plan belonging to each of our named executive officers as of December 31, 2007, if any:

Name	Plan Name	Number of Years Credited Service (#)	Present Value of Accumulated Benefit ($)	Payments During Last Fiscal Year ($)
(a)	(b)	(c)	(d)	(e)
Lewis A. Sanders	n/a	-	-	-
Gerald M. Lieberman	n/a	-	-	-
Marilyn G. Fedak	n/a	-	-	-
Sharon E. Fay	n/a	-	-	-
Robert H. Joseph, Jr.	Retirement Plan	23	426,530	-

Of the named executive officers, only Mr. Joseph participates in the Retirement Plan and continues to accrue benefits thereunder. This plan is a qualified, noncontributory, defined benefit retirement plan covering current and former employees who were employed in the United States prior to October 2, 2000. Each participant's benefits are determined under a formula which takes into account years of credited service, the participant's average compensation over prescribed periods and Social Security covered compensation. The maximum annual benefit payable under the plan may not exceed the lesser of $100,000 or 100% of a participant's average aggregate compensation for the three consecutive years in which he or she received the highest aggregate compensation from us or such lower limit as may be imposed by the Code on certain participants by reason of their coverage under another qualified retirement plan we maintain. A participant is fully vested after the completion of five years of service. The plan generally provides for payments to, or on behalf of, each vested employee upon such employee's retirement at the normal retirement age provided under the plan or later, although provision is made for payment of early retirement benefits on an actuarially reduced basis. Normal retirement age under the plan is 65. Death benefits are payable to the surviving spouse of an employee who dies with a vested benefit under the plan. For additional information regarding interest rates and actuarial assumptions, *see Note 14 to AllianceBernstein's consolidated financial statements in Item 8.*

Non-Qualified Deferred Compensation

The following table describes our named executive officers' non-qualified deferred compensation contributions, earnings, and distributions during 2007 and their non-qualified deferred compensation plan balances as of December 31, 2007:

Name	Executive Contributions in Last FY ($)	Registrant Contributions in Last FY ($)	Aggregate Earnings in Last FY ($)	Aggregate Withdrawals/ Distributions ($)	Aggregate Balance at Last FYE ($)
(a)	(b)	(c)	(d)	(e)	(f)
Lewis A. Sanders	-	21,472,988	(943,139)	12,102,529	44,133,908
Gerald M. Lieberman	-	7,350,000	1,128,080	7,328,000	22,533,870
Marilyn G. Fedak	-	7,340,000	297,595	-	29,338,060
Sharon E. Fay	-	7,140,000	650,307	5,743,478	15,310,922
Robert H. Joseph, Jr.	-	1,040,000	177,354	893,876	9,015,515

For Mr. Sanders, the amounts shown reflect his awards under the Employment Agreement and his former 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 the last awards were permitted to be made in 2003, and the Partners Plan. For Ms. Fay, the amounts shown in columns (d) and (e) reflect the aggregate of her interest in both the SCB Deferred Plan and the Partners Plan, while the amounts in columns (c) and (f) reflect her interest in only the Partners Plan. (Ms. Fay had a zero balance in the SCB Deferred Plan as of year-end 2007.) For Ms. Fedak and Mr. Joseph, amounts shown reflect their respective interests in the Partners Plan. For additional information about the SCB Deferred Plan, the Partners Plan, and the 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, 2007. As of that date, Mr. Lieberman notionally held 37,466 Holding Units in the Partners Plan, and Mr. Joseph notionally held 55,041 Holding Units in the Partners Plan.

Other Information regarding Compensation of Named Executive Officers

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

On October 26, 2006, Lewis A. Sanders and AllianceBernstein entered into the Employment Agreement, pursuant to which Mr. Sanders shall serve as Chairman and Chief Executive Officer of the General Partner through December 31, 2011 ("Employment Term") unless the Employment Agreement is terminated in accordance with its terms. Mr. Sanders will be paid a minimum base salary of $275,000 per year during the Employment Term and, for calendar year 2006 and each subsequent calendar year during the Employment Term, he is entitled to receive a deferred compensation award of not less than one percent (1%) of AllianceBernstein's consolidated operating income before incentive compensation (as defined with respect to the calculation of AllianceBernstein's bonus pool) for such calendar year. Mr. Sanders is entitled to perquisites on the same terms as other senior executives through the Employment Term, including personal use of aircraft and a car and driver (our President is the only other officer entitled to personal use of aircraft and a car and driver).

Mr. Sanders holds an indirect equity interest in AllianceBernstein through his ownership of a portion of SCB Inc. SCB Inc. must exercise its final AllianceBernstein Unit put option before it expires in October 2010 and, when it is exercised, Mr. Sanders will no longer hold this indirect equity interest. At the December 7, 2007 meeting of the Compensation Committee, Mr. Sanders and the Committee agreed that it would be appropriate for Mr. Sanders to maintain an equity exposure to AllianceBernstein as part of his deferred compensation awards under the Employment Agreement. Accordingly, the Employment Agreement has been amended to require Mr. Sanders to allocate his 2007 award in a manner that would result in his aggregate deferred balance being 50% notionally invested in Holding Units and 50% in investment services offered to clients by AllianceBernstein. In future years, Mr. Sanders will be required to allocate 50% of each award under the Employment Agreement to notional investments in each of Holding Units and investment services offered to clients.

Mr. Sanders may receive payments upon termination of his employment pursuant to his Employment Agreement. During any year in which we terminate Mr. Sanders without "cause" (as defined below), he is entitled to (i) his annual base salary for that year, (ii) the deferred compensation award described above calculated as of his termination date, (iii) all unvested deferred compensation awards, and (iv) health and welfare benefits for Mr. Sanders, his spouse, and his dependents through the end of that year. The first three of these elements, assuming 2007 costs, would have resulted in a payment to Mr. Sanders of approximately $44.4 million had he been terminated without cause as of January 1, 2008.

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

Director Compensation

The following table describes how we compensated our independent directors during 2007:

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Deborah S. Hechinger	36,000	30,000	30,000	-	-	-	96,000
Weston M. Hicks	56,500	30,000	30,000	-	-	-	116,500
Lorie A. Slutsky	68,500	30,000	30,000	-	-	-	128,500
A.W. (Pete) Smith, Jr.	64,000	30,000	30,000	-	-	-	124,000
Peter J. Tobin	88,000	30,000	30,000	-	-	-	148,000

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

- an annual retainer of $40,000 (paid quarterly after any quarter during which a director serves on the Board);
- a fee of $1,500 for participating in a meeting of the Board, or any duly constituted committee of the Board, whether he or she participates in person or by telephone;
- an annual retainer of $15,000 for acting as Chair of the Audit Committee;
- an annual retainer of $7,500 for acting as Chair of the Corporate Governance Committee; and
- an annual equity-based grant under the 1997 Plan consisting of:
    - restricted Holding Units having a value of $30,000 based on the closing price of Holding Units on the NYSE as of the grant date; and
    - options to buy Holding Units with a value of $30,000 calculated using the Black-Scholes method.

On May 15, 2007, at a regularly scheduled meeting of the Board, 341 restricted Holding Units and options to buy 1,956 Holding Units at $87.98 per Unit were granted to 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 2006. The exercise price of the options was the closing price on the NYSE on the grant date. Due to rounding, directors received slightly more than the value of the grant (but in no case greater than approximately $103.32). For information about how the Black-Scholes value was calculated, *see Note 16 to AllianceBernstein's consolidated financial statements in Item 8.* Options granted to independent directors vest ratably over three years. Restricted Holding Units granted to independent directors vest after three years. In order to avoid any perception that our directors' independence might be impaired, these options and restricted Holding Units are not forfeitable. Vesting of options continues following a director's resignation from the Board. Restricted Holding Units vest and are distributed immediately following an independent director's resignation from the Board.

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

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

Securities Authorized for Issuance under Equity Compensation Plans

The following table summarizes the Holding Units to be issued pursuant to our equity compensation plans as of December 31, 2007:

Equity Compensation Plan Information[(1)]

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance (c)
Equity compensation plans approved by security holders	7,273,621	$ 64.20	25,434,147
Equity compensation plans not approved by security holders	—	—	—
Total	**7,273,621**	**$ 64.20**	**25,434,147**

(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 1997 Plan. For additional information concerning such plans, *see Note 15 to AllianceBernstein's consolidated financial statements in Item 8.*

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

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

Principal Security Holders

As of January 31, 2008, we had no information that any person beneficially owned more than 5% of the outstanding Holding Units.

As of January 31, 2008, we had no information that any person beneficially owned more than 5% of the outstanding AllianceBernstein Units except (i) AXA and certain of its wholly-owned subsidiaries as reported on Forms 4 filed with the SEC on December 12, 2007 pursuant to the Exchange Act, (ii) AXA and certain of its wholly-owned subsidiaries as reported on Schedule 13D/A filed with the SEC on March 7, 2007 pursuant to the Exchange Act, and (iii) SCB Inc. and SCB Partners Inc. (SCB Partners Inc. is a wholly-owned subsidiary of SCB Inc.) as reported on Schedule 13D/A filed with the SEC on February 27, 2007 pursuant to the Exchange Act.

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

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership Reported on Schedule	Percent of Class
AXA[1][2][3][4][6]		
25 avenue Matignon 75008 Paris, France	161,961,745	62.1%
SCB Inc.,[5][6] SCB Partners Inc.[5][6]		
50 Main Street, Suite 1000, White Plains, NY 10606	8,160,000	3.1%

(1) Based on information provided by AXA Financial, on December 31, 2007, 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 Claude Bébéar, Henri de Castries and Denis Duverne, each of whom serves either on the Management Board or on the Supervisory Board of AXA. The Voting Trustees have agreed to exercise their voting rights to protect the legitimate economic interests of AXA, but with a view to ensuring that certain minority shareholders of AXA do not exercise control over AXA Financial or certain of its insurance subsidiaries.

(2) Based on information provided by AXA, as of December 31, 2007, 14.48% of the issued ordinary shares (representing 21.10% 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 Financial, AXA Equitable, ACMC Inc., and ECMC, LLC may be deemed to share the power to vote or to direct the vote and to dispose or direct the disposition of all or a portion of the 161,961,745 AllianceBernstein Units.

(5) SCB Partners Inc. is a wholly-owned subsidiary of SCB Inc. Mr. Sanders is a Director and the Chairman and Chief Executive Officer of SCB Inc., and is the owner of a 22.13% equity interest in SCB Inc. Mr. Lieberman is a Director and the Senior Vice President—Finance and Administration of SCB Inc., and is the owner of a less than 1% equity interest in SCB Inc. Ms. Fedak is a Director and Senior Vice President of SCB Inc., and is the owner of a 2.67% equity interest in SCB Inc. Ms. Fay is the owner of a less than 1% equity interest in SCB Inc. Mr. Sanders, Mr. Lieberman, Ms. Fedak, and Ms. Fay disclaim beneficial ownership of the 8,160,000 AllianceBernstein Units owned by SCB Partners Inc., except to the extent of their pecuniary interests therein. For additional information about these pecuniary interests, *see "Management" in this Item 12.*

(6) In connection with the Bernstein Transaction, SCB Inc., AllianceBernstein and AXA Financial entered into a purchase agreement under which SCB Inc. has the right to sell or assign up to 2,800,000 AllianceBernstein Units issued in connection with the Bernstein Transaction at any time. SCB Inc. has the right to sell ("Put") to AXA Financial or its designee up to 8,160,000 AllianceBernstein Units issued in connection with the Bernstein Transaction each year less any AllianceBernstein Units SCB Inc. may have otherwise sold or assigned that year. The Put rights expire on October 2, 2010. Generally, SCB Inc. may exercise its Put rights only once per year and SCB Inc. may not deliver an exercise notice regarding its Put rights until at least nine months after it delivered its immediately preceding exercise notice. On each of November 25, 2002, March 5, 2004, December 21, 2004, and February 23, 2007, AXA Financial or certain of its wholly-owned subsidiaries purchased 8,160,000 AllianceBernstein Units from SCB Partners Inc., a wholly-owned subsidiary of SCB Inc., pursuant to exercises of the Put rights by SCB Inc.

As of January 31, 2008, Holding was the record owner of 87,251,925, or 33.5%, of the issued and outstanding AllianceBernstein Units.

Management

The following table sets forth, as of January 31, 2008, the beneficial ownership of Holding Units by each director and named executive officer of the General Partner and by all directors and executive officers as a group:

Name of Beneficial Owner	Number of Holding Units and Nature of Beneficial Ownership	Percent of Class
Lewis A. Sanders[1][9]	264,095	*
Dominique Carrel-Billiard[1]	-	*
Henri de Castries[1]	2,000	*
Christopher M. Condron[1]	20,000	*
Denis Duverne[1]	2,000	*
Richard S. Dziadzio[1]	-	*
Peter Etzenbach[1]	-	*
Deborah S. Hechinger	341	*
Weston M. Hicks[2]	6,612	*
Gerald M. Lieberman[1][3][9]	218,746	*
Lorie A. Slutsky[1][4]	25,367	*
A.W. (Pete) Smith, Jr.[5]	2,647	*
Peter J. Tobin[1][6]	39,207	*
Marilyn G. Fedak[1]	-	*
Sharon E. Fay[1][9]	28,003	*
Robert H. Joseph, Jr.[1][7][9]	216,554	*
All directors and executive officers of the General Partner as a group (33 persons)[8][9]	2,882,164	3.3%

* 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. Carrel-Billiard, de Castries, Condron, Duverne, Dziadzio, Etzenbach, Lieberman, and Tobin are directors and/or officers of AXA, AXA Financial, and/or AXA Equitable. Mses. Fedak and Fay, and Messrs. Sanders, Lieberman, and Joseph, are directors and/or officers of the General Partner.

(2) Includes 809 Holding Units Mr. Hicks can acquire within 60 days under the 1997 Plan.

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

(4) Includes 22,493 Holding Units Ms. Slutsky can acquire within 60 days under the 1997 Plan.

(5) Includes 809 Holding Units Mr. Smith can acquire within 60 days under the 1997 Plan.

(6) Includes 37,743 Holding Units Mr. Tobin can acquire within 60 days under the 1997 Plan.

(7) Includes 130,000 Holding Units Mr. Joseph can acquire within 60 days under AllianceBernstein option plans.

(8) Includes 648,376 Holding Units the directors and executive officers as a group can acquire within 60 days under AllianceBernstein option plans.

(9) Includes 802,020 Holding Units to which executive officers have allocated their awards under deferred compensation arrangements.

As of January 31, 2008, our directors and executive officers beneficially owned AllianceBernstein Units only to the extent of their respective indirect pecuniary interests in 8,160,000 AllianceBernstein Units beneficially owned by SCB Partners Inc. Based on their respective equity interests in SCB Inc. and/or notional interests in the AllianceBernstein Units through an SCB Partners Inc. profit sharing plan, the individuals named below may be deemed to own beneficially and indirectly the number of AllianceBernstein Units set forth opposite their respective names.

Name of Beneficial Owner	Number of AllianceBernstein Units and Nature of Beneficial Ownership	Percent of Class
Lewis A. Sanders	1,538,880	*
Gerald M. Lieberman	62,688	*
Sharon E. Fay	24,418	*
Marilyn G. Fedak	184,393	*
Mark R. Gordon	104,373	*
Thomas S. Hexner	80,114	*
Seth J. Masters	34,918	*
Marc O. Mayer	48,708	*
Lisa A. Shalett	5,266	*
David A. Steyn	878	*
All directors and executive officers of the General Partner as a group (33 persons)	2,084,636	*

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

The following table sets forth, as of January 31, 2008, the beneficial ownership of the common stock of AXA by each director and named executive officer of the General Partner and by all directors and executive officers as a group:

AXA Common Stock[(1)]

Name of Beneficial Owner	Number of Shares and Nature of Beneficial Ownership	Percent of Class
Lewis A. Sanders	-	*
Dominique Carrel-Billiard[(2)]	45,744	*
Henri de Castries[(3)]	6,788,071	*
Christopher M. Condron[(4)]	2,694,625	*
Denis Duverne[(5)]	2,097,144	*
Richard S, Dziadzio[(6)]	41,431	*
Peter Etzenbach[(7)]	29,042	*
Deborah S. Hechinger	-	*
Weston M. Hicks	-	*
Gerald M. Lieberman	-	*
Lorie A. Slutsky	1,403	*
A.W. (Pete) Smith, Jr.	-	*
Peter J. Tobin[(8)]	11,138	*
Marilyn G. Fedak	-	*
Sharon E. Fay	-	*
Robert H. Joseph, Jr.	-	*
All directors and executive officers of the General Partner as a group (33 persons)[(9)]	11,708,598	*

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

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

(2) Includes 34,000 shares Mr. Carrel-Billiard can acquire within 60 days under option plans.

(3) Includes 5,067,759 shares and 162,394 ADSs Mr. de Castries can acquire within 60 days under option plans. Also includes 162,394 tandem stock appreciation rights.

(4) Includes 521,140 shares and 1,576,209 ADSs Mr. Condron can acquire within 60 days under option plans. Also includes 62,296 performance units, which are paid out when vested based on the price of ADSs at that time; payout will be 70% in cash and 30% in ADSs.

(5) Includes 1,372,344 shares Mr. Duverne can acquire within 60 days under option plans.

(6) Includes 26,550 shares Mr. Dziadzio can acquire within 60 days under option plans. Also includes 8,721 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.

(7) Includes 19,150 shares Mr. Etzenbach can acquire within 60 days under options plans.
(8) Includes 2,625 ADSs Mr. Tobin can acquire within 60 days under option plans.
(9) Includes 7,040,943 shares and 1,741,228 ADSs the directors and executive officers as a group can acquire within 60 days under option plans.

Partnership Matters

The General Partner makes all decisions relating to the management of AllianceBernstein and Holding. The General Partner has agreed that it will conduct no business other than managing AllianceBernstein and Holding, although it may make certain investments for its own account. Conflicts of interest, however, could arise between AllianceBernstein and Holding, the General Partner and the Unitholders of both Partnerships.

Section 17-403(b) of the Delaware Revised Uniform Limited Partnership Act ("Delaware Act") states in substance that, except as provided in the Delaware Act or the applicable partnership agreement, a general partner of a limited partnership has the liabilities of a general partner in a general partnership governed by the Delaware Uniform Partnership Law (as in effect on July 11, 1999) to the partnership and to the other partners. Accordingly, while under Delaware law a general partner of a limited partnership is liable as a fiduciary to the other partners, those fiduciary obligations may be altered by the terms of the applicable partnership agreement. The AllianceBernstein Partnership Agreement and Holding Partnership Agreement both set forth limitations on the duties and liabilities of the General Partner. Each partnership agreement provides that the General Partner is not liable for monetary damages for errors in judgment or for breach of fiduciary duty (including breach of any duty of care or loyalty) unless it is established that the General Partner's action or failure to act involved an act or omission undertaken with deliberate intent to cause injury, with reckless disregard for the best interests of the Partnerships or with actual bad faith on the part of the General Partner, or constituted actual fraud. Whenever the AllianceBernstein Partnership Agreement and the Holding Partnership Agreement provide that the General Partner is permitted or required to make a decision (i) in its "discretion", the General Partner is entitled to consider only such interests and factors as it desires and has no duty or obligation to consider any interest of or other factors affecting the Partnerships or any Unitholder of AllianceBernstein or Holding or (ii) in its "good faith" or under another express standard, the General Partner will act under that express standard and will not be subject to any other or different standard imposed by the AllianceBernstein Partnership Agreement and the Holding Partnership Agreement or applicable law or in equity or otherwise. The partnership agreements further provide 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 2007 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 2007. The first table summarizes services we provide to related persons, and the second table summarizes services our related persons provide to us:

Parties[1]	General Description of Relationship	Amounts Received or Accrued for in 2007
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.	$ 83,613,000
AXA Asia Pacific[2]	We provide investment management services.	$ 52,277,000
AXA Equitable[2]	We provide investment management services and ancillary accounting, valuation, reporting, treasury, and other services to the general and separate accounts of AXA Equitable and its insurance company subsidiaries.	$ 35,437,000 (of which $673,500 relates to the ancillary services)
MONY Life Insurance Company and its subsidiaries[2][3]	We provide investment management services and ancillary accounting services.	$ 9,503,000 (of which $150,000 relates to the ancillary services)
AXA Sun Life[2]	We provide investment management services.	$ 8,569,000
AXA Group Life Insurance	We provide investment management services.	$ 7,530,000
AXA U.K. Group Pension Scheme	We provide investment management services.	$ 3,495,000
AXA Rosenberg Investment Management Asia Pacific[2]	We provide investment management services.	$ 2,166,000
AXA (Canada)[2]	We provide investment management services.	$ 1,933,000
AXA France[2]	We provide investment management services.	$ 1,581,000
AXA Winterthur[2]	We provide investment management services.	$ 1,053,000
AXA Corporate Solutions[2]	We provide investment management services.	$ 965,000
AXA Reinsurance Company[2]	We provide investment management services.	$ 567,000
AXA Germany[2]	We provide investment management services.	$ 510,000
AXA Investment Managers Limited[2]	We provide investment management services.	$ 472,000
AXA Foundation, Inc., a subsidiary of AXA Financial	We provide investment management services.	$ 201,000
AXA Belgium[2]	We provide investment management services.	$ 151,000
Other AXA subsidiaries	We provide investment management services.	$ 193,000

(1) AllianceBernstein is a party to each transaction.
(2) This entity is a subsidiary of AXA. AXA is an indirect parent of AllianceBernstein.
(3) Subsidiaries include MONY Life Insurance Company of America and U.S. Financial Life Insurance Company.

Parties[1][2]	General Description of Relationship	Amounts Paid or Accrued for in 2007
AXA Advisors	AXA Advisors distributes certain of our Retail Products.	$ 7,178,000
AXA Equitable	AXA Equitable provides certain data processing services and related functions.	$ 3,493,000
AXA Equitable	We are covered by various insurance policies maintained by AXA Equitable.	$ 3,040,000
AXA Business Services	AXA Business Services provides data processing services and support for certain investment operations functions.	$ 1,535,000
AXA Advisors	AXA Advisors sells shares of our mutual funds under Distribution Services and Educational Support agreements.	$ 1,409,000
AXA Technology Services India Pvt. Ltd.	AXA Technology Services India Pvt. Ltd. provides certain data processing services and functions.	$ 1,279,000
GIE Informatique AXA (“GIE”)	GIE provides cooperative technology development and procurement services to us and to various other subsidiaries of AXA.	$ 962,000

(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 $59.6 billion in client assets, and earned approximately $77.6 million in management fees in 2007 (of which $22.9 million is included in the table above).

AXA Advisors was our ninth largest distributor of U.S. Funds in 2007, for which we paid AXA Advisors sales concessions on sales of approximately $534 million. Various subsidiaries of AXA distribute certain of our Non-U.S. Funds, for which such entities received aggregate distribution payments of approximately $373,000 in 2007.

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 2007, 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 5,580 employees.

Gerald M. Lieberman's daughter, Andrea L. Feldman, is employed in AllianceBernstein Institutional Investments and received 2007 compensation of $155,000 (salary and bonus). Mr. Lieberman's son-in-law, Jonathan H. Feldman, Ms. Feldman's spouse, is employed in Retail Services and received 2007 compensation of $260,000 (salary, bonus and deferred compensation). Gerald M. Lieberman is Director of the General Partner and the President and Chief Operating Officer of AllianceBernstein.

James G. Reilly's brother, Michael J. Reilly, is a U.S. Large Cap Growth portfolio manager and received 2007 compensation of $3,060,000 (salary, bonus, and deferred compensation). James G. Reilly is an Executive Vice President of AllianceBernstein and our U.S. Large Cap Growth team leader.

Director Independence

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

Item 14. Principal Accountant Fees and Services

The following tables present fees for professional audit services rendered by PricewaterhouseCoopers LLP ("PwC") for the audit of AllianceBernstein's and Holding's annual financial statements for 2007 and 2006, respectively, and fees for other services rendered by PwC ($ in thousands):

	2007	2006
Audit Fees[1]	$ 7,212	$ 7,675
Audit Related Fees[2]	2,530	2,082
Tax Fees[3]	2,003	1,670
All Other Fees[4]	27	57
Total	**$ 11,772**	**$ 11,484**

(1) Includes $105,000 and $175,000, respectively, in respect of 2007 and 2006 audit services for Holding.
(2) Audit related fees consist principally of fees for audits of financial statements of certain employee benefit plans, internal control reviews, and accounting consultation.
(3) Tax fees consist of fees for tax consultation and tax compliance services.
(4) All other fees in 2007 and 2006 consisted of miscellaneous non-audit services.

On November 9, 2005, the Audit Committee adopted a policy to pre-approve audit and non-audit service engagements with the independent registered public accounting firm. This policy was revised on August 3, 2006. The independent registered public accounting firm is to provide annually a comprehensive and detailed schedule of each proposed audit and non-audit service to be performed. The Audit Committee then affirmatively indicates its approval of the listed engagements. Engagements that are not listed, but that are of similar scope and size to those listed and approved, may be deemed to be approved, if the fee for such service is less than $100,000. In addition, the Audit Committee has delegated to its chairman the ability to approve any permissible non-audit engagement where the fees are expected to be less than $100,000.

PART IV

Item 15. Exhibits, Financial Statement Schedules

(a) There is no document filed as part of this Form 10-K.

Financial Statement Schedules.

Attached to this Form 10-K is a schedule describing Valuation and Qualifying Account-Allowance for Doubtful Accounts for the three years ended December 31, 2007, 2006, and 2005. PwC's report regarding the 2007 and 2006 schedules and KPMG LLP's report regarding the 2005 schedule are also attached.

(b) *Exhibits.*

The following exhibits required to be filed by Item 601 of Regulation S-K are filed herewith or incorporated by reference herein, as indicated:

Exhibit	Description
2.01	Agreement between Federated Investors, Inc. and Alliance Capital Management L.P. dated as of October 28, 2004 (incorporated by reference to Exhibit 2.1 to Form 10-Q for the quarterly period ended September 30, 2004, as filed November 8, 2004).
2.02	Acquisition Agreement dated as of June 20, 2000 and Amended and Restated as of October 2, 2000 among Alliance Capital Management L.P., Alliance Capital Management Holding L.P., Alliance Capital Management LLC, SCB Inc., Bernstein Technologies Inc., SCB Partners Inc., Sanford C. Bernstein & Co., LLC and SCB LLC (incorporated by reference to Exhibit 2.1 to Form 10-K for the fiscal year ended December 31, 2000, as filed April 2, 2001).
3.01	Amended and Restated Certificate of Limited Partnership dated February 24, 2006 of Holding (incorporated by reference to Exhibit 99.06 to Form 8-K, as filed February 24, 2006).
3.02	Amendment No. 1 dated February 24, 2006 to Amended and Restated Agreement of Limited Partnership of Holding (incorporated by reference to Exhibit 3.1 to Form 10-Q for the quarterly period ended September 30, 2006, as filed November 8, 2006).
3.03	Amended and Restated Agreement of Limited Partnership dated October 29, 1999 of Alliance Capital Management Holding L.P. (incorporated by reference to Exhibit 3.2 to Form 10-K for the fiscal year ended December 31, 2003, as filed March 10, 2004).
3.04	Amended and Restated Certificate of Limited Partnership dated February 24, 2006 of AllianceBernstein (incorporated by reference to Exhibit 99.07 to Form 8-K, as filed February 24, 2006).
3.05	Amendment No. 1 dated February 24, 2006 to Amended and Restated Agreement of Limited Partnership of AllianceBernstein (incorporated by reference to Exhibit 3.2 to Form 10-Q for the quarterly period ended September 30, 2006, as filed November 8, 2006).
3.06	Amended and Restated Agreement of Limited Partnership dated October 29, 1999 of Alliance Capital Management L.P. (incorporated by reference to Exhibit 3.3 to Form 10-K for the fiscal year ended December 31, 2003, as filed March 10, 2004).
3.07	Certificate of Amendment to the Certificate of Incorporation of AllianceBernstein Corporation (incorporated by reference to Exhibit 99.08 to Form 8-K, as filed February 24, 2006).
3.08	AllianceBernstein Corporation By-Laws with amendments through February 24, 2006 (incorporated by reference to Exhibit 99.09 to Form 8-K, as filed February 24, 2006).
10.01	Amended and Restated AllianceBernstein Partners Compensation Plan, as amended through November 28, 2007.
10.02	Amended and Restated 1997 Long Term Incentive Plan, as amended through November 28, 2007.

10.03	Amended and Restated AllianceBernstein Commission Substitution Plan, as amended through November 28, 2007.
10.04	Amended and Restated AllianceBernstein Century Club Plan.
10.05	Form of Award Agreement under the Amended and Restated AllianceBernstein Partners Compensation Plan.
10.06	Forms of Award Agreement under the Special Option Program.
10.07	Form of Award Agreement under the AllianceBernstein L.P. Financial Advisor Wealth Accumulation Plan.
10.08	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”.
10.09	Uncommitted Line of Credit Agreement dated as of January 23, 2008 between AllianceBernstein L.P. and Citibank, N.A.
10.10	Supplement dated November 2, 2007 to the Revolving Credit Facility (*see Exhibit 10.18*).
10.11	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.
10.12	Amendment and Restatement of the Profit Sharing Plan for Employees of AllianceBernstein L.P., as amended through September 1, 2007 (incorporated by reference to Exhibit 10.1 to Form 10-Q for the quarter ended September 30, 2007, as filed November 5, 2007).
10.13	Amendment and Restatement of the Retirement Plan for Employees of AllianceBernstein L.P., as amended through September 1, 2007 (incorporated by reference to Exhibit 10.2 to Form 10-Q for the quarterly period ended September 30, 2007, as filed November 5, 2007).
10.14	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).
10.15	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).
10.16	Amended and Restated Commercial Paper Dealer Agreement, dated as of May 3, 2006 (incorporated by reference to Exhibit 10.1 to Form 10-Q for the quarterly period ended March 31, 2006, as filed May 8, 2006).
10.17	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).
10.18	Revolving Credit Facility dated as of February 17, 2006 among AllianceBernstein, as Borrower, Bank of America, N.A., as Administrative Agent, Banc of America Securities LLC, as Arranger, Citibank N.A. and The Bank of New York, as Co-Syndication Agents, Deutsche Bank Securities Inc. and JPMorgan Chase Bank, N.A., as Co-Documentation Agents, and The Various Financial Institutions Whose Names Appear on the Signature Pages as “Banks” (incorporated by reference to Exhibit 10.1 to Form 10-K for the fiscal year ended December 31, 2005, as filed February 24, 2006).
10.19	AllianceBernstein L.P. Financial Advisor Wealth Accumulation Plan effective August 1, 2005 (incorporated by reference to Exhibit 99.3 to Form S-8, as filed August 5, 2005).
10.20	Investment Advisory and Management Agreement for MONY Life (incorporated by reference to Exhibit 10.4 to Form 10-K for the fiscal year ended December 31, 2004, as filed March 15, 2005).
10.21	Investment Advisory and Management Agreement for the General Account of AXA Equitable (incorporated by reference to Exhibit 10.5 to Form 10-K for the fiscal year ended December 31, 2004, as filed March 15, 2005).
10.22	Summary of AllianceBernstein L.P.’s Lease at 1345 Avenue of the Americas, New York, New York 10105 (incorporated by reference to Exhibit 10.3 to Form 10-K for the fiscal year ended December 31, 2003, as filed March 10, 2004).

10.23	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).
10.24	Services Agreement dated as of April 22, 2001 between Alliance Capital Management L.P. and AXA Equitable (incorporated by reference to Exhibit 10.19 to Form 10-K for the fiscal year ended December 31, 2001, as filed March 28, 2002).
10.25	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).
10.26	Purchase Agreement dated as of June 20, 2000 by and among Alliance Capital Management L.P., AXA Financial and SCB Inc. (incorporated by reference to Exhibit 10.18 to Form 10-K for the fiscal year ended December 31, 2000, as filed April 2, 2001).
10.27	Alliance Capital Management L.P. Annual Elective Deferral Plan (incorporated by reference to Exhibit 99 to Form S-8, as filed November 6, 2000).
10.28	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).
10.29	Amended and Restated Investment Advisory and Management Agreement dated January 1, 1999 among Alliance Capital Management Holding L.P., Alliance Corporate Finance Group Incorporated and AXA Equitable (incorporated by reference to Exhibit (a)(6) to Form 10-Q/A for the quarterly period ended September 30, 1999, as filed on September 28, 2000).
10.30	Amended and Restated Accounting, Valuation, Reporting and Treasury Services Agreement dated January 1, 1999 between Alliance Capital Management Holding L.P., Alliance Corporate Finance Group Incorporated and AXA Equitable (incorporated by reference to Exhibit (a)(7) to the Form 10-Q/A for the quarterly period ended September 30, 1999, as filed September 28, 2000).
10.31	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, 2007, 2006, and 2005.
21.01	Subsidiaries of AllianceBernstein.
23.01	Consent of PricewaterhouseCoopers LLP.
23.02	Consent of KPMG LLP.
31.01	Certification of Mr. Sanders furnished pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.02	Certification of Mr. Joseph furnished pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.01	Certification of Mr. Sanders furnished for the purpose of complying with Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.02	Certification of Mr. Joseph furnished for the purpose of complying with Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Exchange Act, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ALLIANCEBERNSTEIN L.P.

Date: February 22, 2008

By: /s/ Lewis A. Sanders
Lewis A. Sanders
Chairman of the Board
and Chief Executive Officer

Pursuant to the requirements of the Exchange Act, this report has been signed by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Date: February 22, 2008

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

Date: February 22, 2008

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

DIRECTORS

/s/ Lewis A. Sanders
Lewis A. Sanders
Chairman of the Board

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

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

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

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

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

/s/ Henri de Castries
Henri de Castries
Director

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

/s/ Denis Duverne
Denis Duverne
Director

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

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

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

/s/ Peter Etzenbach
Peter Etzenbach
Director

Schedule II

AllianceBernstein L.P.
Valuation and Qualifying Account - Allowance for Doubtful Accounts
For the Three Years Ending December 31, 2007, 2006, and 2005

Description	Balance at Beginning of Period	Charged to Costs and Expenses	Deductions	Balance at End of Period
		(in thousands)		
For the year ended December 31, 2005	$ 1,707	$ 55	$ 823 **(a)**	$ 939
For the year ended December 31, 2006	$ 939	$ 251	$ 77 **(b)**	$ 1,113
For the year ended December 31, 2007	$ 1,113	$ 955	$ 276 **(c)**	$ 1,792

(a) Includes accounts written-off as uncollectible of $123 and a net reduction of the allowance balance of $700.
(b) Includes accounts written-off as uncollectible of $93 and a net addition to the allowance balance of $16.
(c) Includes accounts written-off as uncollectible of $267 and a net reduction of the allowance balance of $9.

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 22, 2008 appearing in the 2007 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
New York, New York
February 22, 2008

Report of Independent Registered Public Accounting Firm

The General Partner and Unitholders
AllianceBernstein L.P.:

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

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

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

Exhibit 10.01

AMENDED AND RESTATED
ALLIANCEBERNSTEIN PARTNERS COMPENSATION PLAN

As Amended and Restated Effective as of January 1, 2005
(as amended through November 28, 2007)

AllianceBernstein Holding L.P. (together with any successor to all or substantially all of its business and assets, "**Holding**") and its successor and affiliate AllianceBernstein L.P. (together with any successor to all or substantially all of its business and assets, "**AllianceBernstein**") have established this Amended and Restated AllianceBernstein Partners Compensation Plan (the "**Plan**") to (i) create a compensation program to attract and retain eligible employees expected to make a significant contribution to the future growth and success of Holding and AllianceBernstein, including their respective subsidiaries and (ii) foster the long-term commitment of these employees through the accumulation of capital and increased ownership of equity interests in Holding.

The right to defer Awards hereunder shall be considered a separate plan within the Plan. Such separate plan shall be referred to as the "**APCP Deferral Plan**." The APCP Deferral Plan is maintained primarily for the purpose of providing deferred compensation to a select group of management or highly compensated employees (a "**Top Hat Employee**"). No one who is not a Top Hat Employee may defer compensation under the APCP Deferral Plan.

The Plan was amended and restated effective as of January 1, 2005 to clarify and reflect administrative practices and to comply in good faith with Section 409A of the Internal Revenue Code (the "**Code**") and the guidance issued thereunder ("**Section 409A**"). The Plan has been amended through November 28, 2007 in order 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 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, if the Participant, is:

(i) 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, or

(ii) 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, receiving income replacement benefits for a period of not less than 3 months under an accident and health plan covering employees of the Company.

(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.

(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 that percentage of such Participant's Award which shall be treated for purposes of the Plan as (a) notionally invested in (i) Restricted Units and (ii) each of the Approved Funds, and (b) invested in Options through the Special Program. The Committee in its sole discretion may, but shall not be obligated to, permit each Participant to reallocate notional investments in each Account among Restricted Units and the various Approved Funds or just among the Approved Funds, subject to, without limitation, restrictions as to the frequency with which such reallocations may be made. The Committee may determine for each calendar year a minimum percentage and a maximum percentage of each Award that may be treated as notionally invested in Restricted Units and each Approved Fund. The Committee may also determine for each calendar year a minimum and a maximum percentage of each Award that may be allocated to Options. As soon as reasonably practicable after the end of each calendar year, a statement shall be provided to each such Participant indicating the current balance in each Account maintained for the Participant as of the end of the calendar year, and the amounts in such Account notionally allocated to Restricted Units and each of the Approved Funds, and the amount in such Account allocated to Options.

Section 2.04 *Earnings on an Account*.

(a) Each Award for which an Investment Election Form has been validly submitted shall be credited to a separate Account in the proportions set forth in such Investment Election Form or as directed by the Committee. The amount of such Account shall be treated as notionally invested in Restricted Units or Approved Funds, as applicable, as of a date determined by the Committee (the "**Earnings Date**"), which shall be no later than forty-five days after the Effective Date. Notwithstanding Sections 2.05 and 2.06, Earnings will be credited or debited, as applicable, beginning from the Earnings Date but will not be credited or debited for any period prior to the Earnings Date.

(b) Not less frequently than as of the end of each calendar year following the year during which an Account is established in connection with an Award, each Account maintained under the Plan will be credited or debited, as applicable, with the amount, if any, necessary to reflect Earnings as of that date.

Section 2.05 *Awards Invested in Approved Funds*.

(a) To the extent the Committee or an Investment Election Form validly directs the notional investment of all or a part of any Award in Approved Funds, that portion of such Award so designated shall, as of a date determined by the Committee, be treated as notionally invested in such Approved Funds. If a cash dividend or other cash distribution is made with respect to Approved Funds, as of a date determined and as calculated by the Committee in its sole discretion, a Participant whose Account is notionally invested in Approved Funds (whether vested or unvested) will have such notional investment increased by an amount equal to the cash dividend or other cash distribution that would have been due on the Account had there actually been an investment in Approved Funds. Such increase shall be proportionately allocated by the Committee in its sole discretion between Approved Funds, as applicable, and such increase shall be vested at all times.

(b) To the extent any Approved Fund is terminated, liquidated, merged with another fund or experiences a major change in investment strategy or other extraordinary event, the Committee may, if so authorized by the Board, in such manner as it may in its sole discretion deem equitable, reallocate or otherwise adjust the amount of any Account under this Article 2 to reflect the occurrence of such event.

Section 2.06 *Awards Invested in Restricted Units*.

(a) To the extent the Committee or an Investment Election Form validly directs the notional investment of all or part of any Award in Restricted Units, that portion of such Award so designated shall, as of a date and based on a Fair Market Value of a Holding Unit as determined by the Committee and pursuant to procedures established by the Committee from time to time, be converted into a whole number of Restricted Units. From and after the date of such conversion, that portion of an Award which has been validly made to notionally invest in Restricted Units shall be denominated, and shall thereafter be treated for all purposes as, a grant of that number of Restricted Units determined pursuant to the preceding sentence.

(b) If a cash dividend or other cash distribution is made with respect to Holding Units, 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).

ARTICLE 4
DISTRIBUTIONS

Section 4.01 *General*. Subject to Section 2.06(b), no Award will be distributed unless such distribution is permitted under this Article 4. The payment of the vested portion of an Award, including Earnings thereon, shall be treated as drawn proportionately from the investment alternative(s) in effect as of the relevant payment date. Any such payment shall be made in Holding Units to the extent such payment is attributable to an Award notionally invested in Restricted Units. Any portion of an Award, including Earnings thereon, that is not vested will not be distributed hereunder.

Section 4.02 *Distributions If Deferral Election Is Not In Effect.*

(a) Unless a Participant elects otherwise on a Deferral Election Form under Sections 5.01 or 5.02 (if such election is permitted by the Committee), a Participant who has not had a Termination of Employment will have the vested portion of his Award, including Earnings thereon, distributed to him annually in the form of a lump sum within 30 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:

(iii) 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.

(iv) 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.

(v) 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.

(vi) 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 90 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 90 days following such anniversary.

Section 4.03 *Distributions If Deferral Election Is In Effect.*

(a) Subject to Section 4.03, 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 30 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 a Disability or has a Termination of Employment due to death, the elections made by such Participant on his Deferral Election Form shall be disregarded, and the vested portion of such Participant's Award, including Earnings thereon, will be distributed to him or his Beneficiary in a single lump sum payment within 30 days following the substantiation to the Committee of such event by the Participant or Beneficiary, as applicable.

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 cessation of deferrals 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" 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 10.02

Amended and Restated
1997 Long Term Incentive Plan
As Amended and Restated Effective as of January 1, 2005
(as amended through November 28, 2007)

Section 1. *Purpose.*

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

The Plan has been amended and restated effective as of January 1, 2005 to clarify and reflect administrative practices and to comply in good faith with Section 409A of the Internal Revenue Code (the "**Code**") and the guidance issued thereunder ("**Section 409A**"). The Plan has been amended through November 28, 2007 in order to comply with the final regulations issued under Section 409A.

Section 2. *Definitions.*

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

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

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

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

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

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

"Director" shall mean any member of the Board.

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

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

"Fair Market Value" shall mean, as of any given date and except as otherwise expressly provided by the Board in accordance with Section 409A: (i) with respect to a Unit, the closing price of a Unit on the New York Stock Exchange on such date or, if no sale of Units occurs on the New York Stock Exchange on such a date, the closing price of a Unit on such Exchange on the last preceding day on which such sale occurred; and (ii) with respect to any other property, the fair market value of such a property as determined by the Board in its sole discretion.

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

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

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

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

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

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

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

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

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

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

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

Section 3. *Administration.*

(a) *Authority of Committee*. The Plan shall be administered by the Committee. Subject to the terms of the Plan and applicable law, in addition to other express powers and authorizations conferred on the Committee by the Plan, and except as otherwise limited by the Board, the Committee shall have full power and authority to (i) designate Participants; (ii) determine the type or types of Awards to be granted to an eligible Employee or, subject to Section 3(b), Director; (iii) determine the number of Units to be covered by, or with respect to which payments, rights, or other matters are to be calculated in connection with, Awards; (iv) determine the terms and conditions of any Award; (v) determine whether, to what extent, and under what circumstances Awards may be exercised, canceled, forfeited, or suspended and the method or methods by which Awards may be exercised, canceled, forfeited, or suspended; (vi) determine whether, to what extent, and under what circumstances Units, other securities, other Awards, other property and other amounts payable with respect to an Award shall be deferred either automatically or at the election of the holder thereof or of the Committee, and in any event, in accordance with Section 409A; (vii) interpret and administer the Plan and any instrument or agreement relating to, or Award made under, the Plan; (viii) establish, amend, suspend, or waive such rules and regulations and appoint such agents as it shall deem appropriate for the proper administration of the Plan; and (ix) make any other determination and take any other action that the Committee deems necessary or desirable for the administration of the Plan.

