

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K/A

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):

November 11, 2004

ALLIANCE CAPITAL MANAGEMENT HOLDING L.P.
(Exact name of registrant as specified in its charter)

Delaware

001-09818

13-3434400

(State or other jurisdiction of
incorporation or organization)

(Commission
File Number)

(I.R.S. Employer
Identification Number)

1345 Avenue of the Americas, New York, New York

10105

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code:

212-969-1000

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligations of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

NOTE: The sole purpose of this Form 8-K/A is to provide information required by Items 1.01 and 5.02(c)(3).

Section 1. Registrant's Business and Operations

Item 1.01. Entry into a Material Definitive Agreement.

On January 4, 2005, Lewis A. Sanders entered into an employment agreement with Alliance Capital Management L.P. ("Alliance Capital") pursuant to which Mr. Sanders shall serve as Alliance Capital's Chairman and Chief Executive Officer through December 31, 2011 ("Employment Term") unless the agreement is terminated in accordance with its terms. Mr. Sanders will be paid a minimum base salary of \$275,000 per year during the Employment Term and, for calendar year 2004 and each subsequent calendar year during the Employment Term, Mr. Sanders is entitled to receive a deferred compensation award of not less than one percent (1%) of Alliance Capital's consolidated operating income before incentive compensation (as defined with respect to the calculation of Alliance Capital's bonus pool) for such calendar year. Mr. Sanders is entitled to perquisites on the same terms as other senior executives. Such perquisites currently include use of Alliance Capital's leased or owned aircraft. Mr. Sanders is also entitled to the services of a chauffeur in connection with his services to Alliance Capital. The employment agreement is attached hereto as Exhibit 99.25(a).

Item 1.02. Termination of a Material Definitive Agreement.

Not applicable.

Item 1.03. Bankruptcy or Receivership.

Not applicable.

Section 2. Financial Information

Item 2.01. Completion of Acquisition or Disposition of Assets.

Not applicable.

Item 2.02. Results of Operations and Financial Condition.

Not applicable.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

Not applicable.

Item 2.04. Triggering Events that Accelerate or Increase a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement.

Not applicable.

Item 2.05. Costs Associated with Exit or Disposal Activities.

Not applicable.

Item 2.06. Material Impairments.

Not applicable.

Section 3. Securities and Trading Markets

Item 3.01. Notice of Delisting or Failure to Satisfy a Continued Listing Rule or Standard; Transfer of Listing.

Not applicable.

Item 3.02. Unregistered Sales of Equity Securities.

Not applicable.

Item 3.03. Material Modification to Rights of Security Holders.

Not applicable.

Section 4. Matters Relating to Accountants and Financial Statements

Item 4.01. Changes in Registrant's Certifying Accountant.

Not applicable.

Item 4.02. Non-Reliance on Previously Issued Financial Statements or a Related Audit Report or Completed Interim Review.

Not applicable.

Section 5. Corporate Governance and Management

Item 5.01. Changes in Control of Registrant.

Not applicable.

Item 5.02. Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers.

Alliance Capital Management Holding L.P. ("Alliance Holding") is furnishing a News Release it issued on November 11, 2004, in which it announced that Lewis A. Sanders (58), chief executive officer and director, will assume the additional role of chairman, succeeding current chairman Bruce W. Calvert after Mr. Calvert's scheduled departure from the Alliance board on December 31, 2004. In addition, Gerald M. Lieberman (57), chief operating officer and director, will assume the additional title of president, effective immediately.

For information required by Item 5.02(c)(2), please refer to Items 12 and 13 of Alliance Holding's Form 10-K for the year ended December 31, 2003.

For information required by Item 5.02(c)(3), please refer to Item 1.01 in this Form 8-K/A.

Item 5.03. Amendments to Articles of Incorporation or Bylaws; Changes in Fiscal Year.

Not applicable.

Item 5.04. Temporary Suspension of Trading under Registrant's Employee Benefit Plans.

Not applicable.

Item 5.05. Amendments to Registrant's Code of Ethics, or Waiver