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

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

Section 4. *Units Available for Awards.*

(a) *Units Available.*

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

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

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

(c) *Adjustments.* In the event that the Committee determines that any distribution (whether in the form of cash, limited partnership interests, other securities, or other property), recapitalization (including, without limitation, any subdivision or combination of limited partnership interests), reorganization, consolidation, combination, repurchase, or exchange of limited partnership interests or other securities of the Partnership or Holding, issuance of warrants or other rights to purchase limited partnership interests or other securities of the Partnership or Holding, any incorporation (or other change in form) of the Partnership or Holding, or other similar transaction or event affects the Units such that an adjustment is determined by the Committee to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, then the Committee may, if so authorized by the Board, in such manner as it may deem equitable, adjust any or all of (i) the number of Units or other securities of the Partnership or Holding (or number and kind of other securities or property) with respect to which Awards may be granted under Sections 4(a) and 4(b), (ii) the number of Units or other securities of the Partnership or Holding (or number and kind of other securities or property) subject to outstanding Awards, and (iii) the grant or exercise price with respect to any Award, or, if deemed appropriate, make provision for a cash payment to the holder of an outstanding Award. In the event of incorporation (or other change in form) of the Partnership or Holding, the Committee may, if so authorized by the Board, make such adjustments as it deems appropriate and equitable with respect to Options for the optionee to purchase stock in the resulting corporation in place of the Options. Any such adjustment or arrangement may provide for the elimination without compensation of any fractional Unit which might otherwise become subject to an Option, and shall be final and binding upon the optionee.

Section 5. *Eligibility.*

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

Section 6. *Awards.*

(a) *Options.*

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

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

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

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

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

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

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

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

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

(c) *Performance Awards.*

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

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

(iii) *Payment of Performance Awards*. Performance Awards may be paid in a lump sum or in installments following the close of the performance period or, in accordance with procedures established by the Committee and in accordance with Section 409A, on a deferred basis.

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

Section 7. *General Provisions Applicable to Awards.*

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

(b) *Forms of Payment by Partnership Under Awards.* Subject to the terms of the Plan and of any applicable Award Agreement and the requirements of applicable law, payments or transfers to be made by the Partnership or an Affiliate upon the grant, exercise or payment of an Award may be made in such form or forms as the Committee shall determine, including Units, other securities, other Awards or other property, or any combination thereof, and may be made in a single payment or transfer, in installments, or on a deferred basis, in each case in accordance with rules and procedures established by the Committee in accordance with Section 409A. Such rules and procedures may include, without limitation, provisions for the payment or crediting of reasonable interest on installment or deferred payments.

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

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

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

Section 8. *Amendment and Termination.*

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

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

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

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

Section 9. *Miscellaneous.*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 10. *Term of the Plan.*

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

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

SECTION 11. *Section 409A of the Code.*

Although none of the Committee, the Partnership, Holding, any of their affiliates, or any of 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 payments that are 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 Committee, the Partnership, Holding, 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.

Exhibit 10.03

ALLIANCEBERNSTEIN COMMISSION SUBSTITUTION PLAN

As Amended And Restated Effective As Of January 1, 2005
(as amended through November 28, 2007)

AllianceBernstein 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 has been amended and restated effective as of January 1, 2005 to clarify and reflect administrative practices and to comply in good faith with Section 409A of the Internal Revenue Code (the "**Code**") and the guidance issued thereunder ("**Section 409A**"). The Plan has been amended through November 28, 2007 in order 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 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.

(i) "**Cause**" means: (i) an act or acts constituting a felony under the laws of the United States or any state thereof; (ii) willful dishonesty in the performance of a Participant's duties; (iii) acts or omissions by a Participant in the performance of his or her duties which are substantially injurious to the financial condition or business reputation of any of the Companies; (iv) a Participant's continued failure substantially to perform his or her duties; or (v) willful insubordination or failure to follow a lawful directive.

(j) "**Code**" means the Internal Revenue Code of 1986, as amended from time to time.

(k) "**Committee**" means the administrative committee designated by Alliance's management from time to time to administer the plan.

(l) "**Company**" means 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,

(i) 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, or

(ii) 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, receiving income replacement benefits for a period of not less than 3 months under an accident and health plan covering employees of the Company.

(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, 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 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 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, 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 a Disability or has a Termination of Employment due to death, the elections made by such Participant on his Deferral Election Form shall be disregarded, and the vested portion of such Participant's Award, including Earnings thereon, will be distributed to him or his Beneficiary, as applicable, in a single lump sum payment within 90 days following the Participant's Disability in the case of Disability, or, in the case of death, in the calendar year in which the 180th day anniversary of the death occurs.

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 cessation of deferrals 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 between January 1, 2005 and December 31, 2005, a Deferral Election Form may be submitted by March 15, 2005.

(c) A Deferral Election Form may be submitted at such other time or times as permitted by the Committee in accordance with Section 409A of the Code.

Section 5.02. *Changes in Time and Form of Distribution.* The elections set forth in a Participant's Deferral Election Form governing the payment of the vested portion of an Award, including Earnings thereon, pursuant to Section 5.01 shall be irrevocable as to the Award covered by such election; *provided, however*, if permitted by the Committee, a Participant shall be permitted to change the time and form of distribution of such Award by making a subsequent election on a Deferral Election Form supplied by the Committee for this purpose in accordance with procedures established by the Committee from time to time, provided that any such subsequent election does not take effect for at least 12 months, is made at least 12 months prior to the scheduled distribution commencement date for such Award and the subsequent election defers commencement of the distribution for at least five years from the date such payment otherwise would have been made.

ARTICLE 6
ADMINISTRATION; MISCELLANEOUS

Section 6.01. *Administration of the Plan*. The Plan is intended to be an unfunded, non-qualified incentive plan and the ACSP Deferral Plan is intended to be an unfunded, non-qualified deferred compensation plan within the meaning of ERISA and shall be administered by the Committee as such. The right of any Participant or Beneficiary to receive distributions under the Plan shall be as an unsecured claim against the general assets of AllianceBernstein. Notwithstanding the foregoing, AllianceBernstein, in its sole discretion, may establish a "rabbi trust" to pay benefits hereunder. The Committee shall have the full power and authority to administer and interpret the Plan and to take any and all actions in connection with the Plan, including, but not limited to, the power and authority to prescribe all applicable procedures, forms and agreements. The Committee's interpretation and construction of the Plan, including its computation of notional investment returns and Earnings, shall be conclusive and binding on all Persons having an interest in the Plan.

Section 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 10.04

AllianceBernstein L.P.
Amended and Restated Century Club Plan

1. *Purpose*. The purpose of the AllianceBernstein L.P. Century Club Plan (the "Plan") is to provide an incentive to employees ("Sales Employees") of AllianceBernstein Investments, Inc. ("AllianceBernstein Investments") or another subsidiary of AllianceBernstein L.P. ("AllianceBernstein") whose primary responsibilities are to assist in the distribution of shares of or interests in investment companies, including business development companies, managed by AllianceBernstein or a subsidiary of AllianceBernstein. These purposes are to be furthered by AllianceBernstein agreeing from time to time to award to such persons units representing assignments of beneficial ownership of limited partnership interests in AllianceBernstein Holding L.P. (the "Units") on the condition that such persons meet sales targets or other sales criteria.

2. Administration.
(a) The Plan shall be administered by the Board Compensation Committee ("Compensation Committee") of the Board of Directors (the "Board") of AllianceBernstein Corporation (the "General Partner"), the general partner of AllianceBernstein, or another committee designated by the Board (the "Designated Committee"). If appointed, the Designated Committee shall be comprised of two or more members. The Compensation Committee or the Designated Committee, as applicable, shall hereinafter be referred to as the Administrator.

(b) The Administrator shall have full and complete authority in its discretion, but consistent with and subject to the express provisions of the Plan, to (i) select the Sales Employees to whom Units shall be awarded under the Plan upon the satisfaction by such Sales Employees of sales targets or other sales criteria, (ii) specify the level of sales or other criteria to be achieved as a condition to an award of Units, (iii) determine the number of Units to be awarded, (iv) determine any vesting conditions to which an award of Units may be subject (as more fully described in Section 6), and (v) adopt such rules and regulations and make all other determinations deemed necessary or desirable for the administration of the Plan.

3. *Eligibility*. Sales Employees eligible to participate in the Plan for a given year shall be those employees who are selected by the Administrator whose primary responsibility is to assist in the distribution of shares of or interests in investment companies, including business development companies, managed by AllianceBernstein or a subsidiary of AllianceBernstein. Such employees shall include, among others, those categories of individuals employed by AllianceBernstein Investments customarily referred to as "wholesalers" and "dealer marketers." No member of the Board or any "officer" of AllianceBernstein or the General Partner, as the term "officer" is defined in Rule 16a-1(f) under the Securities Exchange Act of 1934, shall be eligible to participate in the Plan. An eligible Sales Employee may be awarded Units under the Plan upon more than one occasion.

4. *Units*. Except as otherwise provided in this Section 4, for any period, the aggregate number of Units that may be awarded under the Plan (the "Plan Units") shall in no event be in excess of the number of Units that are available for award under the AllianceBernstein Amended and Restated 1997 Long-Term Incentive Plan, as amended ("1997 Incentive Plan"), for such period, subject to adjustment in accordance with the provisions of Section 8 below. The maximum number of Units that may otherwise be awarded under the Century Club Plan is to be increased by the number of Units tendered to Holding or the Partnership by an employee in payment of a Withholding Amount (as defined below in Section 10). In addition, the maximum number of Units is subject to adjustment in the event of a change in the Units or the units of limited partnership interest of AllianceBernstein, or an incorporation of either Holding or AllianceBernstein. Units awarded under the Century Club Plan may be either authorized but previously unissued Units or Units reacquired by Holding, AllianceBernstein or a subsidiary of AllianceBernstein in open-market purchases. Any Plan Unit which for any reason is forfeited shall be treated for purposes of this Section 4 as if the Plan Unit had never been awarded.

5. *Award of Plan Units.* The Administrator may award Plan Units under the Plan for any year which ends on or after the Plan is approved by the Unitholders of AllianceBernstein.

6. Vesting of Plan Units.

(a) General. In the discretion of the Administrator, the rights and interests of a recipient of Plan Units in all or a portion of any Plan Units awarded hereunder with be subject to such vesting conditions as are specified by the Administrator at the time of the award, which conditions shall be set forth in a schedule prepared by the Administrator and provided to the recipient.

(b) *Termination of Employment*.

(i) The rights of a recipient of an award of unvested Plan Units will vest with respect to such Plan Units (A) in each particular instance as the conditions of vesting prescribed by the Administrator are met, (B) as of the last day of the recipient's employment with the Partnership if the recipient ceases to be in the employ of the Partnership by reason of the recipient's (x) death, (y) Disability (as defined below), or (z) termination of employment with the Partnership by the Partnership for any reason other than for Cause (as defined below), and (C) immediately prior to the sale of all or substantially all of the Partnership's business or assets to a person or entity (other than an Affiliate of the Partnership) which is in connection with a liquidation of the Partnership other than in connection with an Adverse Tax Determination (as the terms "Affiliate" and "Adverse Tax Determination" are defined in the Agreement of Limited Partnership (As Amended And Restated).

(ii) A recipient with forfeit all of his rights and interests in all then unvested Plan Units (i) as of the last day of his employment with the Partnership if he ceases to be in the employ of the Partnership other than under a circumstance in which his rights in the Plan Units vest in accordance with paragraph (b) of this Section 6, or (ii) as of the date of the written determination described in Section 15.1(a)(iv) of the Agreement of Limited Partnership of Alliance Capital Management L.P. (in connection with the reasonably contemplated insolvency of bankruptcy of the Partnership), if the Partnership is, accordingly, then dissolved and liquidated. Any unvested Plan Units which are forfeited shall be transferred to the Partnership in accordance with the instructions of the Administrator. A recipient shall receive no compensation in respect of the forfeiture of unvested Plan Units.

(iii) “Disability” shall mean a determination by the Administrator in good faith that a person is physically or mentally incapacitated and has been unable for a period of six consecutive months to perform the duties for which he was responsible immediately before the onset of his incapacity. In order to assist the Administrator in making a determination as to the Disability of the person for purposes of this paragraph (b), the person shall, as reasonably requested by the Administrator, (A) make himself available for medical examinations by one or more physicians chosen by the Administrator and approved by the recipient, whose approval shall not unreasonably be withheld, and (B) grant the Administrator and any such physicians access to all relevant medical information concerning him, arrange to furnish copies of medical records to them and use his best efforts to cause his own physicians to be available to discuss his health with them. “Cause” shall mean (A) the person’s continuing willful failure to perform his duties as an employee (other than as a result of his total or partial incapacity due to physical or mental illness), (B) gross negligence or malfeasance in the performance of the person’s duties, (C) a finding by a court or other governmental body with proper jurisdiction that an act or acts by the recipient constitutes (1) a felony under the laws of the United States or any state thereof (or, in the case of a person whose place of employment is outside of the United States, a serious crime under the laws of the foreign jurisdiction where he 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, in the case of a person whose 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 person 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, (E) any breach by the person of any obligation of confidentiality or non-competition to the Partnership, or (F) any additional circumstances set forth by the Administrator at the time of the award.

7. *Nontransferability.* A Plan Unit which is unvested at the time of award shall not be transferred, unassigned, pledged or encumbered other than a transfer by will or the laws of descent and distribution until the Plan Unit vests in accordance with Section 6.

8. *Adjustments*. Neither the existence of the Plan nor any designations or awards made under the Plan shall impair the right of the Partnership or its partners to, among other things, conduct, make or effect any change in the Partnership’s business, any issuance of debt obligations or other securities by the Partnership, any grant of options with respect to an interest in the Partnership or any adjustment, recapitalization or other change in the partnership interests of the Partnership (including, without limitation, any distribution, subdivision or combination of limited partnership interests), or any incorporation of the Partnership, provided that any such action is not in violation of the Partnership Agreement. In the event of such a change in the partnership interests of the Partnership, the Board shall make such adjustments as it deems appropriate and equitable in the number and kind of Units subject to the Plan.

9. *Amendment and Termination*. The Board may terminate, amend or modify the Plan at any time in any respect it deems advisable, provided that no such action of the Board may without approval of the holders of a majority of the outstanding Units entitled to vote thereon materially (i) increase the benefits accruing to participants under the Plan, (ii) increase the total number of Plan Units which may be awarded under the Plan or (iii) modify the requirements for Plan eligibility.

10. *Payment of Withholding Tax*. The Administrator shall require, as a condition to an award hereunder, that the recipient of the award agree that (a) in the event that the Partnership determines that any federal, state or local tax or any other charge is required by law to be withheld with respect to the Plan Units awarded, the vesting Plan Units, or an election under section 83(b) of the Internal Revenue Code of 1986, as amended (a "Withholding Amount") then, in the discretion of the Administrator, either (i) prior to or contemporaneously with the delivery of Plan Units to the recipient, the recipient shall pay the Withholding Amount to the Partnership in cash or in vested Units already owned by the recipient (which are not subject to a pledge or other security interest), or a combination of cash and such Units, having a total fair market value, as determined by the Administrator, equal to the Withholding Amount; (ii) the Partnership shall retain from any vested Plan Units to be delivered to the recipient that number of Plan Units having a fair market value, as determined by the Administrator, equal to the Withholding Amount (or such portion of the Withholding Amount that is not satisfied under (i)) as payment of the Withholding Amount; or (iii) if Plan Units are delivered without the payment of the Withholding Amount pursuant to either (i) or (ii), the recipient shall promptly pay the Withholding Amount to the Partnership on at least seven business days notice from the Administrator either in cash or in vested Units owned by the recipient (which are not subject to a pledge or other security interest), or a combination of cash and such Units, having a total fair market value, as determined by the Administrator, equal to the Withholding Amount, and (b) in the event that the recipient does not pay the Withholding Amount to the Partnership as required pursuant to (a) or make arrangements satisfactory to the Partnership regarding payment thereof, the Partnership may withhold any unpaid portion thereof from any amount otherwise due to the recipient from the Partnership.

11. *Section 83(b) Election*. A recipient with not make an election under section 83(b) of the Internal Revenue Code of 1986, as amended, with respect to an award of Plan Units unless, prior to the date such election is filed with the Internal Revenue Service, the recipient (i) notifies the Administrator of the recipient's intention to file such election, (ii) furnishes the Administrator with a copy of the election to be filed, and (iii) pays (or makes arrangements for the payment thereof satisfactory to the Administrator) the Withholding Amount to the Partnership in accordance with Section 10.

12. *Investment Purpose and Legal Requirements*.
(a) At the time of the award of Plan Units, the Partnership may, if it shall deem it necessary or advisable for any reason, require the recipient (i) to represent in writing to the Partnership that it is the intention of the recipient to acquire the Plan Units for investment and not with a view to the distribution thereof, or (ii) to postpone the date of delivery of the Plan Units until such time as the Partnership has available for delivery to the recipient a prospectus meeting the requirements of all applicable securities laws.

(b) No Plan Units shall be issued or transferred to the recipient unless and until all legal requirements applicable to the issuance or transfer of such Units have been complied with to the satisfaction of the Partnership. The Partnership shall have the right to condition any issuance of Plan Units hereunder on the recipient's undertaking in writing to comply with such restrictions on the subsequent transfer of such Units as the Partnership shall deem necessary or advisable as a result of any applicable law, regulation or official interpretation thereof, and certificates representing such Units may contain a legend to reflect any such restrictions.

13. *Legends on Plan Units Certificates*. Every certificate representing Plan Units with respect to which restrictions pursuant to Sections 6 and 7 hereof remain in effect shall bear a legend describing the restrictions to which the Units are subject. When Plan Units cease to be subject to such restrictions, the owner thereof may surrender to the Partnership the certificate or certificates representing such Plan Units and receive in exchange therefore a new certificate or certificates representing such Units free of the legend and a certificate or certificates representing the remainder of the Units, if any, with the legend.

14. *Subsidiaries of Partnership*. For purposes of the Plan, employment by a Subsidiary of the Partnership shall be deemed to be employment by the Partnership, and, unless the context otherwise requires, the term Partnership shall include the Partnership and each of its Subsidiaries. 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.

15. *Right to Terminate Employment*. Nothing contained in the Plan shall confer upon any person a right to be employed by or to continue in the employ of the Partnership, or interfere in any way with the right of the Partnership to terminate the employment of a participant in the Plan at any time, with or without cause.

16. *Finality of Determinations*. Each determination, interpretation or other action made or taken pursuant to the provisions of the Plan by the Administrator shall be final and shall be binding and conclusive for all purposes.

17. *Headings*. Section headings are used herein for convenience of reference only and shall not affect the meaning of any provision of the Plan.

18. *Rules of Construction*. Whenever the context so requires, the use of the masculine gender shall be deemed to include the feminine and vice versa, and the use of the singular shall be deemed to include the plural and vice versa.

19. *Governing Law*. The Plan shall be governed by and constructed in accordance with the internal laws of the State of New York.

20. *Expiration Date.* No award shall be made hereunder after the expiration date of the 1997 Incentive Plan.

Exhibit 10.05

AWARD AGREEMENT

UNDER THE AMENDED AND RESTATED
ALLIANCE PARTNERS COMPENSATION PLAN

You have been granted an award under the Amended and Restated Alliance Partners Compensation Plan (the "Plan"), as specified below:

Participant:

Amount of Award:

Date of Grant: December 31, 2007

In connection with your award (the "Award"), you, AllianceBernstein Holding L.P.("Holding") and AllianceBernstein L.P. ("Alliance") agree as set forth in this agreement (the "Agreement"). The Plan provides a description of the terms and conditions governing the Award. If there is any inconsistency between the terms of this Agreement and the terms of the Plan, the Plan's terms completely supersede and replace the conflicting terms of this Agreement. All capitalized terms have the meanings given them in the Plan, unless specifically stated otherwise in the Agreement.

You will be asked to make an election with respect to the investment of your Award as described in Section 3(b) of the Plan. Once you have made this election in accordance with the terms of the Plan and the election form, your Award will be treated as invested in either restricted Units of Holding, or in one or more designated money-market, debt or equity fund sponsored by Alliance or its Affiliate in accordance with the terms of the Plan applicable to Post-2000 Awards.

It is expressly understood that the Committee is authorized to administer, construe, and make all determinations necessary or appropriate to the administration of the Plan and this Agreement, all of which shall be binding upon you. The Committee is under no obligation to treat you or your award consistently with the treatment provided for other participants in the Plan.

This Agreement does not confer upon you any right to continuation of employment by a Company, nor does this Agreement interfere in any way with a Company's right to terminate your employment at any time.

This Agreement 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 .

AllianceBernstein L.P.
By: AllianceBernstein L.P., General Partner
/s/ Robert H. Joseph, Jr.
Signature

Participant

Signature
Name:

Exhibit 10.06

SPECIAL OPTION PROGRAM UNDER THE
1997 LONG TERM INCENTIVE PLAN

INITIAL OPTION AWARD AGREEMENT

AGREEMENT, dated as of December 7, 2007, 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 (i) options ("Initial 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, and (ii) options ("Match Options") to purchase Units that vest over the next 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 the Participant Initial Options, which permit the Participant to purchase from the Partnership the number of Units set forth in Section 1 of Schedule A, at the per Unit price set forth in Section 2 of Schedule A, subject to the vesting schedule set forth in Section 3 of Schedule A (*Match Options are granted pursuant to a Match Award Agreement, dated as of December 7, 2007, among the parties hereto*).

2. Term and Vesting Schedule. (a) The Initial Options shall not be exercisable to any extent prior to December 7, 2008 or after December 7, 2017 ("Initial Option Expiration Date"). Subject to the terms and conditions of this Agreement and the Plan, the Participant shall be entitled to exercise the Initial Options prior to the Initial Option Expiration Date and to purchase Units pursuant to the Initial Options in accordance with the schedule set forth in Section 3 of Schedule A.

(b) The right to exercise the Initial Options shall be cumulative so that to the extent the Initial 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 Initial 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 Initial Option Expiration Date (i.e., any Units subject to the Options that have not been purchased on or before the Initial Option Expiration Date may no longer be purchased). A Unit shall be considered to have been purchased on or before the Initial 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 Initial Option Expiration Date.

3. Notice of Exercise, Payment, Certificate and Account. Exercise of the Initial 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 Initial 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 Initial 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 Initial 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 Initial Option Expiration Date. "Disability" shall mean a determination by the Administrator that the Participant is physically or mentally incapacitated and has been unable for a period of six consecutive months to perform the duties for which the Participant was responsible immediately before the onset of incapacity. In order to assist the Administrator in making a determination as to the Disability of the Participant for purposes of 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 Administrator and approved by the Participant, whose approval shall not unreasonably be withheld, and (B) grant 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 termination of employment with the Partnership because of Disability (as determined in accordance with paragraph (a) above), or (iii) within one month after the Partnership terminates the Participant's employment for any reason other than for Cause (as determined in accordance with paragraph (c) below), all outstanding Initial Options held by the Participant (and not previously cancelled or expired) may be exercised by the person or persons to whom the Initial 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 Initial Option Expiration Date.

(c) Other Termination. If the Partnership terminates the Participant's employment for any reason other than death, Disability or for Cause, the Participant shall have the right to exercise the Initial Options, to the extent that the Participant was entitled to do so on the date of the termination of the Participant's employment, for a period which ends not later than the earlier of (i) three months after such termination, and (ii) the Initial 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 Initial 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 Initial 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 Initial Options are exercisable only by the Participant; except that Participant may transfer the Initial 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 Initial 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 Initial 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 Initial 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 Initial 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 Initial 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 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 Initial Options. It may not be amended except by a written agreement signed by both parties.

ALLIANCEBERNSTEIN L.P.
ALLIANCEBERNSTEIN HOLDING L.P.

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

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

ACCEPT

DECLINE

SCHEDULE A
TO
SPECIAL OPTION PROGRAM AGREEMENT

INITIAL OPTIONS

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

2. The per Unit price to purchase Units pursuant to the Initial Options granted under this Agreement is $80.46 per Unit.

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

1. December 7, 2008	20.0%
2. December 7, 2009	40.0%
3. December 7, 2010	60.0%
4. December 7, 2011	80.0%
5. December 7, 2012	100.0%

SPECIAL OPTION PROGRAM UNDER THE
1997 LONG TERM INCENTIVE PLAN

MATCH OPTION AWARD AGREEMENT

AGREEMENT, dated as of December 7, 2007, 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 (i) options ("Initial 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, and (ii) options ("Match Options) to purchase Units that vest over the next 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 the Participant Match Options, which permit the Participant to purchase from the Partnership the number of Units set forth in Section 1 of Schedule A, at the per Unit price set forth in Section 2 of Schedule A, subject to the vesting schedule set forth in Section 3 of Schedule A (*Initial Options are granted pursuant to an Initial Award Agreement, dated as of December 7, 2007, among the parties hereto*).

2. Term and Vesting Schedule. (a) The Match Options shall not be exercisable to any extent prior to December 7, 2013 or after December 7, 2018 ("Match Option Expiration Date"). Subject to the terms and conditions of this Agreement and the Plan, the Participant shall be entitled to exercise the Match Options prior to the Match Option Expiration Date and to purchase Units pursuant to the Match Options in accordance with the schedule set forth in Section 3 of Schedule A.

(b) The right to exercise the Match Options shall be cumulative so that to the extent the Match 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 Match 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 Match Option Expiration Date (i.e., any Units subject to the Options that have not been purchased on or before the Match Option Expiration Date may no longer be purchased). A Unit shall be considered to have been purchased on or before the Match 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 Match Option Expiration Date.

3. Notice of Exercise, Payment, Certificate and Account. Exercise of the Match 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 Match 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 Match 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 Match 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 Match Option Expiration Date. "Disability" shall mean a determination by the Administrator that the Participant is physically or mentally incapacitated and has been unable for a period of six consecutive months to perform the duties for which the Participant was responsible immediately before the onset of incapacity. In order to assist the Administrator in making a determination as to the Disability of the Participant for purposes of 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 Administrator and approved by the Participant, whose approval shall not unreasonably be withheld, and (B) grant 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 termination of employment with the Partnership because of Disability (as determined in accordance with paragraph (a) above), or (iii) within one month after the Partnership terminates the Participant's employment for any reason other than for Cause (as determined in accordance with paragraph (c) below), all outstanding Match Options held by the Participant (and not previously cancelled or expired) may be exercised by the person or persons to whom the Match 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 Match Option Expiration Date.

(c) Other Termination. If the Partnership terminates the Participant's employment for any reason other than death, Disability or for Cause, the Participant shall have the right to exercise the Match 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 Match 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 Match 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 Match 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 Match Options are exercisable only by the Participant; except that Participant may transfer the Match 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 Match 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 Match 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 Match 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 Match 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 Match 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 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 Match Option Award Agreement, please click the "Accept" button below:

ACCEPT

DECLINE

SCHEDULE A
TO
SPECIAL OPTION PROGRAM AGREEMENT

MATCH OPTIONS

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

2. The per Unit price to purchase Units pursuant to the Match Options granted under this Agreement is $80.46 per Unit.

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

1. December 7, 2013	20.0%
2. December 7, 2014	40.0%
3. December 7, 2015	60.0%
4. December 7, 2016	80.0%
5. December 7, 2017	100.0%

Exhibit 10.07

ALLIANCEBERNSTEIN L.P.
FINANCIAL ADVISOR WEALTH ACCUMULATION PLAN

INCENTIVE AWARD AGREEMENT

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

Preliminary Statement

The Participant has been authorized to receive the following Incentive Award under the AllianceBernstein Financial Advisor Wealth Accumulation Plan (the "Plan"). Unless otherwise indicated, any capitalized term used but not defined herein shall have the meaning ascribed to such term in the Plan and the Administrative Guidelines attached hereto. A copy of the Plan has been delivered to the Participant. By signing and returning this Agreement, the Participant acknowledges having received and read a copy of the Plan and agrees to comply with it and this Agreement, the attached Administrative Guidelines and all applicable laws and regulations.

Accordingly, the Company and the Participant agree as follows:

1. **Incentive Award**. Subject to the restrictions, terms and conditions of the Plan and this Agreement (including its attachments), the Company hereby awards an Incentive Award to the Participant of $.

2. **Vesting**.

(a) Except as set forth in subsection (b) below, the Incentive Award shall become vested and cease to be forfeitable (but shall remain subject to the other terms of this Agreement) as follows if the Participant has been continuously employed by the Company or an Affiliate until such date:

Vesting Date	Vested Percentage
January 1, 2008	14.3%
January 1, 2009	14.3%
January 1, 2010	14.3%
January 1, 2011	14.3%
January 1, 2012	14.3%
January 1, 2013	14.3%
January 1, 2014	14.2%

There shall be no proportionate or partial vesting in the periods prior to the applicable vesting dates and all vesting shall occur only on the appropriate vesting date.

(b) Notwithstanding Paragraph (a), a Participant's Incentive Benefit shall become immediately vested and cease to be forfeitable upon the Participant's death or when the participant becomes Disabled or upon Termination of Employment by the Company without Cause. For purposes of this Section, "Cause" shall mean a termination of employment due to the Participant's insubordination, dishonesty, fraud, moral turpitude, misconduct, refusal to perform his or her duties or responsibilities for any reason other than illness or incapacity or materially unsatisfactory performance of his or her duties for the Company or its Affiliates; the failure to remain licensed (to the extent required by applicable law) to perform his employment duties or the failure of the Participant to obtain all relevant licenses to perform such duties; the violation of any employment rules, policies or procedures of the Company (including internal compliance rules); an act or acts constituting a felony under the laws of the United States or any state thereof; or a violation of the federal or state securities laws.

3. **Forfeiture**. If the Participant's employment with the Company or any Affiliate is terminated for any reason, other than as described in Section 2(b) above, prior to becoming vested in accordance with Section 2(a) above, the Participant shall forfeit to the Company, without compensation, any and all unvested Incentive Benefits.

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

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

6. **Post-Termination Obligations.** The Participant agrees that the Plan and the Incentive Award being made thereunder are in further consideration of the Participant's confidentiality and non-solicitation obligations, which are set forth in Paragraphs 3, 4 and 5 of the Participant's employment agreement with AllianceBenstein L.P. Accordingly, Participant agrees that the provisions of those Paragraphs 3, 4 and 5 are incorporated in this Agreement by reference as if fully set forth.

7. **Death**. The Participant's Beneficiary shall be the persons designated pursuant to the form attached hereto. The Participant may change his designation of beneficiary(ies) at any time prior to his death by submitting a new beneficiary form to the Company.

8. **Controlling Law**. This Agreement shall be governed by and construed in accordance with the laws of the State of New York without giving effect to conflict of law provisions.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

ALLIANCEBERNSTEIN L.P.

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

ALLIANCEBERNSTEIN L.P.
FINANCIAL ADVISOR WEALTH ACCUMULATION PLAN

ELECTIVE DISTRIBUTION DATE & ELECTION DISTRIBUTION FORM
ELECTION FORM

The undersigned hereby elects under the AllianceBernstein L.P. Financial Advisor Wealth Accumulation Plan (the "Plan") as follows:

1. In lieu of receiving my Incentive Benefits in accordance with Section 6.1 of the Plan, I elect to receive (or commence receiving) my vested Incentive Benefits under the Plan on the following Elective Distribution Date:

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

   ☐ January 31, 20____ (this date must be later than date on which the Incentive Benefits will become 100% vested under Agreement).

2. In lieu of receiving my Incentive Benefits in accordance with Section 6.1 of the Plan, I elect to receive my Incentive Benefits under the Plan in the following Elective Distribution Form:

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

   ☐ A single lump sum.

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

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

ALLIANCEBERNSTEIN L.P.
FINANCIAL ADVISOR WEALTH ACCUMULATION PLAN

ADMINISTRATIVE GUIDELINES

Plan Eligibility

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

Participation Is Not Mandatory

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

Participation Deadlines

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

Determining the Amount of the Incentive Award

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

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

Investment Of the Incentive Award

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

Available Investment Elections

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

Incentive Award Vesting Schedule

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

Incentive Award Distributions

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

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

Effect of Plan Participation on Commissions

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

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

Adjustments To Incentive Awards

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

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

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

Plan Adminsitration

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

Exhibit 10.08

EXECUTION COPY

REVOLVING CREDIT AGREEMENT
Dated as of January 25, 2008

among

SANFORD C. BERNSTEIN & CO., LLC,
as Borrower,

ALLIANCEBERNSTEIN L. P.,
as US 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 HEREOF AS “BANKS”

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REVOLVING CREDIT AGREEMENT

THIS REVOLVING CREDIT AGREEMENT, dated as of January 25, 2008 (this "Credit Agreement"), by and among SANFORD C. BERNSTEIN & CO., LLC, a Delaware limited liability company (together with its permitted successors, the "Borrower"), ALLIANCEBERNSTEIN L.P., a Delaware limited partnership (together with its permitted successors, the "US Guarantor"), the financial institutions from time to time party hereto (collectively, the "Banks"), and CITIBANK, N.A., as administrative agent for the Banks (in such capacity, the "Administrative Agent");

W I T N E S S E T H:

WHEREAS, the Borrower desires to obtain from the Banks certain credit facilities as described in this Credit Agreement to fund the Borrower's obligations resulting from engaging in certain securities trading and custody activities;

WHEREAS, the Banks are willing to provide such credit facilities to the Borrower upon the terms and conditions set forth in this Credit Agreement; and

WHEREAS, the Administrative Agent is willing to act as administrative agent, for the Banks in connection with such credit facilities as provided in this Credit Agreement;

NOW, THEREFORE, in consideration of the foregoing, the mutual covenants and agreements set forth hereinbelow, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties, the parties hereto do hereby agree as follows:

1. DEFINITIONS AND RULES OF INTERPRETATION.

1.1 Definitions. The following terms shall have the meanings set forth in this Section 1.1 or elsewhere in the provisions of this Credit Agreement referred to below:

Accounting Change. As defined in Section 6.12.

Accounting Notice. As defined in Section 6.12.

Acquisition. As defined in Section 7.2.

Administrative Agent. Citibank, acting as administrative agent for the Banks, or any successor Administrative Agent appointed pursuant to Section 13.1.6.

Administrative Agent's Office. The Administrative Agent's operational office located at Two Penns Way, New Castle, Delaware 19720, or at such other location as the Administrative Agent may designate in a written notice to the other parties hereto from time to time.

Affected Computation. As defined in Section 6.12.

Affiliate. As defined under Rule 144 (a) under the Securities Act of 1933, as amended, but, in the case of any Loan Party, not including any Subsidiary or any investment fund which is managed or advised by such Loan Party.

Agent-Related Person. The Administrative Agent, together with its Affiliates (including, in the case of Citibank, in its capacity as the Administrative Agent, and Citigroup Global Markets Inc.), and the officers, directors, employees, agents and attorneys-in-fact of such Persons and Affiliates.

Alliance Distributors. AllianceBernstein Investments, Inc., a Delaware corporation, or any successor thereto as the primary distributor of securities of investment companies sponsored by the US Guarantor or its Subsidiaries.

Alternate Base Rate. A simple interest rate equal to the higher of (a) the Federal Funds Rate Basis plus one-half of one percent (0.50%) or (b) the Prime Rate. The Alternate Base Rate shall be adjusted automatically as of the opening of business as of the effective date of each change in the Federal Funds Rate Basis or the Prime Rate, as the case may be, to account for such change.

Alternate Base Rate Loan. A Loan which bears interest at the Alternate Base Rate.

Applicable Lending Office. With respect to each Bank, such Bank's Domestic Lending Office in the case of a Federal Funds Rate Loan, Alternate Base Rate Loan or Swing Loan and such Bank's LIBOR Lending Office in the case of a LIBOR Loan.

Applicable Margin. 0.15% per annum.

Approved Fund. Any Fund that is administered or managed by (a) a Bank, (b) an Affiliate of a Bank or (c) an entity or an Affiliate of an entity that administers or manages a Bank.

Assignment and Acceptance. an assignment and acceptance entered into by a Bank and an Eligible Assignee (with the consent of any party whose consent is required by Section 18.1), and accepted by the Administrative Agent, in substantially the form of Exhibit J or any other form approved by the Administrative Agent and the Borrower.

Attributable Indebtedness. On any date with respect to any Person, in respect of any Synthetic Lease Obligation of such Person, the capitalized amount of the remaining lease payments under the relevant lease that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP if such lease were accounted for as a Capitalized Lease.

AXA Default Notice. As defined in Section 6.5.5.

AXA Group. AXA, a *société anonyme à directoir et conseil de surveillance* organized under the laws of France, and its Subsidiaries.

AXA Guaranty. The guaranty delivered by AXA, a *société anonyme à directoir et conseil de surveillance* organized under the laws of France, in accordance with Section 9.

AXA Guaranty Event of Default. As defined in Section 3.2.3.

AXA Suspension Period. As defined in Section 3.2.3.

Bankruptcy Law. Any proceeding of the type referred to in Section 11.1(h) or (i) or Title 11, U.S. Code, or any similar foreign, federal or state law for the relief of debtors.

Banks. As defined in the preamble hereto.

Borrower. As defined in the preamble hereto.

Broker-Dealer Debt. The obligations incurred or otherwise arising in connection with the Securities Trading Activities of any Broker-Dealer Subsidiary.

Broker-Dealer Subsidiaries. The Subsidiaries listed on Schedule 2 attached hereto and each other Subsidiary that engages in activities of the type described in the definition of Securities Trading Activities and that is so designated by the US Guarantor in writing to the Administrative Agent; and "Broker-Dealer Subsidiary" means any one of such Broker-Dealer Subsidiaries.

Business. With respect to any Person, the assets, properties, business, operations and condition (financial and otherwise) of such Person.

Business Day. Any day on which banking institutions in New York, New York are open for the transaction of banking business and, in the case of LIBOR Loans, also a day which is a LIBOR Business Day.

Capitalized Leases. Leases under which the US Guarantor or any of its Consolidated Subsidiaries is the lessee or obligor, the discounted future rental payment obligations under which are required to be capitalized on the balance sheet of the lessee or obligor in accordance with GAAP.

CERCLA. As defined in Section 5.17(a).

Change of Control. (a) any issue, sale, or other disposition of Voting Equity Securities of the US Guarantor that results in any Person or group of Persons acting in concert (other than any of AXA Financial, Inc. and its Subsidiaries, and any member of the AXA Group) beneficially owning or controlling, directly or indirectly, more than eighty percent (80%) (by number of votes) of the Voting Equity Securities of the US Guarantor, (b) any issue, sale, or other disposition of Voting Equity Securities of the General Partner which results in any Person or group of Persons acting in concert (other than any of AXA Financial, Inc. and its Subsidiaries, and any member of the AXA Group) beneficially owning or controlling, directly or indirectly, more than fifty percent (50%) (by number of votes) of the Voting Equity Securities of the General Partner or (c) the consummation of any transaction which results in the Borrower ceasing to be a wholly-owned Subsidiary of the US Guarantor.

Change of Control Date. Any date upon which a Change of Control occurs.

Citibank. Citibank, N.A., a national banking association.

Closing Date. The date, not later than January 25, 2008, on which each of the conditions set forth in Section 9 is satisfied or waived.

Code. The Internal Revenue Code of 1986, as amended.

Commitment. With respect to each Bank party hereto on the date hereof, its obligation to make Loans to the Borrower, in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Bank's name on Schedule 1 under the caption "Commitment" or opposite such caption in the Assignment and Acceptance pursuant to which such Bank becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Credit Agreement; or if such commitment is terminated pursuant to the provisions hereof, zero.

Commitment Percentage. With respect to each Bank at any time, the percentage carried out to the ninth decimal place) of the Total Commitment represented by such Bank's Commitment at such time. If the Commitment of each Bank has been terminated in full pursuant to Section 2.5(a) or 11.1, or if the Commitments have expired, then the Commitment Percentage of each Bank shall be determined based on the Commitment Percentage of such Bank most recently in effect, after giving effect to any subsequent assignments. The initial Commitment Percentage of each Bank is set forth opposite the name of such Bank on Schedule 1 or in the Assignment and Acceptance pursuant to which such Bank becomes a party hereto, as applicable.

Consolidated or consolidated. Except as otherwise provided, with reference to any term defined herein, shall mean that term as applied to the accounts of the US Guarantor, the Consolidated Subsidiaries and the Excluded Funds consolidated in accordance with GAAP.

Consolidated Adjusted Cash Flow. With respect to any fiscal period, the sum of (A) EBITDA for such fiscal period, plus (B) non-cash charges (other than charges for depreciation and amortization) for such fiscal period to the extent deducted in determining Consolidated Net Income (or Loss) for such period.

Consolidated Adjusted Funded Debt. At any time, the aggregate outstanding principal amount of Funded Debt of the US Guarantor and the Consolidated Subsidiaries (whether owed by more than one of them jointly or by any of them singly) at such time determined on a consolidated basis and, except with respect to items (f) and (g) of the definition of Funded Debt, determined in accordance with GAAP.

Consolidated Leverage Ratio. As of any date of determination, the ratio of (a) Consolidated Adjusted Funded Debt as of such date *to* (b) Consolidated Adjusted Cash Flow for the period of the four fiscal quarters most recently ended for which the US Guarantor has delivered financial statements.

Consolidated Net Income (or Loss). The net income (or loss) of the US Guarantor and the Consolidated Subsidiaries, determined in accordance with GAAP, but excluding in any event:

(a) any portion of the net earnings of any Subsidiary that, by virtue of a restriction or Lien binding on such Subsidiary under a Contract or Government Mandate, is unavailable for payment of dividends to the US Guarantor or any other Subsidiary;

(b) earnings resulting from any reappraisal, revaluation, or write-up of assets; and

(c) any reversal of any contingency reserve, except to the extent that such provision for such contingency reserve shall have been made from income arising during the period subsequent to December 31, 2006, through the end of the period for which Consolidated Net Income (or Loss) is then being determined, taken as one accounting period.

Consolidated Net Worth. The excess of Consolidated Total Assets over Consolidated Total Liabilities, less, to the extent otherwise includible in the computations of Consolidated Net Worth, any subscriptions receivable with respect to Equity Securities of the US Guarantor or its Subsidiaries (with such adjustments as may be appropriate so as not to double count intercompany items).

Consolidated Subsidiaries. At any point in time, the Subsidiaries of the US Guarantor (which, as provided in the definition of "Subsidiary" do not include the Excluded Funds) that are consolidated with the US Guarantor for financial reporting purposes with respect to the fiscal period of the US Guarantor in which such point in time occurs.

Consolidated Total Assets. All assets of the US Guarantor determined on a consolidated basis (excluding the Excluded Funds) in accordance with GAAP.

Consolidated Total Liabilities. All liabilities of the US Guarantor determined on a consolidated basis (excluding the Excluded Funds) in accordance with GAAP.

Contracts. Contracts, agreements, mortgages, leases, bonds, promissory notes, debentures, guaranties, Capitalized Leases, indentures, pledges, powers of attorney, proxies, trusts, franchises, or other instruments or obligations.

Control Change Notice. As defined in Section 6.5.4.

Conversion Request. A notice given by the Borrower to the Administrative Agent of the Borrower's election to convert or continue a Loan in accordance with Section 2.9.

Co-Syndication Agent. JPMorgan Chase Bank, N.A. and Bank of America, N.A., acting as co-syndication agents.

Credit Agreement. This Revolving Credit Agreement, including the Schedules and Exhibits hereto.

Default. Any event or condition that constitutes an Event of Default or that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

Delinquent Bank. As defined in Section 13.3.

Disposition. As defined in Section 7.1.

Distribution. With respect to any Entity, the declaration or payment (without duplication) of any dividend or distribution on or in respect of any Equity Securities of such Entity, other than dividends payable solely in Equity Securities of such Entity that are not required to be classified as liabilities on the balance sheet of such Entity under GAAP; the purchase, redemption, or other retirement of any Equity Securities of such Entity, directly or indirectly through a Subsidiary of such Entity or otherwise; or the return of capital by such Entity to the holders of its Equity Securities as such.

Documentation Agent. HSBC Bank USA, National Association, acting as documentation agent.

Dollars or $. Dollars in lawful currency of the United States of America.

Domestic Lending Office. Initially, the office of each Bank designated as such in Schedule 1 hereto or in the Assignment and Acceptance pursuant to which it became a party hereto; thereafter, such other office of such Bank, if any, located within the United States that will be making or maintaining Federal Funds Rate Loans or Alternate Base Rate Loans.

Drawdown Date. The date on which any Loan is made or is to be made, and the date on which any Revolving Credit Loan is converted or continued in accordance with Section 2.9.

EBITDA. The Consolidated Net Income (or Loss) for any period, plus provision for any income taxes, interest (whether paid or accrued, but without duplication of interest accrued for previous periods), depreciation, or amortization for such period, in each case to the extent deducted in determining such Consolidated Net Income (or Loss).

Effective Date. As defined in Section 6.12(c).

Eligible Assignee. Any of (a) a Bank, (b) an Affiliate of a Bank, (c) an Approved Fund, (d) a commercial bank or finance company organized under the laws of the United States, any State thereof, or the District of Columbia, and having total assets in excess of One Billion Dollars ($1,000,000,000); (e) a commercial bank organized under the laws of any other country that is a member of the Organization for Economic Cooperation and Development (the "OECD"), or a political subdivision of any such country, and having total assets in excess of One Billion Dollars ($1,000,000,000), provided that such bank is acting through a branch or agency located in the country in which it is organized or another country which is also a member of the OECD; and (f) the central bank of any country which is a member of the OECD.

Employee Benefit Plan. Any employee benefit plan within the meaning of §3(2) of ERISA maintained or contributed to by the US Guarantor, the Borrower or any ERISA Affiliate, other than a Multiemployer Plan.

Entity. Any corporation, partnership, trust, unincorporated association, joint venture, limited liability company, or other legal or business entity.

Environmental Laws. As defined in Section 5.17(a).

EPA. As defined in Section 5.17(b).

Equity Securities. With respect to any Entity, all equity securities of such Entity, including any (a) common or preferred stock, (b) limited or general partnership interests, (c) limited liability company member interests, (d) options, warrants, or other rights to purchase or acquire any equity security, or (e) securities convertible into any equity security.

ERISA. The Employee Retirement Income Security Act of 1974, as amended.

ERISA Affiliate. Any Person that is treated as a single employer together with the US Guarantor or the Borrower under §414 of the Code.

ERISA Reportable Event. A reportable event with respect to a Guaranteed Pension Plan within the meaning of §4043 of ERISA and the regulations promulgated thereunder as to which the requirement of notice has not been waived.

Event of Default. As defined in Section 11.

Examining Authority. The meaning set forth in Rule 15c3-1(c)(12) under the Securities Exchange Act of 1934, as amended.

Excluded Funds. A collective reference to each investment company, investment fund or similar Entity that (i) is deemed not to be a "Subsidiary" of the US Guarantor by virtue of the definition of "Subsidiary," but (ii) is required in accordance with the application of Financial Accounting Standards Board Interpretation No. 46-Revised, Accounting Research Bulletin 51 and related or successor accounting literature to be consolidated with the US Guarantor for financial reporting purposes. The assets, liabilities, income (or losses), or activities or other attributes of any Excluded Fund, including without limitation, Funded Debt, Investments or Indebtedness of any Excluded Fund, shall not be attributed to the US Guarantor or any Subsidiary or Consolidated Subsidiary of the US Guarantor for purposes of this Credit Agreement as a result solely of the application of principles of consolidation applied in accordance with GAAP that require consolidation of Excluded Funds.

Excluded Taxes. With respect to the Administrative Agent, any Bank or any other recipient of any payment to be made by or on account of any obligation of any Loan Party hereunder or under any other Loan Document, (a) taxes imposed on or measured by its overall net income (however denominated), and franchise taxes imposed on it (in lieu of net income taxes), by the jurisdiction (or any political subdivision thereof) under the laws of which such recipient is organized or in which its principal office is located or, in the case of any Bank, in which its Applicable Lending Office is located, (b) any branch profits taxes imposed by the United States or any similar tax imposed by any other jurisdiction in which any Loan Party is located and (c) in the case of a Foreign Bank, any United States withholding tax that is imposed on amounts payable to such Foreign Bank at the time such Foreign Bank becomes a party hereto (or designates a new Lending Office) or is attributable to such Foreign Bank's failure or inability (other than as a result of a change in law) to comply with Section 4.11(e), except to the extent that such Foreign Bank (or its assignor, if any) was entitled, at the time of designation of a new Lending Office (or assignment), to receive additional amounts from any Loan Party with respect to such withholding tax pursuant to Section 4.11(a) and Section 6(a) of the AXA Guaranty.

Federal Funds Rate. A simple interest rate equal to the sum of the Federal Funds Rate Basis plus the Applicable Margin. The Federal Funds Rate shall be adjusted automatically as of the opening of business of the effective date of each change in the Federal Funds Rate Basis to account for such change.

Federal Funds Rate Basis. For any day, the rate per annum equal to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided that (a) if such day is not a Business Day, the Federal Funds Rate Basis for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate Basis for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to Citibank on such day on such transactions as determined by the Administrative Agent.

Federal Funds Rate Loan. A Loan (other than an Alternate Base Rate Loan) which bears interest at the Federal Funds Rate.

Fee Letter. That certain fee letter dated December 3, 2007 among the Borrower, Citibank, and Citigroup Global Markets Inc.

Foreign Bank. Any Bank that is organized under the laws of a jurisdiction other than that in which the Borrower is resident for tax purposes. For purposes of this definition, the United States, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

Fully Effective. With respect to any Contract, that (a) such Contract is the legal, valid, and binding obligation of the US Guarantor or its Subsidiary, as the case may be, enforceable against such party according to its terms, and (b) if such Contract exists on or before the date of this Credit Agreement, such Contract shall remain in full force and effect notwithstanding the execution and delivery of the Loan Documents and the consummation of the transactions contemplated by the Loan Documents.

Fund. Any Person (other than an individual) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business; provided, that the foregoing shall be disregarded for purposes of the definition of Excluded Funds.

Funded Debt. With respect to the US Guarantor or any Consolidated Subsidiary, (a) all Indebtedness for money borrowed of such Person, (b) in respect of Capitalized Leases, the capitalized amount thereof that would appear on a balance sheet of such Person prepared in accordance with GAAP, (c) all reimbursement obligations of such Person with respect to letters of credit, bankers' acceptances, or similar facilities issued for the account of such Person, (d) Indebtedness in respect of the disposition of 12b-1 Fees, (e) all guarantees, endorsements, acceptances, and other contingent obligations of such Person, whether direct or indirect, in respect of Indebtedness for borrowed money of others, including any obligation to supply funds to or in any manner to invest in, directly or indirectly, the debtor, to purchase Indebtedness for borrowed money, or to assure the owner of Indebtedness for borrowed money against loss, through an agreement to purchase goods, supplies, or services for the purpose of enabling the debtor to make payment of the Indebtedness held by such owner or otherwise, (f) net obligations of such Person under any Swap Contract in an amount equal to the Swap Termination Value thereof, and (g) Attributable Indebtedness of such Person. Notwithstanding the foregoing, Funded Debt shall not include Broker-Dealer Debt.

GAAP. Subject to Section 6.12, (a) when used in financial covenants set forth in Section 8, whether directly or indirectly through reference to a capitalized term used therein, (i) principles that are consistent with the principles promulgated or adopted by the Financial Accounting Standards Board and its predecessors, in effect for the fiscal year ended on December 31, 2006, and (ii) to the extent consistent with such principles, the accounting practices of the US Guarantor reflected in its consolidated financial statements for the year ended on December 31, 2006, and (b) when used in general, other than as provided above, means principles that are (i) consistent with the principles promulgated or adopted by the Financial Accounting Standards Board and its predecessors, as in effect from time to time and (ii) consistently applied with past financial statements of the US Guarantor adopting the same principles, provided that in each case referred to in this definition of "GAAP" a certified public accountant would, insofar as the use of such accounting principles is pertinent, be in a position to deliver an unqualified opinion (other than a qualification regarding changes in GAAP) as to financial statements in which such principles have been properly applied, subject, in each case, to the application of accounting principles as of the date of implementation of, and with respect to, Financial Accounting Standards Board Interpretation No. 46-Revised.

General Partner. (a) AllianceBernstein Corporation, a Delaware corporation, in its capacity as general partner of the US Guarantor and (b) any other Persons who satisfy the requirements for admitting general partners without causing a Default or an Event of Default as set forth in Section 11.1(n) and who are so admitted, each in its capacity as a general partner of the US Guarantor, and their respective successors.

Government Authority. The United States of America or any state, district, territory, or possession thereof, any local government within the United States of America or any of its territories and possessions, any foreign government having appropriate jurisdiction or any province, territory, or possession thereof, or any court, tribunal, administrative or regulatory agency, taxing or revenue authority, central bank or banking regulatory agency, commission, or body of any of the foregoing.

Government Mandate. With respect to (a) any Person, any statute, law, rule, regulation, code, or ordinance duly adopted by any Government Authority, any treaty or compact between two (2) or more Government Authorities, and any judgment, order, decree, ruling, finding, determination, or injunction of any Government Authority, in each such case that is, pursuant to appropriate jurisdiction, legally binding on such Person, any of its Subsidiaries or any of their respective properties, and (b) the Administrative Agent or any Bank, in addition to subsection (a) hereof, any policy, guideline, directive, or standard duly adopted by any Government Authority with respect to the regulation of banks, monetary policy, lending, investments, or other financial matters.

Granting Lender. As defined in Section 18.6.

Guarantee. As to any Person, (a) any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Funded Debt or other obligation payable or performable by another Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Funded Debt or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Funded Debt or other obligation of the payment or performance of such Funded Debt or other obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such Funded Debt or other obligation, or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such Funded Debt or other obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part), or (b) any Lien on any assets of such Person securing any Funded Debt or other obligation of any other Person, whether or not such Funded Debt or other obligation is assumed by such Person. The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith. The term "Guarantee" as a verb has a corresponding meaning.

Guaranteed Obligations: As defined in Section 14.1.

Guaranteed Pension Plan. Any employee pension benefit plan within the meaning of §3(2) of ERISA maintained or contributed to by the US Guarantor, the Borrower or any ERISA Affiliate the benefits of which are guaranteed on termination in full or in part by the PBGC pursuant to Title IV of ERISA, other than a Multiemployer Plan.

Hazardous Substances. As defined in Section 5.17(b).

Indebtedness. All obligations, contingent and otherwise, that in accordance with GAAP should be classified upon the obligor's balance sheet as liabilities, or to which reference should be made by footnotes thereto in accordance with GAAP, including: (a) all debt and similar monetary obligations, whether direct or indirect; (b) all liabilities secured by any Lien existing on property owned or acquired subject thereto, whether or not the liability secured thereby shall have been assumed; (c) all obligations in respect of hedging contracts, including, without limitation, interest rate and currency swaps, caps, collars and other financial derivative products; and (d) all guarantees, endorsements, and other contingent obligations whether direct or indirect in respect of indebtedness of others, including any obligation to supply funds to or in any manner to invest in, directly or indirectly, the debtor, to purchase indebtedness, or to assure the owner of indebtedness against loss, through an agreement to purchase goods, supplies, or services for the purpose of enabling the debtor to make payment of the indebtedness held by such owner or otherwise, and the obligations to reimburse the issuer in respect of any letters of credit. Notwithstanding the foregoing, Indebtedness shall not include Broker-Dealer Debt.

Indemnified Liabilities. As defined in Section 16.

Indemnified Taxes. Taxes other than Excluded Taxes.

Interest Payment Date. (a) As to any Federal Funds Rate Loan or Alternate Base Rate Loan, the second Business Day of each calendar quarter for the immediately preceding calendar quarter during all or a portion of which such Federal Funds Rate Loan or Alternate Base Rate Loan were Outstanding and the maturity of such Federal Funds Rate Loan or Alternate Base Rate Loan; (b) as to any LIBOR Loan, the last day of each Interest Period with respect to such LIBOR Loan, the maturity of such LIBOR Loan, and, if the Interest Period of such LIBOR Loan is longer than three (3) months, the date that is three (3) months from the first day of such Interest Period and the last day of each successive three (3) month period during such Interest Period and (c) as to any Swing Loan, the last day of the Interest Period specified pursuant to the Swing Loan requested by the Borrower.

Interest Period. (a) With respect to any LIBOR Loan, (i) initially, the period commencing on the Drawdown Date of such Loan and ending on the last day of, as selected by the Borrower in a Loan Request, one (1) or two (2) weeks, or one (1), two (2), three (3), four (4), five (5), or six (6) months, if available in readily ascertainable markets; and (ii) thereafter, each period commencing on the last day of the next preceding Interest Period applicable to such Loan and ending on the last day of one of the periods set forth above, as selected by the Borrower in a Conversion Request; provided that all of the foregoing provisions relating to Interest Periods are subject to the following:

(A) if any Interest Period for a LIBOR Loan would otherwise end on a day that is not a Business Day, that Interest Period shall be extended to the next succeeding Business Day unless the result of such extension would be to carry such Interest Period into another calendar month, in which event such Interest Period shall end on the immediately preceding Business Day; and

(B) any Interest Period commencing prior to the Maturity Date that would otherwise extend beyond the Maturity Date shall end on the Maturity Date.

(b) With respect to each Swing Loan, the period specified by the Borrower from one (1) to seven (7) days pursuant to the Swing Loan Request.

Investment. As to any Person, any direct or indirect acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition of capital stock or other securities of another Person, (b) a loan, advance or capital contribution to, Guarantee or assumption of debt of, or purchase or other acquisition of any other debt or equity participation or interest in, another Person, including any partnership or joint venture interest in such other Person, or (c) the purchase or other acquisition (in one transaction or a series of transactions) of assets of another Person that constitute a business unit. For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment.

LIBOR Business Day. Any day on which commercial banks are open for international business (including dealings in Dollar deposits) in London, England.

LIBOR Lending Office. Initially, the office of each Bank designated as such in Schedule 1 hereto or in the Assignment and Acceptance pursuant to which it became a party hereto; thereafter, such other office of such Bank, if any, that shall be making or maintaining LIBOR Loans.

LIBOR Loan. A Loan which bears interest at the LIBOR Rate.

LIBOR Rate. A simple per annum interest rate equal to the sum of (a) the quotient of (i) the LIBOR Rate Basis divided by (ii) one minus the LIBOR Reserve Percentage, stated as a decimal, plus (b) the Applicable Margin. The LIBOR Rate shall be rounded upward to four decimal places and shall apply to the applicable Interest Period, and, once determined, shall be subject to the provisions of this Credit Agreement and shall remain unchanged during the applicable Interest Period, except for changes to reflect adjustments in the LIBOR Reserve Percentage.

LIBOR Rate Basis. For any Interest Period, the rate per annum equal to the British Bankers Association LIBOR Rate ("BBA LIBOR"), as published by Reuters (or other commercially available source providing quotations of BBA LIBOR as designated by the Administrative Agent from time to time) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, for Dollar deposits (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period. If such rate is not available at such time for any reason, then the LIBOR Rate Basis for such Interest Period shall be the interest rate per annum determined by the Administrative Agent to be the rate at which deposits in Dollars for delivery on the first day of such Interest Period in same day funds in the approximate amount of the LIBOR Loan being made, continued or converted by the Banks and with a term equivalent to such Interest Period would be offered by the Administrative Agent's London Branch to major banks in the London interbank eurodollar market at their request at approximately 11:00 a.m. (London time) two Business Days prior to the commencement of such Interest Period.

LIBOR Reserve Percentage. The percentage which is in effect from time to time under Regulation D of the Board of Governors of the Federal Reserve System, as such regulation may be amended from time to time, as the actual reserve requirement applicable with respect to Eurocurrency Liabilities (as that term is defined in Regulation D), to the extent that any Bank has any Eurocurrency Liabilities subject to such reserve requirement at that time. The LIBOR Rate for any LIBOR Loan shall be adjusted as of the effective date of any change in the LIBOR Reserve Percentage.

Lien. Any lien, mortgage, security interest, pledge, charge, beneficial or equitable interest or right, hypothecation, collateral assignment, easement, or other encumbrance.

Loan Documents. This Credit Agreement, any Notes, the AXA Guaranty and any instrument or document designated by the parties thereto as a "Loan Document" for purposes hereof.

Loan Parties. The US Loan Parties and AXA, a *société anonyme à directoir et conseil de surveillance* organized under the laws of France.

Loan Request. As defined in Section 2.8.

Loans. Revolving Credit Loans, and the Swing Loans made or to be made by the Banks to the Borrower pursuant to Section 2.

Majority Banks. The Banks whose aggregate Commitments constitute more than fifty percent (50%) of the Total Commitment or, if the Commitments have been terminated, the Banks whose Loans constitute more than fifty percent (50%) of the aggregate amount of the Loans.

Material Adverse Effect. A material adverse effect on (a) the ability of any US Loan Party to enter into and to perform and observe its Obligations under the Loan Documents, or (b) the assets, properties, business, operations and condition (financial or otherwise) of the US Guarantor and its Subsidiaries taken as a whole.

Material Broker-Dealer Subsidiary. Any Broker-Dealer Subsidiary that has total assets as of the date of determination equal to not less than five (5%) of the Consolidated Total Assets of the US Guarantor as set forth in the consolidated balance sheet of the US Guarantor (excluding the Excluded Funds) included in the most recent available annual or quarterly report of the US Guarantor.

Material Subsidiary. Any Subsidiary of the US Guarantor or Alliance Distributors that, singly or together with any other such Subsidiaries then subject to one or more of the conditions described in Section 11.1(h), Section 11.1(i), or Section 11.1(m), either (a) at the date of determination owns Significant Assets, or (b) has total assets as of the date of determination equal to not less than five percent (5%) of the Consolidated Total Assets of the US Guarantor as set forth in the consolidated balance sheet of the US Guarantor (excluding the Excluded Funds) included in the most recent available annual or quarterly report of the US Guarantor.

Maturity Date. January 25, 2011.

Multiemployer Plan. Any multiemployer plan within the meaning of §3(37) of ERISA maintained or contributed to by the US Guarantor, the Borrower or any ERISA Affiliate.

Net Capital Rule. Rule 15c3-1 under the Securities Exchange Act of 1934, as amended.

1940 Act. The Investment Company Act of 1940, as amended.

Notes. Any Notes of the Borrower to the Banks in respect of the Borrower's Obligations under this Credit Agreement of even date herewith, substantially in the form of Exhibit A, as amended, modified and renewed from time to time.

Obligations. All indebtedness, obligations, and liabilities of any US Loan Party or any of its Subsidiaries to any of the Banks and the Administrative Agent, individually or collectively, existing on the date of this Credit Agreement or arising thereafter, direct or indirect, joint or several, absolute or contingent, matured or unmatured, liquidated or unliquidated, secured or unsecured, arising or incurred under this Credit Agreement or any of the other Loan Documents or in respect of any of the Loans made or any of the Notes or other instruments at any time evidencing any thereof.

Other Taxes. All present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or under any other Loan Document or from the execution, delivery or enforcement of, or otherwise with respect to, this Credit Agreement or any other Loan Document.

Outstanding. With respect to the Loans, the aggregate unpaid principal thereof as of any date of determination.

Participant. As defined in Section 18.1(d).

PBGC. The Pension Benefit Guaranty Corporation created by §4002 of ERISA and any successor entity or entities having similar responsibilities.

Permits. Permits, licenses, franchises, patents, copyrights, trademarks, trade names, approvals, clearances, and applications for or rights in respect of the foregoing of any Government Authority.

Permitted Liens. Liens permitted by Section 7.3.

Person. Any individual, Entity or Government Authority.

Prime Rate. The rate of interest adopted by the Administrative Agent as its reference rate for the determination of interest rates for loans of varying maturities in United States dollars to United States residents of varying degrees of creditworthiness and being quoted at such time by the Administrative Agent as its "base rate". The "base rate" is a rate set by Citibank based upon various factors including Citibank's costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in such rate announced by Citibank shall take effect at the opening of business on the day specified in the public announcement of such change.

Proceedings. Any (a) actions at law, (b) suits in equity, (c) bankruptcy, insolvency, receivership, dissolution, or reorganization cases or proceedings, (d) administrative or regulatory hearings or other proceedings, (e) arbitration and mediation proceedings, (f) criminal prosecutions, (g) judgment levies, foreclosure proceedings, pre-judgment security procedures, or other enforcement actions, and (h) other litigation, actions, suits, and proceedings conducted by, before, or on behalf of any Government Authority.

RCRA. As defined in Section 5.17(a).

Real Estate. All real property at any time owned or leased (as lessee or sublessee) by the US Guarantor or any of its Subsidiaries.

Record. The grid attached to a Note, or the continuation of such grid, or any other similar record, including computer records, maintained by any Bank with respect to any Loan referred to in such Note or in this Credit Agreement.

Register. As defined in Section 18.1(c).

Related Parties. With respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents and advisors of such Person and of such Person's Affiliates.

Reorganization and Reorganize. As defined in Section 7.2.

Revolving Credit Loans. Revolving credit loans made or to be made by the Banks to the Borrower pursuant to Section 2, but not including Swing Loans.

SARA. As defined in Section 5.17(a).

Securities Trading Activities. The activities in the ordinary course of business of a Broker-Dealer Subsidiary, including, without limitation, acting as a broker for clients and/or as a dealer in the purchase and sale of securities traded on exchanges or in the over-the-counter markets, entering into securities repurchase agreements and reverse repurchase agreements, securities lending and borrowing and securities clearing, either through agents or directly through clearing systems.

Significant Assets. At the date of any sale, transfer, assignment, or other disposition of assets of the US Guarantor or any of its Subsidiaries (or as of the date of any Default or Event of Default), assets of the US Guarantor or any of its Subsidiaries (including Equity Securities of Subsidiaries of the US Guarantor) which generated thirty-three and one-third percent (33 1/3%) or more of the consolidated revenues of the US Guarantor during the four (4) fiscal quarters of the US Guarantor most recently ended (the "Measuring Period"), provided that assets of the US Guarantor or any of its Subsidiaries (including Equity Securities of Subsidiaries of the US Guarantor) which do not meet the definition of Significant Assets in the first part of this sentence shall nonetheless be deemed to be Significant Assets if such assets generated revenues for the Measuring Period that if subtracted from the consolidated revenues of the US Guarantor for the Measuring Period would result in consolidated revenues of the US Guarantor for the Measuring Period of less than $1,200,000,000.

SPC. As defined in Section 18.6.

Subsidiary. Any Entity (i) of which the designated parent shall at any time own directly or indirectly through a Subsidiary or Subsidiaries at least a majority (by number of votes) of the outstanding Voting Equity Securities of such Entity, or (ii) that is consolidated with such Entity in accordance with Financial Accounting Standards Board Interpretation No. 46-Revised. Notwithstanding the foregoing, the term "Subsidiary" shall not include any Entity that is an investment company, investment fund or similar Entity that is managed or advised by the US Guarantor or any Subsidiary of the US Guarantor and in which the US Guarantor's or such Subsidiary's ownership of Voting Equity Securities is a function of its role as manager or adviser (whether as general partner or otherwise) rather than its economic or beneficial interest in the entity. Unless otherwise provided herein, any reference to a "Subsidiary" shall mean a Subsidiary of the US Guarantor.

Swap Contract. A Swap Contract is: (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., or any International Foreign Exchange Master Agreement (any such master agreement, together with any related schedules, a "Master Agreement"), including any such obligations or liabilities under any Master Agreement.

Swap Termination Value. In respect of any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Swap Contracts, as determined by the US Guarantor based upon one or more mid-market or other readily available quotations provided by one or more recognized dealers in such Swap Contracts (which may include a Bank or any affiliate of a Bank).

Swing Loan. Any Loans made to the Borrower by the Banks from time to time, which Loans shall be made in accordance with Section 2.8.2.

Swing Loan Rate. A simple interest rate equal to the sum of the Federal Funds Rate Basis plus 0.50% per annum. The Swing Loan Rate shall be adjusted automatically as of the opening of business of the effective date of each change in the Federal Funds Rate Basis to account for such change.

Swing Loan Request. As defined in Section 2.8.2.

Synthetic Lease Obligation. The monetary obligation of a Person under a so-called synthetic, off-balance sheet or tax retention lease, where such transaction is considered borrowed money Indebtedness for tax purposes but which is classified as an operating lease pursuant to GAAP.

Taxes. All present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Government Authority, including any interest, additions to tax or penalties applicable thereto.

Termination Date. The earlier of (a) the Maturity Date and (b) the date of termination in whole of the Commitments pursuant to Section 2.5(a) or 11.1.

Total Commitment. The sum of the Commitments of the Banks, as in effect from time to time. As of the Closing Date the Total Commitment is $950,000,000.

12b-1 Fees. All or any portion of (a) the compensation or fees paid, payable, or expected to be payable to the US Guarantor or any of its Subsidiaries for acting as the distributor of securities as permitted under Rule 12b-l under the 1940 Act, (b) the contingent deferred sales charges or redemption fees paid, payable, or expected to be paid to US Guarantor or any of its Subsidiaries, and (c) any right, title, or interest in or to any such compensation or fees.

Type. As to any Loan, its nature as a Federal Funds Rate Loan, Alternate Base Rate Loan or LIBOR Loan, as the case may be.

Units. Units representing assignments of beneficial ownership of limited partnership interests in the US Guarantor.

US Guarantor Control Change Notice. As defined in Section 6.5.4.

US Guarantor Partnership Agreement. The Amended and Restated Agreement of Limited Partnership of the US Guarantor, dated as of October 29, 1999, by and among the General Partner and those other Persons who became partners of the US Guarantor as provided therein, as such agreement has been amended and exists at the date of this Credit Agreement and may be amended or modified from time to time in compliance with the provisions of this Credit Agreement.

US Loan Parties. The Borrower and the US Guarantor.

Voting Equity Securities. Equity Securities of any class or classes (however designated), the holders of which are at the time entitled, as such holders, to vote for the election of a majority of the directors (or persons performing similar functions) of the Entity that issued such Equity Securities.

1.2 Rules of Interpretation.

(a) A reference to any Contract or other document shall include such Contract or other document as amended, modified, or supplemented from time to time in accordance with its terms and the terms of this Credit Agreement.

(b) The singular includes the plural and the plural includes the singular.

(c) A reference to any Government Mandate includes any amendment or modification to such Government Mandate or any successor Government Mandate.

(d) A reference to any Person includes its permitted successors and permitted assigns. Without limiting the generality of the foregoing, a reference to any Bank shall include any Person that succeeds generally to its assets and liabilities.

(e) Accounting terms not otherwise defined herein have the meanings assigned to them by GAAP.

(f) The words “include”, “includes”, and “including” are not limiting.

(g) All terms not specifically defined herein or by GAAP, which terms are defined in the Uniform Commercial Code as in effect in The State of New York, have the meanings assigned to them therein.

(h) Reference to a particular “§”, Section, Schedule, or Exhibit refers to that Section, Schedule, or Exhibit of this Credit Agreement unless otherwise indicated.

(i) The words “herein”, “hereof”, and “hereunder” and words of like import shall refer to this Credit Agreement as a whole and not to any particular section or subdivision of this Credit Agreement.

2. THE REVOLVING CREDIT FACILITY.

2.1 Commitment to Lend.

(a) Subject to the terms and conditions set forth in Section 10 hereof, each of the Banks severally shall lend to the Borrower, and the Borrower may borrow, repay, and reborrow from time to time between the Closing Date and the Maturity Date upon notice by the Borrower to the Administrative Agent given in accordance with Section 2.8, such sums as are requested by the Borrower up to a maximum aggregate principal amount Outstanding (after giving effect to all amounts requested) at any one time equal to such Bank’s Commitment, provided that (i) the Outstanding amount of the Loans (after giving effect to all amounts requested) shall not at any time exceed the Total Commitment and (ii) the Outstanding amount of the Swing Loans (after giving effect to all amounts requested) shall not at any time exceed an amount equal to one half of the Total Commitment. The Loans shall be made pro rata in accordance with each Bank’s Commitment Percentage; provided that the failure of any Bank to lend in accordance with this Credit Agreement shall not release any other Bank or the Administrative Agent from their obligations hereunder, nor shall any Bank have any responsibility or liability in respect of a failure of any other Bank to lend in accordance with this Credit Agreement. Each request for a Loan and each borrowing hereunder shall constitute a representation and warranty by the Borrower that the conditions set forth in Section 10 have been satisfied on the date of such request.

(b) In the event that, at any time when the conditions precedent for any Loan have been satisfied, a Bank fails or refuses to fund its portion of such Loan, then, until such time as such Bank has funded its portion of such Loan, or all of the other Banks have received (in accordance with Section 13.3.3) payment in full of the principal and interest due in respect of such Loan, such non-funding Bank shall not have the right to receive payment of any principal, interest or fees from the Borrower in respect of its Loans.

2.2 Commitment Fee. The Borrower shall pay to the Administrative Agent for the accounts of the Banks in accordance with their respective Commitment Percentages a commitment fee on the daily average amount of the unused Total Commitment as of the most recently completed calendar quarter calculated at 0.045% per annum, on the basis of a 360-day year for the actual number of days elapsed. The commitment fee shall be payable quarterly in arrears on the second Business Day of each calendar quarter for the immediately preceding calendar quarter commencing on the first such date following the date hereof, with a final payment on the Maturity Date or any earlier date on which the Total Commitment shall terminate. In no case shall any portion of the commitment fee be refundable.

2.3 Utilization Fee. For any calendar quarter in which the average aggregate daily Outstanding balance of the Loans is greater than 50% of the daily average amount of the Total Commitment for such quarter, the Borrower shall pay to the Administrative Agent for the accounts of the Banks in accordance with their respective Commitment Percentages a utilization fee on the average aggregate Outstanding amount of the Loans during such calendar quarter calculated at 0.025% per annum, on the basis of a 360-day year for the actual number of days elapsed. The utilization fee shall be payable on the earlier of the second Business Day of a calendar quarter for any immediately preceding calendar quarter in which such fee shall be due and owing in accordance with this Section 2.3 or the Maturity Date or any earlier date on which the Total Commitment shall terminate. In no case shall any portion of the utilization fee be refundable.

2.4 Other Fees. The Borrower shall pay the fees described in the Fee Letter as and when the same become due and payable pursuant to the terms of the Fee Letter.

2.5 Reduction or Increase of Total Commitment. (a) Reduction of Total Commitment. The Borrower shall have the right at any time and from time to time upon three (3) Business Days' prior written notice to the Administrative Agent to reduce by at least $10,000,000 or integral multiples of $1,000,000 in excess thereof, or to terminate entirely, the unborrowed portion of the Total Commitment, whereupon the Commitments of the Banks shall be reduced pro rata in accordance with their respective Commitment Percentages of the amount specified in such notice or, as the case may be, terminated. Promptly after receiving any notice of the Borrower delivered pursuant to this Section 2.5(a), the Administrative Agent will notify the Banks of the substance thereof. Upon the effective date of any such reduction or termination, the Borrower shall pay to the Administrative Agent for the respective accounts of the Banks the full amount of any commitment fee then accrued on the amount of the reduction. No reduction or termination of the Commitments may be reinstated.

(b) Increase of Total Commitment. At any time prior to the Termination Date the Borrower may, on the terms set forth below, request that the Total Commitment hereunder be increased by an aggregate amount of up to $250,000,000 in minimum increments of $25,000,000; provided, however, that (i) an increase in the Total Commitment hereunder may only be made at a time when no Default shall have occurred and be continuing and (ii) in no event shall the Total Commitment hereunder exceed $1,200,000,000. In the event of such a requested increase in the Total Commitment, any Bank or other financial institution which the Borrower invites to become a Bank or to increase its Commitment may set the amount of its Commitment at a level agreed to by the Borrower; provided, that each such other financial institution shall be reasonably acceptable to the Administrative Agent, and that the minimum Commitment of each such other financial institution equals or exceeds $10,000,000. In the event that the Borrower and one or more of the Banks (or other financial institutions) shall agree upon such an increase in the Commitments (i) the Borrower, the Administrative Agent and each Bank or other financial institution increasing its Commitment or extending a new Commitment shall enter into a supplement to this Credit Agreement (each, a "Supplement") substantially in the form of Exhibit K setting forth, among other things, the amount of the increased Commitment of such Bank or the new Commitment of such other financial institution, as applicable, and (ii) the Borrower shall furnish, if requested, new or amended and restated Notes, as applicable, to each financial institution that is extending a new Commitment and each Bank that is increasing its Commitment. No such Supplement shall require the approval or consent of any Bank whose Commitment is not being increased. Upon the execution and delivery of such Supplements as provided above and the occurrence of the "Effective Date" specified therein, and upon the Administrative Agent administering the reallocation of the outstanding Loans ratably among the Banks after giving effect to each such increase in the Commitments (and the payment by the Borrower of any amounts under Section 4.9 if such Effective Date is not the last day of an Interest Period for any outstanding Loan), and the delivery of certified evidence of Borrower and guarantor authorization and a legal opinion in substantially the form of Exhibit I hereto on behalf of the Borrower, this Credit Agreement shall be deemed to be amended accordingly.

2.6 The Notes; the Record. Upon the request of the Administrative Agent or any Bank, the Loans shall be evidenced by separate promissory notes of the Borrower in substantially the form of Exhibit A hereto (each a "Note"), dated as of the Closing Date and completed with appropriate insertions. One Note shall be payable to the order of each Bank requesting a Note in a principal amount equal to such Bank's Commitment or, if less, the Outstanding amount of all Loans made by such Bank, plus interest accrued thereon, as set forth below. The Borrower irrevocably authorizes each Bank to make or cause to be made, at or about the time of the Drawdown Date of any Loan or at the time of receipt of any payment of principal on such Bank's Loans, an appropriate notation on such Bank's Record reflecting the making of such Loan or (as the case may be) the receipt of such payment. The Outstanding amount of the Loans set forth on such Bank's Record shall be prima facie evidence of the principal amount thereof owing and unpaid to such Bank, but the failure to record, or any error in so recording, any such amount on such Bank's Record shall not limit or otherwise affect the obligations of the Borrower hereunder or under any Note to make payments of principal of or interest on any Loans when due. In recognition of the fact that the Loans may be made without having been evidenced by a written Note, the Borrower hereby promises to pay to each Bank the principal amount of the Loans made by such Bank, and accrued and unpaid interest and fees thereon, as the same become due and payable in accordance with this Credit Agreement.

2.7 Interest on Loans.

2.7.1 Interest Rates. Except as otherwise provided in Section 4.10, the Loans shall bear interest as follows:

(a) Each Federal Funds Rate Loan shall bear interest at an annual rate equal to the Federal Funds Rate as in effect from time to time while such Federal Funds Rate Loan is Outstanding.

(b) Each LIBOR Loan shall bear interest for each Interest Period at an annual rate equal to the LIBOR Rate for such Interest Period in effect from time to time during such Interest Period.

(c) Each Alternate Base Rate Loan shall bear interest at an annual rate equal to the Alternate Base Rate as in effect from time to time while such Alternate Base Rate Loan is Outstanding.

(d) Each Swing Loan shall bear interest at an annual rate equal to the Swing Loan Rate as in effect from time to time while such Swing Loan is Outstanding.

2.7.2 Interest Payment Dates. The Borrower shall pay all accrued interest on each Loan in arrears on each Interest Payment Date with respect thereto.

2.8 Requests for Loans.

2.8.1 Revolving Credit Loans. The Borrower shall give to the Administrative Agent written notice in the form of Exhibit B hereto (or telephonic notice confirmed in a writing in the form of Exhibit C hereto) of each Revolving Credit Loan requested hereunder (a "Loan Request") no later than (a) 12:00 noon (New York City time) on the proposed Drawdown Date of any Federal Funds Rate Loan or Alternate Base Rate Loan and (b) three (3) Business Days prior to the proposed Drawdown Date of any LIBOR Loan. Each such notice shall specify (i) the principal amount of the Revolving Credit Loan requested, (ii) the proposed Drawdown Date of such Revolving Credit Loan, (iii) the Type of such Revolving Credit Loan, and (iv) the Interest Period for such Loan if such Loan is a LIBOR Loan. Promptly upon receipt of any such Loan Request, the Administrative Agent shall notify each of the Banks thereof. Each Loan Request shall be irrevocable and binding on the Borrower and shall obligate the Borrower to accept the Revolving Credit Loan requested from the Banks on the proposed Drawdown Date. Each Loan Request shall be in a minimum aggregate amount of $10,000,000 or in an integral multiple of $1,000,000 in excess thereof.

2.8.2 Swing Loans. The Borrower shall give to each Bank and the Administrative Agent written notice in the form of Exhibit F hereto (or telephonic notice confirmed in a writing in the form of Exhibit G hereto) of each Swing Loan requested hereunder (a "Swing Loan Request") no later than 5:00 p.m. (New York City time) on the proposed Drawdown Date of any Swing Loan. Each such notice shall specify (i) the principal amount of the Swing Loan requested, (ii) the proposed Drawdown Date of such Swing Loan, and (iii) the Interest Period for such Swing Loan. Each Swing Loan Request shall be irrevocable and binding on the Borrower and shall obligate the Borrower to accept the Swing Loan requested from the Banks on the proposed Drawdown Date. Each Swing Loan Request shall be in a minimum aggregate amount of $10,000,000 or in an integral multiple of $1,000,000 in excess thereof

2.9 Conversion Options.

2.9.1 Conversion to LIBOR Loan. The Borrower may elect from time to time, subject to Section 2.11, to convert any Outstanding Federal Funds Rate Loan or Alternate Base Rate Loan to a LIBOR Loan, provided that (a) the Borrower shall give the Administrative Agent at least three (3) Business Days' prior written notice of such election; and (b) no Federal Funds Rate Loan or Alternate Base Rate Loan may be converted into a LIBOR Loan when any Default or Event of Default has occurred and is continuing. Each notice of election of such conversion, and each acceptance by the Borrower of such conversion, shall be deemed to be a representation and warranty by the Borrower that no Default or Event of Default has occurred and is continuing. The Administrative Agent shall notify the Banks promptly of any such notice. On the date on which such conversion is being made, each Bank shall take such action as is necessary to transfer its Commitment Percentage of such Loans to its LIBOR Lending Office. All or any part of Outstanding Federal Funds Rate Loans or Alternate Base Rate Loans may be converted into a LIBOR Loan as provided herein, provided that any partial conversion shall be in an aggregate principal amount of $10,000,000 or an integral multiple of $1,000,000 in excess thereof.

2.9.2 Continuation of Type of Revolving Credit Loan.

(a) All Federal Funds Rate Loans or Alternate Base Rate Loans shall continue as Federal Funds Rate Loans or Alternate Base Rate Loans, as the case may be, until converted into LIBOR Loans as provided in Section 2.9.1.

(b) Any LIBOR Loan may, subject to Section 2.11, be continued, in whole or in part, as a LIBOR Loan upon the expiration of the Interest Period with respect thereto, provided that (i) the Borrower shall give the Administrative Agent at least three (3) Business Days' prior written notice of such election; (ii) no LIBOR Loan may be continued as such when any Default or Event of Default has occurred and is continuing, but shall be automatically converted to a Federal Funds Rate Loan on the last day of the first Interest Period relating thereto ending during the continuance of any Default or Event of Default; and (iii) any partial continuation of a LIBOR Loan shall be in an aggregate principal amount of $10,000,000 or an integral multiple of $1,000,000 in excess thereof. Each notice of election of such continuance of a LIBOR Loan, and each acceptance by the Borrower of such continuance, shall be deemed to be a representation and warranty by the Borrower that no Default or Event of Default has occurred and is continuing.

(c) If the Borrower shall fail to give any notice of continuation of a LIBOR Loan as provided under this Section 2.9.2, the Borrower shall be deemed to have requested a conversion of the affected LIBOR Loan to a Federal Funds Rate Loan on the last day of the then current Interest Period with respect thereto.

(d) The Administrative Agent shall notify the Banks promptly when any such continuation or conversion contemplated by this Section 2.9.2 is scheduled to occur. On the date on which any such continuation or conversion is to occur, each Bank shall take such action as is necessary to transfer its Commitment Percentage of such Loans to its Domestic Lending Office or its LIBOR Lending Office as appropriate.

2.9.3 LIBOR Loans. Any conversion to or from LIBOR Loans shall be in such amounts and be made pursuant to such elections so that, after giving effect thereto, the aggregate principal amount of all LIBOR Loans having the same Interest Period shall not be less than $10,000,000 or an integral multiple of $1,000,000 in excess thereof.

2.9.4 Conversion Requests. All notices of the conversion or continuation of a Loan provided for in this Section 2.9 shall be in writing in the form of Exhibit D hereto (or shall be given by telephone and confirmed by a writing in the form of Exhibit E hereto). Each such notice shall specify (a) the principal amount and Type of the Loan subject thereto, (b) the date on which the current Interest Period of such Loan ends if such Loan is a LIBOR Loan, and (c) the new Interest Period for such Loan if such Loan is a LIBOR Loan. Promptly upon receipt of any such notice, the Administrative Agent shall notify each of the Banks thereof. Each such notice shall be irrevocable and binding on the Borrower.

2.10 Funds for Loans.

2.10.1 Funding Procedures. Not later than 1:00 p.m. (New York City time) on the proposed Drawdown Date of any Revolving Credit Loan, and not later than 5:30 p.m. (New York City time) on the proposed Drawdown Date of any Swing Loan, each of the Banks will make available to the Administrative Agent, at the Administrative Agent's Office, in immediately available funds, the amount of such Bank's Commitment Percentage of the amount of the requested Loan. Upon receipt from each Bank of such amount, and upon receipt of the documents required by Section 10 and the satisfaction of the other conditions set forth therein, to the extent applicable, the Administrative Agent will make available to the Borrower the aggregate amount of such Loan made available to the Administrative Agent by the Banks. The failure or refusal of any Bank to make available to the Administrative Agent at the aforesaid time and place on any Drawdown Date the amount of its Commitment Percentage of the requested Loan shall not relieve any other Bank from its several obligation hereunder to make available to the Administrative Agent the amount of such other Bank's Commitment Percentage of any requested Loan, but no other Bank shall be liable in respect of the failure of such Bank to make available such amount.

2.10.2 Funding by Banks; Presumption by Administrative Agent. Unless the Administrative Agent shall have received notice from a Bank prior to a Drawdown Date that such Bank will not make available to the Administrative Agent such Bank's share of such Loan, the Administrative Agent may assume that such Bank has made such share available on such Drawdown Date and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Bank has not in fact made its share of the applicable Loan available to the Administrative Agent, then the applicable Bank and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount in immediately available funds with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (A) in the case of a payment to be made by such Bank, the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation and (B) in the case of a payment to be made by the Borrower, the interest rate equal to the rate payable on the Loans incurred by the Borrower (provided, if such Loans are LIBOR Loans, the Borrower shall pay interest equal to the rate payable on Federal Funds Rate Loans). If the Borrower and such Bank shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to the Borrower the amount of such interest paid by the Borrower for such period. If such Bank pays its share of the applicable Loan to the Administrative Agent, then the amount so paid shall constitute such Bank's Loan included in such Loan Request or Swing Loan Request, as applicable. Any payment by the Borrower shall be without prejudice to any claim the Borrower may have against a Bank that shall have failed to make such payment to the Administrative Agent. A notice of the Administrative Agent to any Bank or the Borrower with respect to any amount owing under this subsection 2.10.2 shall be conclusive, absent manifest error.

2.11 Limit on Number of LIBOR Loans. At no time shall there be Outstanding LIBOR Loans having more than fifteen (15) different Interest Periods.

3. REPAYMENT OF LOANS.

3.1 Maturity. The Borrower shall pay on the Maturity Date, and there shall become absolutely due and payable on the Maturity Date, all of the Loans Outstanding on such date, together with any and all accrued and unpaid interest thereon. In respect of any Swing Loan, the Borrower shall pay on the last day of the Interest Period applicable to such Swing Loan, and there shall become absolutely due and payable on such last day, all Swing Loans Outstanding on such date as to which such Interest Period applies, together with any and all accrued and unpaid interest thereon. The Total Commitment shall terminate on the Maturity Date.

3.2 Mandatory Repayments of Loans.

3.2.1 Loans in Excess of Commitment. If at any time the sum of the Outstanding amount of the Loans exceeds the Total Commitment, then the Borrower shall immediately pay the amount of such excess to the Administrative Agent for application first, to the Swing Loans; and second, to the Revolving Credit Loans. Each prepayment of Loans shall be allocated among the Banks, in proportion, as nearly as practicable, to the respective unpaid principal amount of each Bank's Loans, with adjustments to the extent practicable to equalize any prior payments or repayments not exactly in proportion.

3.2.2 Change of Control. Upon the occurrence of a Change of Control or impending Change of Control:

(a) the US Guarantor shall notify the Administrative Agent and each Bank of such Change of Control or impending Change of Control as provided in Section 6.5.4;

(b) the Commitments (but not the right of the Borrower to convert and continue Types of Revolving Credit Loans under Section 2.9) shall be suspended for the period from the date of such notice (or any Change of Control Notice given by the Administrative Agent or a Bank as provided in Section 6.5.4) through the later to occur of (i) the Change of Control Date or (ii) the date forty (40) days after the date of such notice from US Guarantor (the "Suspension Period") and neither the Banks nor the Administrative Agent shall have any obligations to make Loans to the Borrower;

(c) each Bank shall have the right within fifteen (15) days after the date of such Bank's receipt of a Change of Control Notice under clause (a) above to demand payment in full of its pro rata share of the Outstanding principal of all Loans, all accrued and unpaid interest thereon, and any other amounts owing under the Loan Documents;

(d) in the event that any Bank shall have made a demand under clause (c) above, the Borrower shall promptly, but in no event later than five (5) Business Days after such demand, deliver notice to each Bank (which notice shall identify the Bank making such demand) and, notwithstanding the provisions of clause (c) above, the right of each Bank to demand repayment shall remain in effect through the fifteenth (15th) day next succeeding receipt by such Bank of any notice required to be given pursuant to this clause (d), provided that the provisions of this clause (d) shall only apply with respect to demands given by Banks prior to the expiration of the period specified in clause (c); and

(e) in the event any Bank makes a demand under clause (c) or clause (d) above, the Borrower shall on the last day of the Suspension Period pay to the Administrative Agent for the credit of such Bank its pro rata share of the Outstanding principal of all Loans, all accrued and unpaid interest thereon, and any other amounts owing under the Loan Documents, (provided that (i) any Bank may require the Borrower to postpone prepayment of a LIBOR Loan until the last day of the Interest Period with respect to such LIBOR Loan, and (ii) if any Bank elects to require prepayment of a LIBOR Loan that has an Interest Period ending less than sixty (60) days after the date of such demand on a date that is not the last day of the Interest Period for such LIBOR Loan, such Bank shall not be entitled to receive any amounts payable under Section 4.9 in respect of the prepayment of such LIBOR Loan).

Upon any demand for payment by any Bank under this Section 3.2.2, the Commitment hereunder provided by such Bank shall terminate, and such Bank shall be relieved of all further obligations to make Loans to the Borrower. At the end of the Suspension Period referred to above, the Commitments shall be restored from all Banks that have not made a demand for payment under this Section 3.2.2, and this Credit Agreement and the other Loan Documents shall remain in full force and effect among the Borrower, such Banks and the Administrative Agent, with such changes as may be necessary to reflect the termination of the credit provided by the Banks that made a demand for payment under this Section 3.2.2.

3.2.3 AXA Default. Upon the occurrence of an "Event of Default" as defined in the AXA Guaranty (an "AXA Guaranty Event of Default") and so long as the Administrative Agent has not given written notice to the Borrower to terminate the Commitments in accordance with Section 11.1:

(a) the US Guarantor shall notify the Administrative Agent and each Bank of such AXA Guaranty Event of Default as provided in Section 6.5.5;

(b) the Commitments (but not the right of the Borrower to convert and continue Types of Revolving Credit Loans under Section 2.9) shall be suspended for the period from the date of such notice (or any AXA Default Notice given by the Administrative Agent or a Bank as provided in Section 6.5.5) through the date thirty (30) days after the date of such notice (the "AXA Suspension Period") and neither the Banks nor the Administrative Agent shall have any obligations to make Loans to the Borrower;

(c) each Bank shall have the right within fifteen (15) days after the date of such Bank's receipt of an AXA Default Notice under clause (a) above to demand payment in full of its pro rata share of the Outstanding principal of all Loans, all accrued and unpaid interest thereon, and any other amounts owing under the Loan Documents;

(d) in the event that any Bank shall have made a demand under clause (c) above, the Borrower shall promptly, but in no event later than five (5) Business Days after such demand, deliver notice to each Bank (which notice shall identify the Bank making such demand) and, notwithstanding the provisions of clause (c) above, the right of each Bank to demand repayment shall remain in effect through the fifteenth (15th) day next succeeding receipt by such Bank of any notice required to be given pursuant to this clause (d); and

(e) in the event any Bank makes a demand under clause (c) or clause (d) above, the Borrower shall on the last day of the AXA Suspension Period pay to the Administrative Agent for the credit of such Bank its pro rata share of the Outstanding principal of all Loans, all accrued and unpaid interest thereon, and any other amounts owing under the Loan Documents.

Upon any demand for payment by any Bank under this Section 3.2.3, the Commitment hereunder provided by such Bank shall terminate, and such Bank shall be relieved of all further obligations to make Loans to the Borrower. At the end of the AXA Suspension Period referred to above, the Commitments shall be restored from all Banks that have not made a demand for payment under this Section 3.2.3, and this Credit Agreement and the other Loan Documents shall remain in full force and effect among the Borrower, such Banks and the Administrative Agent, with such changes as may be necessary to reflect the termination of the credit provided by the Banks that made a demand for payment under this Section 3.2.3.

3.3 Optional Repayments of Loans. The Borrower shall have the right, at its election, to repay the Outstanding amount of the Loans, as a whole or in part, at any time without penalty or premium, provided that any full or partial repayment of the Outstanding amount of any LIBOR Loans pursuant to this Section 3.3 made on a date other than the last day of the Interest Period relating thereto shall be subject to customary breakage charges as provided in Section 4.9. The Borrower shall give the Administrative Agent, no later than 10:00 a.m., New York City time, on the day of any proposed repayment pursuant to this Section 3.3 of Federal Funds Rate Loans, Alternate Base Rate Loans or Swing Loans, and two (2) Business Days' notice of any proposed repayment pursuant to this Section 3.3 of LIBOR Loans, in each case, specifying the proposed date of payment of Loans and the principal amount to be paid. Each such partial repayment of the Loans shall be in an amount of $10,000,000 or an integral multiple of $1,000,000 in excess thereof, shall be accompanied by the payment of accrued interest on the principal repaid to the date of payment, and shall be applied, in the absence of instruction by the Borrower, first to the principal of Swing Loans, second to the principal of Alternate Base Rate Loans, third to the principal of Federal Funds Rate Loans and fourth to the principal of LIBOR Loans (in inverse order of the last days of their respective Interest Periods). Each partial repayment shall be allocated among the Banks, in proportion, as nearly as practicable, to the respective unpaid principal amount of each Bank's Loans, with adjustments to the extent practicable to equalize any prior repayments not exactly in proportion. Any amounts repaid under this Section 3.3 may be reborrowed prior to the Maturity Date as provided in Section 2.8, subject to the conditions of Section 10.

4. CERTAIN GENERAL PROVISIONS.

4.1 Application of Payments. Except as otherwise provided in this Credit Agreement, all payments in respect of any Loan shall be applied first to accrued and unpaid interest on such Loan and second to the Outstanding principal of such Loan.

4.2 Funds for Payments.

4.2.1 Payments to Administrative Agent. All payments of principal, interest, commitment fees, and any other amounts due hereunder or under any of the other Loan Documents shall be made to the Administrative Agent, for the respective accounts of the Banks and the Administrative Agent, at the Administrative Agent's Office, or at such other location that the Administrative Agent may from time to time designate, in each case in immediately available funds or directly from the proceeds of Loans.

4.2.2 No Offset. All payments by the Borrower hereunder and under any of the other Loan Documents shall be made without setoff or counterclaim.

4.2.3 Fees Non-Refundable. Except as expressly set forth herein, all fees payable hereunder are non-refundable, provided that (a) if any of the Banks is finally adjudicated or is found in final arbitration proceedings to have been grossly negligent or to have committed willful misconduct with respect to the transactions contemplated hereby in any material respect, then no commitment fee shall be payable to such Bank after the date of such final adjudication or arbitration (and such Bank shall refund any commitment fee paid to it and attributable to the period from and after the date on which such grossly negligent conduct or willful misconduct occurred), and (b) if the Administrative Agent is finally adjudicated or is found in final arbitration proceedings to have been grossly negligent or to have committed willful misconduct with respect to the transactions contemplated hereby, then no administrative agent's fee will be due and payable after the date of such final adjudication or arbitration. If the Administrative Agent is finally found to have been grossly negligent or to have committed willful misconduct, the amount of any administrative agent's fee paid or prepaid by the Borrower and attributable to the period from and after the date on which such grossly negligent conduct or willful misconduct occurred shall be refunded.

4.3 Computations. All computations of interest with respect to Alternate Base Rate Loans shall be based on a year of 365/366 days, and all computations of interest with respect to Federal Funds Rate Loans, Swing Loans and LIBOR Loans shall be based on a year of 360 days, and in each case paid for the actual number of days elapsed. Except as otherwise provided in the definition of the term "Interest Period" with respect to LIBOR Loans, whenever a payment hereunder or under any of the other Loan Documents becomes due on a day that is not a Business Day, the due date for such payment shall be extended to the next succeeding Business Day, and interest shall accrue during such extension.

4.4 Inability to Determine LIBOR Rate Basis. In the event, prior to the commencement of any Interest Period relating to any LIBOR Loan, the Administrative Agent shall determine that adequate and reasonable methods do not exist for ascertaining the LIBOR Rate Basis that would otherwise determine the rate of interest to be applicable to any LIBOR Loan during any Interest Period, the Administrative Agent shall forthwith give notice of such determination (which shall be conclusive and binding on the Borrower and the Banks) to the Borrower and the Banks. In such event (a) any Loan Request or Conversion Request with respect to LIBOR Loans shall be automatically withdrawn and shall be deemed a request for Federal Funds Rate Loans, (b) each LIBOR Loan will automatically, on the last day of the then current Interest Period relating thereto, become a Federal Funds Rate Loan, and (c) the obligations of the Banks to make LIBOR Loans shall be suspended until the Administrative Agent determines that the circumstances giving rise to such suspension no longer exist, whereupon the Administrative Agent shall so notify the Borrower and the Banks.

4.5 Illegality. Notwithstanding any other provisions herein, if any present or future Government Mandate shall make it unlawful for any Bank to make or maintain LIBOR Loans, such Bank shall forthwith give notice of such circumstances to the Borrower and the other Banks and thereupon (a) the commitment of such Bank to make LIBOR Loans or convert Federal Funds Rate Loans or Alternate Base Rate Loans to LIBOR Loans shall forthwith be suspended, and (b) such Bank's Loans then Outstanding as LIBOR Loans, if any, shall be converted automatically to Federal Funds Rate Loans on the last day of each then existing Interest Period applicable to such LIBOR Loans or within such earlier period after the occurrence of such circumstances as may be required by Government Mandate. The Borrower shall promptly pay the Administrative Agent for the account of such Bank, upon demand by such Bank, any additional amounts necessary to compensate such Bank for any costs incurred by such Bank in making any conversion in accordance with this Section 4.5 other than on the last day of an Interest Period, including any interest or fees payable by such Bank to lenders of funds obtained by it in order to make or maintain its LIBOR Loans hereunder.

4.6 Additional Costs, Etc. If any future applicable, or any change in the application or interpretation of any present applicable, Government Mandate (whether or not having the force of law), shall:

(a) subject any Bank or the Administrative Agent to any tax, levy, impost, duty, charge, fee, deduction, or withholding of any nature with respect to this Credit Agreement, the other Loan Documents, such Bank's Commitment, or the Loans (other than Indemnified Taxes and Other Taxes covered by Section 4.11 and Excluded Taxes), or

(b) materially change the basis of taxation (except for Excluded Taxes) of payments to any Bank of the principal of or the interest on any Loans or any other amounts payable to any Bank or the Administrative Agent under this Credit Agreement or the other Loan Documents, or

(c) impose, increase, or render applicable (other than to the extent specifically provided for elsewhere in this Credit Agreement) any special deposit, reserve, assessment, liquidity, capital adequacy, or other similar requirements (whether or not having the force of law) against assets held by, or deposits in or for the account of, or loans by, or commitments of an office of any Bank, or

(d) impose on any Bank or the Administrative Agent any other conditions or requirements with respect to this Credit Agreement, the other Loan Documents, the Loans, such Bank's Commitment, or any class of loans or commitments of which any of the Loans or such Bank's Commitment forms a part, and the result of any of the foregoing is:

(i) to increase by an amount deemed by such Bank to be material with respect to the cost to any Bank of making, funding, issuing, renewing, extending, or maintaining any of the Loans or such Bank's Commitment, or

(ii) to reduce, by an amount deemed by such Bank or the Administrative Agent, as the case may be, to be material, the amount of principal, interest, or other amount payable to such Bank or the Administrative Agent hereunder on account of such Bank's Commitment, or any of the Loans, or

(iii) to require such Bank or the Administrative Agent to make any payment that, but for such conditions or requirements described in clauses (a) through (d), would not be payable hereunder, or forego any interest or other sum that, but for such conditions or requirements described in clauses (a) through (d), would be payable to such Bank or the Administrative Agent hereunder, in any case the amount of which payment or foregone interest or other sum is deemed by such Bank or the Administrative Agent, as the case may be, to be material and is calculated by reference to the gross amount of any sum receivable or deemed received by such Bank or (as the case may be) the Administrative Agent from the Borrower hereunder, then, and in each such case, the Borrower will, upon demand made by such Bank or (as the case may be) the Administrative Agent at any time and from time to time (such demand to be made in any case not later than the first to occur of (I) the date one year after such event described in clause (i), (ii), or (iii) giving rise to such demand, and (II) the date ninety (90) days after both the payment in full of all Outstanding Loans, and the termination of the Commitments) and as often as the occasion therefor may arise, pay to such Bank or the Administrative Agent such additional amounts as will be sufficient to compensate such Bank or the Administrative Agent for such additional cost, reduction, payment, foregone interest or other sum. Subject to the terms specified above in this Section 4.6, the obligations of the Borrower under this Section 4.6 shall survive repayment of the Loans and termination of the Commitments.

4.7 Capital Adequacy. If after the date hereof any Bank or the Administrative Agent determines that (a) the adoption of or change in any Government Mandate (whether or not having the force of law) regarding capital requirements for banks or bank holding companies or any change in the interpretation or application thereof by any Government Authority with appropriate jurisdiction, or (b) compliance by such Bank or the Administrative Agent, or any corporation controlling such Bank or the Administrative Agent, with any Government Mandate (whether or not having the force of law) has the effect of reducing the return on such Bank's or the Administrative Agent's commitment with respect to any Loans to a level below that which such Bank or (as the case may be) the Administrative Agent could have achieved but for such adoption, change, or compliance (taking into consideration such Bank's or the Administrative Agent's then existing policies with respect to capital adequacy and assuming full utilization of such Entity's capital) by any amount reasonably deemed by such Bank or (as the case may be) the Administrative Agent to be material, then such Bank or the Administrative Agent may notify the Borrower of such fact. To the extent that the amount of such reduction in the return on capital is not reflected in the Federal Funds Rate, the Borrower shall pay such Bank or (as the case may be) the Administrative Agent for the amount of such reduction in the return on capital as and when such reduction is determined upon presentation by such Bank or (as the case may be) the Administrative Agent of a certificate in accordance with Section 4.8 hereof (but in any case not later than the first to occur of (I) the date one year after such adoption, change, or compliance causing such reduction, and (II) as to adoptions of or changes in Government Mandates occurring prior to the repayment of the Loans and the termination of the Commitments the date ninety (90) days after both the payment in full of all Outstanding Loans and termination of the Commitments). Each Bank shall allocate such cost increases among its customers in good faith and on an equitable basis. Subject to the terms specified above in this Section 4.7, the obligations of the Borrower under this Section 4.7 shall survive repayment of the Loans and termination of the Commitments.

4.8 Certificate. A certificate setting forth any additional amounts payable pursuant to Section 4.6 or Section 4.7 and a brief explanation of such amounts which are due and in reasonable detail the basis of the calculation and allocation thereof, submitted by any Bank or the Administrative Agent to the Borrower, shall be conclusive evidence, absent manifest error, that such amounts are due and owing.

4.9 Indemnity. The Borrower shall indemnify and hold harmless each Bank from and against any loss, cost, or expense (excluding loss of anticipated profits) that such Bank may sustain or incur as a consequence of (a) default by the Borrower in payment of the principal amount of or any interest on any LIBOR Loans as and when due and payable, including any such loss or expense arising from interest or fees payable by such Bank to lenders of funds obtained by it in order to maintain its LIBOR Loans, (b) default by the Borrower in making a borrowing or conversion after the Borrower has given (or is deemed to have given) a Loan Request or a Conversion Request; or (c) except as otherwise expressly provided in Section 3.2.2, the making of any payment of a LIBOR Loan, the making of any conversion of any such Loan to a Federal Funds Rate Loan or an Alternate Base Rate Loan or the receipt by any Bank of funds in respect of any such Loan in accordance with Section 2.5(b) on a day that is not the last day of the applicable Interest Period with respect thereto, including interest or fees payable by such Bank to lenders of funds obtained by it in order to maintain any such Loans. The obligations of the Borrower under this Section 4.9 shall survive repayment of the Loans and termination of the Commitments.

4.10 Interest After Default. All amounts outstanding under the Loan Documents that are not paid when due, including all overdue principal and (to the extent permitted by applicable Government Mandate) interest and all other overdue amounts (after giving effect to any applicable grace period), shall to the extent permitted by applicable Government Mandate bear interest until such amount shall be paid in full (after as well as before judgment) at a rate per annum equal to two percent (2%) above the interest rate otherwise applicable to such amounts in the case of principal and two percent (2%) above the Alternate Base Rate in the case of other amounts payable hereunder. Any interest accruing under this section on overdue principal or interest shall be due and payable upon demand.

4.11 Taxes.

(a) Payments Free of Taxes. Any and all payments by or on account of any obligation of each US Loan Party hereunder or under any other Loan Document shall be made free and clear of and without reduction or withholding for any Indemnified Taxes or Other Taxes, provided that if any US Loan Party shall be required by applicable law to deduct any Indemnified Taxes (including any Other Taxes) from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 4.11) the Administrative Agent or any Bank, as the case may be, receives an amount equal to the sum it would have received had no such deductions been made, (ii) such US Loan Party shall make such deductions and (iii) such US Loan Party shall timely pay the full amount deducted to the relevant Government Authority in accordance with applicable law.

(b) Payment of Other Taxes by the Borrower. Without limiting the provisions of subsection (a) above, each US Loan Party shall timely pay any Other Taxes to the relevant Government Authority in accordance with applicable law.

(c) Indemnification by the Borrower. Each US Loan Party shall indemnify the Administrative Agent and each Bank, within 10 days after demand therefor, for the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) paid by the Administrative Agent or such Bank, as the case may be, and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Government Authority. A certificate as to the amount of such payment or liability delivered to a US Loan Party by a Bank (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Bank, shall be conclusive absent manifest error.

(d) Evidence of Payments. As soon as practicable after any payment of Indemnified Taxes or Other Taxes by any US Loan Party to a Government Authority, such US Loan Party shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Government Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) Status of Banks. Any Foreign Bank that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which the Borrower is resident for tax purposes, or any treaty to which such jurisdiction is a party, with respect to payments hereunder or under any other Loan Document shall deliver to the Borrower (with a copy to the Administrative Agent), at the time or times prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation prescribed by applicable law as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Bank, if requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Bank is subject to backup withholding or information reporting requirements.

Without limiting the generality of the foregoing, if the Borrower is resident for tax purposes in the United States, any Foreign Bank shall deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Bank becomes a Bank under this Credit Agreement (and from time to time thereafter upon the request of the Borrower or the Administrative Agent, but only if such Foreign Bank is legally entitled to do so), whichever of the following is applicable:

(i) duly completed copies of Internal Revenue Service Form W-8BEN claiming eligibility for benefits of an income tax treaty to which the United States is a party,

(ii) duly completed copies of Internal Revenue Service Form W-8ECI,

(iii) in the case of a Foreign Bank claiming the benefits of the exemption for portfolio interest under section 881(c) of the Code, (A) a certificate to the effect that such Foreign Bank is not (1) a "bank" within the meaning of section 881(c)(3)(A) of the Code, (2) a "10 percent shareholder" of the Borrower within the meaning of section 881(c)(3)(B) of the Code, or (3) a "controlled foreign corporation" described in section 881(c)(3)(C) of the Code and (B) duly completed copies of Internal Revenue Service Form W-8BEN, or

(iv) any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in United States Federal withholding tax duly completed together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower to determine the withholding or deduction required to be made.

(f) Treatment of Certain Refunds. If the Administrative Agent or any Bank, in its sole discretion, that it has received a refund or credit of any Taxes or Other Taxes as to which it has been indemnified by the Borrower or with respect to which the Borrower has paid additional amounts pursuant to this Section 4.11, it shall pay to the Borrower an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower under this Section with respect to the Taxes or Other Taxes giving rise to such refund or credit), net of all reasonable out-of-pocket expenses of the Administrative Agent or such Bank, as the case may be, and without interest (other than any interest paid by the relevant Government Authority with respect to such refund), provided that the Borrower upon the request of the Administrative Agent or such Bank, agrees to repay the amount paid over to the Borrower (plus any penalties, interest or other charges imposed by the relevant Government Authority) to the Administrative Agent or such Bank if the Administrative Agent or such Bank is required to repay such refund to such Government Authority. This subsection shall not be construed to require the Administrative Agent or any Bank to make available its tax returns (or any other information relating to its taxes that it deems confidential) to the Borrower or any other Person.

4.12 Mitigation and Replacement.

(a) Mitigation. At the request of the Borrower, any Bank claiming any additional amounts payable pursuant to Section 4.6, 4.7 or 4.11 or invoking the provisions of Section 4.5 shall use reasonable efforts to change the jurisdiction of its Applicable Lending Office if the making of such a change would avoid the need for, or reduce the amount of, any such additional amounts which may thereafter accrue and such change would not, in the reasonable judgment of such Bank, be otherwise disadvantageous to such Bank.

(b) Replacement. In the event that a Bank demands payment from the Borrower for amounts owing pursuant to Sections 4.6, 4.7 or 4.11 or invokes the provisions of Section 4.5, the Borrower may, upon payment of such amounts and subject to the requirements of Section 18, substitute for such Bank another financial institution, which financial institution shall be an Eligible Assignee and shall assume the Commitments of such Bank and purchase the Outstanding Loans held by such Bank in accordance with Section 18, provided, however, that (i) the Borrower shall have satisfied all of its obligations in connection with the Loan Documents with respect to such Bank and (ii) if such assignee is not a Bank (A) such assignee is reasonably acceptable to the Administrative Agent and (B) the Borrower shall have paid the Administrative Agent a $3,500 administrative fee.

5. REPRESENTATIONS AND WARRANTIES.

Each US Loan Party represents and warrants to the Banks and the Administrative Agent as follows:

5.1 Corporate Authority.

5.1.1 Incorporation; Good Standing. Each of the US Guarantor, its Subsidiaries, including the Borrower, and the General Partner (a) is a corporation, limited partnership, general partnership, trust or limited liability company, as the case may be, duly organized, validly existing, and, if applicable, in good standing, under the laws of its jurisdiction of organization, (b) has all requisite corporate, partnership or equivalent power to own its material properties and conduct its material business as now conducted and as presently contemplated, and (c) is, if applicable, in good standing as a foreign corporation, limited partnership, general partnership, trust or limited liability company, as the case may be, and is duly authorized to do business in each jurisdiction where it owns or leases properties or conducts any business so as to require such qualification except where a failure to be so qualified would not be likely to have a Material Adverse Effect.

5.1.2 Authorization. The execution, delivery, and performance of this Credit Agreement and the other Loan Documents to which the US Guarantor, the Borrower, any other Subsidiaries of the US Guarantor, or the General Partner is or is to become a party and the transactions contemplated hereby and thereby (a) are within the corporate, partnership, limited liability company or other equivalent power of each such Entity, (b) have been duly authorized by all necessary corporate, partnership, limited liability company or other applicable proceedings on behalf of each such Entity, (c) do not conflict with or result in any breach or contravention of any Government Mandate to which any such Entity is subject, (d) do not conflict with or violate any provision of the corporate charter or bylaws, the limited partnership certificate or agreement, or its governing documents in the case of any general partnership, limited liability company or trust, as the case may be, of any such Entity, and (e) do not violate, conflict with, constitute a default or event of default under, or result in any rights to accelerate or modify any obligations under any Contract to which any such Entity is party or subject, or to which any of its respective assets are subject, except, as to the foregoing clauses (c) and (e) only, where the same would not be likely to have a Material Adverse Effect.

5.1.3 Enforceability. The execution and delivery of this Credit Agreement and the other Loan Documents to which the US Guarantor, the Borrower, any other Subsidiaries of the US Guarantor or the General Partner is or is to become a party will result in valid and legally binding obligations of such Person enforceable against it in accordance with the respective terms and provisions hereof and thereof, except as enforceability is limited by bankruptcy, insolvency, reorganization, moratorium, or other laws relating to or affecting generally the enforcement of creditors' rights and by general principles of equity, regardless of whether enforcement is sought in a Proceeding in equity or at law.

5.1.4 Equity Securities. The General Partner is the only general partner of the US Guarantor. All of the outstanding Equity Securities of the US Guarantor are validly issued, fully paid, and non-assessable. The US Guarantor is the only member of the Borrower. All of the outstanding Equity Securities of the Borrower are validly issued, fully paid, and non-assessable.

5.2 Governmental Approvals. The execution, delivery, and performance by the US Guarantor, its Subsidiaries, including the Borrower, and the General Partner of this Credit Agreement and the other Loan Documents to which the US Guarantor, the Borrower, any other Subsidiaries of the US Guarantor or the General Partner is or is to become a party and the transactions contemplated hereby and thereby do not require the approval or consent of, or filing with, any Government Authority other than those already obtained and set forth on Schedule 5.2.

5.3 Liens; Leases. The assets reflected in the consolidated balance sheet of the US Guarantor dated as of December 31, 2006, and delivered to the Administrative Agent and the Banks under Section 5.4 are subject to no Liens except Permitted Liens. Each of the US Guarantor and its Subsidiaries enjoys quiet possession under all leases relating to Real Estate or personal property to which it is party as a lessee, and each such lease is Fully Effective.

5.4 Financial Statements. There has been furnished to the Administrative Agent and each of the Banks (a) a consolidated balance sheet of the US Guarantor as at December 31, 2006, and a consolidated statement of income and cash flow of the US Guarantor for the fiscal year then ended, certified by the US Guarantor's independent certified public accountants, and (b) unaudited interim condensed consolidated balance sheets of the US Guarantor and the Consolidated Subsidiaries as at September 30, 2007, and interim condensed consolidated statements of income and of cash flow of the US Guarantor and the Consolidated Subsidiaries for the respective fiscal periods then ended and as set forth in the US Guarantor's Quarterly Reports on Form 10-Q for such fiscal quarters. With respect to the financial statements prepared in accordance with clause (a) above, such balance sheet and statement of income have been prepared in accordance with GAAP and present fairly in all material respects the financial position of the US Guarantor and the Consolidated Subsidiaries as at the close of business on the respective dates thereof and the results of operations of the US Guarantor and the Consolidated Subsidiaries for the fiscal periods then ended; or, in the case of the financial statements referred to in clause (b), have been prepared in a manner consistent with the accounting practices and policies employed with respect to the audited financial statements reported in the US Guarantor's most recent Form 10-K filed with the Securities and Exchange Commission and prepared in accordance with Rule 10-01 of Regulation S-X of the Securities and Exchange Commission, and contain all adjustments necessary for a fair presentation of (A) the results of operations of the US Guarantor for the periods covered thereby, (B) the financial position of the US Guarantor at the date thereof, and (C) the cash flows of the US Guarantor for periods covered thereby (subject to year-end adjustments). There are no contingent liabilities of the US Guarantor or the Consolidated Subsidiaries as of such dates involving material amounts, known to the executive management of the US Guarantor that (aa) should have been disclosed in said balance sheets or the related notes thereto in accordance with GAAP and the rules and regulations of the Securities and Exchange Commission, and (bb) were not so disclosed.

5.5 No Material Changes, Etc. No change in the Business of the US Guarantor and its Consolidated Subsidiaries, taken as a whole, has occurred since December 31, 2006 that has resulted in a Material Adverse Effect.

5.6 Permits. The US Guarantor and its Subsidiaries have all Permits necessary or appropriate for them to conduct their Business, except where the failure to have such Permits would not be likely to have a Material Adverse Effect. All of such Permits are in full force and effect. Without limiting the foregoing, the US Guarantor is duly registered as an "investment adviser" under the Investment Advisers Act of 1940 and under the applicable laws of each state in which such registration is required in connection with the investment advisory business of the US Guarantor and in which the failure to obtain such registration would be likely to have a Material Adverse Effect; Alliance Distributors is duly registered as a "broker/dealer" under the Securities Exchange Act of 1934 and under the securities or blue sky laws of each state in which such registration is required in connection with the business conducted by Alliance Distributors and where a failure to obtain such registration would be likely to have a Material Adverse Effect, and is a member in good standing of the Financial Industry Regulatory Authority, Inc.; no Proceeding is pending or threatened with respect to the suspension, revocation, or termination of any such registration or membership, and the termination or withdrawal of any such registration or membership is not contemplated by the US Guarantor or Alliance Distributors, except, only with respect to registrations by the US Guarantor and Alliance Distributors required under state law, as would not be likely to have a Material Adverse Effect.

5.7 Litigation. There is no Proceeding of any kind pending or threatened, in writing, against the US Guarantor, any of its Subsidiaries, or the General Partner that questions the validity of this Credit Agreement or any of the other Loan Documents, or any action taken or to be taken pursuant hereto or thereto. Except as may be set forth in information provided pursuant to Section 6.4 hereof or as otherwise disclosed by the Borrower to the Banks, there is no Proceeding of any kind pending or threatened, in writing, against the US Guarantor, any of its Subsidiaries, or the General Partner that, if adversely determined, is reasonably likely to, either in any case or in the aggregate, result in a Material Adverse Effect or impair or prevent performance and observance by any US Loan Party of its obligations under this Credit Agreement or the other Loan Documents.

5.8 Material Contracts. Except as would not be likely to have a Material Adverse Effect, each Contract to which any of the US Guarantor and its Subsidiaries (including the Borrower) is party or subject, or by which any of their respective assets are bound (including investment advisory contracts and investment company distribution plans) (a) is Fully Effective, (b) is not subject to any default or event of default with respect to any of the US Guarantor and its Subsidiaries (including the Borrower) or, to the best knowledge of the executive management of the Borrower, any other party, (c) is not subject to any notice of termination given or received by any of the US Guarantor and its Subsidiaries (including the Borrower), and (d) is, to the best knowledge of the executive management of the US Guarantor, the legal, valid, and binding obligation of each party thereto other than any of the US Guarantor and its Subsidiaries (including the Borrower) enforceable against such parties according to its terms.

5.9 Compliance with Other Instruments, Laws, Etc. None of any of the US Guarantor, its Subsidiaries, including the Borrower, and the General Partner is, in any respect material to the US Guarantor and its Consolidated Subsidiaries taken as a whole, in violation of or default under (a) any provision of its certificate of incorporation or by-laws, or its certificate of limited partnership or agreement of limited partnership or its certificate of formation or limited liability company agreement, or its governing documents in the case of any general partnership, as the case may be, (b) any Contract to which it is or may be subject or by which it or any of its properties are or may be bound, or (c) any Government Mandate, including Government Mandates relating to occupational safety and employment matters.

5.10 Tax Status. The US Guarantor and its Subsidiaries (a) have made or filed all federal and state income and all other tax returns, reports, and declarations required by any Government Authority to which any of them is subject, except where the failure to make or file the same would not be likely to have a Material Adverse Effect, (b) have paid all taxes and other governmental assessments and charges due, except those being contested in good faith and by appropriate Proceedings or those where a failure to pay is not reasonably likely to have a Material Adverse Effect, and (c) have set aside on their books provisions reasonably adequate for the payment of all taxes for periods subsequent to the periods to which such returns, reports, or declarations apply. There are no unpaid taxes in any material amount claimed to be due from the US Guarantor or any of its Subsidiaries by any Government Authority, and the executive management of the US Guarantor knows of no basis for any such claim.

5.11 No Event of Default. No Default or Event of Default has occurred and is continuing.

5.12 Investment Company Act. Neither the US Guarantor nor any of its Subsidiaries (excluding investment companies in which the US Guarantor or a Consolidated Subsidiary has made “seed money” investments permitted by Section 8.6(b)) is an “investment company”, as such term is defined in the 1940 Act.

5.13 Insurance. The US Guarantor and its Subsidiaries maintain insurance with financially sound and reputable insurers in such coverage amounts, against such risks, with such deductibles and upon such other terms, or are self-insured in respect of such risks (with appropriate reserves to the extent required by GAAP), as is reasonable and customary for firms engaged in businesses similar to those of the US Guarantor and its Subsidiaries. All policies of insurance maintained by the US Guarantor or its Subsidiaries are Fully Effective. All premiums due on such policies have been paid or accrued on the books of the US Guarantor or its Subsidiaries, as appropriate.

5.14 Certain Transactions. Except in connection with transactions occurring in the ordinary course of business, and, taking into account the totality of the relationships involved, with respect to transactions occurring on fair and reasonable terms no less favorable to the US Guarantor and its Consolidated Subsidiaries taken as a whole than would be obtained in comparable arms’ length transactions with Persons that are not Affiliates of the US Guarantor or its Subsidiaries, none of the officers, directors, partners, or employees of the US Guarantor or any of its Subsidiaries, or, to the knowledge of the executive management of the US Guarantor, any Entity (other than a Subsidiary) in which any such officer, director, partner, or employee has a substantial interest or is an officer, director, trustee, or partner, is at present a party to any transaction with the US Guarantor or any of its Subsidiaries (other than for or in connection with services as officers, directors, partners, or employees, as the case may be), including any Contract providing for the furnishing of services to or by, providing for rental of real or personal property to or from, or otherwise requiring payments to or from any such officer, director, partner, employee, or Entity.

5.15 Employee Benefit Plans. Each contribution required to be made to a Guaranteed Pension Plan, whether required to be made to avoid the incurrence of an accumulated funding deficiency, the notice or lien provisions of §302(f) of ERISA, or otherwise, has been timely made. No waiver of an accumulated funding deficiency or extension of amortization periods has been received with respect to any Guaranteed Pension Plan. No liability to the PBGC (other than required insurance premiums, all of which have been paid) has been incurred by the US Guarantor or any ERISA Affiliate with respect to any Guaranteed Pension Plan and there has not been any ERISA Reportable Event, or any other event or condition which presents a material risk of termination of any Guaranteed Pension Plan by the PBGC. Based on the latest valuation of each Guaranteed Pension Plan (which in each case occurred within fifteen (15) months of the date of the representation), and on the actuarial methods and assumptions employed for that valuation, the aggregate benefit liabilities of all such Guaranteed Pension Plans within the meaning of §4001 of ERISA did not exceed the aggregate value of the assets of all such Guaranteed Pension Plans by more than $50,000,000, disregarding for this purpose the benefit liabilities and assets of any Guaranteed Pension Plan with assets in excess of benefit liabilities.

5.16 Use of Proceeds. The proceeds of the Loans shall be used by the Borrower to fund the borrower's obligations resulting from engaging in certain securities trading and custody activities. The Borrower is an "exempted borrower" as such term is used in Regulation U of the Board of Governors of the Federal Reserve System, 12 C.F.R. Part 221.

5.17 Environmental Compliance. To the best of the US Guarantor's knowledge:

(a) none of the US Guarantor, its Subsidiaries, the General Partner, and any operator of the Real Estate or any operations thereon is in violation, or alleged violation, of any Government Mandate or Permit pertaining to environmental, safety or public health matters, including the Resource Conservation and Recovery Act ("RCRA"), the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986 ("SARA"), the Federal Clean Water Act, the Federal Clean Air Act, and the Toxic Substances Control Act (hereinafter "Environmental Laws"), which violation would be likely to have a material adverse effect on the environment or a Material Adverse Effect;

(b) neither the US Guarantor nor any of its Subsidiaries has received notice from any third party, including any Government Authority, (i) that any one of them has been identified by the United States Environmental Protection Agency ("EPA") as a potentially responsible party under CERCLA with respect to a site listed on the National Priorities List, 40 C.F.R. Part 300 Appendix B (1986); (ii) that any hazardous waste, as defined by 42 U.S.C. §9601(5), any hazardous substances as defined by 42 U.S.C. §9601(14), any pollutant or contaminant as defined by 42 U.S.C. §9601(33) and any toxic substances, oil, hazardous materials, or other chemicals or substances regulated by any Environmental Laws ("Hazardous Substances") that any one of them has generated, transported, or disposed of has been found at any site at which a Government Authority or other third party has conducted, or has ordered that other parties conduct, a remedial investigation, removal, or other response action pursuant to any Environmental Law; or (iii) that it is or shall be a named party to any Proceeding (in each case, contingent or otherwise) arising out of any third party's incurrence of costs, expenses, losses, or damages of any kind whatsoever in connection with the release of Hazardous Substances; and

(i) no portion of the Real Estate has been used for the handling, processing, storage, or disposal of Hazardous Substances except in accordance with applicable Environmental Laws;

(ii) no underground tank or other underground storage receptacle for Hazardous Substances is located on any portion of the Real Estate;

(iii) in the course of any activities conducted by any of the US Guarantor, its Subsidiaries, the General Partner, and operators of any Real Estate, no Hazardous Substances have been generated or are being used on the Real Estate except in accordance with applicable Environmental Laws;

(iv) there have been no releases (i.e. any past or present releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, disposing, or dumping) or threatened releases of Hazardous Substances on, upon, into, or from the Real Estate that would have a material adverse effect on the value of the Real Estate or the environment;

(v) there have been no releases of Hazardous Substances on, upon, from, or into any real property in the vicinity of any of the Real Estate that (A) may have come to be located on the Real Estate through soil or groundwater contamination, and, (B) if so located, would have a material adverse effect on the value of the Real Estate or the environment; and

(vi) any Hazardous Substances that have been generated by any of the US Guarantor and its Subsidiaries, or on the Real Estate by any other Person, have been transported offsite only by carriers having an identification number issued by the EPA, treated or disposed of only by treatment or disposal facilities maintaining valid Permits as required under applicable Environmental Laws, which transporters and facilities have been and are, to the best of the US Guarantor's knowledge, operating in compliance with such Permits and applicable Environmental Laws.

5.18 Funded Debt. Schedule 5.18 sets forth as of December 31, 2007 all outstanding Funded Debt of the US Guarantor and its Subsidiaries.

5.19 General. The US Guarantor's Annual Report on Form 10-K for the fiscal year ended December 31, 2006, and Quarterly Reports on Form 10-Q referred to in Section 5.4 (a) conform in all material respects to the requirements of the Securities Exchange Act of 1934, as amended, and to all applicable rules and regulations of the Securities and Exchange Commission, and (b) as amended by interim filings, do not contain an untrue statement of any material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they are made, not misleading.

6. AFFIRMATIVE COVENANTS OF THE US LOAN PARTIES.

Each US Loan Party covenants and agrees that, so long as any Loan or any Note is Outstanding or any Bank has any obligation to make any Loans:

6.1 Punctual Payment. The Borrower will duly and punctually pay or cause to be paid the principal and interest on the Loans, the commitment fee, the utilization fee, and all other amounts provided for in this Credit Agreement and the other Loan Documents to which the Borrower is party, all in accordance with the terms of this Credit Agreement and such other Loan Documents.

6.2 Maintenance of Office. Each US Loan Party will maintain its chief executive office in New York, New York, or at such other place in the United States of America as such US Loan Party shall designate upon prior written notice to the Administrative Agent, where notices, presentations, and demands to or upon such US Loan Party in respect of the Loan Documents may be given or made.

6.3 Records and Accounts. Each US Loan Party will, and will cause each of its Subsidiaries to, keep complete and accurate records and books of account.

6.4 Financial Statements, Certificates, and Information. The US Guarantor will deliver to each of the Banks:

(a) as soon as practicable, but in any event not later than ninety-five (95) days after the end of each fiscal year of the US Guarantor:

(i) the consolidated balance sheet of the US Guarantor, as at the end of such fiscal year;

(ii) the consolidating balance sheet of the US Guarantor, listing each Consolidated Subsidiary and each Excluded Fund, as at the end of such fiscal year;

(iii) the consolidated statement of income and consolidated statement of cash flows of the US Guarantor for such fiscal year; and

(iv) the consolidating statement of income only (and not the consolidating statements of cash flow) of the US Guarantor, listing each Consolidated Subsidiary and each Excluded Fund for such fiscal year.

Each of the balance sheets and statements delivered under this Section 6.4(a) shall (I) set forth in comparative form the figures for the previous fiscal year; (II) be in reasonable detail and prepared in accordance with GAAP based on the records and books of account maintained as provided in Section 6.3; (III) as to items (i) and (iii) above, include footnotes or otherwise be accompanied by information outlining in sufficient detail reasonably satisfactory to the Administrative Agent the effect of consolidating Excluded Funds, if applicable, and be accompanied by (or be delivered concurrently with the financial statements under this Section 6.4(a)) a certification by the principal financial or accounting officer of the US Guarantor that the information contained in such financial statements presents fairly in all material respects the consolidated financial position of the US Guarantor on the date thereof and consolidated results of operations and consolidated cash flows of the US Guarantor for the periods covered thereby; and (IV) as to items (i) and (iii) above, be certified, without limitation as to scope, by PricewaterhouseCoopers LLP or another firm of independent certified public accountants reasonably satisfactory to the Administrative Agent, and shall be accompanied by (or be delivered concurrently with the financial statements under this Section 6.4(a)) a written statement from such accountants to the effect that in connection with their audit of such financial statements nothing has come to their attention that caused them to believe that the US Guarantor has failed to comply with the terms, covenants, provisions or conditions of Section 6.3, Section 7, and Section 8 of this Credit Agreement as to accounting matters (provided that such accountants may also state that the audit was not directed primarily toward obtaining knowledge of such noncompliance), or, if such accountants shall have obtained knowledge of any such noncompliance, they shall disclose in such statement any such noncompliance; provided that such accountants shall not be liable to the Banks for failure to obtain knowledge of any such noncompliance;

(b) as soon as practicable, but in any event not later than fifty (50) days after the end of each of the first three fiscal quarters of each fiscal year of the US Guarantor, (i) the unaudited interim condensed consolidated balance sheet of the US Guarantor as at the end of such fiscal quarter, and (ii) the unaudited interim condensed consolidated statement of income and unaudited interim condensed consolidated statement of cash flow of the US Guarantor for such fiscal quarter and for the portion of the US Guarantor's fiscal year then elapsed, all in reasonable detail and, with respect to clauses (i) and (ii), prepared in a manner consistent with the accounting practices and policies employed with respect to the audited financial statements reported in the US Guarantor's most recent Form 10-K filed with the Securities and Exchange Commission (subject to the application of accounting principles as of the implementation date of, and with respect to, Financial Accounting Standards Board Interpretative No. 46-Revised) and prepared in accordance with Rule 10-01 of Regulation S-X of the Securities and Exchange Commission, and including footnotes or otherwise accompanied by information outlining in sufficient detail reasonably satisfactory to the Administrative Agent the effect of consolidating Excluded Funds, if applicable, and concurrently therewith a certification by the principal financial or accounting officer of the US Guarantor that, in the opinion of management of the US Guarantor, all adjustments necessary for a fair presentation of (A) the results of operations of the US Guarantor for the periods covered thereby, (B) the financial position of the US Guarantor at the date thereof, and (C) the cash flows of the US Guarantor for periods covered thereby have been made (subject to year-end adjustments);

(c) simultaneously with the delivery of the financial statements referred to in subsections (a) and (b) above, a statement certified by the principal financial officer, treasurer or general counsel of the US Guarantor in substantially the form of Exhibit H hereto and setting forth in reasonable detail computations evidencing compliance with the covenants contained in Section 8 and (if applicable) reconciliations to reflect changes in GAAP since December 31, 2006;

(d) promptly after the same are available, copies of each annual report, proxy, if any, or financial statement or other report or communication sent to the holders of Equity Securities of the US Guarantor who are not Affiliates of the US Guarantor, and copies of all annual, interim and current reports and any other report of a material nature (it being understood that filings in the ordinary course of business pursuant to Sections 13(d), (f) and (g) of the Securities Exchange Act of 1934 are not material) which the US Guarantor may file or be required to file with the SEC under Section 13 or 15(d) of the Securities Exchange Act of 1934, and not otherwise required to be delivered to the Administrative Agent pursuant hereto; and

(e) from time to time such other financial data and information (including accountants' management letters) as the Administrative Agent (having been requested to do so by any Bank) may reasonably request.

(f) Documents required to be delivered pursuant to Section 6.4(a), (b), (c) or (d) (to the extent any such financial statements, reports or proxy statements are included in materials otherwise filed with the SEC) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date (i) on which the US Guarantor posts such documents, or provides a link thereto on the US Guarantor's internet website at www.alliancebernstein.com or such other replacement website of which the US Guarantor has given proper notice to the Administrative Agent and each Bank; or (ii) on which such documents are posted on the US Guarantor's behalf on IntraLinks/IntraAgency or another relevant website, if any, to which each Bank and the Administrative Agent have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent); provided that: (i) the US Guarantor shall deliver paper copies of such documents to the Administrative Agent or any Bank who requests, in writing, the US Guarantor to deliver such paper copies until written request to cease delivering paper copies is given by the Administrative Agent or such Bank and (ii) the US Guarantor shall notify (which may be by facsimile or electronic mail) the Administrative Agent and each Bank of the posting of any such documents. Notwithstanding anything contained herein, in every instance the US Guarantor shall be required to provide paper copies of the certificates or statements of officers required by Section 6.4(a), (b) or (c) to the Administrative Agent. Except for such certificates or statements of officers, the Administrative Agent shall have no obligation to request the delivery or to maintain copies of the documents referred to above, and in any event shall have no responsibility to monitor compliance by the US Guarantor with any such request for delivery, and each Bank shall be solely responsible for requesting delivery to it or maintaining its copies of such documents.

6.5 Notices.

6.5.1 Defaults. Each US Loan Party will promptly after the executive management of such US Loan Party (which for purposes of this covenant shall mean (to the extent applicable) the chairman of the board, president, principal financial officer, treasurer or general counsel of such US Loan Party) becomes aware thereof (and in any case within three (3) Business Days after the executive management becomes aware thereof) notify the Administrative Agent and each of the Banks in writing of the occurrence of any Default or Event of Default. If any Person shall give any notice in writing of a claimed default (whether or not constituting an Event of Default) under the Loan Documents or any other Contract relating to Funded Debt equal to or in excess of $100,000,000 to which or with respect to which any US Loan Party or any of its Subsidiaries is a party or obligor, whether as principal, guarantor, surety, or otherwise, such US Loan Party shall forthwith give written notice thereof to the Administrative Agent and each of the Banks, describing the notice or action and the nature of the claimed default.

6.5.2 Environmental Events. The US Guarantor will promptly give notice to the Administrative Agent and each of the Banks (a) of any violation of any Environmental Law that the US Guarantor or any of its Subsidiaries reports in writing, or that is reportable by any such Person in writing (or for which any written report supplemental to any oral report is made) to any Government Authority, and (b) upon becoming aware thereof, of any Proceeding, including a notice from any Government Authority of potential environmental liability, that has the potential, in the US Guarantor's reasonable judgment, to have a Material Adverse Effect.

6.5.3 Notice of Proceedings and Judgments. The US Guarantor will give notice to the Administrative Agent and each of the Banks in writing within ten (10) Business Days of the executive management of the US Guarantor (as defined in Section 6.5.1) becoming aware of any Proceedings pending affecting the US Guarantor or any of its Subsidiaries or to which the US Guarantor or any of its Subsidiaries is or becomes a party that could reasonably be expected by the US Guarantor to have a Material Adverse Effect (or of any material adverse change in any such Proceedings of which the US Guarantor has previously given notice). Any such notice will state the nature and status of such Proceedings. The US Guarantor will give notice to the Administrative Agent and each of the Banks, in writing, in form and detail satisfactory to the Administrative Agent, within ten (10) Business Days of any settlement or any judgment, final or otherwise, against the US Guarantor or any of its Subsidiaries where the amount payable by the US Guarantor or any of its Subsidiaries, after giving effect to insurance, is in excess of the lesser of $50,000,000 or 10% of Consolidated Net Worth as at the end of the most recent fiscal quarter.

6.5.4 Notice of Change of Control. In the event the US Guarantor obtains knowledge of a Change of Control or an impending Change of Control, the US Guarantor will promptly give written notice (a "US Guarantor Control Change Notice") of such fact to the Administrative Agent and the Banks at least forty (40) days prior to the proposed Change of Control Date; provided, however, that in no event shall such a US Guarantor Control Change Notice be delivered to the Administrative Agent and the Banks more than three (3) Business Days after the Change of Control Date. Without limiting the foregoing, upon obtaining actual knowledge of any Change of Control or impending Change of Control, any of the Administrative Agent and the Banks may (but in no case shall any of them be obligated to) deliver written notice to the Borrower of such event, indicating that such event requires the Borrower to prepay the Loans pursuant to Section 3.2.2 (and in any such notice a Bank may make demand for payment of its Loans under Section 3.2.2). Promptly upon receipt of such notice, but in no event later than five (5) Business Days after actual receipt thereof, the US Guarantor will give written notice (such notice, together with a US Guarantor Control Change Notice, a "Control Change Notice") of such fact to the Administrative Agent and the Banks (including the Bank that has so notified the US Guarantor). Any Control Change Notice shall (a) describe the principal facts and circumstances of such Change of Control known to the US Guarantor in reasonable detail (including the Change of Control Date or, if the US Guarantor does not have knowledge of the Change of Control Date, the US Guarantor's best estimate of such Change of Control Date), (b) make reference to Section 3.2.2 and the rights of the Banks to require the Borrower to prepay the Loans on the terms and conditions provided for therein, and (c) state that each Bank may make a demand for payment of its Loans by providing written notice to the Borrower and the US Guarantor within fifteen (15) days after the effective date of such Control Change Notice. In the event the US Guarantor shall not have designated the Change of Control Date in its Control Change Notice, the US Guarantor shall keep the Administrative Agent and the Banks informed as to any changes in the estimated Change of Control Date and shall provide written notice to the Administrative Agent and the Banks specifying the Change of Control Date promptly upon obtaining knowledge thereof.

6.5.5 Notice of AXA Default. In the event the US Guarantor obtains knowledge of an AXA Guaranty Event of Default, the US Guarantor will promptly after the executive management of the US Guarantor (which for purposes of this covenant shall mean (to the extent applicable) the chairman of the board, president, principal financial officer, treasurer or general counsel of the US Guarantor) becomes aware thereof (and in any case within three (3) Business Days after the executive management becomes aware thereof) give written notice of such fact to the Administrative Agent. Without limiting the foregoing, upon obtaining actual knowledge of any AXA Guaranty Event of Default, any of the Administrative Agent and the Banks may (but in no case shall any of them be obligated to) deliver written notice to the Borrower of such event, indicating that such event requires the Borrower to prepay the Loans pursuant to Section 3.2.3 (and in any such notice a Bank may make demand for payment of its Loans under Section 3.2.3). Promptly upon receipt of such notice, but in no event later than five (5) Business Days after actual receipt thereof, the US Guarantor will give written notice (such notice, together with a notice provided in accordance with the first sentence of this Section 6.5.5, an "AXA Default Notice") of such fact to the Administrative Agent and the Banks (including the Bank that has so notified the US Guarantor). Any AXA Default Notice shall (a) describe the principal facts and circumstances of such AXA Guaranty Event of Default known to the US Guarantor in reasonable detail, (b) make reference to Section 3.2.3 and the rights of the Banks to require the Borrower to prepay the Loans on the terms and conditions provided for therein, and (c) state that each Bank may make a demand for payment of its Loans by providing written notice to the Borrower and the US Guarantor within fifteen (15) days after such AXA Default Notice.

6.6 Existence; Business; Properties.

6.6.1 Legal Existence. Each US Loan Party will, and will cause each of its Consolidated Subsidiaries to do or cause to be done all things necessary to preserve and keep in full force and effect its existence, rights and franchises as a limited partnership, general partnership, corporation, limited liability company or trust, as the case may be, except, with respect to rights and franchises, where the failure to preserve and keep in full force and effect such rights and franchises would not be likely to have a Material Adverse Effect, provided, however, this section shall not prohibit any merger, consolidation, or reorganization of such US Loan Party or any of its Subsidiaries permitted pursuant to Section 7.2.

6.6.2 Conduct of Business. Except as otherwise disclosed to the Administrative Agent and the Banks in the US Guarantor's Form 8-Ks for the period prior to the Closing Date, each US Loan Party will, and will cause each of its Consolidated Subsidiaries to, engage in business related to investment management.

6.6.3 Maintenance of Properties. Each US Loan Party will, and will cause each of its Consolidated Subsidiaries to, cause its properties used or useful in the conduct of its business and which are material to the Business of such US Loan Party and its Consolidated Subsidiaries taken as a whole to be maintained and kept in good condition, repair, and working order and supplied with all necessary equipment, ordinary wear and tear excepted; provided that nothing in this Section 6.6.3 shall prevent such US Loan Party or any of its Consolidated Subsidiaries from discontinuing the operation and maintenance of any properties if such discontinuance (i) is, in the judgment of such US Loan Party or such Subsidiary, desirable in the conduct of its business, and (ii) does not have a Material Adverse Effect.

6.6.4 Status Under Securities Laws. The US Guarantor shall maintain its status as a registered "investment adviser", under (a) the Investment Advisers Act of 1940 and (b) under the laws of each state in which such registration is required in connection with the investment advisory business of the US Guarantor and, as to (b) only, where a failure to obtain such registration would be likely to have a Material Adverse Effect. The US Guarantor shall cause Alliance Distributors (i) to maintain its status as a registered "broker/dealer" under the Securities Exchange Act of 1934 and under the laws of each state in which such registration is required in connection with the business of Alliance Distributors and where a failure to obtain such registration would be likely to have a Material Adverse Effect, and (ii) to maintain its membership in the Financial Industry Regulatory Authority, Inc.

6.7 Insurance. Each US Loan Party will, and will cause each of its Consolidated Subsidiaries to, maintain with financially sound and reputable insurers insurance with respect to its properties and business against such casualties and contingencies, in such amounts, containing such terms, in such forms, and for such periods, or shall be self-insured in respect of such risks (with appropriate reserves to the extent required by GAAP), as shall be customary in the industry for companies engaged in similar activities in similar geographic areas.

6.8 Taxes. Each US Loan Party will, and will cause each of its Consolidated Subsidiaries to, duly pay and discharge, or cause to be paid and discharged, before the same shall become overdue, all taxes, assessments, and other governmental charges imposed upon it or its real property, sales, and activities, or any part thereof, or upon the income or profits therefrom, as well as all claims for labor, materials, or supplies that if unpaid (a) might by law become a Lien upon any of its property and (b) would be reasonably likely to result in a Material Adverse Effect; provided that any such tax, assessment, charge, levy, or claim need not be paid if the validity or amount thereof shall currently be contested in good faith by appropriate proceedings and if such US Loan Party or such Subsidiary shall have set aside on its books, if and to the extent permitted by GAAP, adequate accruals with respect thereto.

6.9 Inspection of Properties and Books, Etc.

6.9.1 General. Each US Loan Party shall, and shall cause each of its Subsidiaries to, permit the Banks, through the Administrative Agent or any of the Banks' other designated representatives, to visit and inspect any of the properties of such US Loan Party or any of its Subsidiaries, to examine the books of account of such US Loan Party and its Subsidiaries (and to make copies thereof and extracts therefrom), and to discuss the affairs, finances, and accounts of such US Loan Party and its Subsidiaries with, and to be advised as to the same by, its and their officers, all at such reasonable times and intervals as the Administrative Agent or any Bank may request. The costs incurred by the Administrative Agent and the Banks in connection with any such inspection shall be borne by the Banks making or requesting the inspection (or, if the Administrative Agent makes an inspection on its own initiative after notice to the Banks, by the Banks jointly, on a pro rata basis according to their Outstanding Loans or, if no Loans are Outstanding, their respective Commitments), except as otherwise provided by Section 15(e). Any data and information that is obtained by the Administrative Agent or any Bank pursuant to this Section 6.9.1 shall be held subject to Section 20.

6.9.2 Communication with Accountants. Each US Loan Party authorizes the Administrative Agent and, if accompanied by the Administrative Agent, the Banks to communicate directly with such US Loan Party's independent certified public accountants and authorizes such accountants to disclose to the Administrative Agent and the Banks any and all financial statements and other supporting financial documents and schedules, including copies of any management letter with respect to the Business of such US Loan Party or any of its Subsidiaries. Each US Loan Party shall be entitled to reasonable prior notice of any such meeting with its independent certified public accountants and shall have the opportunity to have its representatives present at any such meeting. At the request of the Administrative Agent, each US Loan Party shall deliver a letter addressed to such accountants instructing them to comply with the provisions of this Section 6.9.2. Any data and information that is obtained by the Administrative Agent or any Bank pursuant to this Section 6.9.2 shall be held subject to Section 20.

6.10 Compliance with Government Mandates, Contracts, and Permits. Each US Loan Party will and will cause each of its Consolidated Subsidiaries to, comply (if and to the extent that a failure to comply would be likely to have a Material Adverse Effect) with (a) all applicable Government Mandates wherever the business of such US Loan Party or any such Subsidiary is conducted, including all Environmental Laws and all Government Mandates relating to occupational safety and employment matters; (b) the provisions of the certificate of incorporation and by-laws, or the agreement of limited partnership and certificate of limited partnership, or its governing documents in the case of any general partnership, as the case may be, of such US Loan Party and such Subsidiary; (c) all Contracts to which such US Loan Party or any such Subsidiary is party, by which such US Loan Party or any such Subsidiary is or may be bound, or to which any of their respective properties are or may be subject; and (d) the terms and conditions of any Permit used in the Business of such US Loan Party or any such Subsidiary. If any Permit shall become necessary or required in order that such US Loan Party may fulfill any of its obligations hereunder or under any of the other Loan Documents to which such US Loan Party is a party, such US Loan Party will immediately take or cause its Subsidiaries to take all reasonable steps within the power of such US Loan Party and its Subsidiaries to obtain and maintain in full force and effect such Permit and furnish the Administrative Agent and the Banks with evidence thereof.

6.11 Use of Proceeds. The Borrower will use the proceeds of the Loans solely as provided in Section 5.16.

6.12 Certain Changes in Accounting Principles. In the event of a change after the date of this Credit Agreement in (a) GAAP (as defined in clause (b) of the definition of "GAAP" in Section 1.1) or (b) any regulation issued by the Securities and Exchange Commission (either such event being referred to herein as an "Accounting Change"), that results in a material change in the calculations as to compliance with any financial covenant contained in Section 8 or in the calculation of any item to be taken into account in the calculations as to compliance with any such covenant (the "Affected Computation") in such a manner and to such an extent that, in the good faith judgment of the Chief Financial Officer of the US Guarantor or the Majority Banks, as evidenced by notice from such Majority Banks to the US Guarantor and the Administrative Agent (the "Accounting Notice"), the application of the Accounting Change to the Affected Computation would no longer reflect the intention of the parties to this Credit Agreement, then and in any such event:

(a) the US Guarantor shall, promptly after either a determination by its Chief Financial Officer as provided above or receipt of an Accounting Notice, give written notice thereof to the Administrative Agent and each Bank, which notice shall be accompanied by a copy of any Accounting Notice and a certificate of the Chief Financial Officer of the US Guarantor:

(i) describing the Accounting Change in question and the particular covenant or covenants that will be affected by such Accounting Change;

(ii) setting forth in reasonable detail (including detailed calculations) the manner and extent to which the covenant or covenants listed in such certificate are affected by such Accounting Change; and

(iii) setting forth in reasonable detail (including detailed calculations) the information required in order to establish that the US Guarantor would be in compliance with the requirements of the covenant or covenants listed in such certificate if such Accounting Change was not effective (or, if the US Guarantor would not be so in compliance, setting forth in reasonable detail calculations of the extent of such non-compliance);

(b) the US Guarantor and the Banks will enter into good faith negotiations with each other for an equitable amendment of such covenant or covenants, and the definition of GAAP set forth in Section 1.1, pursuant to Section 26 so as to place the parties, insofar as possible, in the same relative position as if such Accounting Change had not occurred;

(c) for the period from the date on which such Accounting Change becomes effective (the "Effective Date") to the effective date of an amendment to this Credit Agreement pursuant to Section 26, the US Guarantor shall be deemed to be in compliance with the covenant or covenants listed in such certificate if and so long as (but only if and so long as) the US Guarantor would be in compliance with such covenant or covenants if such Accounting Change had not occurred; and

(d) if no amendment to this Credit Agreement has become effective within ninety (90) days after the Effective Date of such Accounting Change, then all accounting computations required to be made for purposes of this Credit Agreement thereafter shall be made in accordance with GAAP as in effect immediately prior to such Effective Date.

6.13 Broker-Dealer Subsidiaries.

6.13.1 Maintain Net Capital. Each Material Broker-Dealer Subsidiary of the US Guarantor that is a U.S. regulated broker-dealer shall not fail to maintain net capital in an amount not less than that required by the Net Capital Rule for a period in excess of five (5) Business Days of the date such Material Broker-Dealer Subsidiary knew of such failure, and each Material Broker-Dealer Subsidiary of the US Guarantor that is a non-U.S. regulated broker-dealer shall not fail to maintain net capital or capital (or the equivalent) in an amount not less than that required by any similar rule, regulation or requirement (including any capital adequacy requirement) of the relevant regulatory authority or authorities in any relevant jurisdiction for a period in excess of five (5) Business Days of the date such Material Broker-Dealer Subsidiary knew of such failure, and

6.13.2 Registration; Qualification. Each Broker-Dealer Subsidiary must maintain its registration or comparable qualification with its applicable Examining Authority to the extent such registration or comparable qualification is material to the business of the US Guarantor and its Subsidiaries taken as a whole.

7. CERTAIN NEGATIVE COVENANTS OF THE US GUARANTOR.

The US Guarantor covenants and agrees that, so long as any Loan or any Note is Outstanding or any Bank has any obligation to make any Loans:

7.1 Disposition of Assets. The US Guarantor will not, and will not cause, permit, or suffer any of its Consolidated Subsidiaries to, in any single transaction or in multiple transactions within any fiscal year of the US Guarantor, sell, transfer, assign, or otherwise dispose of assets of the US Guarantor and its Consolidated Subsidiaries, or enter into any Contract for any such sale, transfer, assignment, or disposition (a "Disposition"), provided, however:

(a) Consolidated Subsidiaries of the US Guarantor may sell, transfer, assign, or dispose of assets (including 12b-1 Fees) to the US Guarantor or another Consolidated Subsidiary;

(b) the US Guarantor and any Consolidated Subsidiary of the US Guarantor may make any Disposition (other than a Disposition (whether in one or a series of transactions) of all or substantially all of the assets of the US Guarantor and its Consolidated Subsidiaries) so long as (i) no Default exists or would be caused thereby, (ii) after giving effect to such Disposition the US Guarantor will, on a pro forma basis, be in compliance with the financial covenants set forth in Section 8 hereof, and (c) the assets disposed of in any fiscal year in the aggregate did not generate more than 33 1/3% of the consolidated revenues of the US Guarantor during the immediately preceding fiscal four quarters or if such assets generated revenues during the immediately preceding fiscal four quarters that if subtracted from the consolidated revenues of the US Guarantor during this period would result in consolidated revenues of the US Guarantor of less than $1,200,000,000; and

(c) the US Guarantor and any Consolidated Subsidiary of the US Guarantor may sell, transfer or assign, or dispose of 12b-1 Fees to Persons other than the US Guarantor and its Consolidated Subsidiaries. Any Indebtedness in respect of obligations of the US Guarantor and its Consolidated Subsidiaries arising out of such transactions shall constitute "Funded Debt".

This covenant is not intended to restrict the conversion of a short-term investment of any US Loan Party into cash or into another investment which remains an asset of such US Loan Party.

7.2 Fundamental Changes. The US Guarantor will not, and will not cause, permit, or suffer any of its Consolidated Subsidiaries to, become a party to any merger, dissolution or consolidation involving all or substantially all of its assets (whether in one or a series of transactions) (any such transaction, a "Reorganization" and the term "Reorganize" shall have a correlative meaning) or purchase or acquire all or substantially all of the assets or Equity Securities of a Person or a business unit of a Person (whether in one or a series of transactions) (each, an "Acquisition") or enter into any Contract providing for any Reorganization or Acquisition, provided, however, so long as no Default or Event of Default then exists or would be caused thereby:

(a) any Consolidated Subsidiary may merge with (i) a US Loan Party, provided that such US Loan Party shall be the continuing or surviving Person, or (ii) any one or more Consolidated Subsidiaries;

(b) any Person may merge with (i) a US Loan Party provided that (x) such US Loan Party shall be the continuing or surviving Person, and (y) such Person merging into such US Loan Party is in the same line of business as the US Guarantor and its Subsidiaries or a line of business reasonably related thereto, or (ii) any one or more Consolidated Subsidiaries, provided that (x) such Consolidated Subsidiary shall be the continuing or surviving Person, (y) such Person merging into a Consolidated Subsidiary is in the same line of business as the US Guarantor and its Subsidiaries or a line of business reasonably related thereto; and

(c) the US Guarantor or any Consolidated Subsidiary may purchase or acquire all or substantially all of the Equity Securities or assets of a Person or a business unit of a Person, provided that (i) such Person is in the same line of business as the US Guarantor and its Subsidiaries or a line of business related thereto and (ii) after giving effect to such purchase or acquisition, the US Guarantor will, on a pro forma basis, be in compliance with the financial covenants set forth in Section 8.

7.3 Restrictions on Liens. The US Guarantor will not, and will not cause, permit, or suffer any of its Consolidated Subsidiaries to (a) create or incur, or cause, permit, or suffer to be created or incurred or to exist, any Lien upon any of its property or assets of any character whether now owned or hereafter acquired, or upon the income or profits therefrom; (b) transfer any of such property or assets or the income or profits therefrom for the purpose of subjecting the same to the payment of Indebtedness or performance of any other obligation in priority to payment of its general creditors; (c) acquire, or agree or have an option to acquire, any property or assets upon conditional sale or other title retention or purchase money security agreement, device, or arrangement; (d) suffer to exist any Indebtedness or claim or demand for a period of time such that the same by Government Mandate or upon bankruptcy or insolvency, or otherwise, would be given any priority whatsoever over its general creditors; or (e) assign, pledge, or otherwise transfer any accounts, contract rights, general intangibles, chattel paper, or instruments, with or without recourse, other than a transfer or assignment in connection with a Disposition permitted under Section 7.1 or Reorganization or Acquisition permitted under Section 7.2 or an Investment permitted under Section 7.4; provided that the US Guarantor and any Subsidiary of the US Guarantor may create or incur, or cause, permit, or suffer to be created or incurred or to exist:

(i) Liens imposed by Government Mandate to secure taxes, assessments, and other government charges in respect of obligations not overdue or which are being contested in good faith and by appropriate proceedings diligently conducted, if adequate reserves are maintained in accordance with GAAP;

(ii) statutory Liens of carriers, warehousemen, mechanics, suppliers, laborers, and materialmen, and other like Liens in the ordinary course of business, in each case in respect of obligations not overdue for a period of more than 30 days or which are being contested in good faith and by appropriate proceedings diligently conducted, if adequate reserves are maintained in accordance with GAAP;

(iii) Liens arising out of pledges or deposits in the ordinary course of business in connection with workers' compensation, unemployment insurance and other social security legislation, other than any Lien imposed by ERISA;

(iv) Liens on deposits to secure performance of bids or performance bonds and other similar Liens, in the ordinary course of business;

(v) Liens on Real Estate consisting of easements, rights of way, zoning restrictions, restrictions on the use of real property, defects and irregularities in the title thereto, and other minor Liens, provided, none of such Liens in the reasonable opinion of the US Guarantor interferes materially with the use of the affected property in the ordinary conduct of the business of the US Guarantor and its Subsidiaries;

(vi) the rights and interests of landlords and lessors under leases of Real Estate leased by the US Guarantor or one of its Subsidiaries, as lessee;

(vii) Liens outstanding on the Closing Date and set forth on Schedule 7.3;

(viii) Liens in favor of either the US Guarantor or a Consolidated Subsidiary on all or part of the assets of any Subsidiary of the US Guarantor securing Indebtedness owing by such Subsidiary to the US Guarantor or such Consolidated Subsidiary, as the case may be;

(ix) Liens on interests of the US Guarantor or its Subsidiaries in partnerships or joint ventures consisting of binding rights of first refusal, rights of first offer, take-me-along rights, third-party offer provisions, buy-sell provisions, other transfer restrictions and conditions relating to such partnership or joint venture interests, and Liens granted to other participants in such partnership or joint venture as security for the performance by the US Guarantor or its Subsidiaries of their obligations in respect of such partnership or joint venture;

(x) UCC notice filings in connection with non-recourse sales of 12b-1 Fees (other than sales constituting a collateral security device);

(xi) Liens securing purchase money Indebtedness so long as such Liens are only on the asset acquired with such purchase money Indebtedness and secure only the Indebtedness incurred to purchase such asset;

(xii) Liens incurred or otherwise arising in connection with the Securities Trading Activities of the Broker-Dealer Subsidiaries;

(xiii) Liens in favor of the Administrative Agent or any Bank to secure the Obligations; and

(xiv) Liens (in addition to those specified in clauses (i) through (xiii) above) securing Indebtedness in an aggregate amount for the US Guarantor and all of its Consolidated Subsidiaries taken together not in excess of $80,000,000 outstanding at any point in time (but excluding from the amount of any such Indebtedness that portion which is fully covered by insurance and as to which the insurance company has acknowledged to the Administrative Agent its coverage obligation in writing).

7.4 Restrictions on Investments. The US Guarantor will not, and will not cause, permit, or suffer any of its Consolidated Subsidiaries to, make or permit to exist or to remain outstanding any Investment except:

(a) Investments in marketable securities, liquid investments, and other financial instruments that are acquired for investment purposes and that have a value that may be readily established, including any such Investment that may be readily sold or otherwise liquidated in any mutual fund for which the US Guarantor or one of its Subsidiaries serves as investment manager or adviser;

(b) Investments received in connection with the settlement of past due accounts;

(c) Guarantees otherwise constituting permitted Funded Debt;

(d) So long as no Event of Default exists or would be caused thereby, Investments in funds or other vehicles managed by the US Guarantor or one of its affiliates in the ordinary course;

(e) Investments by the Broker-Dealer Subsidiaries consisting of purchases, borrowings and other acquisitions of securities and other financial instruments in connection with the Securities Trading Activities of the Broker Dealer Subsidiaries;

(f) Investments existing on the Closing Date and set forth on Schedule 7.4; and

(g) Other Investments, so long as no Default exists or would be caused thereby and the US Guarantor would be, on a pro forma basis, in compliance with the financial covenants set forth in Section 8 hereof; provided, however, that with respect to any acquisition of all or substantially all of the Equity Securities or assets of a Person, such acquisition shall relate solely to Equity Securities in another Person engaged primarily in, or assets of another Person used primarily for, the same line of business as the Borrower and its Subsidiaries or a line of business reasonably related thereto.

7.5 Restrictions on Funded Debt. The US Guarantor will not cause, permit, or suffer any of the Consolidated Subsidiaries to, create, incur, assume, guarantee, or be or remain liable, contingently or otherwise, with respect to any Funded Debt if as a result the US Guarantor will not be in compliance with the financial covenants set forth in Section 8 hereof.

7.6 Distributions. The US Guarantor shall not cause, permit, or suffer any restriction or Lien on the ability of any Consolidated Subsidiary to (a) pay, directly or indirectly, any Distributions to the US Guarantor or any other Subsidiary of the US Guarantor, (b) make any payments, directly or indirectly, in respect of any Indebtedness or other obligation owed to the US Guarantor or any of its Subsidiaries, (c) make loans or advances to the US Guarantor or any other Subsidiary of the US Guarantor, or (d) sell, transfer, assign, or otherwise dispose of any property or assets to the US Guarantor or any other Subsidiary of the US Guarantor, except, in each such case, restrictions or Liens (aa) that exist under or by reason of applicable Government Mandates, including any net capital rules, (bb) that are imposed only, as to Indebtedness of the US Guarantor or any Consolidated Subsidiary incurred prior to the date hereof, upon a failure to pay when due any of such Indebtedness, or, as to Indebtedness of the US Guarantor or any Consolidated Subsidiary incurred on or after the date hereof, upon an acceleration of such Indebtedness or a failure to pay the full amount of such Indebtedness at maturity, or (cc) that arise by reason of the maintenance by any Subsidiary that is not a Consolidated Subsidiary of a level of net worth for the purpose of ensuring that limited partnerships for which it serves as general partner will be treated as partnerships for federal income tax purposes. Notwithstanding the foregoing, any portion of net earnings of any Consolidated Subsidiary that is unavailable for payment of dividends to the US Guarantor or any other Consolidated Subsidiary by reason of a restriction or Lien permitted under any of clauses (aa), (bb), and (cc) shall be excluded from the calculation of Consolidated Net Income (or Loss).

7.7 Transactions with Affiliates. The US Guarantor will not, and will not cause, permit, or suffer any of its Subsidiaries to, directly or indirectly, enter into any Contract or other transaction with any Affiliate of the US Guarantor or any of its Subsidiaries that is material to the US Guarantor and the Consolidated Subsidiaries taken as a whole, unless either: (a) such Contract or transaction relates solely to compensation arrangements with directors, officers, or employees of the US Guarantor, the General Partner, or the Consolidated Subsidiaries, or (b) such transaction is in the ordinary course of business and is, taking into account the totality of the relationships involved, on fair and reasonable terms no less favorable to the US Guarantor and the Consolidated Subsidiaries taken as a whole than would be obtained in comparable arm's length transactions with Persons that are not Affiliates of the US Guarantor or its Subsidiaries, or (c) the Contract or other transaction is in connection with a Reorganization or Acquisition permitted under Section 7.2 hereof.

7.8 Fiscal Year. The US Guarantor shall not change its fiscal year unless the parties to the Loan Documents shall first enter into amendments to the Loan Documents such that the rights of the parties to the Loan Documents will not be affected by the change in the fiscal year of the US Guarantor, and the parties shall enter into such amendments as may be required in connection with a change of the US Guarantor's fiscal year.

7.9 Compliance with Environmental Laws. The US Guarantor will not, and will not cause, permit, or suffer any of its Subsidiaries to, (a) use any of the Real Estate or any portion thereof for the handling, processing, storage, or disposal of Hazardous Substances, (b) cause, permit, or suffer to be located on any of the Real Estate any underground tank or other underground storage receptacle for Hazardous Substances, (c) generate any Hazardous Substances on any of the Real Estate, (d) conduct any activity at any Real Estate or use any Real Estate in any manner so as to cause a release (i.e., releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, disposing, or dumping) or threatened release of Hazardous Substances on, upon, or into the Real Estate, or (e) otherwise conduct any activity at any Real Estate or use any Real Estate in any manner that would violate any Environmental Law or bring such Real Estate in violation of any Environmental Law, in each case, so as would be likely to have a Material Adverse Effect.

7.10 Employee Benefit Plans. The US Guarantor will not, and will not cause, permit, or suffer any ERISA Affiliate to:

(a) engage in any "prohibited transaction" within the meaning of §406 of ERISA or §4975 of the Code that could result in a material liability for the US Guarantor and its Consolidated Subsidiaries taken as a whole;

(b) permit any Guaranteed Pension Plan to incur an "accumulated funding deficiency", as such term is defined in §302 of ERISA, whether or not such deficiency is or may be waived;

(c) fail to contribute to any Guaranteed Pension Plan to an extent that, or terminate any Guaranteed Pension Plan in a manner that, could result in the imposition of a Lien on the assets of the US Guarantor or any of its Subsidiaries pursuant to §302(f) or §4068 of ERISA; or

(d) permit or take any action that would result in the aggregate benefit liabilities (within the meaning of §4001 of ERISA) of all Guaranteed Pension Plans exceeding the value of the aggregate assets of such Plans by more than $50,000,000, disregarding for this purpose the benefit liabilities and assets of any such Plan with assets in excess of benefit liabilities.

7.11 Amendments to Certain Documents. The US Guarantor shall not, without the prior written consent of the Administrative Agent in each instance, permit or suffer any material amendments, modifications, supplements, or restatements of its certificate of limited partnership or the US Guarantor Partnership Agreement (or, following any conversion of the US Guarantor to a corporation, its certificate of incorporation or by-laws) that (i) relate to the determination of Available Cash Flow or Operating Cash Flow under the US Guarantor Partnership Agreement, or (ii) could reasonably be expected to materially adversely affect the ability of the US Guarantor to perform and observe its obligations under the Loan Documents or the legal rights and remedies of the Banks and the Administrative Agent under any of the Loan Documents.

8. FINANCIAL COVENANTS OF THE US GUARANTOR.

The US Guarantor covenants and agrees that, so long as any Loan or any Note is Outstanding or any Bank has any obligation to make any Loans:

8.1 Consolidated Leverage Ratio. The US Guarantor will not at any time permit its Consolidated Leverage Ratio to exceed 3.00 to 1.00.

8.2 Minimum Consolidated Net Worth. As of the last day of each calendar quarter, the US Guarantor shall not permit its Consolidated Net Worth to be less than $1,300,000,000.

8.3 Miscellaneous. For purposes of this Section 8, demand obligations shall be deemed to be due and payable during any fiscal year during which such obligations are outstanding.

9. CLOSING CONDITIONS.

The obligations of the Banks to enter into this Credit Agreement shall be subject to the satisfaction of the following conditions precedent at or before the Closing Date:

9.1 Financial Statements and Material Changes. The Banks shall be reasonably satisfied that (a) the financial statements of the US Guarantor and the Consolidated Subsidiaries referred to in Section 5.4 fairly present in all material respects the business and financial condition and the results of operations of the US Guarantor and the Consolidated Subsidiaries as of the dates and for the periods to which such financial statements relate, and (b) there shall have been no material adverse change in the Business of the US Guarantor and the Consolidated Subsidiaries taken as a whole since the dates of such financial statements.

9.2 Loan Documents. Each of the Loan Documents shall have been duly executed and delivered by the respective parties thereto and shall be in full force and effect. Each Bank and the Administrative Agent shall have received a fully executed copy of each such document.

9.3 Certified Copies of Charter Documents. Each of the Banks and the Administrative Agent shall have received from the US Guarantor, the General Partner and the Borrower (a) a copy of its certificate of limited partnership, certificate of incorporation, certificate of formation or other charter document duly certified as of a recent date by the Secretary of State of Delaware, (b) a copy, certified by a duly authorized officer of such Entity to be true and complete on the Closing Date, of its agreement of limited partnership, by-laws, limited liability company agreement or equivalent document as in effect on such date, and (c) a certificate of the Secretary of State of Delaware as to the due organization, legal existence, and good standing of such Entity. The certificate of incorporation, partnership agreement and by-laws, certificate of limited partnership or certificate of formation of limited liability company agreement, as the case may be, of the US Guarantor, the General Partner and the Borrower shall be in all respects satisfactory in form and substance to the Banks and the Administrative Agent.

9.4 Partnership, Corporate and Company Action. All partnership, corporate or company action necessary for the valid execution, delivery, and performance by the each Loan Party of this Credit Agreement and the other Loan Documents to which it is or is to become a party, and all corporate action necessary for the General Partner to cause the US Guarantor to execute, deliver, and perform this Credit Agreement and the other Loan Documents to which the US Guarantor is or is to become a party, shall have been duly and effectively taken, evidence thereof reasonably satisfactory to the Banks and the Administrative Agent shall have been provided to each of the Banks, and such action shall be in full force and effect at the Closing Date.

9.5 Consents. Each party hereto shall have duly obtained all consents and approvals of Government Authorities and other third parties, and shall have effected all notices, filings, and registrations with Government Authorities and other third parties, as may be required in connection with the execution, delivery, performance, and observance of the Loan Documents; all of such consents, approvals, notices, filings, and registrations shall be in full force and effect; and the Banks and the Administrative Agent shall have each received evidence thereof satisfactory to them.

9.6 Opinions of Counsel. Each of the Banks and the Administrative Agent shall have received a favorable opinion addressed to the Banks and the Administrative Agent, dated as of the Closing Date, from Sidley Austin LLP, special United Sates counsel to the Loan Parties, and from Linklaters LLP, counsel to AXA, in the form of Exhibits I-1 and I-2 hereto, respectively.

9.7 Proceedings. Except as may be disclosed in the US Guarantor's Quarterly Report on Form 10-Q for the quarter ended September 30, 2007, there shall be no Proceedings pending or threatened the result of which, if adversely determined, is reasonably likely to impair or prevent the US Guarantor's or the Borrower's performance and observance of its obligations under this Credit Agreement and the other Loan Documents.

9.8 Incumbency Certificate. Each of the Banks and the Administrative Agent shall have received from each Loan Party an incumbency certificate, dated as of the Closing Date, signed by a duly authorized officer of such Loan Party and giving the name and bearing a specimen signature of each individual who shall be authorized: (a) to sign, in the name and on behalf of such Loan Party, each of the Loan Documents to which such Loan Party is or is to become a party; (b) in the case of the Borrower, to make Loan Requests and Conversion Requests and Swing Loan Requests; and (c) in the case of the Borrower, to give notices and to take other action on behalf of the Borrower under the Loan Documents.

9.9 Fees. The Borrower shall have paid to the Administrative Agent for the accounts of the Banks all fees then payable.

9.10 Representations and Warranties True; No Defaults. The Administrative Agent and the Banks shall have received a certificate of an officer of the US Guarantor and the General Partner, in form and substance satisfactory to the Administrative Agent and the Banks, to the effect that (i) each of the representations and warranties set forth herein and each of the other Loan Documents is true and correct in all material respects on and as of the Closing Date, and (ii) no material defaults exist under any material contract or agreement of the US Guarantor or the Borrower, including, without limitation, this Credit Agreement and the other Loan Documents.

9.11 Determinations under Section 9. Without limiting the generality of the provisions of Section 13.1.4, for purposes of determining compliance with the conditions specified in this Section 9, each Bank that has signed this Credit Agreement shall be deemed to have consented to, approved, accepted and to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Bank unless the Administrative Agent shall have received notice from such Bank prior to the proposed Closing Date specifying its objection thereto.

10. CONDITIONS TO ALL BORROWINGS.

The obligations of the Banks to make any Loan, including the Revolving Credit Loans and the Swing Loans, whether on or after the Closing Date, shall also be subject to the satisfaction of the conditions precedent set forth below. Each of the submission of a Loan Request or a Swing Loan Request by the Borrower and the acceptance by the Borrower of any Loan shall constitute a representation and warranty by the Borrower that the conditions set forth below have been satisfied.

10.1 No Default. No Default or Event of Default shall have occurred and be continuing.

10.2 Representations True. Each of the representations and warranties of each Loan Party and its Subsidiaries contained in this Credit Agreement (other than the representation and warranty set forth in Section 5.5), the other Loan Documents, or in any document or instrument delivered pursuant to or in connection with this Credit Agreement shall be true and correct in all material respects as of the time of the making of such Loan, with the same effect as if made at and as of that time (except (a) to the extent that such representations and warranties expressly relate to a prior date, in which case they shall be true and correct in all material respects as of such earlier date, and (b) to the extent of changes resulting from transactions contemplated or permitted by this Credit Agreement and the other Loan Documents and changes occurring in the ordinary course of business that singly or in the aggregate are not materially adverse to the US Guarantor and its Consolidated Subsidiaries taken as a whole).

10.3 Loan Request. In the case of a Revolving Credit Loan, the Administrative Agent shall have received a Loan Request as provided in Section 2.8.1. In the case of a Swing Loan, the each Bank and the Administrative Agent shall have received a Swing Loan Request as provided in Section 2.8.2.

10.4 Payment of Fees. Without limiting any other condition, the Borrower shall have paid to the Administrative Agent, for the account of the Banks and the Administrative Agent as appropriate, all fees and other amounts due and payable under the Loan Documents at or prior to the time of the making of such Loan.

10.5 No Legal Impediment. No change shall have occurred in any Government Mandate that in the reasonable opinion of any Bank would make it illegal for such Bank to make such Loan (it being understood that this section shall be a condition only for the Bank or Banks affected by such Government Mandate).

11. EVENTS OF DEFAULT; ACCELERATION; ETC.

11.1 Events of Default and Acceleration. If any of the following events ("Events of Default" or, if the giving of notice or the lapse of time or both is required, then, prior to such notice or lapse of time, "Defaults") shall occur:

(a) failure to pay any principal of the Loans when the same shall become due and payable, whether at the stated date of maturity or any accelerated date of maturity or at any other date fixed for payment;

(b) failure to pay any interest on the Loans when the same shall become due and payable, whether at the stated date of maturity or any accelerated date of maturity or at any other date fixed for payment, and such failure shall continue for five (5) days after written notice of such failure has been given to the Borrower by the Administrative Agent;

(c) any US Loan Party shall fail to perform or observe any of its covenants contained in Sections 6.5.1, 6.6.1, 7.1, 7.2, 7.3(xiv), 7.11, 8, or, if such failure relates to a Lien securing Funded Debt, 7.3;

(d) any US Loan Party or any of its Subsidiaries shall fail to perform or observe any term, covenant, or agreement contained herein or in any of the other Loan Documents (other than those specified elsewhere in this Section 11) for thirty (30) days after written notice of such failure has been given to such US Loan Party by the Administrative Agent, provided, that a failure to perform or observe the terms, covenants and agreements set forth in Section 6.4, Section 6.5.3, Section 6.9 or Section 6.13.1 that continues for more than ten (10) days (regardless of whether notice of such failure is given to such US Loan Party) shall constitute an Event of Default hereunder;

(e) any representation or warranty of any US Loan Party or any of its Subsidiaries in this Credit Agreement, any of the other Loan Documents, or in any other document or instrument delivered pursuant to or in connection with this Credit Agreement shall prove to have been incorrect in any material respect upon the date when made or deemed to have been made or repeated;

(f) failure to make a payment of principal or interest, or the occurrence of a default, event of default, or other event permitting (with or without the passage of time or the giving of notice) acceleration or exercise of remedies or, with respect to any Swap Contract, as to which the US Guarantor or any Subsidiary is the defaulting party, permitting early termination thereof shall occur with respect to (i) any Indebtedness for money borrowed, (ii) any Indebtedness in respect of the deferred purchase price of goods or services, (iii) any Capitalized Lease, (iv) any Broker-Dealer Debt, (v) any Swap Contract or (vi) any Synthetic Lease Obligation, of the US Guarantor or any of its Subsidiaries, having a principal amount (or (x) in the case of a Capitalized Lease, scheduled rental payments with a discounted present value from the last day of the initial term to the date of determination as determined in accordance with generally accepted accounting principles or (y) in the case of a Swap Contract, the Swap Termination Value or (z) in the case of a Synthetic Lease Obligation, the amount of Attributable Indebtedness with respect thereto), (A) in any one case, of $100,000,000 or more, or (B) in the aggregate, of $250,000,000 or more, and such failure to make a payment of principal or interest, or a default, event of default, or other event shall continue for such period of time as would entitle the holder of such Indebtedness, Capitalized Lease, Swap Contract or Synthetic Lease Obligation (with or without notice) to accelerate such Indebtedness or terminate such Capitalized Lease, Swap Contract or Synthetic Lease Obligation;

(g) any of the Loan Documents shall be cancelled, terminated, revoked, or rescinded otherwise than in accordance with the terms thereof or with the express prior written agreement, consent, or approval of the Banks, or any Proceeding to cancel, revoke, or rescind any of the Loan Documents shall be commenced by or on behalf of any Loan Party or any of its Subsidiaries party thereto, or any Government Authority of competent jurisdiction shall make a determination that, or issue a Government Mandate to the effect that, any material provision of one or more of the Loan Documents is illegal, invalid, or unenforceable in accordance with the terms thereof;

(h) the US Guarantor, Alliance Distributors, the General Partner, the Borrower or any Material Subsidiary shall make an assignment for the benefit of creditors, or admit in writing its inability to pay or generally fail to pay its debts as they mature or become due, or shall petition or apply for the appointment of a trustee or other custodian, liquidator, or receiver of the US Guarantor, Alliance Distributors, the General Partner, the Borrower or any Material Subsidiary or of any substantial part of the assets of the US Guarantor, Alliance Distributors, the General Partner, the Borrower or any Material Subsidiary, or shall commence any Proceeding relating to the US Guarantor, Alliance Distributors, the General Partner, the Borrower or any Material Subsidiary under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution, liquidation, or similar law of any jurisdiction, now or hereafter in effect, or shall take any action to authorize or in furtherance of any of the foregoing, or if any such petition or application shall be filed or any such Proceeding shall be commenced against the US Guarantor, Alliance Distributors, the General Partner, the Borrower or any Material Subsidiary and any of such parties shall indicate its approval thereof, consent thereto, or acquiescence therein;

(i) either (i) an involuntary Proceeding relating to the US Guarantor, Alliance Distributors, the General Partner, the Borrower or any Material Subsidiary under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution, liquidation, or similar law of any jurisdiction, now or hereafter in effect is commenced and not dismissed or vacated within sixty (60) days following entry thereof, or (ii) a decree or order is entered appointing any trustee, custodian, liquidator, or receiver described in (h) or adjudicating the US Guarantor, Alliance Distributors, the General Partner, the Borrower or any Material Subsidiary bankrupt or insolvent, or approving a petition in any such Proceeding, or a decree or order for relief is entered in respect of the US Guarantor, Alliance Distributors, the General Partner, the Borrower or any Material Subsidiary in an involuntary Proceeding under federal bankruptcy laws as now or hereafter constituted;

(j) there shall remain in force, undischarged, unsatisfied, and unstayed, for more than forty-five (45) days, any final judgment or order against the US Guarantor or any of its Subsidiaries, that, with any other such outstanding final judgments or orders, undischarged, against the US Guarantor and its Subsidiaries taken together exceeds in the aggregate $50,000,000;

(k) with respect to any Guaranteed Pension Plan, an ERISA Reportable Event shall have occurred and the Majority Banks shall have determined in their reasonable discretion that such event reasonably could be expected to result in liability of the US Guarantor or any of its Subsidiaries to the PBGC or such Guaranteed Pension Plan in an aggregate amount exceeding $50,000,000 and such event in the circumstances occurring reasonably could constitute grounds for the termination of such Guaranteed Pension Plan by the PBGC or for the appointment by the appropriate United States District Court of a trustee to administer such Guaranteed Pension Plan; or a trustee shall have been appointed by the United States District Court to administer such Guaranteed Pension Plan; or the PBGC shall have instituted proceedings to terminate such Guaranteed Pension Plan;

(l) any of the following: (i) the US Guarantor shall fail to be duly registered as an "investment adviser" under the Investment Advisers Act of 1940; or (ii) Alliance Distributors shall cease to be duly registered as a "broker/dealer" under the Securities Exchange Act of 1934 or shall cease to be a member in good standing of the National Association of Securities Dealers, Inc., in each case, to the extent required;

(m) the US Guarantor, Alliance Distributors, the General Partner, the Borrower or any Material Subsidiary shall either (i) be indicted for a federal or state crime and, in connection with such indictment, Government Authorities shall seek to seize or attach, or seek a civil forfeiture of, property of the US Guarantor, Alliance Distributors, the General Partner, the Borrower or one or more of such Material Subsidiaries having a fair market value in excess of $50,000,000, or (ii) be found guilty of, or shall plead guilty, no contest, or nolo contendere to, any federal or state crime, a punishment for which could include a fine, penalty, or forfeiture of any assets of the US Guarantor, Alliance Distributors, the General Partner, the Borrower or such Material Subsidiary having in any such case a fair market value in excess of $50,000,000; or

(n) AllianceBernstein Corporation shall cease to be the sole general partner of the US Guarantor, and such circumstance shall continue for thirty (30) days after written notice of such circumstance has been given to the US Guarantor, provided, that the admission of additional Persons as general partner of the US Guarantor shall not constitute an Event of Default if, prior to the admission of any such general partner, the US Guarantor delivers to the Banks (i) the documentation with respect to such general partner that would be required under Section 9.3 if such Person were a General Partner on the Closing Date, (ii) an incumbency certificate for such general partner as required for the US Guarantor pursuant to Section 9.8, and (iii) an opinion from counsel reasonably acceptable to the Banks, in form and substance reasonably satisfactory to the Banks, as to such general partner's power and authority to act on behalf of the US Guarantor as a general partner of the US Guarantor; or

(o) an "Event of Default" as defined in the AXA Guaranty shall have occurred and be continuing and the Borrower or the US Guarantor shall fail to pay, within five (5) Business Days after notice in writing to the Borrower from the Administrative Agent, acting at the request of, or with the consent of, the Majority Banks, any Obligations owing with respect to any Loan Document;

then, and in any such event, so long as the same may be continuing, the Administrative Agent shall, at the request of, or may with the consent of, the Majority Banks take one or more of the following actions: (x) declare the Commitment of each Bank to make Loans to be terminated, whereupon such Commitment shall be terminated; and (y) by notice in writing to the Borrower declare all amounts owing with respect to this Credit Agreement, any Notes, and the other Loan Documents to be, and they shall thereupon forthwith become, immediately due and payable without presentment, demand, protest, or other notice of any kind, all of which are hereby expressly waived by the Borrower. In addition, in any such event, so long as the same may be continuing, the Administrative Agent may or, at the request of the Majority Banks, shall exercise on behalf of itself and the Banks all other rights and remedies available to it and the Banks under the Loan Documents or applicable law. Notwithstanding the foregoing, in the event of any Event of Default specified in Section 11.1(h) or Section 11.1(i) or Section 9(d) of the AXA Guaranty, all such amounts shall become immediately due and payable automatically and without any requirement of notice from the Administrative Agent or any Bank, and any unused portion of the Total Commitment hereunder shall forthwith terminate and each of the Banks shall be relieved of all obligations to make Loans to the Borrower. Any declaration under this Section 11.1 may be rescinded by the Majority Banks after the Events of Default leading to such declaration are cured or waived.

11.2 Termination of Commitments. No termination of the Total Commitment hereunder shall relieve any US Loan Party of any of the Obligations or any of its existing obligations to any of the Banks arising under this Credit Agreement, the Notes or the other Loan Documents.

11.3 Application of Monies. In the event that, during the continuance of any Default or Event of Default, the Administrative Agent or any Bank, as the case may be, receives any monies in connection with the enforcement of rights under the Loan Documents, such monies shall be distributed for application as follows:

(a) First, to the payment of, or (as the case may be) the reimbursement of the Administrative Agent and the Banks for or in respect of all costs, expenses, disbursements, and losses that shall have been incurred or sustained by the Administrative Agent and the Banks in connection with the collection of such monies by the Administrative Agent or any such Banks, for the exercise, protection, or enforcement by the Administrative Agent or any such Banks of all or any of the rights, remedies, powers, and privileges of the Administrative Agent or any such Banks under this Credit Agreement or any of the other Loan Documents, or in support of any provision of adequate indemnity to the Administrative Agent or any such Banks against any taxes or Liens that by Government Mandate shall have, or may have, priority over the rights of the Administrative Agent or any such Banks to such monies;

(b) Second, to all other Obligations in such order or preference as the Majority Banks may determine; provided, however, that distributions among Obligations owing to the Banks and the Administrative Agent with respect to each type of Obligation such as interest, principal, fees, and expenses, shall be made among the Banks and the Administrative Agent pro rata according to the respective amounts thereof; and provided, further, that the Administrative Agent may in its discretion make proper allowance to take into account any Obligations not then due and payable; and

(c) Third, the excess, if any, shall be returned to the Borrower or to such other Persons as are entitled thereto.

12. SETOFF.

Regardless of the adequacy of any collateral, during the continuance of any Event of Default, any deposits or other sums credited by or due from any of the Banks to any US Loan Party and any securities or other property of any US Loan Party in the possession of such Bank may be applied to or set off by such Bank against the payment of Obligations and any and all other liabilities, direct, or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, of the US Loan Parties to such Bank. Each of the Banks agrees with each other Bank that if such Bank shall receive from any US Loan Party, whether by voluntary payment, exercise of the right of setoff, counterclaim, cross action, enforcement of the Obligations held by such Bank by Proceedings against any US Loan Party, by proof thereof in bankruptcy, reorganization, liquidation, receivership, or similar Proceedings, or otherwise, and shall retain and apply to the payment of the Obligations held by such Bank, any amount in excess of its ratable portion of the payments received by all of the Banks with respect to the Obligations held by all of the Banks (exclusive of payments to be made for the account of less than all of the Banks as provided in Sections 3.2.2, 4.6, 4.7, 4.9 and 4.11), such Bank will make such disposition and arrangements with the other Banks with respect to such excess, either by way of distribution, pro tanto assignment of claims, subrogation or otherwise as shall result in each Bank receiving in respect of the Obligations held by it, its proportionate payment as contemplated by this Credit Agreement; provided that if all or any part of such excess payment is thereafter recovered from such Bank, such disposition and arrangements shall be rescinded and the amount restored to the extent of such recovery, but without interest.

13. THE ADMINISTRATIVE AGENT.

13.1.1 Appointment and Authority. Each of the Banks hereby irrevocably appoints Citibank to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of the Administrative Agent and the Banks, and no Loan Party shall have any rights as a third party beneficiary of any of such provisions.

13.1.2 Administrative Agent Individually. (a) The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Bank as any other Bank and may exercise the same as though it were not the Administrative Agent and the term "Bank" or "Banks" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with any Loan Party or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Banks.

(b) Each Bank understands that the Person serving as Administrative Agent, acting in its individual capacity, and its Affiliates (collectively, the "Administrative Agent's Group") are engaged in a wide range of financial services and businesses (including investment management, financing, securities trading, corporate and investment banking and research) (such services and businesses are collectively referred to in this Section 13.1 as "Activities") and may engage in the Activities with or on behalf of one or more of the Loan Parties or their respective Affiliates. Furthermore, the Administrative Agent's Group may, in undertaking the Activities, engage in trading in financial products or undertake other investment businesses for its own account or on behalf of others (including the Loan Parties and their Affiliates and including holding, for its own account or on behalf of others, equity, debt and similar positions in the Borrower, another Loan Party or their respective Affiliates), including trading in or holding long, short or derivative positions in securities, loans or other financial products of one or more of the Loan Parties or their Affiliates. Each Bank understands and agrees that in engaging in the Activities, the Administrative Agent's Group may receive or otherwise obtain information concerning the Loan Parties or their Affiliates (including information concerning the ability of the Loan Parties to perform their respective obligations hereunder and under the other Loan Documents) which information may not be available to any of the Banks that are not members of the Administrative Agent's Group. None of the Administrative Agent nor any member of the Administrative Agent's Group shall have any duty to disclose to any Bank or use on behalf of the Banks, and shall not be liable for the failure to so disclose or use, any information whatsoever about or derived from the Activities or otherwise (including any information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of any Loan Party or any Affiliate thereof) or to account for any revenue or profits obtained in connection with the Activities, except that the Administrative Agent shall deliver or otherwise make available to each Bank such documents as are expressly required by any Loan Document to be transmitted by the Administrative Agent to the Banks.

(c) Each Bank further understands that there may be situations where members of the Administrative Agent's Group or their respective customers (including the Loan Parties and their Affiliates) either now have or may in the future have interests or take actions that may conflict with the interests of any one or more of the Banks (including the interests of the Banks hereunder and under the other Loan Documents). Each Bank agrees that no member of the Administrative Agent's Group is or shall be required to restrict its activities as a result of the Person serving as Administrative Agent being a member of the Administrative Agent's Group, and that each member of the Administrative Agent's Group may undertake any Activities without further consultation with or notification to any Bank. None of (i) this Credit Agreement nor any other Loan Document, (ii) the receipt by the Administrative Agent's Group of information (including Information) concerning the Loan Parties or their Affiliates (including information concerning the ability of the Loan Parties to perform their respective obligations hereunder and under the other Loan Documents) nor (iii) any other matter shall give rise to any fiduciary, equitable or contractual duties (including without limitation any duty of trust or confidence) owing by the Administrative Agent or any member of the Administrative Agent's Group to any Bank including any such duty that would prevent or restrict the Administrative Agent's Group from acting on behalf of customers (including the Loan Parties or their Affiliates) or for its own account.

13.1.3 Duties of Administrative Agent; Exculpatory Provisions. (a) The Administrative Agent's duties hereunder and under the other Loan Documents are solely ministerial and administrative in nature and the Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents. Without limiting the generality of the foregoing, the Administrative Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, but shall be required to act or refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the written direction of the Majority Banks (or such other number or percentage of the Banks as shall be expressly provided for herein or in the other Loan Documents), provided that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent or any of its Affiliates to liability or that is contrary to any Loan Document or applicable law.

(b) The Administrative Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Majority Banks (or such other number or percentage of the Banks as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 15 and 26) or (ii) in the absence of its own gross negligence or willful misconduct. The Administrative Agent shall be deemed not to have knowledge of any Default or the event or events that give or may give rise to any Default unless and until any Loan Party or any Bank shall have given notice to the Administrative Agent describing such Default and such event or events.

(c) Neither the Administrative Agent nor any member of the Administrative Agent's Group shall be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty, representation or other information made or supplied in or in connection with this Credit Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith or the adequacy, accuracy and/or completeness of the information contained therein, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Credit Agreement, any other Loan Document or any other agreement, instrument or document or the perfection or priority of any Lien or security interest created or purported to be created hereby or (v) the satisfaction of any condition set forth in Section 9 or elsewhere herein, other than (but subject to the foregoing clause (ii)) to confirm receipt of items expressly required to be delivered to the Administrative Agent.

(d) Nothing in this Credit Agreement or any other Loan Document shall require the Administrative Agent or any of its Related Parties to carry out any "know your customer" or other checks in relation to any person on behalf of any Bank and each Bank confirms to the Administrative Agent that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Administrative Agent or any of its Related Parties.

13.1.4 Reliance by Administrative Agent. The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, that by its terms must be fulfilled to the satisfaction of a Bank, the Administrative Agent may presume that such condition is satisfactory to such Bank unless an officer of the Administrative Agent responsible for the transactions contemplated hereby shall have received notice to the contrary from such Bank prior to the making of such Loan, and in the case of a Borrowing, such Bank shall not have made available to the Administrative Agent such Bank's ratable portion of such Borrowing. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower or any other Loan Party), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

13.1.5 Delegation of Duties. The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. Each such sub-agent and the Related Parties of the Administrative Agent and each such sub-agent shall be entitled to the benefits of all provisions of this Section 13.1 and Sections 15 and 16 (as though such sub-agents were the "Administrative Agent" under the Loan Documents) as if set forth in full herein with respect thereto.

13.1.6 Resignation of Administrative Agent. (a) The Administrative Agent may at any time give 60 days prior written notice of its resignation to the Banks and the Borrower. Upon receipt of any such notice of resignation, the Majority Banks shall have the right, in consultation with the Borrower, to appoint a successor, which shall be a Bank with an office in the United States, or an Affiliate of any such Bank with an office in the United States. Any such appointment shall be subject to the consent of the Borrower at all times other than during the existence of an Event of Default (which consent of the Borrower shall not be unreasonably withheld or delayed). If no such successor shall have been so appointed by the Majority Banks and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation (such 30-day period, the "Bank Appointment Period"), then the retiring Administrative Agent may on behalf of the Banks, appoint a successor Administrative Agent meeting the qualifications set forth above, which shall be subject to the consent of the Borrower at all times other than during the continuance of an Event of Default (which consent shall not be unreasonably withheld or delayed). In addition and without any obligation on the part of the retiring Administrative Agent to appoint, on behalf of the Banks, a successor Administrative Agent, the retiring Administrative Agent may at any time upon or after the end of the Bank Appointment Period notify the Borrower and the Banks that no qualifying Person has accepted appointment as successor Administrative Agent and the effective date of such retiring Administrative Agent's resignation which effective date shall be no earlier than three Business Days after the date of such notice. Upon the resignation effective date established in such notice and regardless of whether a successor Administrative Agent has been appointed and accepted such appointment, the retiring Administrative Agent's resignation shall nonetheless become effective and (i) the retiring Administrative Agent shall be discharged from its duties and obligations as Administrative Agent hereunder and under the other Loan Documents and (ii) all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Bank directly, until such time as the Majority Banks appoint a successor Administrative Agent as provided for above in this paragraph. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties as Administrative Agent of the retiring (or retired) Administrative Agent, and the retiring Administrative Agent shall be discharged from all of its duties and obligations as Administrative Agent hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this paragraph). The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring Administrative Agent's resignation hereunder and under the other Loan Documents, the provisions of this Section 13.1 and Sections 15 and 16 shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring Administrative Agent was acting as Administrative Agent.

(b) Any resignation pursuant to this Section 13.1.6 by a Person acting as Administrative Agent shall, unless such Person shall notify the Borrower and the Banks otherwise, also act to relieve such Person and its Affiliates of any obligation to advance Swing Loans where such advance is to occur on or after the effective date of such resignation. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, (i) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring Bank, (ii) the retiring Bank shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents, (iii) the successor Bank shall enter into an Assignment and Assumption and acquire from the retiring Bank each outstanding Swing Loan of such retiring Bank for a purchase price equal to par plus accrued interest.

13.1.7 Non-Reliance on Administrative Agent and Other Banks. (a) Each Bank confirms to the Administrative Agent, each other Bank and each of their respective Related Parties that it (i) possesses (individually or through its Related Parties) such knowledge and experience in financial and business matters that it is capable, without reliance on the Administrative Agent, any other Bank or any of their respective Related Parties, of evaluating the merits and risks (including tax, legal, regulatory, credit, accounting and other financial matters) of (x) entering into this Credit Agreement, (y) making Loans and other extensions of credit hereunder and under the other Loan Documents and (z) in taking or not taking actions hereunder and thereunder, (ii) is financially able to bear such risks and (iii) has determined that entering into this Credit Agreement and making Loans and other extensions of credit hereunder and under the other Loan Documents is suitable and appropriate for it.

(b) Each Bank acknowledges that (i) it is solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with this Credit Agreement and the other Loan Documents, (ii) that it has, independently and without reliance upon the Administrative Agent, any other Bank or any of their respective Related Parties, made its own appraisal and investigation of all risks associated with, and its own credit analysis and decision to enter into, this Credit Agreement based on such documents and information, as it has deemed appropriate and (iii) it will, independently and without reliance upon the Administrative Agent, any other Bank or any of their respective Related Parties, continue to be solely responsible for making its own appraisal and investigation of all risks arising under or in connection with, and its own credit analysis and decision to take or not take action under, this Credit Agreement and the other Loan Documents based on such documents and information as it shall from time to time deem appropriate, which may include, in each case:

(i) the financial condition, status and capitalization of the Borrower and each other Loan Party;

(ii) the legality, validity, effectiveness, adequacy or enforceability of this Credit Agreement and each other Loan Document and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Loan Document;

(iii) determining compliance or non-compliance with any condition hereunder to the making of a Loan, or the issuance of a Letter of Credit and the form and substance of all evidence delivered in connection with establishing the satisfaction of each such condition;

(iv) the adequacy, accuracy and/or completeness of the Information Memorandum and any other information delivered by the Administrative Agent, any other Bank or by any of their respective Related Parties under or in connection with this Credit Agreement or any other Loan Document, the transactions contemplated hereby and thereby or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Loan Document.

13.1.8 No Other Duties, etc. Anything herein to the contrary notwithstanding, none of the Persons acting as Bookrunners, Arrangers or Co-Syndication Agents listed on the cover page hereof shall have any powers, duties or responsibilities under this Credit Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Administrative Agent or as a Bank hereunder.

13.1.9 Administrative Agent May File Proofs of Claim. In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to any Loan Party, the Administrative Agent (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on any Loan Party) shall be entitled and empowered, by intervention in such proceeding or otherwise

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Banks and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Banks and the Administrative Agent and its counsel and all other amounts due the Banks and the Administrative Agent under Sections 2.2, 2.3 and 15) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Bank to make such payments to the Administrative Agent and, if the Administrative Agent shall consent to the making of such payments directly to the Banks, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Sections 2.2, 2.3 and 15.

Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Bank any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Bank or to authorize the Administrative Agent to vote in respect of the claim of any Bank in any such proceeding.

13.2 Other Agents; Arrangers and Managers. None of the Banks or other Persons identified on the facing page or signature pages of this Credit Agreement as a "co-syndication agent," "book manager," or "arranger" shall have any right, power, obligation, liability, responsibility or duty under this Credit Agreement other than, in the case of such Banks, those applicable to all Banks in their individual capacity as parties hereto. Without limiting the foregoing, none of the Banks or other Persons so identified shall have or be deemed to have any fiduciary relationship with any Bank. Each Bank acknowledges that it has not relied, and will not rely, on any of the Banks or other Persons so identified in deciding to enter into this Credit Agreement or in taking or not taking action hereunder.

13.3 Payments.

13.3.1 Payments to Administrative Agent. A payment by any Loan Party to the Administrative Agent hereunder or under any of the other Loan Documents for the account of any Bank shall constitute a payment to such Bank. The Administrative Agent shall promptly distribute to each Bank such Bank's pro rata share of payments received by the Administrative Agent for the account of the Banks except as otherwise expressly provided herein or in any of the other Loan Documents.

13.3.2 Distribution by Administrative Agent. If in the reasonable opinion of the Administrative Agent the distribution of any amount received by it in such capacity hereunder, under any Notes, or under any of the other Loan Documents might involve it in liability, it may refrain from making distribution until its right to make the same shall have been adjudicated by a court of competent jurisdiction. If any Government Authority shall adjudge that any amount received and distributed by the Administrative Agent is to be repaid, each Person to whom any such distribution shall have been made shall either repay to the Administrative Agent its proportionate share of the amount so adjudged to be repaid or shall pay over the same in such manner and to such Persons as shall be determined by such Government Authority.

13.3.3 Delinquent Banks. Notwithstanding anything to the contrary contained in this Credit Agreement or any of the other Loan Documents, any Bank that fails (a) to make available to the Administrative Agent its pro rata share of any Loan, or (b) to comply with the provisions of Section 12 with respect to making dispositions and arrangements with the other Banks, where such Bank's share of any payment received, whether by setoff or otherwise, is in excess of its pro rata share of such payments due and payable to all of the Banks, in each case as, when, and to the full extent required by the provisions of this Credit Agreement, shall be deemed delinquent (a "Delinquent Bank") and shall be deemed a Delinquent Bank until such time as such delinquency is satisfied. A Delinquent Bank shall be deemed to have assigned any and all payments due to it from the Loan Parties, whether on account of Outstanding Loans, interest, fees, or otherwise, to the remaining nondelinquent Banks for application to, and reduction of, their respective pro rata shares of all Outstanding Loans. The Delinquent Bank hereby authorizes the Administrative Agent to distribute such payments to the nondelinquent Banks in proportion to their respective pro rata shares of all Outstanding Loans. A Delinquent Bank shall be deemed to have satisfied in full a delinquency when and if, as a result of application of the assigned payments to all Outstanding Loans of the non-delinquent Banks, the Banks' respective pro rata shares of all Outstanding Loans have returned to those in effect immediately prior to such delinquency and without giving effect to the nonpayment causing such delinquency.

13.4 Holders of Notes. Subject to Section 18, the Administrative Agent may deem and treat the payee of any Note as the absolute owner thereof for all purposes hereof until it shall have been furnished in writing with a different name by such payee or by a subsequent holder, assignee, or transferee.

13.5 Payments by Borrower; Presumptions by Administrative Agent. Unless the Administrative Agent shall have received notice from the Borrower prior to the time at which any payment is due to the Administrative Agent for the account of the Banks hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Banks the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Banks severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Bank, in immediately available funds with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

14. GUARANTY

14.1 Guaranty. (a) The US Guarantor hereby absolutely, unconditionally and irrevocably guarantees the punctual payment when due, whether at scheduled maturity or on any date of a required prepayment or by acceleration, demand or otherwise, of all obligations of the Borrower now or hereafter existing under or in respect of this Credit Agreement and the Notes (including, without limitation, any extensions, modifications, substitutions, amendments or renewals of any or all of the foregoing obligations), whether direct or indirect, absolute or contingent, and whether for principal, interest, premiums, fees, indemnities, contract causes of action, costs, expenses or otherwise (such obligations being the "Guaranteed Obligations"), and agrees to pay any and all reasonable expenses (including, without limitation, reasonable fees and expenses of counsel) incurred by the Administrative Agent or any Bank in enforcing any rights under this Credit Agreement. Without limiting the generality of the foregoing, the US Guarantor's liability shall extend to all amounts that constitute part of the Guaranteed Obligations and would be owed by the Borrower to the Administrative Agent or any Bank under or in respect of this Credit Agreement and the Notes but for the fact that they are unenforceable or not allowable due to the existence of a bankruptcy, reorganization or similar proceeding involving the Borrower.

(b) The US Guarantor hereby unconditionally and irrevocably agrees that in the event any payment shall be required to be made to the Administrative Agent or any Bank under this Section 14 or the AXA Guaranty or any other guaranty, the US Guarantor will contribute, to the maximum extent permitted by law, such amounts to each other guarantor so as to maximize the aggregate amount paid to the Administrative Agent and the Banks under or in respect of the Loan Documents.

14.2 Guaranty Absolute. The US Guarantor guarantees that the Guaranteed Obligations will be paid strictly in accordance with the terms of this Credit Agreement and the Notes, regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of the Administrative Agent or any Bank with respect thereto. The obligations of the US Guarantor under or in respect of this Guaranty are independent of the Guaranteed Obligations or any other obligations of the Borrower under or in respect of this Credit Agreement and the Notes, and a separate action or actions may be brought and prosecuted against the US Guarantor to enforce this Guaranty, irrespective of whether any action is brought against the Borrower or whether the Borrower is joined in any such action or actions. The liability of the US Guarantor under this Guaranty shall be irrevocable, absolute and unconditional irrespective of, and the US Guarantor hereby irrevocably waives any defenses it may now have or hereafter acquire in any way relating to, any or all of the following:

(a) any lack of validity or enforceability of this Credit Agreement, any Note or any agreement or instrument relating thereto;

(b) any change in the time, manner or place of payment of, or in any other term of, all or any of the Guaranteed Obligations or any other obligations of the Borrower under or in respect of this Credit Agreement and the Notes, or any other amendment or waiver of or any consent to departure from this Credit Agreement or any Note, including, without limitation, any increase in the Guaranteed Obligations resulting from the extension of additional credit to the Borrower or any of its Subsidiaries or otherwise;

(c) any taking, exchange, release or non-perfection of any collateral, or any taking, release or amendment or waiver of, or consent to departure from, any other guaranty, for all or any of the Guaranteed Obligations;

(d) any manner of application of any collateral, or proceeds thereof, to all or any of the Guaranteed Obligations, or any manner of sale or other disposition of any collateral for all or any of the Guaranteed Obligations or any other obligations of the Borrower under this Credit Agreement and the Notes or any other assets of the Borrower or any of its Subsidiaries;

(e) any change, restructuring or termination of the company (or equivalent) structure or existence of the Borrower or any of its Subsidiaries;

(f) any failure of the Administrative Agent or any Bank to disclose to the Borrower any information relating to the business, condition (financial or otherwise), operations, performance, properties or prospects of the Borrower now or hereafter known to the Administrative Agent or such Bank (the US Guarantor waiving any duty on the part of the Administrative Agent and the Banks to disclose such information);

(g) the failure of any other Person to execute or deliver this Guaranty or any other guaranty or agreement or the release or reduction of liability of the US Guarantor or other guarantor or surety with respect to the Guaranteed Obligations; or

(h) any other circumstance (including, without limitation, any statute of limitations) or any existence of or reliance on any representation by the Administrative Agent or any Bank that might otherwise constitute a defense available to, or a discharge of, the Borrower or any other guarantor or surety.

This Guaranty shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Guaranteed Obligations is rescinded or must otherwise be returned by the Administrative Agent or any Bank or any other Person upon the insolvency, bankruptcy or reorganization of the Borrower or otherwise, all as though such payment had not been made.

14.3 Waivers and Acknowledgments. (a) The US Guarantor hereby unconditionally and irrevocably waives promptness, diligence, notice of acceptance, presentment, demand for performance, notice of nonperformance, default, acceleration, protest or dishonor and any other notice with respect to any of the Guaranteed Obligations and this Guaranty and any requirement that the Administrative Agent or any Bank protect, secure, perfect or insure any Lien or any property subject thereto or exhaust any right or take any action against the Borrower or any other Person or any collateral.

(b) The US Guarantor hereby unconditionally and irrevocably waives any right to revoke this Guaranty and acknowledges that this Guaranty is continuing in nature and applies to all Guaranteed Obligations, whether existing now or in the future.

(c) The US Guarantor hereby unconditionally and irrevocably waives (i) any defense arising by reason of any claim or defense based upon an election of remedies by the Administrative Agent or any Bank that in any manner impairs, reduces, releases or otherwise adversely affects the subrogation, reimbursement, exoneration, contribution or indemnification rights of the US Guarantor or other rights of the US Guarantor to proceed against the Borrower, any other guarantor or any other Person or any collateral and (ii) any defense based on any right of set-off or counterclaim against or in respect of the obligations of the US Guarantor hereunder.

(d) The US Guarantor hereby unconditionally and irrevocably waives any duty on the part of the Administrative Agent or any Bank to disclose to the US Guarantor any matter, fact or thing relating to the business, condition (financial or otherwise), operations, performance, properties or prospects of the Borrower or any of its Subsidiaries now or hereafter known by the Administrative Agent or such Bank.

(e) The US Guarantor acknowledges that it will receive substantial direct and indirect benefits from the financing arrangements contemplated by this Credit Agreement and the Notes and that the waivers set forth in Section 14.2 and this Section 14.3 are knowingly made in contemplation of such benefits.

14.4 Subrogation. The US Guarantor hereby unconditionally and irrevocably agrees not to exercise any rights that it may now have or hereafter acquire against the Borrower or any other insider guarantor that arise from the existence, payment, performance or enforcement of the US Guarantor's obligations under or in respect of this Guaranty, including, without limitation, any right of subrogation, reimbursement, exoneration, contribution or indemnification and any right to participate in any claim or remedy of the Administrative Agent or any Bank against the Borrower or any other insider guarantor or any collateral, whether or not such claim, remedy or right arises in equity or under contract, statute or common law, including, without limitation, the right to take or receive from the Borrower or any other insider guarantor, directly or indirectly, in cash or other property or by set-off or in any other manner, payment or security on account of such claim, remedy or right, unless and until all of the Guaranteed Obligations and all other amounts payable under this Guaranty shall have been paid in full in cash and the Commitments shall have expired or been terminated. If any amount shall be paid to the US Guarantor in violation of the immediately preceding sentence at any time prior to the later of (a) the payment in full in cash of the Guaranteed Obligations and all other amounts payable under this Guaranty and (b) the Termination Date, such amount shall be received and held in trust for the benefit of the Administrative Agent and the Banks, shall be segregated from other property and funds of the US Guarantor and shall forthwith be paid or delivered to the Administrative Agent in the same form as so received (with any necessary endorsement or assignment) to be credited and applied to the Guaranteed Obligations and all other amounts payable under this Guaranty, whether matured or unmatured, in accordance with the terms of this Credit Agreement and the Notes, or to be held as collateral for any Guaranteed Obligations or other amounts payable under this Guaranty thereafter arising. If (i) the US Guarantor shall make payment to the Administrative Agent or any Bank of all or any part of the Guaranteed Obligations, (ii) all of the Guaranteed Obligations and all other amounts payable under this Guaranty shall have been paid in full in cash and (iii) the Termination Date shall have occurred, the Administrative Agent and the Banks will, at the US Guarantor's request and expense, execute and deliver to the US Guarantor appropriate documents, without recourse and without representation or warranty, necessary to evidence the transfer by subrogation to the US Guarantor of an interest in the Guaranteed Obligations resulting from such payment made by the US Guarantor pursuant to this Guaranty.

14.5 Subordination. The US Guarantor hereby subordinates any and all debts, liabilities and other obligations owed to the US Guarantor by the Borrower (the "Subordinated Obligations") to the Guaranteed Obligations to the extent and in the manner hereinafter set forth in this Section 14.5:

(a) Prohibited Payments, Etc. Except after the occurrence and during the continuance of an Event of Default described in Section 11.1 (a), (b), (h) or (i) (including the commencement and continuation of any proceeding under any Bankruptcy Law relating to the Borrower), and, further, after the completion of the five Business Day period referred to in the next sentence, the US Guarantor may receive payments from the Borrower on account of the Subordinated Obligations. After the occurrence and during the continuance of any Event of Default described in Section 11.1 (a), (b), (h) or (i) (including the commencement and continuation of any proceeding under any Bankruptcy Law relating to the Borrower), if the US Guarantor fails to pay amounts demanded under Section 14.1(a) for a period of five Business Days, however, unless the Majority Banks otherwise agree, the US Guarantor shall not demand, accept or take any action to collect any payment on account of the Subordinated Obligations.

(b) Prior Payment of Guaranteed Obligations. In any proceeding under any Bankruptcy Law relating to the Borrower, the US Guarantor agrees that the Administrative Agent and the Banks shall be entitled to receive payment in full in cash of all Guaranteed Obligations (including all interest and expenses accruing after the commencement of a proceeding under any Bankruptcy Law, whether or not constituting an allowed claim in such proceeding ("Post Petition Interest")) before the US Guarantor receives payment of any Subordinated Obligations.

(c) Turn-Over. After the occurrence and during the continuance of any Event of Default described in Section 11.1 (a), (b), (h) or (i) (including the commencement and continuation of any proceeding under any Bankruptcy Law relating to the Borrower), if the US Guarantor fails to pay amounts demanded under Section 14.1(a) for a period of five Business Days, the US Guarantor shall, if the Administrative Agent so requests, collect, enforce and receive payments on account of the Subordinated Obligations as trustee for the Administrative Agent and the Banks and deliver such payments to the Administrative Agent on account of the Guaranteed Obligations (including all Post Petition Interest), together with any necessary endorsements or other instruments of transfer, but without reducing or affecting in any manner the liability of the US Guarantor under the other provisions of this Guaranty.

(d) Agent Authorization. After the occurrence and during the continuance of any Event of Default described in Section 11.1 (a), (b), (h) or (i) (including the commencement and continuation of any proceeding under any Bankruptcy Law relating to the Borrower), if the US Guarantor fails to pay amounts demanded under Section 14.1(a) for a period of five Business Days, the Administrative Agent is authorized and empowered (but without any obligation to so do), in its discretion, (i) in the name of the US Guarantor, to collect and enforce, and to submit claims in respect of, Subordinated Obligations and to apply any amounts received thereon to the Guaranteed Obligations (including any and all Post Petition Interest), and (ii) to require the US Guarantor (A) to collect and enforce, and to submit claims in respect of, Subordinated Obligations and (B) to pay any amounts received on such obligations to the Administrative Agent for application to the Guaranteed Obligations (including any and all Post Petition Interest).

14.6 Continuing Guaranty; Assignments. This Guaranty is a continuing guaranty and shall (a) remain in full force and effect until the later of (i) the payment in full in cash of the Guaranteed Obligations and all other amounts payable under this Guaranty and (ii) the Termination Date, (b) be binding upon the US Guarantor, its successors and assigns and (c) inure to the benefit of and be enforceable by the Administrative Agent and the Banks and their successors, transferees and assigns. Without limiting the generality of clause (c) of the immediately preceding sentence, the Administrative Agent or any Bank may assign or otherwise transfer all or any portion of its rights and obligations under this Credit Agreement (including, without limitation, all or any portion of its Commitments, the Advances owing to it and the Note or Notes held by it) to any other Person, and such other Person shall thereupon become vested with all the benefits in respect thereof granted to the Administrative Agent or such Bank herein or otherwise, in each case as and to the extent provided in Section 18. The US Guarantor shall not have the right to assign its rights hereunder or any interest herein without the prior written consent of the Administrative Agent and the Banks.

15. EXPENSES.

The Borrower shall upon demand either, as the Banks or the Administrative Agent may require and regardless of whether any Loans are made hereunder, pay in the first instance or reimburse the Banks and the Administrative Agent (to the extent that payments for the following items are not made under the other provisions hereof) for (a) the reasonable out-of-pocket costs of producing and reproducing this Credit Agreement, the other Loan Documents, and the other agreements and instruments mentioned herein, (b) reasonable out-of-pocket expenses incurred in connection with the syndication of this facility, (c) the reasonable fees, expenses, and disbursements of the Administrative Agent's special counsel incurred in connection with the preparation, the administration, or interpretation of the Loan Documents, the other instruments mentioned herein, and the term sheet for the transactions contemplated by this Credit Agreement, each closing hereunder, and amendments, modifications, approvals, consents or waivers hereto or hereunder, (d) the reasonable fees, expenses, and disbursement of the Administrative Agent incurred by the Administrative Agent in connection with the preparation, administration, or interpretation of the Loan Documents and other instruments mentioned herein, and (e) all reasonable out-of-pocket expenses (including reasonable attorneys' fees and costs, which attorneys may be employees of any Bank or the Administrative Agent (provided such fees are non-duplicative of fees of outside counsel), and reasonable consulting, accounting, appraisal, investment banking, and similar professional fees and charges) incurred by any Bank or the Administrative Agent in connection with (i) the enforcement of or preservation of rights under any of the Loan Documents against any Loan Party or any of its Subsidiaries or the administration thereof after the occurrence of a Default or Event of Default and (ii) any Proceeding or dispute whether arising hereunder or otherwise, in any way related to any Bank's or the Administrative Agent's relationship with any Loan Party or any of its Subsidiaries. The Borrower shall not be responsible under clause (e) above for the fees and costs of more than one law firm in any one jurisdiction with respect to any one Proceeding or set of related Proceedings for the Administrative Agent and the Banks, unless any of the Administrative Agent and the Banks shall have reasonably concluded that there are legal defenses available to it that are different from or additional to those available to the Borrower or there are other circumstances that in the reasonable judgment of the Administrative Agent and the Banks make separate counsel advisable. The covenants of this Section 15 shall survive payment or satisfaction of all other Obligations and the termination of the Commitments and the Loan Documents.

16. INDEMNIFICATION.

The Borrower shall, regardless of whether any Loans are made hereunder, indemnify and hold harmless the Administrative Agent and the Banks, together with their respective shareholders, directors, agents, officers, Subsidiaries, and Affiliates, from and against any and all damages, losses, settlement payments, obligations, liabilities, claims, causes of action, and Proceedings, and reasonable costs and expenses in connection therewith, incurred, suffered, sustained, or required to be paid by an indemnified party by reason of or resulting, directly or indirectly, from the transactions contemplated by the Loan Documents, including (a) any actual or proposed use by the Borrower or any of its Subsidiaries of the proceeds of any of the Loans, (b) any US Loan Party or any of its Subsidiaries entering into or performing this Credit Agreement or any of the other Loan Documents, or (c) with respect to any US Loan Party and its Subsidiaries and their respective properties and assets, the violation of any Environmental Law, the presence, disposal, escape, seepage, leakage, spillage, discharge, emission, release, or threatened release of any Hazardous Substances or any Proceeding brought or threatened with respect to any Hazardous Substances (including claims with respect to wrongful death, personal injury, or damage to property), in each case including the reasonable fees and disbursements of legal counsel and non-duplicative reasonable allocated costs of internal legal counsel incurred in connection with any such Proceeding (collectively, the "Indemnified Liabilities"), provided, however, the Borrower shall not be obligated to indemnify any party for any damages, losses, settlement payments, obligations, liabilities, claims, causes of action, Proceedings, costs, and expenses that were caused directly by (i) the gross negligence or willful misconduct of the indemnified party or (ii) any breach by any Bank of its obligation to fund a Loan pursuant to this Credit Agreement, provided that the Borrower is not then in Default. In Proceedings, or the preparation therefor, the indemnified parties shall be entitled to select their legal counsel and, in addition to the foregoing indemnity, the Borrower shall, promptly upon demand, pay in the first instance, or reimburse the indemnified parties for, the reasonable fees and expenses of such legal counsel. The Borrower shall not be responsible under this Section 16 for the fees and costs of more than one law firm in any one jurisdiction for the Borrower and the indemnified parties with respect to any one Proceeding or set of related Proceedings, unless any indemnified party shall have reasonably concluded that there are legal defenses available to it that are different from or additional to those available to the Borrower or there are other circumstances that in the reasonable judgment of the indemnified parties make separate counsel advisable. If, and to the extent that the obligations of the Borrower under this Section 16 are unenforceable for any reason, the Borrower shall make the maximum contribution to the payment in satisfaction of such obligations that is permissible under applicable law. The covenants contained in this Section 16 shall survive payment or satisfaction in full of all other Obligations and the termination of the Commitments and the Loan Documents.

17. SURVIVAL OF COVENANTS, ETC.

All covenants, agreements, representations, and warranties made herein, in any Notes, in any of the other Loan Documents, or in any documents or other papers delivered by or on behalf of any Loan Party or any of its Subsidiaries pursuant hereto shall be deemed to have been relied upon by the Banks and the Administrative Agent, notwithstanding any investigation heretofore or hereafter made by any of them, and shall survive the making by the Banks of the Loans, as herein contemplated, and all covenants and agreements shall continue in full force and effect so long as any amount due under this Credit Agreement or any Notes or any of the other Loan Documents remains outstanding or any Bank has any obligation to make any Loans, and for such further time as may be otherwise expressly specified in this Credit Agreement. All statements contained in any certificate or other paper delivered to any Bank or the Administrative Agent at any time by or on behalf of any Loan Party or any of its Subsidiaries pursuant hereto or in connection with the transactions contemplated hereby shall constitute representations and warranties by such Loan Party or such Subsidiary hereunder.

18. ASSIGNMENT AND PARTICIPATION.

18.1 Assignments and Participations. (a) Successors and Assigns Generally. The provisions of this Credit Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that no Loan Party may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Bank and no Bank may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an Eligible Assignee in accordance with the provisions of Section 18.1(b), (ii) by way of participation in accordance with the provisions of Section 18.1(d), (iii) by way of pledge or assignment of a security interest subject to the restrictions of Section 18.5, or (iv) to an SPC in accordance with the provisions of Section 18.6 (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Credit Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in subsection (d) of this Section 18.1 and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Banks) any legal or equitable right, remedy or claim under or by reason of this Credit Agreement.

(b) Assignments by Banks. Any Bank may at any time assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Credit Agreement (including all or a portion of its Commitment and the Loans at the time owing to it); provided that

(i) except in the case of an assignment of the entire remaining amount of the assigning Bank's Commitment and the Loans at the time owing to it, the aggregate amount of the Commitment (which for this purpose includes Loans outstanding thereunder) or, if the applicable Commitment is not then in effect, the principal outstanding balance of the Loan of the assigning Bank subject to each such assignment, determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Acceptance, as of the Trade Date, shall not be less than $10,000,000 or in integral multiples of $1,000,000 in excess thereof, unless each of the Administrative Agent and, so long as no Event of Default has occurred and is continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed);

(ii) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Bank's rights and obligations under this Credit Agreement with respect to the Loans or the Commitment assigned;

(iii) any assignment must be approved by the Administrative Agent and, so long as no Event of Default has occurred and is continuing, the Borrower (each such consent not to be unreasonably withheld or delayed, it being understood that the Borrower's consent is not unreasonably withheld if such assignment would result in a reduction of or a withdrawal of the then current ratings of commercial paper notes of the Borrower);

(iv) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Acceptance, together with a processing and recordation fee of $3,500; provided that (A) no such fee shall be payable in the case of an assignment to a Bank, an Affiliate of a Bank or an Approved Fund with respect to a Bank and (B) in the case of contemporaneous assignments by a Bank to one or more Funds managed by the same investment advisor (which Funds are not then Banks hereunder), only a single such $3,500 fee shall be payable for all such contemporaneous assignments;

(v) the Eligible Assignee, if it shall not be a Bank, shall deliver to the Administrative Agent such information regarding its Domestic Lending Office and LIBOR Lending Offices as the Administrative Agent may request; and

(vi) no assignee of a Bank shall be entitled to the benefits of Sections 4.6, 4.9 or 4.11 in relation to circumstances applicable to such assignee immediately following the assignment to it which at such time (if a payment were then due to the assignee on its behalf from the Borrower) would give rise to any greater financial burden on the Borrower under Section 4.6, 4.9 or 4.11 than those which it would have been under the absence of such assignment.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to subsection (c) of this Section 18.1, from and after the effective date specified in each Assignment and Acceptance, the Eligible Assignee thereunder shall be a party to this Credit Agreement and, to the extent of the interest assigned by such Assignment and Acceptance, have the rights and obligations of a Bank under this Credit Agreement, and the assigning Bank thereunder shall, to the extent of the interest assigned by such Assignment and Acceptance, be released from its obligations under this Credit Agreement (and, in the case of an Assignment and Acceptance covering all of the assigning Bank's rights and obligations under this Credit Agreement, such Bank shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 4.6, 4.9, 4.11, 15 and 16 and bound by the provisions of Section 20 with respect to facts and circumstances occurring prior to the effective date of such assignment). Any assignment or transfer by a Bank of rights or obligations under this Credit Agreement that does not comply with this subsection shall be treated for purposes of this Credit Agreement as a sale by such Bank of a participation in such rights and obligations in accordance with Section 18.1(d).

(c) Register. The Administrative Agent, acting solely for this purpose as an agent of the Borrower, shall maintain at the Administrative Agent's Office a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Banks, and the Commitments of, and principal amounts of the Loans owing to, each Bank pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, and the Borrower, the Administrative Agent and the Banks may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Bank hereunder for all purposes of this Credit Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by each of the Banks and the Borrower at any reasonable time and from time to time upon reasonable prior notice. In addition, at any time that a request for a consent for a material or other substantive change to the Loan Documents is pending, any Bank may request and receive from the Administrative Agent a copy of the Register.

(d) Participations. Any Bank may at any time, without the consent of, or notice to, the Borrower or the Administrative Agent, sell participations to any Person (other than a natural person or any Loan Party or any of its Affiliates or Subsidiaries) (each, following any such sale, a "Participant") in all or a portion of such Bank's rights and/or obligations under this Credit Agreement (including all or a portion of its Commitment and/or the Loans owing to it); provided that (i) such Bank's obligations under this Credit Agreement shall remain unchanged, (ii) such Bank shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Administrative Agent and the other Banks shall continue to deal solely and directly with such Bank in connection with such Bank's rights and obligations under this Credit Agreement. Any agreement or instrument pursuant to which a Bank sells such a participation shall provide that such Bank shall retain the sole right to enforce this Credit Agreement and to approve any amendment, modification or waiver of any provision of this Credit Agreement; provided that such agreement or instrument may provide that such Bank will not, without the consent of the Participant, agree to any amendment, waiver or other modification described in Section 26 that directly affects such Participant. Subject to subsection (e) of this Section 18.1, the Borrower agrees that each Participant shall be entitled to the benefits of Sections 4.6, 4.9 and 4.11 to the same extent as if it were a Bank and had acquired its interest by assignment pursuant to Section 18.1(b). To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 12 as though it were a Bank, provided such Participant agrees to be subject to Section 12 as though it were a Bank.

(e) Limitations upon Participant Rights. A Participant shall not be entitled to receive any greater payment under Sections 4.6, 4.9 or 4.11 than the applicable Bank would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent. A Participant that would be a Foreign Bank if it were a Bank shall not be entitled to the benefits of Section 4.11 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with Section 4.11 as though it were a Bank.

(f) Electronic Execution of Assignments. The words "execution," "signed," "signature," and words of like import in any Assignment and Acceptance shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

18.2 New Notes. Upon its receipt of an Assignment and Acceptance executed by the parties to such assignment, together with any Note subject to such assignment, the Administrative Agent shall (a) record the information contained therein in the Register, and (b) give prompt notice thereof to the Borrower and the Banks (other than the assigning Bank). Within five (5) Business Days after receipt of such notice, if requested by the Eligible Assignee, the Borrower, at its own expense, shall execute and deliver to the Administrative Agent, in exchange for each surrendered Note, a new Note to the order of such Eligible Assignee in an amount equal to the amount assumed by such Eligible Assignee pursuant to such Assignment and Acceptance and, at the request of the Administrative Agent or the assigning Bank, if the assigning Bank has retained some portion of its obligations hereunder, a new Note to the order of the assigning Bank in an amount equal to the amount retained by it hereunder. Such new Notes shall provide that they are replacements for the surrendered Notes, shall be in an aggregate principal amount equal to the aggregate principal amount of the surrendered Notes, shall be dated the effective date of such Assignment and Acceptance and shall otherwise be in substantially the form of the assigned Notes. The surrendered Notes shall be cancelled and returned to the Borrower.

18.3 Disclosure. Any Bank may disclose information obtained by such Bank pursuant to this Credit Agreement to assignees or participants and potential assignees or participants hereunder subject to Section 20.

18.4 Assignee or Participant Affiliated with any Loan Party. If any assignee Bank is an Affiliate of any Loan Party, then any such assignee Bank shall have no right to vote as a Bank hereunder or under any of the other Loan Documents for purposes of granting consents or waivers or for purposes of agreeing to amendments or other modifications to any of the Loan Documents or for purposes of making requests to the Administrative Agent pursuant to Section 11, and the determination of the Majority Banks shall for all purposes of this Credit Agreement and the other Loan Documents be made without regard to such assignee Bank's interest in any of the Loans. If any Bank sells a participating interest in any of the Loans to a participant, and such participant is a Loan Party or an Affiliate of a Loan Party, then such transferor Bank shall promptly notify the Administrative Agent of the sale of such participation. A transferor Bank shall have no right to vote as a Bank hereunder or under any of the other Loan Documents for purposes of granting consents or waivers or for purposes of agreeing to amendments or modifications to any of the Loan Documents or for purposes of making requests to the Administrative Agent pursuant to Section 11 to the extent that such participation is beneficially owned by a Loan Party or any Affiliate of a Loan Party, and the determination of the Majority Banks shall for all purposes of this Credit Agreement and the other Loan Documents be made without regard to the interest of such transferor Bank in the Loans to the extent of such participation.

18.5 Miscellaneous Assignment Provisions. Any assigning Bank shall retain its rights to be indemnified pursuant to Sections 4.6, 4.9, 15, and 16 with respect to any claims or actions arising prior to the date of the assignment. If any assignee Bank is a Foreign Bank, it shall, prior to the date on which it becomes a Bank hereunder, deliver to the Borrower and the Administrative Agent the documents required to be delivered pursuant to Section 4.11. Anything contained in this Section 18 to the contrary notwithstanding, any Bank may at any time pledge all or any portion of its interest and rights under this Credit Agreement (including all or any portion of its Notes) to any of the twelve Federal Reserve Banks organized under §4 of the Federal Reserve Act, 12 U.S.C. §341. No such pledge or the enforcement thereof shall release the pledgor Bank from its obligations hereunder or under any of the other Loan Documents.

18.6 SPC Provision. Notwithstanding anything to the contrary contained herein, any Bank (a "Granting Lender") may grant to a special purpose funding vehicle identified as such in writing from time to time by the Granting Lender to the Administrative Agent and the Borrower (an "SPC") the option to provide all or any part of any Loan that such Granting Lender would otherwise be obligated to make pursuant to this Credit Agreement; provided that (i) nothing herein shall constitute a commitment by any SPC to fund any Loan, and (ii) if an SPC elects not to exercise such option or otherwise fails to make all or any part of such Loan, the Granting Lender shall be obligated to make such Loan pursuant to the terms hereof. Each party hereto hereby agrees that (i) neither the grant to any SPC nor the exercise by any SPC of such option shall increase the costs or expenses or otherwise increase or change the obligations of the Borrower under this Credit Agreement, (ii) no SPC shall be liable for any indemnity or similar payment obligation under this Credit Agreement for which a Bank would be liable, and (iii) the Granting Lender shall for all purposes, including the approval of any amendment, waiver or other modification of any provision of any Loan Document, remain the Bank of record hereunder. The making of a Loan by an SPC hereunder shall utilize the Commitment of the Granting Lender to the same extent, and as if, such Loan were made by such Granting Lender. In furtherance of the foregoing, each party hereto hereby agrees (which agreement shall survive the termination of this Credit Agreement) that, prior to the date that is one year and one day after the payment in full of all outstanding commercial paper or other senior debt of any SPC, it will not institute against, or join any other Person in instituting against, such SPC any bankruptcy, reorganization, arrangement, insolvency, or liquidation proceeding under the laws of the United States or any State thereof; provided, with respect to such agreement by the Borrower, that the related Granting Lender shall not be in breach of its obligations to make Loans to the Borrower hereunder. Notwithstanding the foregoing, the Granting Lender unconditionally agrees to indemnify the Borrower, the Administrative Agent and each Bank against all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be incurred by or asserted against the Borrower, the Administrative Agent or such Bank, as the case may be, in any way relating to or arising as a consequence of any such forbearance or delay in the initiation of any such proceeding against its SPC. Notwithstanding anything to the contrary contained herein, any SPC may (i) with notice to, but without prior consent of the Borrower and the Administrative Agent and without the payment of a registration fee of $3,500, assign all or any portion of its right to receive payment with respect to any Loan to the Granting Lender and (ii) disclose on a confidential basis any non-public information relating to its funding of Loans to any rating agency, commercial paper dealer or provider of any surety or guarantee or credit or liquidity enhancement to such SPC. This Section may not be amended, waived or otherwise modified without the written consent of each Granting Lender all or any part of whose Loans are being funded by a SPC at the time of such amendment, waiver or other modification.

19. NOTICES, ETC.

19.1 Notices.

. (a) Except as otherwise expressly provided in this Credit Agreement, all notices and other communications made or required to be given pursuant to this Credit Agreement or any Notes shall be in writing and shall be delivered in hand, mailed by United States registered or certified first class mail, postage prepaid, sent by overnight courier, or sent by telecopy or telefax and confirmed by delivery via courier or postal service or (subject to Section 19.2) via electronic mail at the address specified below or on Schedule 1, addressed as follows:

(i) if to the Borrower or the US Guarantor, at 1345 Avenue of the Americas, New York, New York 10105 (Telecopy Number (212) 823-3250), Attention: Treasurer; with a copy sent via the same means to General Counsel of the US Guarantor at 1345 Avenue of the Americas, New York, New York 10105 (Telecopy Number (212) 969-1334), or at such other address for notice as any of such Persons shall last have furnished in writing to the Person giving the notice;

(ii) if to Citibank, whether individually or as Administrative Agent, at its address set forth on Schedule 1 hereto or such other address for notice as Citibank shall last have furnished in writing to the Person giving the notice;

(iii) if to any Bank, at such Bank's address set forth on Schedule 1 hereto or in the Assignment and Acceptance pursuant to which it became a party hereto, or such other address for notice as such Bank shall have last furnished in writing to the Person giving the notice.

Any such notice or demand shall be deemed to have been duly given or made and to have become effective (i) if delivered by hand, overnight courier or telecopy to a responsible officer of the party to which it is directed, at the time of the receipt thereof by such officer or the sending of such telecopy, or when delivery (if other than by telecopy) is duly attempted and refused, (ii) if sent by registered or certified first-class mail, postage prepaid, on the third Business Day following the mailing thereof and (iii) if delivered by electronic mail (which form of delivery is subject to Section 19.2), when delivered.

(b) So long as Citibank or any of its Affiliates is the Administrative Agent, materials required to be delivered pursuant to Section 6.4(a), (b), (c) and (d) shall be delivered to the Administrative Agent in an electronic medium in a format acceptable to the Administrative Agent and the Banks by e-mail at oploanswebadmin@citigroup.com. The Borrower agrees that the Administrative Agent may make such materials (collectively, the "Communications") available to the Banks by posting such notices on Intralinks or a substantially similar electronic system (the "Platform"). The Borrower acknowledges that (i) the distribution of material through an electronic medium is not necessarily secure and that there are confidentiality and other risks associated with such distribution, (ii) the Platform is provided "as is" and "as available" and (iii) neither the Administrative Agent nor any of its Affiliates warrants the accuracy, adequacy or completeness of the Communications or the Platform and each expressly disclaims liability for errors or omissions in the Communications or the Platform. No warranty of any kind, express, implied or statutory, including, without limitation, any warranty of merchantability, fitness for a particular purpose, non-infringement of third party rights or freedom from viruses or other code defects, is made by the Administrative Agent or any of its Affiliates in connection with the Platform.

(c) Each Bank agrees that notice to it (as provided in the next sentence) (a "Notice") specifying that any Communications have been posted to the Platform shall constitute effective delivery of such information, documents or other materials to such Bank for purposes of this Credit Agreement; provided that if requested by any Bank the Administrative Agent shall deliver a copy of the Communications to such Bank by email or telecopier. Each Bank agrees (i) to notify the Administrative Agent in writing of such Bank's e-mail address to which a Notice may be sent by electronic transmission (including by electronic communication) on or before the date such Bank becomes a party to this Credit Agreement (and from time to time thereafter to ensure that the Administrative Agent has on record an effective e-mail address for such Bank) and (ii) that any Notice may be sent to such e-mail address.

19.2 Electronic Notices. Electronic mail and internet and intranet websites may be used only to the extent permitted by Section 6.4(f) and to distribute Loan Documents for execution by the parties thereto, and may not be used for any other purpose under this Credit Agreement or any other Loan Document.

20. CONFIDENTIALITY.

Each of the Administrative Agent and the Banks agrees to maintain the confidentiality of Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its and its Affiliates' respective partners, directors, officers, employees, agents, advisors and representatives who need to know such Information to permit such Bank to evaluate, administer or enforce this Credit Agreement (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority purporting to have jurisdiction over it (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Credit Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any permitted assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Credit Agreement or (ii) any rating agency, or (iii) the CUSIP Service Bureau or any similar organization, (g) with the consent of any Loan Party or (h) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section 20 or (y) becomes available to the Administrative Agent, any Bank or any of their respective Affiliates on a nonconfidential basis from a source other than a Loan Party, subject, in the case of any disclosure in accordance with clause (c) of this sentence and to the extent legal and practicable, to giving the US Loan Parties notice prior to such disclosure.

For purposes of this Section 20, "Information" means all information received from any US Loan Party or any of its Subsidiaries relating to such US Loan Party or any of its Subsidiaries or any of their respective businesses, other than any such information that is available to the Administrative Agent or any Bank on a nonconfidential basis prior to disclosure by such US Loan Party, whether or not the information is marked as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to any other third party information subject to a confidentiality agreement substantially similar to this Section 20.

21. GOVERNING LAW.

THIS CREDIT AGREEMENT AND, EXCEPT AS OTHERWISE SPECIFICALLY PROVIDED THEREIN, EACH OF THE OTHER LOAN DOCUMENTS ARE CONTRACTS UNDER THE LAWS OF THE STATE OF NEW YORK AND SHALL FOR ALL PURPOSES BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED WHOLLY WITHIN SUCH STATE. EACH OF THE ADMINISTRATIVE AGENT THE BANKS, AND EACH US LOAN PARTY AGREES THAT ANY SUIT FOR THE ENFORCEMENT OF THIS CREDIT AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK OR ANY FEDERAL COURT SITTING THEREIN AND CONSENTS TO THE NONEXCLUSIVE JURISDICTION OF SUCH COURT AND THE SERVICE OF PROCESS IN ANY SUCH SUIT BEING MADE UPON SUCH US LOAN PARTY BY MAIL AT THE ADDRESS SPECIFIED IN SECTION 19. EACH OF THE ADMINISTRATIVE AGENT, THE BANKS, AND EACH US LOAN PARTY HEREBY WAIVES ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH SUIT OR ANY SUCH COURT OR THAT SUCH SUIT IS BROUGHT IN AN INCONVENIENT COURT.

22. HEADINGS.

The captions in this Credit Agreement are for convenience of reference only and shall not define or limit the provisions hereof.

23. COUNTERPARTS.

This Credit Agreement and any amendment hereof may be executed in several counterparts and by each party on a separate counterpart, each of which when so executed and delivered shall be an original, and all of which together shall constitute one instrument. In proving this Credit Agreement it shall not be necessary to produce or account for more than one such counterpart signed by the party against whom enforcement is sought. Any signatures delivered after the Closing Date by a party by facsimile transmission shall be deemed an original signature hereto.

24. ENTIRE AGREEMENT, ETC.

The Loan Documents and any other documents executed in connection herewith or therewith express the entire understanding of the parties with respect to the transactions contemplated hereby. Neither this Credit Agreement nor any term hereof may be changed, waived, discharged or terminated, except as provided in Section 26.

25. WAIVER OF JURY TRIAL.

EACH OF THE ADMINISTRATIVE AGENT, THE BANKS, AND EACH US LOAN PARTY HEREBY WAIVES ITS RIGHT TO A JURY TRIAL WITH RESPECT TO ANY PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF ANY DISPUTE IN CONNECTION WITH THIS CREDIT AGREEMENT, THE NOTES, OR ANY OF THE OTHER LOAN DOCUMENTS, AND RIGHTS OR OBLIGATIONS HEREUNDER OR THEREUNDER, OR THE PERFORMANCE OF SUCH RIGHTS AND OBLIGATIONS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EXCEPT AS PROHIBITED BY LAW, EACH OF THE ADMINISTRATIVE AGENT, THE BANKS AND EACH US LOAN PARTY HEREBY WAIVES ANY RIGHT IT MAY HAVE TO CLAIM OR RECOVER IN ANY PROCEEDING REFERRED TO IN THE PRECEDING SENTENCE ANY SPECIAL, EXEMPLARY, PUNITIVE, OR CONSEQUENTIAL DAMAGES OR ANY DAMAGES OTHER THAN, OR IN ADDITION TO, ACTUAL DAMAGES. EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS CREDIT AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

26. CONSENTS, AMENDMENTS, WAIVERS, ETC.

Except as otherwise expressly provided in this Credit Agreement, any term of this Credit Agreement, the other Loan Documents, or any other instrument related hereto or mentioned herein may be amended with, but only with, the written consent of the affected Loan Party and the Majority Banks. Any consent or approval required or permitted by this Credit Agreement to be given by the Banks may be given, any acceleration of amounts owing under the Loan Documents may be rescinded, and the performance or observance by any Loan Party of any terms of this Credit Agreement, the other Loan Documents, or any other instrument related hereto or mentioned herein or the continuance of any Default or Event of Default may be waived (either generally or in a particular instance and either retroactively or prospectively) with, but only with, the written consent of the Majority Banks. Notwithstanding the foregoing, the rate of interest on the Loans (other than interest accruing pursuant to Section 4.10 following the effective date of any waiver by the Majority Banks of the Default or Event of Default relating thereto), the term of the Loans, the definition of Maturity Date, the extension of any scheduled date of payment of any principal, interest or fees hereunder or any mandatory payment of principal under Section 3.2.1, the pro rata sharing provisions of Section 13.3.1 and the amount of commitment fees hereunder may not be changed and the Outstanding principal amount of the Loans, or any portion thereof, may not be forgiven without the written consent of the Borrower and the written consent of Banks holding one hundred percent (100%) of the Outstanding principal amount of the Loans (or, if no Loans are Outstanding, Commitments representing one hundred percent (100%) of the Total Commitment); neither this Section 26 nor the definition of Majority Banks may be amended without the written consent of all of the Banks; the amount of the Administrative Agent's fee and Section 13 may not be amended without the written consent of the Administrative Agent; and the amount of the Commitment of any Bank may not be increased without the consent of such Bank. No waiver shall extend to or affect any obligation not expressly waived or impair any right consequent thereon. No course of dealing or delay or omission on the part of any Bank in exercising any right shall operate as a waiver thereof or otherwise be prejudicial thereto. No notice to or demand upon the Borrower shall entitle the Borrower to other or further notice or demand in similar or other circumstances. Neither the Administrative Agent nor any Bank has any fiduciary relationship with or fiduciary duty to any Loan Party arising out of or in connection with this Credit Agreement or any of the other Loan Documents, and the relationship between the Administrative Agent and the Banks, on the one hand, and the Loan Parties, on the other hand, in connection herewith or therewith is solely that of debtor and creditor.

27. NO WAIVER; CUMULATIVE REMEDIES.

No failure by any Bank or the Administrative Agent or any Loan Party to exercise, and no delay by any such Person in exercising, any right, remedy, power or privilege hereunder or any other Loan Document shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided, and provided under each other Loan Document, are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

28. SEVERABILITY.

The provisions of this Credit Agreement are severable and if any one clause or provision hereof shall be held invalid or unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Credit Agreement in any jurisdiction.

29. USA PATRIOT Act Notice.

Each Bank that is subject to the Act (as hereinafter defined) and the Administrative Agent (for itself and not on behalf of any Bank) hereby notifies the Borrower that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act"), it is required to obtain, verify and record information that identifies the Borrower and each Guarantor, which information includes the name and address of each such Loan Party and other information that will allow such Bank or the Administrative Agent, as applicable, to identify such Loan Party in accordance with the Act.

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK

IN WITNESS WHEREOF, the undersigned have duly executed this Credit Agreement as of the date first set forth above.

BORROWER:

SANFORD C. BERNSTEIN & CO., LLC

By: /s/ James A. Gingrich
Title: Chairman of the Board and

Chief Executive Officer

By: /s/ John J. Onofrio, Jr.
Title: Vice President and Treasurer

US GUARANTOR:

ALLIANCEBERNSTEIN L.P.

By: /s/ John J. Onofrio, Jr.
Title: Vice President and Treasurer

GENERAL PARTNER (solely for purposes of making the representation set forth in Sections 5.1.1, 5.1.2, 5.1.3, 5.2, 5.9 and 5.17):

ALLIANCEBERNSTEIN CORPORATION

By: /s/ John J. Onofrio, Jr.
Title: Vice President and Treasurer

ADMINISTRATIVE AGENT:
AND BANKS

CITIBANK, N.A., as Administrative
Agent and a Bank

By: /s/ Shannon Sweeney
Title: Vice President

HSBC BANK USA, NATIONAL ASSOCIATION, as a Bank

By: /s/ William J. Wilson
Title: Senior Vice President

JPMORGAN CHASE BANK, N.A., as a Bank

By: /s/ Dwight Seagren
Title: Vice President

BANK OF AMERICA, N.A., as a Bank

By: /s/ William J. Coupe
Title: Senior Vice President

SCHEDULE 1

BANKS AND COMMITMENTS

Banks and Addresses	Commitment	Commitment Percentage
Bank of America, N.A. Credit Address: Financial Institutions Group NY1-503-05-07 335 Madison Avenue New York, NY 10017 Attn: Sean Cassidy Ref: Sanford C. Bernstein & Co., LLC. Facsimile No.: (704) 602- 231 South LaSalle Street Electronic Mail: sean.w.cassidy@bankofamerica.com	$200,000,000	21.1%
Citibank, N.A. Operations Address: 2 Penn's Way, Suite 200 New Castle, Delaware 19720 Attn: Facsimile No.: (212) 994-0847 Electronic Mail: Credit Address: 388 Greenwich Street New York, New York 10013 Attn: Facsimile No.: (212) 816- Electronic Mail:	$250,000,000	26.3%
JPMorgan Chase Bank, N.A. Operations Address: 1111 Fannin Street, 10th Floor Houston, TX 77002 Attn: Patricia Arredondo Facsimile No.: (713) 750-2223 Credit Address: 1111 Fannin Street, 10th Floor Houston, TX 77002 Attn: Marybeth Mullen Facsimile No.: (713) 750-2223 Electronic Mai: marybeth.mullen@jpmorgan.com	$250,000,000	26.3%

HSBC Bank USA, National Association Operations Address: 1 HSBC Center, 26th Floor Buffalo, NY 14203 Attn: Donna Riley Facsimile No.: 716) 841-0269 Electronic Mail: donna.l.riley@us.hsbc.com Credit Address: 452 Fifth Avenue New York, NY 10018 Attn: William Wilson Facsimile No.: (212) 525-2570 Electronic Mail: William.wilson@us.hsbc.com	$250,000,000	26.3%
TOTAL	**$950,000,000**	**100%**

SCHEDULE 2

BROKER-DEALER SUBSIDIARIES

1. AllianceBernstein Investments, Inc.

2. Sanford C. Bernstein & Co., LLC

3. Sanford C. Bernstein Limited

SCHEDULE 5.2

GOVERNMENT APPROVALS

None

SCHEDULE 5.19

FUNDED DEBT ($000S)

	31-Dec-07
Debt:	
Commercial Paper Notes	$534,000
Total Debt	**$534,000**

SCHEDULE 7.3

PERMITTED LIENS

Jurisdiction	Secured Party	Filing Found	File No.	Date Filed	Collateral
New York Department of State	General Electric Capital Corporation	UCC-1	200505125421422	05-12-05	Leased Equipment
	General Electric Capital Corporation	UCC-1	200505135428581	05-13-05	Leased Equipment
	Chase Equipment Leasing, Inc. C/O The Chase Manhattan Bank	UCC-1	200604195371962	04-19-06	Leased Equipment
	J.P. Morgan Leasing Inc.	UCC-1	200604195373106	04-19-06	Leased Equipment
	Forsythe/McArthur Associates, Inc.	UCC-1	200612276245388	12-27-06	Leased Equipment
	CIT Financial USA, Inc.	UCC-1	200701085028158	01-08-07	Leased Equipment
Secretary of State of the State of Delaware	GE Capital	UCC-1	30534811	03-05-03	Leased Equipment
	J.P. Morgan Leasing Inc.	UCC-1	31681900	07-02-03	Leased Equipment
	EMC Corporation	UCC-1	31682049	07-02-03	Amendment to File No. 31681900 filed 07-02-03
	J.P. Morgan Leasing Inc.	UCC-1	60726927	03-02-06	Amendment to File No. 31681900 filed 07-02-03
	J.P. Morgan Leasing Inc.	UCC-1	31682015	07-02-03	Leased Equipment
	J.P. Morgan Leasing Inc.	UCC-1	60726919	03-02-06	Amendment to File No. 31682015 filed 07-02-03
	J.P. Morgan Leasing Inc.	UCC-1	32714072	10-17-03	Leased Equipment
	J.P. Morgan Leasing Inc.	UCC-1	50278888	01-21-05	Amendment to File No. 32714072 filed 10-17-03
	EMC Corporation	UCC-1	61883768	06-05-2006	Amendment to File No. 32714072 filed 10-17-03
	EMC Corporation	UCC-1	61883974	06-05-2006	Amendment to File No. 32714072 filed 10-17-03
	J.P. Morgan Leasing Inc.	UCC-1	32714148	10-17-03	Leased Equipment

	J.P. Morgan Leasing Inc.	UCC-1	50278896	01-21-05	Amendment to File No. 32714148 filed 10-17-03
	J.P. Morgan Leasing Inc.	UCC-1	61868967	06-02-06	Amendment to File No. 32714148 filed 10-17-03
	GE Capital	UCC-1	32809682	10-27-03	Leased Equipment
	GE Capital	UCC-1	32810219	10-27-03	Leased Equipment
	J.P. Morgan Leasing Inc.	UCC-1	42169631	07-28-04	Leased Equipment
	GE Capital	UCC-1	42212530	08-06-04	Leased Equipment
	J.P. Morgan Leasing Inc.	UCC-1	50888611	03-22-05	Leased Equipment
	J.P. Morgan Leasing Inc.	UCC-1	50889205	03-22-05	Leased Equipment
	Chase Equipment Leasing Inc.	UCC-1	53098184	10-06-05	Leased Equipment
	Chase Equipment Leasing Inc.	UCC-1	61868678	06-02-06	Amendment to File No. 53098184 filed 10-06-05
	Chase Equipment Leasing Inc.	UCC-1	53098200	10-06-05	Leased Equipment
	General Electric Capital Corporation	UCC-1	60048124	12-30-05	Leased Equipment
	Chase Equipment Leasing Inc.	UCC-1	61868736	06-02-06	Amendment to File No. 53098200 filed 10-06-05
	CIT Financial USA, Inc.	UCC-1	60042291	01-05-06	Leased Equipment
	CIT Financial USA, Inc.	UCC-1	61855865	06-01-06	Amendment to File No. 60042291 filed 01-05-06
	CIT Financial USA, Inc.	UCC-1	60042317	01-05-06	Leased Equipment
	CIT Financial USA, Inc.	UCC-1	61852789	06-01-06	Amendment to File No. 60042317 filed 01-05-06
	CIT Financial USA, Inc.	UCC-1	60042374	01-05-06	Leased Equipment
	CIT Financial USA, Inc.	UCC-1	61855717	06-01-06	Amendment to File No. 60042374 filed 01-05-06
	CIT Financial USA, Inc.	UCC-1	60042416	01-05-06	Leased Equipment
	CIT Financial USA, Inc.	UCC-1	61855626	06-01-06	Amendment to File No. 60042416 filed 01-05-06
	CIT Financial USA, Inc.	UCC-1	60898023	03-16-06	Leased Equipment
	CIT Financial USA, Inc.	UCC-1	61800838	05-26-06	Amendment to File No. 60898023 filed 03-16-06

	CIT Financial USA, Inc.	UCC-1	60898072	03-16-06	Leased Equipment
	CIT Financial USA, Inc.	UCC-1	61800879	05-26-06	Amendment to File No. 60898072 filed 03-16-06
	Chase Equipment Leasing, Inc.	UCC-1	61309681	04-19-06	Leased Equipment
	J.P. Morgan Leasing Inc.	UCC-1	61313741	04-19-06	Leased Equipment
	CIT Financial USA, Inc.	UCC-1	62450740	07-17-06	Leased Equipment
	CIT Financial USA, Inc.	UCC-1	62450880	07-17-06	Leased Equipment
	CIT Financial USA, Inc.	UCC-1	62451136	07-17-06	Leased Equipment
	CIT Financial USA, Inc.	UCC-1	2007 1749729	05-09-07	Leased Equipment
	CIT Financial USA, Inc.	UCC-1	2007 1750438	05-09-07	Leased Equipment
	CIT Financial USA, Inc.	UCC-1	2007 1751493	05-09-07	Leased Equipment
	CIT Financial USA, Inc.	UCC-1	2007 2674660	07-16-07	Leased Equipment
	CIT Financial USA, Inc.	UCC-1	2007 2674785	07-16-07	Leased Equipment
	CIT Financial USA, Inc.	UCC-1	2007 2674850	07-16-07	Leased Equipment
	CIT Financial USA, Inc.	UCC-1	2007 2674868	07-16-07	Leased Equipment
	CIT Financial USA, Inc.	UCC-1	2007 2761368	07-23-07	Leased Equipment
	CIT Financial USA, Inc.	UCC-1	2007 2761426	07-23-07	Leased Equipment
	CIT Financial USA, Inc.	UCC-1	2007 2761491	07-23-07	Leased Equipment
	CIT Financial USA, Inc.	UCC-1	2007 4288162	11-09-07	Leased Equipment
	CIT Financial USA, Inc.	UCC-1	2007 4288287	11-09-07	Leased Equipment
United Kingdom, Companies House	Tomen Corporation	395		01-10-92	Rent Deposit Deed
	Land Securities PLC	395		02-02-95	Rent Deposit Deed

SCHEDULE 7.4

CERTAIN INVESTMENTS

None

Exhibit A to the
Credit Agreement

FORM OF NOTE

_____, 20__

FOR VALUE RECEIVED, the undersigned SANFORD C. BERNSTEIN & CO., LLC, a Delaware limited liability company (the "Borrower"), hereby promises to pay to the order of _____ (the "Bank") at the Administrative Agent's Head Office as such term is defined in the Revolving Credit Agreement dated as of January 25, 2008 (as modified, amended, restated or supplemented and in effect from time to time, the "Credit Agreement"), among the Borrower, AllianceBernstein L.P., a Delaware limited partnership, Citibank, N.A., individually and as administrative agent, and the Banks listed on Schedule 1 thereto:

(a) the principal amount of _____ AND NO/100 DOLLARS ($_____) or, if less, the aggregate unpaid principal amount of the Loans advanced by the Bank to the Borrower pursuant to the Credit Agreement; and

(b) interest from the date hereof on the principal balance from time to time outstanding through and including the respective maturity dates of the Loans evidenced hereby at the times and rates specified in, and in all cases in accordance with the terms of, the Credit Agreement.

This Note evidences borrowings under and has been issued by the Borrower in accordance with the terms of the Credit Agreement. The Bank is entitled to the benefit of the Credit Agreement and the other Loan Documents, and may enforce the agreements of the Borrower contained therein, and the Bank may exercise the respective remedies provided for thereby or otherwise available in respect thereof, all in accordance with the respective terms thereof. All capitalized terms used in this Note and not otherwise defined herein shall have the same meanings herein as in the Credit Agreement.

The Borrower irrevocably authorizes the Bank to make or cause to be made, at or about the time of the Drawdown Date of any Loan, or at the time of receipt of any payment of principal on this Note, an appropriate notation on the appropriate grid attached to this Note, or the making of such Loan or receipt of such payment. The outstanding amount of the Loans set forth on the grids attached to this Note, or the continuation of such grids, or any other similar record, including computer records, maintained by the Bank with respect to any Loans shall be prima facie evidence of the principal amount thereof owing and unpaid to the Bank, but the failure to record, or any error in so recording, any such amount on any such grid, continuation, or other record shall not limit or otherwise affect the obligation of the Borrower hereunder or under the Credit Agreement to make payments of principal of and interest on this Note when due.

The Borrower has the right in certain circumstances and the obligation under certain other circumstances to prepay the whole or part of the principal of this Note on the terms and conditions specified in the Credit Agreement.

If any one or more Events of Default shall occur and be continuing, the entire unpaid principal amount of this Note and all of the unpaid interest accrued thereon may become or be declared due and payable in the manner and with the effect provided in the Credit Agreement.

No delay or omission on the part of the Bank in exercising any right hereunder shall operate as a waiver of such right or of any other rights of the Bank, nor shall any delay, omission or waiver on any one occasion be deemed a bar or waiver of the same or any other right on any further occasion.

The Borrower and every endorser and guarantor of this Note or the obligation represented hereby waives presentment, demand, notice, protest and all other demands and notices in connection with the delivery, acceptance, performance, default or enforcement of this Note, and assents to any extension or postponement of the time of payment or any other indulgence, to any substitution, exchange or release of collateral and to the addition or release of any other party or person primarily or secondarily liable.

THIS NOTE AND THE OBLIGATIONS OF THE BORROWER HEREUNDER SHALL FOR ALL PURPOSES BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED WHOLLY AND WITHIN SUCH STATE. THE BORROWER AGREES THAT ANY SUIT FOR THE ENFORCEMENT OF THIS NOTE MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK OR ANY FEDERAL COURT SITTING THEREIN AND CONSENTS TO THE NONEXCLUSIVE JURISDICTION OF SUCH COURT AND THE SERVICE OF PROCESS IN ANY SUCH SUIT BEING MADE UPON THE BORROWER BY MAIL AT THE ADDRESS SPECIFIED IN SECTION 19 OF THE CREDIT AGREEMENT. THE BORROWER HEREBY WAIVES ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH SUIT OR ANY SUCH COURT OR THAT SUCH SUIT IS BROUGHT IN AN INCONVENIENT COURT.

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IN WITNESS WHEREOF, the undersigned has duly executed this Note as of the day and year first above written.

SANFORD C. BERNSTEIN & CO., LLC

By: _____

Name: _____

Title: _____

GRID FOR LOANS

Date	Amount of Loan	Amount of Principal Paid or Prepaid	Balance of Principal Unpaid	Notation Made by:
___/___/__	$____________	$____________	$____________	_____________
___/___/__	$____________	$____________	$____________	_____________
___/___/__	$____________	$____________	$____________	_____________
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___/___/__	$____________	$____________	$____________	_____________
___/___/__	$____________	$____________	$____________	_____________
___/___/__	$____________	$____________	$____________	_____________

SANFORD C. BERNSTEIN & CO., LLC

_____ __, 20__

Citibank, N.A.
Two Penns Way
New Castle, DE 19720

Attention: Bank Loan Syndications

Re: Revolving Credit Loan Request under the Revolving Credit Agreement dated as of January 25, 2008

Ladies and Gentlemen:

Please refer to that certain Revolving Credit Agreement dated as of January 25, 2008 (as modified, amended, restated or supplemented, the "Credit Agreement") among Sanford C. Bernstein & Co., LLC, a Delaware limited liability company, AllianceBernstein L.P., a Delaware limited partnership, Citibank, N.A., individually and as administrative agent, and the Banks referred to therein. Capitalized terms defined in the Credit Agreement and used in this letter without definition shall have for purposes of this letter the meanings assigned to them in the Credit Agreement.

Pursuant to Section 2.8.1 of the Credit Agreement, we hereby request that a Revolving Credit Loan consisting of [**a Federal Funds Rate Loan in the principal amount of $_____, and/or an Alternate Base Rate Loan in the principal amount of $_____, and/or a LIBOR Loan in the principal amount of $_____ with an Interest Period of _____**] be made on _____ __, 20___. We understand that this request is irrevocable and binding on us and obligates us to accept the requested Revolving Credit Loan on such date.

We hereby certify that (a) the aggregate outstanding principal amount of the Loans on today's date is $_____, (b) the aggregate principal amount of the Loans to be outstanding on the Drawdown Date for the Revolving Credit Loan requested hereby (assuming disbursement of such Loan and all other Loans requested under outstanding Loan Requests) will be $_____, (c) we will use the proceeds of the requested Revolving Credit Loan in accordance with the provisions of the Credit Agreement, (d) no Default or Event of Default has occurred and is continuing and (e) all conditions precedent to the Revolving Credit Loan requested hereby set forth in Section 10 of the Credit Agreement have been duly satisfied or waived.

Very truly yours,

SANFORD C. BERNSTEIN & CO., LLC

By: _____

Name: _____

Title: _____

SANFORD C. BERNSTEIN & CO., LLC

_____ __, 20__

Citibank, N.A.
Two Penns Way
New Castle, DE 19720

Attention: Bank Loan Syndications

Re: Confirmation of Revolving Credit Loan Request under the Revolving Credit Agreement dated as of January 25, 2008

Ladies and Gentlemen:

Please refer to that certain Revolving Credit Agreement dated as of January 25, 2008 (as modified, amended, restated or supplemented, the "Credit Agreement") among Sanford C. Bernstein & Co., LLC, a Delaware limited liability company, AllianceBernstein L.P., a Delaware limited partnership, Citibank, N.A., individually and as administrative agent, and the Banks referred to therein. Capitalized terms defined in the Credit Agreement and used in this letter without definition shall have, for purposes of this letter, the meanings assigned to them in the Credit Agreement.

Pursuant to Section 2.8.1 of the Credit Agreement, we hereby confirm that a telephonic request for a Revolving Credit Loan consisting of [**a Federal Funds Rate Loan in the principal amount of $_____, and/or an Alternate Base Rate Loan in the principal amount of $_____, and/or a LIBOR Loan in the principal amount of $_____ with an Interest Period of _____**] to be made on _____ __, 20__ was made by us on _____ __, 20__. We understand that this request was irrevocable and binding on us and obligated us to accept the requested Revolving Credit Loan on such date.

We hereby certify that (a) the aggregate outstanding principal amount of the Loans on the date of the request was $_____, (b) the aggregate principal amount of the Loans to be outstanding on the Drawdown Date for the Revolving Credit Loan requested as described above (assuming disbursement of such Loan and all other Loans requested under outstanding Loan Requests) will be $_____, (c) we will use the proceeds of the requested Loan in accordance with the provisions of the Credit Agreement, (d) no Default or Event of Default has occurred and is continuing and (e) all conditions precedent to the Revolving Credit Loan requested as described above that are set forth in Section 10 of the Credit Agreement have been duly satisfied or waived.

Very truly yours,

SANFORD C. BERNSTEIN & CO., LLC

By: _____

Name: _____

Title: _____

SANFORD C. BERNSTEIN & CO., LLC

_____ __, 20__

Citibank, N.A.
Two Penns Way
New Castle, DE 19720

Attention: Bank Loan Syndications

Re: Conversion Request under the Revolving Credit Agreement dated as of January 25, 2008

Ladies and Gentlemen:

Please refer to that certain Revolving Credit Agreement dated as of January 25, 2008 (as modified, amended, restated or supplemented, the "Credit Agreement") among Sanford C. Bernstein & Co., LLC, a Delaware limited liability company, AllianceBernstein L.P., a Delaware limited partnership, Citibank, N.A., individually and as administrative agent, and the Banks referred to therein. Capitalized terms defined in the Credit Agreement and used in this letter without definition shall have for purposes of this letter the meanings assigned to them in the Credit Agreement.

Pursuant to Section 2.9.4 of the Credit Agreement, we hereby request that the Loan consisting of [**a Federal Funds Rate Loan in the principal amount of $_____, and/or an Alternate Base Rate Loan in the principal amount of $_____, and/or a LIBOR Loan in the principal amount of $_____, with an Interest Period of _____ ending on _____ __, 20__ **] currently in effect be converted to [**a Federal Funds Rate Loan in principal amount of $_____, an Alternate Base Rate Loan in the principal amount of $_____, or a LIBOR Loan in the principal amount of $_____ with an Interest Period of _____ **] on _____ __,20__. We understand that this request is irrevocable and binding on us.

We hereby certify that (a) the aggregate outstanding principal amount of the Loans on today's date is $_____, (b) upon giving effect to the request set forth in this letter (and any other outstanding conversion requests under the Credit Agreement) there will be outstanding LIBOR Loans having _____ different Interest Periods, (c) if this letter requests conversion of a Federal Funds Rate Loan or an Alternate Base Rate Loan to a LIBOR Loan or continuation of a LIBOR Loan as such, that no Default or Event of Default has occurred and is continuing and (d) the requests set forth in this letter are made in accordance with the terms and conditions of the Credit Agreement.

Very truly yours,

SANFORD C. BERNSTEIN & CO., LLC

By: _____

Name: _____

Title: _____

SANFORD C. BERNSTEIN & CO., LLC

_____ __, 20__

Citibank, N.A.
Two Penns Way
New Castle, DE 19720

Attention: Bank Loan Syndications

Re: Confirmation of Conversion Request under the
Revolving Credit Agreement dated as of January 25, 2008

Ladies and Gentlemen:

Please refer to that certain Revolving Credit Agreement dated as of January 25, 2008 (as modified, amended, restated or supplemented, the "Credit Agreement") among Sanford C. Bernstein & Co., LLC, a Delaware limited partnership, AllianceBernstein L.P., a Delaware limited partnership, Citibank, N.A., individually and as administrative agent, and the Banks referred to therein. Capitalized terms defined in the Credit Agreement and used in this letter without definition shall have for purposes of this letter the meanings assigned to them in the Credit Agreement.

Pursuant to Section 2.9.4 of the Credit Agreement, we hereby confirm our telephonic request that the Loan consisting of [**a Federal Funds Rate Loan in the principal amount of $_____, and/or Alternate Base Rate Loan in the principal amount of $_____, and/or a LIBOR Loan in the principal amount of $_____ with an Interest Period of _____ ending on _____ __, 20__**] in effect at the time of such request be converted to [**a Federal Funds Rate Loan in principal amount of $_____, an Alternate Base Rate Loan in the principal amount of $_____, or a LIBOR Loan in the principal amount of $_____, with an Interest Period of _____**] on _____ __, 20__. We understand that this request was irrevocable and binding on us.

We hereby certify that (a) the aggregate outstanding principal amount of the Loans on today's date is $_____, (b) upon giving effect to the request confirmed in this letter (and any other outstanding conversion requests under the Credit Agreement) there will be outstanding LIBOR Loans having _____ different Interest Periods, (c) if this letter confirms a request for conversion of a Federal Funds Rate to a LIBOR Loan or continuation of a LIBOR Loan as such, that no Default or Event of Default has occurred and is continuing and (d) the requests confirmed in this letter were made in accordance with the terms and conditions of the Credit Agreement.

Very truly yours,

SANFORD C. BERNSTEIN & CO., LLC

By: _____

Name: _____

Title: _____

SANFORD C. BERNSTEIN & CO., LLC

_____ __, 20__

Citibank, N.A.
Two Penns Way
New Castle, DE 19720
Attention: Bank Loan Syndications

Bank of America, N.A.
Financial Institutions Group
NY1-503-05-07
335 Madison Avenue
New York, NY 10017
Attn: Sean Cassidy

JPMorgan Chase Bank, N.A.
1111 Fannin Street, 10th Floor
Houston, TX 77002
Attn: Patricia Arredondo

HSBC Bank USA, National Association
1 HSBC Center, 26th Floor
Buffalo, NY 14203
Attn: Donna Riley

Re: Swing Loan Request under the Revolving Credit Agreement dated as of January 25, 2008

Ladies and Gentlemen:

Please refer to that certain Revolving Credit Agreement dated as of January 25, 2008 (as modified, amended, restated or supplemented, the "Credit Agreement") among Sanford C. Bernstein & Co., LLC, a Delaware limited liability company, AllianceBernstein L.P., a Delaware limited partnership, Citibank, N.A., individually and as administrative agent, and the Banks referred to therein. Capitalized terms defined in the Credit Agreement and used in this letter without definition shall have for purposes of this letter the meanings assigned to them in the Credit Agreement.

Pursuant to Section 2.8.2 of the Credit Agreement, we hereby request that a Swing Loan in the principal amount of $_____ be made on _____ __, 20__. We understand that this request is irrevocable and binding on us and obligates us to accept the requested Swing Loan on such date.

We hereby certify that (a) the aggregate outstanding principal amount of the Loans on today's date is $_____, (b) the aggregate principal amount of the Loans to be outstanding on the Drawdown Date for the Swing Loan requested hereby (assuming disbursement of such Loan and all other Loans requested under outstanding Loan Requests) will be $_____, (c) we will use the proceeds of the requested Swing Loan in accordance with the provisions of the Credit Agreement, (d) no Default or Event of Default has occurred and is continuing and (e) all conditions precedent to the Swing Loan requested hereby set forth in Section 10 of the Credit Agreement have been duly satisfied or waived.

Very truly yours,

SANFORD C. BERNSTEIN & CO., LLC

By: _____

Name: _____

Title: _____

SANFORD C. BERNSTEIN & CO., LLC

_____ __, 20__

Citibank, N.A.
Two Penns Way
New Castle, DE 19720
Attention: Bank Loan Syndications

Bank of America, N.A.
Financial Institutions Group
NY1-503-05-07
335 Madison Avenue
New York, NY 10017
Attn: Sean Cassidy

JPMorgan Chase Bank, N.A.
1111 Fannin Street, 10th Floor
Houston, TX 77002
Attn: Patricia Arredondo

HSBC Bank USA, National Association
1 HSBC Center, 26th Floor
Buffalo, NY 14203
Attn: Donna Riley

Re: Confirmation of Swing Loan Request under the Revolving Credit Agreement dated as of January 25, 2008

Ladies and Gentlemen:

Please refer to that certain Revolving Credit Agreement dated as of January 25, 2008 (as modified, amended, restated or supplemented, the "Credit Agreement") among Sanford C. Bernstein & Co., LLC., a Delaware limited liability company, AllianceBernstein L.P., a Delaware limited partnership, Citibank, N.A., individually and as administrative agent, and the Banks referred to therein. Capitalized terms defined in the Credit Agreement and used in this letter without definition shall have, for purposes of this letter, the meanings assigned to them in the Credit Agreement.

Pursuant to Section 2.8.2 of the Credit Agreement, we hereby confirm that a telephonic request for a Swing Loan in the principal amount of $_____ to be made on _____ __, 20__ was made by us on _____ __, 20__. We understand that this request was irrevocable and binding on us and obligated us to accept the requested Swing Loan on such date.

We hereby certify that (a) the aggregate outstanding principal amount of the Loans on the date of the request was $_____, (b) the aggregate principal amount of the Loans to be outstanding on the Drawdown Date for the Swing Loan requested as described above (assuming disbursement of such Loan and all other Loans requested under outstanding Loan Requests) will be $_____, (c) we will use the proceeds of the requested Loan in accordance with the provisions of the Credit Agreement, (d) no Default or Event of Default has occurred and is continuing and (e) all conditions precedent to the Loan requested as described above that are set forth in Section 10 of the Credit Agreement have been duly satisfied or waived.

Very truly yours,

SANFORD C. BERNSTEIN & CO., LLC

By: _____

Name: _____

Title: _____

[ALLIANCEBERNSTEIN L.P. LETTERHEAD]

Citibank, N.A.
Two Penns Way
New Castle, DE 19720

Attention: Bank Loan Syndications

Each of the Banks as defined in the
Credit Agreement referred to below

Attention: _____

Re: Compliance Certificate under Revolving Credit Agreement dated as of January 25, 2008

Ladies and Gentlemen:

Please refer to that certain Revolving Credit Agreement dated as of January 25, 2008 (the "Credit Agreement") among Sanford C. Bernstein & Co., LLC, a Delaware limited liability company, AllianceBernstein L.P., a Delaware limited partnership (the "US Guarantor"), Citibank, N.A., individually and as administrative agent, and the Banks referred to therein. Capitalized terms defined in the Credit Agreement and used in this letter without definition shall have for purposes of this letter the meanings assigned to them in the Credit Agreement.

This is a certificate delivered pursuant to Section 6.4(c) of the Credit Agreement with respect to compliance with the financial covenants as set forth in Section 8 of the Credit Agreement. This certificate has been duly executed by the principal financial officer, treasurer or general counsel of the US Guarantor.

1. No Default. To the best of the knowledge and belief of the undersigned, no Default or Event of Default has occurred and is continuing under the Credit Agreement. Attached hereto as Appendix I are all relevant calculations setting forth the US Guarantor's compliance with Section 8 of the Credit Agreement as at the end of or, if required, during the [**annual or quarterly**] period covered by the financial statements delivered herewith, together with the reconciliations to reflect changes, if any, in GAAP since December 31, 2006.

2. Financial Statements. The US Guarantor is delivering to the Administrative Agent the financial statements required pursuant to Section 6.4 of the Credit Agreement. [Also delivered herewith is a reconciliation of the covenant calculations and the financial statements of the US Guarantor to the extent they differ as the result of changes in GAAP since December 31, 2006.]

IN WITNESS WHEREOF, the undersigned has signed this certificate on this ___ day of _____, 20__.

ALLIANCEBERNSTEIN L.P.

By: _____

Name: _____

Title: _____

APPENDIX I.

Compliance Calculations

A. Consolidated Leverage Ratio.

1. Consolidated Adjusted Funded Debt = $_____

2. Consolidated Adjusted Cash Flow = the sum of:

(a)

EBITDA:

(i) Consolidated Net Income (or Loss) $_____

(ii) to the extent deducted in determining Consolidated Net Income (or Loss):

(w) income taxes $_____

(x) interest (whether paid or accrued, but without duplication of interest accrued for previous periods) $_____

(y) depreciation $_____

(z) amortization $_____

EBITDA = clause A(2)(a)(i) plus clauses A(2)(a)(ii)(w), (x), (y) and (z) $_____

(b) non-cash charges (other than for depreciation and amortization) to the extent deducted in computing Consolidated Net Income (or Loss) $_____

Consolidated Adjusted Cash Flow = clauses A(2)(a) plus clause A(2)(b) $_____

3. Consolidated Leverage Ratio = ratio of clause A(1) to clause A(2): _____ to 1.00

Covenant: Consolidated Leverage Ratio not to exceed 3.00 to 1.00

Compliance: yes/no

B. Minimum Consolidated Net Worth.

1. Consolidated Total Assets: $_____

2. (i) Consolidated Total Liabilities $_____

(ii) to the extent otherwise includible in the computations of Consolidated Net Worth, any subscriptions receivable with respect to Equity Securities of the US Guarantor or its Subsidiaries (with such adjustments as may be appropriate so as not to double count intercompany items) $_____

(iii) Clause B(2)(i) less clause B(2)(ii) $_____

Consolidated Net Worth = Clause B(1) less clause B(2)(iii) $_____

Covenant: Consolidated Net Worth not to be less than $1,300,000,000

Compliance yes/no

FORM OF OPINION

(See attached)

Exhibit J to
Credit Agreement

FORM OF ASSIGNMENT AND ACCEPTANCE

Dated as of _____ __, 20__

This Assignment and Acceptance (this "Assignment and Acceptance") is dated as of the Effective Date set forth below and is entered into by and between [*Insert name of Assignor*] (the "Assignor") and [*Insert name of Assignee*] (the "Assignee"). Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (the "Credit Agreement"), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of the Assignor's rights and obligations as a Bank under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Bank) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned pursuant to clauses (i) and (ii) above being referred to herein collectively as, the "Assigned Interest"). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Acceptance, without representation or warranty by the Assignor.

1. Assignor: _____

2. Assignee: _____

3. Borrower: Sanford C. Bernstein & Co., LLC

4. Administrative Agent: Citibank, N.A., as the administrative agent under the Credit Agreement

5. Credit Agreement: The Credit Agreement, dated as of January 25, 2008 among Sanford C. Bernstein & Co., LLC, AllianceBernstein L.P., the Banks parties thereto, and Citibank, N.A., as Administrative Agent

6. Assigned Interest:

Aggregate Amount of Commitment/Loans for all Lenders[1]	Amount of Commitment/Loans Assigned[1]	Percentage Assigned of Commitment/Loans[2]
$_____	$_____	_____

[7. Trade Date: _____][3]

Effective Date: _____, 20__ [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR

[NAME OF ASSIGNOR]

By: _____
Title:

ASSIGNEE

[NAME OF ASSIGNEE]

By: _____
Title:

[1] Amount to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.

[2] Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Banks thereunder.

[3] To be completed if the Assignor and the Assignee intend that the minimum assignment amount is to be determined as of the Trade Date.

Consented to and Accepted

CITIBANK, N.A., as Administrative Agent

By: _____
Title:

Consented to:[4]

SANFORD C. BERNSTEIN & CO., LLC

By: _____
Title:

[4] To be added only if the consent of the Borrower is required by the terms of the Credit Agreement.

ANNEX 1 TO ASSIGNMENT AND ACCEPTANCE

STANDARD TERMS AND CONDITIONS FOR
ASSIGNMENT AND ACCEPTANCE

1. Representations and Warranties.

1.1 Assignor. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Acceptance and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2 Assignee. The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Acceptance and to consummate the transactions contemplated hereby and to become a Bank under the Credit Agreement, (ii) it meets all requirements of an Eligible Assignee under the Credit Agreement (subject to receipt of such consents as may be required under the Credit Agreement), (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Bank thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Bank thereunder, (iv) it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 6.4 thereof, as applicable, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Administrative Agent or any other Bank, and (v) if it is a foreign lender, attached hereto is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by the Assignee; and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, the Assignor or any other Bank, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Bank.

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of the Assigned interest (including payments of principal, interest, fees and other amounts) to the Assignee whether such amounts have accrued prior to or on or after the Effective Date. The Assignor and the Assignee shall make all appropriate adjustments in payments by the Administrative Agent for periods prior to the Effective Date or with respect to the making of this assignment directly between themselves.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Acceptance may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Acceptance by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Acceptance. This Assignment and Acceptance shall be governed by, and construed in acceptance with, the laws of the State of New York applicable to contracts made and to be performed wholly within such State.

SUPPLEMENT

Dated _____ __, 20___

Reference is made to that certain Revolving Credit Agreement dated as of January 25, 2008 (as amended or modified from time to time, the "Credit Agreement") among Sanford C. Bernstein & Co., LLC, a Delaware limited liability company (the "Borrower"), AllianceBernstein L.P., a Delaware limited partnership, the Banks parties thereto (the "Banks"), and Citibank, N.A., as Administrative Agent (the "Administrative Agent"). Unless otherwise defined herein, capitalized terms used in this Supplement have the meanings ascribed thereto in the Credit Agreement.

Pursuant to Section 2.5(b) of the Credit Agreement, the Borrower has requested an increase in the Total Commitment from $_____ to $_____. Such increase in the Total Commitment is to become effective on the date (the "Effective Date") which is the later of (i) _____ __, 20___ and (ii) the date on which the conditions set forth in Section 2.5(b) in respect of such increase have been satisfied. In connection with such requested increase in the Total Commitment, the Borrower, the Administrative Agent and _____ (the "Accepting Bank") hereby agree as follows:

1. Effective as of the Effective Date, **[**the Accepting Bank shall become a party to the Credit Agreement as a Bank and shall have all of the rights and obligations of a Bank thereunder and shall thereupon have a Commitment under and for purposes of the Credit Agreement in an amount equal to the**] [**the Commitment of the Accepting Bank under the Credit Agreement shall be increased from $_____ to the**]** amount set forth opposite the Accepting Bank's name on the signature page hereof.

[2. The Accepting Bank hereby (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Supplement and to consummate the transactions contemplated hereby and to become a Bank under the Credit Agreement, (ii) it satisfies the requirements, if any, specified in the Credit Agreement that are required to be satisfied by it in order to acquire an interest thereunder and become a Bank, (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Bank thereunder and, to the extent of its interest thereunder, shall have the obligations of a Bank thereunder, (iv) it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 6.4 thereof, as applicable, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Supplement and to purchase an interest under the Credit Agreement on the basis of which it has made such analysis and decision independently and without reliance on the Administrative Agent or any other Bank, and (v) attaches any U.S. Internal Revenue Service forms required under Section 4.11 of the Credit Agreement; and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent or any other Bank, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Bank.**]**[5]

[3.**]** The Borrower hereby represents and warrants that as of the date hereof and as of the Effective Date: (a) all representations and warranties of the Borrower contained in Section 5 of the Credit Agreement (other than the Borrower's representation and warranty set forth in Section 5.5) shall be true and correct in all material respects as though made on such date; and (b) no event shall have occurred and then be continuing which constitutes a Default.

[4.**] THIS SUPPLEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.**

[5.**]** This Supplement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Supplement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

SANFORD C. BERNSTEIN & CO., LLC,
as Borrower

By: _____
Name:
Title:

Acknowledged and Accepted:

CITIBANK, N.A.,
as Administrative Agent

By: _____
Title: _____

COMMITMENT

$

ACCEPTING BANK

[BANK**]**

By: _____
Title: _____

[5] To be included only in a Supplement for a new Bank.

Exhibit 10.09

UNCOMMITTED LINE OF CREDIT AGREEMENT

Uncommitted Line of Credit Agreement (as amended or otherwise modified from time to time, this "**Agreement**"), dated as of January 23, 2008, is between AllianceBernstein L.P., a Delaware limited partnership (the "**Borrower**"), and Citibank, N.A. (the "**Lender**").

The Borrower and the Lender hereby agree as follows:

1. (a) The Lender agrees to consider from time to time, from the Effective Date (as defined in Section 8) until March 28, 2008 (such date, or the earlier termination of this Agreement pursuant to Section 11, being the "**Termination Date**"), the Borrower's requests that the Lender make advances ("**Advances**") to it in an aggregate amount not to exceed $100,000,000.00 (One Hundred Million Dollars) at any one time outstanding. The proceeds of the Advances are to be used solely as a commercial paper backstop and/or for general corporate purposes. **This letter is not a commitment to lend but rather sets forth the procedures to be used in connection with the Borrower's requests for the Lender's making of Advances to it from time to time on or prior to the Termination Date and, if the Lender makes Advances to the Borrower hereunder, the Borrower's obligations to the Lender with respect thereto.**

(b) The following terms used herein shall have the following meanings:

"**Base Rate**" means a fluctuating rate of interest announced publicly by Citibank, N.A. in New York, New York from time to time as its base rate**.**

"Business Day" means any day of the year on which banks are not required or authorized by law to close in New York City.

"**General Partner**" means AllianceBernstein Corporation, a Delaware corporation, in its capacity as general partner of the Borrower.

"**Maximum Rate**" means the maximum rate of non-usurious interest permitted by applicable law.

"**Quoted Rate**" means, for any Quoted Rate Advance, a rate quoted by the Lender and agreed to by the Borrower for such Advance.

2. Each request by the Borrower to the Lender for an Advance based on a Quoted Rate (a "**Quoted Rate Advance**") will be given not later than 11:00 A.M. (New York City time) on the date of such proposed Advance. Each request will specify (i) the date on which the Borrower wishes the Advance to be made (which will be a Business Day), (ii) the amount it wishes to borrow (which will be in the amount of $1,000,000 or an integral multiple thereof) and (iii) the interest period ("**Interest Period**") it wishes to apply to such Advance. The duration of each Interest Period will be a term requested by the Borrower and agreed to by the Lender, provided that (i) the Borrower may not select any Interest Period that ends after the Termination Date; and (ii) whenever the last day of an Interest Period would otherwise occur on a day other than a Business Day, the last day of such Interest Period will be extended to occur on the next succeeding Business Day. If the Lender agrees to make such Advance, it will make such funds available to the Borrower in same day funds by crediting to the following account, or as otherwise specified by the Borrower, prior to the making of such Advance:

Citibank, N.A.
ABA# 021000089
Account of AllianceBernstein L.P.
Account # 3047-1962

3. The Borrower will repay the principal amount of each Advance on the earliest to occur of a DEMAND, the last day of the Interest Period for such Advance and the Termination Date, together with accrued interest thereon. The Borrower may prepay any Advance made to it in whole or in part on any Business Day, provided that (i) the Borrower has given the Lender at least three Business Days' irrevocable written notice of such prepayment (and on the date specified for such prepayment in such notice, the Borrower will prepay the amount of the Advance to be prepaid, together with accrued interest thereon to the date of prepayment and any other amounts payable by the Borrower pursuant to Section 15), and (ii) each partial prepayment will be in a principal amount of at least $1,000,000.

4. The Borrower will pay interest on the unpaid principal amount of each Advance made to it from the date of such Advance until such principal amount is paid in full at a rate equal to the Quoted Rate for such Advance, payable in arrears on DEMAND, or if no demand has been made, on the last day of the Interest Period for such Advance. Any overdue amount of principal, interest or other amount payable hereunder will bear interest, payable on demand, at the Base Rate plus 2% per annum; provided that the interest rate shall not exceed the Maximum Rate.

5. Promptly after the making of a Quoted Rate Advance, the Lender will send the Borrower a written confirmation of the Quoted Rate and Interest Period therefor. Unless the Borrower objects in writing to the information contained in such confirmation within three Business Days after the Lender's sending of such confirmation to the Borrower, the Borrower will be deemed to have unconditionally agreed for all purposes to the correctness of such information. If the Borrower so objects to the Quoted Rate set forth in any such confirmation, such Quoted Rate Advance will be payable with interest at the Base Rate rather than at the Quoted Rate so objected to. Any Quoted Rate Advance bearing interest at the Base Rate pursuant to this Section will continue to be an "Advance" for the purposes of this Agreement.

6. If, due to either (i) the introduction of or any change in or in the interpretation of any law or regulation or (ii) the compliance with any guideline or directive duly adopted by any central bank or other governmental authority (whether or not having the force of law) with respect to the regulation of banks, monetary policy, lending, investments, or other financial matters, there is any increase in the cost to the Lender of agreeing to make or making, funding or maintaining Advances, then the Borrower will from time to time, upon the Lender's demand, pay to the Lender additional amounts sufficient to compensate the Lender for such increased cost. In addition, if the Lender determines that compliance with any law or regulation or any guideline or directive duly adopted by any central bank or other governmental authority (whether or not having the force of law) after the date hereof affects or would affect the amount of capital required or expected to be maintained by the Lender or any corporation controlling the Lender and that the amount of such capital is increased by or based upon the existence of Advances hereunder, then, upon the Lender's demand, the Borrower will immediately pay to the Lender, from time to time as specified by the Lender, additional amounts sufficient to compensate the Lender or such corporation in the light of such circumstances, to the extent that the Lender reasonably determines such increase in capital to be allocable to the existence of the Advances hereunder. A certificate as to such amounts and a brief explanation of such amounts which are due and in reasonable detail the basis of the calculation and allocation thereof submitted to the Borrower by the Lender will be conclusive evidence, absent manifest error, that such amounts are due. Notwithstanding any other provision of this Agreement, if the introduction of or any change in or in the interpretation of any law or regulation makes it unlawful, or any central bank or other governmental authority asserts that it is unlawful, for the Lender to fund or maintain Advances made hereunder, then, on notice thereof and demand therefor made by the Lender, each Advance will automatically, upon such demand, convert into an Advance accruing interest at the Base Rate. Any Advance accruing interest at the Base Rate will continue to be an "Advance" for the purposes of this Agreement.

7. The Borrower will make each payment (whether in respect of principal, interest or otherwise) payable by it hereunder, irrespective of any right of counterclaim or set-off, not later than 2:00 P.M. (New York City time) on the day when due in U.S. dollars to the Lender at 388 Greenwich Street, New York, New York in same day funds. The Borrower hereby authorizes the Lender, if and to the extent payment owed to the Lender is not made when due hereunder, to charge from time to time against any or all of the Borrower's accounts with the Lender or any of the Lender's affiliates any amount so due. All computations of interest will be made by the Lender on the basis of a year of 360 days, in each case for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable. Each determination by the Lender of an interest rate hereunder will be conclusive and binding for all purposes, absent manifest error. Whenever any payment hereunder is stated to be due on a day other than a Business Day, such payment will be made on the next succeeding Business Day, and such extension of time will in such case be included in the computation of payment of interest.

8. This Agreement will become effective on and as of the first date (the "**Effective Date**") on which the Lender has received the following, each in form and substance satisfactory to the Lender: (i) a counterpart of this Agreement duly executed by the Lender and the Borrower; (ii) certified copies of the resolutions of the General Partner's Board of Directors or any committee thereof approving this Agreement, and of all other documents evidencing necessary action and governmental and other third party approvals, if any, with respect to this Agreement; and (iii) a certificate of the General Partner's Secretary or Assistant Secretary certifying the names and true signatures of the General Partner's officers authorized to sign this Agreement and the other documents to be delivered hereunder and to request Advances hereunder ("**Designated Officers**").

9. Each request by the Borrower for an Advance and the acceptance by the Borrower of the proceeds of such Advance will constitute a representation and warranty by the Borrower that on the date of such Advance the representations and warranties contained in Section 10 are correct on and as of the date of such Advance, before and after giving effect to such Advance and to the application of the proceeds therefrom, as though made on and as of such date (other than any such representations or warranties that, by their terms, refer to a date other than the date of such Advance). In addition, the Borrower agrees to deliver to the Lender such other documents and other information requested by the Lender in connection with an Advance requested by the Borrower.

10. The Borrower represents and warrants as follows:

(a) The Borrower is a limited partnership duly organized, validly existing, and, if applicable, in good standing, under the laws of the State of Delaware and has all requisite partnership power to own its material properties and conduct its material business as now conducted and as presently contemplated.

(b) The execution, delivery, and performance of this Agreement by the Borrower and the transactions contemplated hereby (i) are within the partnership's power, (ii) have been duly authorized by all necessary partnership proceedings and (iii) do not contravene (x) its limited partnership certificate or limited partnership agreement or (y) any law or any contractual restriction binding on or affecting it.

(c) No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body or any other third party is required for the due execution, delivery and performance by the Borrower of this Agreement.

(d) This Agreement has been duly executed and delivered by the Borrower and is its legal, valid and binding obligation enforceable against the Borrower in accordance with its terms, except to the extent that enforcement may be limited by applicable bankruptcy, insolvency and other similar laws affecting creditors' rights generally.

(e) The consolidated balance sheet of the Borrower and its subsidiaries as at December 31, 2006, and the related consolidated statements of income and cash flow of the Borrower and its subsidiaries for the fiscal year then ended, accompanied by an opinion of the Borrower's independent certified public accountants, fairly present the consolidated financial condition of the Borrower and its subsidiaries as at such date and the consolidated results of operations of the Borrower and its subsidiaries for the period ended on such date, all in accordance with generally accepted accounting principles consistently applied and all included in the Borrower's most recent Form 10-K filed with the Securities and Exchange Commission ("2006 Form 10-K").

(f) Except as disclosed in the 2006 Form 10-K, since December 31, 2006 there has been no material adverse change in the business, operations, condition (financial or otherwise) or prospects of the Borrower and its subsidiaries taken as a whole.

(g) Except as disclosed in the 2006 Form 10-K, there is no pending or threatened action, suit, investigation, litigation or proceeding affecting the Borrower or its subsidiaries before any court, governmental agency or arbitrator that (i) could be reasonably likely to have a material adverse effect on the business, operations, condition (financial or otherwise) or prospects of the Borrower and its subsidiaries taken as a whole, the Lender's rights and remedies under this Agreement, or the Borrower's ability to perform its obligations under this Agreement, or (ii) purports to affect the legality, validity or enforceability of this Agreement or the consummation of the transactions contemplated hereby.

(h) The Borrower 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.

(i) No report, financial statement, certificate or other information furnished (whether in writing or orally) by or on behalf of the Borrower to the Lender in connection with the transactions contemplated hereby and the negotiation of this Agreement or delivered hereunder (as modified or supplemented by other information so furnished) contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, with respect to any projected financial information, the Borrower represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time.

(j) No proceeds of any Advance will be used to purchase or carry any margin stock (within the meaning of Regulation U issued by the Board of Governors of the Federal Reserve System) or to extend credit to others for the purpose of purchasing or carrying any margin stock.

11. This Agreement may be terminated by the Borrower or the Lender by giving written notice of termination to the other parties hereto, but no such termination will affect the Borrower's obligations with respect to Advances outstanding at the time of such termination. The Lender may amend or modify the terms and conditions of this Agreement at any time without prior notice to the Borrower and without the Borrower's consent, but no such amendment or modification will affect the Borrower's obligations with respect to Advances outstanding at the time of such amendment or modification. At the time the Borrower makes a request for an Advance, the Lender agrees to notify the Borrower of any such amendment or modification, provided that neither the Lender's agreement to so notify the Borrower, nor the Lender's failure to so notify the Borrower, will affect the uncommitted nature of this Agreement.

12. All notices and other communications provided for hereunder will be in writing (including telecopier communication) and mailed, telecopied or delivered, if to the Borrower, at its address at 1345 Avenue of the Americas, New York, New York 10105 (Telecopy Number: 212-823-3250), Attention: John J. Onofrio, Jr., Vice President and Treasurer; if to the Lender, at its address at 388 Greenwich Street, 23rd Floor, New York, New York 10013 (Telecopy Number: 646-291-1703), Attention: Alexander Duka; or, as to either party, at such other address as is designated by such party in a written notice to the other party. All such notices and communications will, when mailed or telecopied, be effective three Business Days after deposit in the mails, or when telecopied, confirmation has been received by the sender, except that notices and communications mailed to the Lender pursuant to Sections 2, 3 or 11 will not be effective until received by the Lender.

13. No failure on the Lender's part to exercise, and no delay in exercising, any right hereunder will operate as a waiver thereof; nor will any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right. The remedies provided herein are cumulative and not exclusive of any remedies provided by law.

14. (a) The Borrower agrees to pay on demand all of the Lender's out-of-pocket costs and expenses (including without limitation, reasonable counsel fees and expenses) in connection with the preparation, execution, delivery, administration, modification, amendment and enforcement (whether through negotiations, legal proceedings or otherwise) of this Agreement.

(b) The Borrower will indemnify and hold harmless the Lender, its affiliates and each of its and their respective officers, directors, employees, agents, advisors and representatives (each, an "**Indemnified Party**") from and against any and all claims, damages, losses, liabilities and expenses (including without limitation, fees and disbursements of counsel), that may be incurred by or asserted or awarded against any Indemnified Party (including without limitation, in connection with any investigation, litigation or proceeding, or the preparation of a defense in connection therewith), in each case arising out of or in connection with this Agreement, any of the transactions contemplated hereby or any actual or proposed use of the proceeds of the Advances, except to the extent such claim, damage, loss, liability or expense is found in a final non-appealable judgment by a court of competent jurisdiction to have resulted primarily from such Indemnified Party's gross negligence or willful misconduct. In the case of an investigation, litigation or other proceeding to which the indemnity in this Section applies, such indemnity will be effective whether or not such investigation, litigation or proceeding is brought by the Borrower, any of its directors, security holders or creditors, an Indemnified Party or any other person, or any Indemnified Party is otherwise a party thereto, and whether or not the transactions contemplated hereby are consummated.

(c) No Indemnified Party will have any liability (whether in contract, tort or otherwise) to the Borrower or any of its security holders or creditors for or in connection with the transactions contemplated hereby, except for direct damages (as opposed to special, indirect, consequential or punitive damages (including without limitation, any loss of profits, business or anticipated savings)) determined in a final non-appealable judgment by a court of competent jurisdiction to have resulted from such Indemnified Party's gross negligence or willful misconduct.

15. If the Borrower fails to borrow or prepay any Advance after the Borrower has given the Lender notice thereof and, in the case of a borrowing, the Lender has agreed to make such Advance and the Borrower does not object to the Quoted Rate and Interest Period pursuant to the instructions set forth in Section 5 hereof, the Borrower will, upon demand by the Lender, pay the Lender any amounts required to compensate the Lender for any losses, costs or expenses that the Lender may reasonably incur as a result of such payment or failure to borrow or prepay.

16. This Agreement is binding upon and will inure to the benefit of the Borrower, the Lender and their respective successors and assigns, except that the Borrower will not have the right to assign its rights or obligations hereunder or any interest herein without the Lender's prior written consent. The Lender may, with the written consent of the Borrower (which consent will not be unreasonably withheld), assign to one or more persons all or a portion of its rights and obligations under this Agreement, provided that the consent of the Borrower will not be required in connection with an assignment to an affiliate of the Lender. Notwithstanding any other provisions set forth in this Agreement, the Lender may at any time create a security interest in all or any portion of the Lender's rights under this Agreement in favor of any Federal Reserve Bank.

17. This Agreement will be governed by, and construed in accordance with, the laws of the State of New York. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed will be deemed to be an original and all of which taken together will constitute one and the same agreement.

18. The Borrower hereby irrevocably (i) submits to the non-exclusive jurisdiction of any New York State or Federal court sitting in New York City in any action or proceeding arising out of or relating to this Agreement, (ii) agrees that all claims in respect of such action or proceeding may be heard and determined in such New York State court or in such Federal court, (iii) waives, to the fullest extent it may effectively do so, the defense of an inconvenient forum to the maintenance of such action or proceeding, and (iv) irrevocably consents to the service of any and all process in any such action or proceeding by the mailing of copies of such process to the Borrower at its address specified in Section 12. The Borrower agrees that a final non-appealable judgment in any such action or proceeding will be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing herein will affect the Lender's right to serve legal process in any other manner permitted by law or affect the Lender's right to bring any action or proceeding against the Borrower or its property in the courts of other jurisdictions.

19. If a payment has not been made by the Borrower when due hereunder, the Lender and each of its affiliates is authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other obligations at any time owing by the Lender or any of its affiliates to or for the Borrower's credit or account against any and all of the Borrower's obligations now or hereafter existing under this Agreement, irrespective of whether the Lender has made demand under this Agreement and although such obligations may be unmatured. The Lender shall promptly notify the Borrower after any such set-off and application, provided that any failure to give or any delay in giving notice shall not affect the validity of any such set-off or application under this Section. The Lender's rights under this Section are in addition to other rights and remedies (including without limitation, other rights of set-off) which the Lender may have.

20. Each of the parties hereto hereby irrevocably waives all right to trial by jury in any action, proceeding or counterclaim (whether based on contract, tort or otherwise) arising out of or relating to this Agreement, the Advances or the Lender's actions in the negotiation, administration, performance or enforcement hereof or thereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

ALLIANCEBERNSTEIN L.P.

ALLIANCEBERNSTEIN CORPORATION

By: /s/ John. J. Onofrio, Jr
Name: John J. Onofrio, Jr.
Title: Vice President and Treasurer

CITIBANK, N.A.

By: /s/ Alexander F. Duka
Name: Alexander F. Duka
Title: Managing Director

Exhibit 10.10

SUPPLEMENT

Dated November 2, 2007

Reference is made to that certain Credit Agreement, dated as of February 17, 2006 (as amended or modified from time to time, the "Credit Agreement") among AllianceBernstein L.P. (formerly known as Alliance Capital Management L.P., the "Borrower"), the Banks parties thereto (the "Banks"), and Bank of America, N.A., as Administrative Agent (the "Administrative Agent"). Unless otherwise defined herein, capitalized terms used in this Supplement have the meanings ascribed thereto in the Credit Agreement.

Pursuant to Section 2.5(b) of the Credit Agreement, the Borrower has requested an increase in the Total Commitment from $800,000,000 to $1,000,000,000. Such increase in the Total Commitment is to become effective on the date (the "Effective Date") which is the later of (i) November 2, 2007 and (ii) the date on which the conditions set forth in Section 2.5(b) in respect of such increase have been satisfied. In connection with such requested increase in the Total Commitment, the Borrower, the Administrative Agent and JPMORGAN CHASE BANK, N.A. (the "Accepting Bank") hereby agree as follows:

1. Effective as of the Effective Date, the Commitment of the Accepting Bank under the Credit Agreement shall be increased from $95,000,000 to the amount set forth opposite the Accepting Bank's name on the signature page hereof.

2. The Borrower hereby represents and warrants that as of the date hereof and as of the Effective Date: (a) all representations and warranties of the Borrower contained in Section 5 of the Credit Agreement (other than the Borrower's representation and warranty set forth in Section 5.5) shall be true and correct in all material respects as though made on such date; and (b) no event shall have occurred and then be continuing which constitutes a Default.

3. **THIS SUPPLEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.**

4. This Supplement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Supplement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

ALLIANCEBERNSTEIN L.P., as Borrower

By: /s/ John J. Onofrio, Jr.
Name: John J. Onofrio, Jr.
Title: Vice President and Treasure

Acknowledged and Accepted:

BANK OF AMERICA, N.A.,
as Administrative Agent

By: /s/ Sanjay H. Gurnani
Name: Sanjay H. Gurnani
Title: Senior Vice President

COMMITMENT

$122,500,000

ACCEPTING BANK

JPMORGAN CHASE BANK, N.A.

By: /s/ Jeanne O'Connell Horn
Name: Jeanne O'Connell Horn
Title: Vice President

Acknowledged and Accepted:

BANK OF AMERICA, N.A.,
as Administrative Agent

By: /s/ Sanjay H. Gurnani
Name: Sanjay H. Gurnani
Title: Senior Vice President

COMMITMENT

$122,500,000

ACCEPTING BANK

DEUTSCHE BANK AG, NEW YORK BRANCH

By: /s/ Kathleen Bowers
Name: Kathleen Bowers
Title: Director

By: /s/ Richard Herder
Name: Richard Herder
Title: Managing Director

Acknowledged and Accepted:

BANK OF AMERICA, N.A.,
as Administrative Agent

By: /s/ Sanjay H. Gurnani
Name: Sanjay H. Gurnani
Title: Senior Vice President

COMMITMENT

$122,500,000

ACCEPTING BANK

THE BANK OF NEW YORK

By: /s/ Joanne Carey
Name: Joanne Carey
Title: Vice President

Acknowledged and Accepted:

BANK OF AMERICA, N.A.,
as Administrative Agent

By: /s/ Sanjay H. Gurnani
Name: Sanjay H. Gurnani
Title: Senior Vice President

COMMITMENT

$85,000,000

ACCEPTING BANK

CREDIT SUISSE, CAYMAN ISLANDS BRANCH

By: /s/ Jay Chall
Name: Jay Chall
Title: Director

By: /s/ Petra Jaek
Name: Petra Jaek
Title: Assistant Vice President

Acknowledged and Accepted:

BANK OF AMERICA, N.A.,
as Administrative Agent

By: /s/ Sanjay H. Gurnani
Name: Sanjay H. Gurnani
Title: Senior Vice President

COMMITMENT	ACCEPTING BANK
$85,000,000	STATE STREET BANK AND TRUST COMPANY

By: /s/ Paul J. Koobatian
Name: Paul J. Koobatian
Title: Vice President

Acknowledged and Accepted:

BANK OF AMERICA, N.A.,
as Administrative Agent

By: /s/ Sanjay H. Gurnani
Name: Sanjay H. Gurnani
Title: Senior Vice President

COMMITMENT	ACCEPTING BANK
$85,000,000	HSBC BANK USA, NATIONAL ASSOCIATION

By: /s/ Scott H. Buitekant
Name: Scott H. Buitekant
Title: Managing Director

Acknowledged and Accepted:

BANK OF AMERICA, N.A.,
as Administrative Agent

By: /s/ Sanjay H. Gurnani
Name: Sanjay H. Gurnani
Title: Senior Vice President

COMMITMENT

$60,000,000

ACCEPTING BANK

MERRILL LYNCH BANK USA

By: /s/ Louis Alder
Name: Louis Alder
Title: Director

Acknowledged and Accepted:

BANK OF AMERICA, N.A.,
as Administrative Agent

By: /s/ Sanjay H. Gurnani
Name: Sanjay H. Gurnani
Title: Senior Vice President

COMMITMENT	ACCEPTING BANK
$35,000,000	ABN AMRO BANK N.V.

By: /s/ Lawrence O. Reilly
Name: Lawrence O. Reilly
Title: Senior Vice President

By: /s/ Frederick P. Engler
Name: Frederick P. Engler
Title: Senior Vice President

Acknowledged and Accepted:

BANK OF AMERICA, N.A.,
as Administrative Agent

By: /s/ Sanjay H. Gurnani
Name: Sanjay H. Gurnani
Title: Senior Vice President

COMMITMENT

$137,500,000

ACCEPTING BANK

BANK OF AMERICA, N.A.

By: /s/ Sanjay H. Gurnani
Name: Sanjay H. Gurnani
Title: Senior Vice President

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:

- ☐ 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.
- ☐ 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.
- ☐ 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:

- ☐ The donor must obtain approval of AllianceBernstein and AXA Equitable for the transfer of units.
- ☐ Documentation required for consideration of approval includes:
  -Unit Certificate(s)
  -Executed "Stock" Power Form, with guaranteed signature
  -Letter from Transferee
- ☐ 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:

- ☐ The beneficiary must obtain approval of Alliance Capital and AXA Equitable for the transfer of units.
- ☐ 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
- ☐ 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:

- ☐ The unitholder must obtain approval of AllianceBernstein and AXA Equitable for the change of name/registration on the unit certificate.
- ☐ 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
- ☐ 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 12.01

AllianceBernstein L.P.
Consolidated Ratio Of Earnings To Fixed Charges
(In Thousands)

	Years Ended		
	12/31/2007	12/31/2006	12/31/2005
Fixed Charges:			
Interest Expense	$ 23,970	$ 23,124	$ 25,109
Estimate of Interest Component In Rent Expense [1]	-	-	-
Total Fixed Charges	$ 23,970	$ 23,124	$ 25,109
Earnings:			
Income Before Income Taxes	$ 1,388,289	$ 1,183,646	$ 932,889
Other	9,854	(1,054)	3,893
Fixed Charges	23,970	23,124	25,109
Total Earnings	$ 1,422,113	$ 1,205,716	$ 961,891
Consolidated Ratio Of Earnings To Fixed Charges	59.33	52.14	38.31

[1] AllianceBernstein L.P. has not entered into financing leases during these periods.

Exhibit 21.01

SUBSIDIARIES OF
ALLIANCEBERNSTEIN L.P.

Each of the entities listed below are wholly-owned subsidiaries of AllianceBernstein, unless a specific percentage ownership is indicated:

AllianceBernstein Corporation of Delaware
(Delaware)

Sanford C. Bernstein & Co., LLC
(Delaware)

AllianceBernstein Investments, Inc.
(Delaware)

AllianceBernstein Investor Services, Inc.
(Delaware)

AllianceBernstein Global Derivatives Corporation
(Delaware)

AllianceBernstein Oceanic Corporation
(Delaware)

Alliance Corporate Finance Group Incorporated
(Delaware)

ACM Software Services Ltd.
(Delaware)

Alliance Capital Management (Asia) Ltd.
(Delaware)

Alliance Capital Management (Japan) Inc.
(Delaware)

Alliance Eastern Europe Inc.
(Delaware)

Alliance Barra Research Institute, Inc.
(Delaware)

Alliance Capital Management LLC
(Delaware)

Exhibit 21.01

Cursitor Alliance LLC
(Delaware)

Alliance Capital Real Estate, Inc.
(Delaware)

AllianceBernstein Venture Fund I, L.P.
(Delaware; 10%-owned)

AllianceBernstein Trust Company, LLC
(New Hampshire)

AllianceBernstein Canada, Inc.
(Canada)

AllianceBernstein 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.)

AllianceBernstein Fixed Income Limited
(U.K.)

ACM Investments Limited
(U.K.)

Sanford C. Bernstein Limited
(U.K.)

Sanford C. Bernstein (CREST Nominees) Limited
(U.K.)

Whittingdale Holdings Limited
(U.K.)

Exhibit 21.01

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)

AllianceBernstein Investment Research and Management (India) Pvt. Ltd.
(India)

Alliance Capital Asset Management (India) Pvt. Ltd.
(India; 75%-owned)

ACAM Trust Company Private Ltd.
(India)

Alliance Capital (Mauritius) Private Limited
(Mauritius)

AllianceBernstein Japan Ltd.
(Japan)

AllianceBernstein Investment Management (Korea) Limited
(South Korea)

AllianceBernstein Hong Kong Limited
(Hong Kong)

AllianceBernstein (Singapore) Ltd.
(Singapore)

AllianceBernstein (Taiwan) Limited
(Taiwan; 99%-owned)

AllianceBernstein Investment Management Australia Limited
(Australia)

Exhibit 21.01

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 22, 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 22, 2008 relating to the financial statement schedules, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
New York, New York
February 22, 2008

Exhibit 23.02

Consent of Independent Registered Public Accounting Firm

The General Partner and Unitholders
AllianceBernstein L.P.:

We consent to the incorporation by reference in the Registration Statements (No. 333-47192) on Form S-8 and (No. 333-64886) on Form S-3 of AllianceBernstein L.P. of our report dated February 24, 2006, with respect to the consolidated statements of income, changes in partners' capital and comprehensive income and cash flows of AllianceBernstein L.P. and subsidiaries for the year ended December 31, 2005, which report appears in the December 31, 2007 Annual Report on Form 10-K of AllianceBernstein L.P. We also consent to the incorporation by reference of our report dated February 24, 2006 relating to the financial statement schedule, that is referenced in Iterm 15(a) of this Form 10-K.

/s/ KPMG LLP
New York, New York
February 22, 2008

Exhibit 31.01

I, Lewis A. Sanders, Chief Executive Officer, certify that:

1. I have reviewed this annual report on Form 10-K of AllianceBernstein L.P.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 22, 2008

/s/ Lewis A. Sanders
Lewis A. Sanders
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 22, 2008

/s/ Robert H. Joseph, Jr.
Robert H. Joseph, Jr.
Chief Financial Officer
AllianceBernstein L.P.

Exhibit 32.01

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of AllianceBernstein L.P. (the "Company") on Form 10-K for the period ended December 31, 2007 to be filed with the Securities and Exchange Commission on or about February 29, 2008 (the "Report"), I, Lewis A. Sanders, Chief Executive Officer of the Company, certify, for the purpose of complying with Rule 13a-14(b) or 15d-14(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Exchange Act; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 22, 2008

/s/ Lewis A. Sanders
Lewis A. Sanders
Chief Executive Officer
AllianceBernstein L.P.

Exhibit 32.02

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of AllianceBernstein L.P. (the "Company") on Form 10-K for the period ended December 31, 2007 to be filed with the Securities and Exchange Commission on or about February 29, 2008 (the "Report"), I, Robert H. Joseph, Jr., Chief Financial Officer of the Company, certify, for the purpose of complying with Rule 13a-14(b) or 15d-14(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Exchange Act; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 22, 2008

/s/ Robert H. Joseph, Jr.
Robert H. Joseph, Jr.
Chief Financial Officer
AllianceBernstein L.P.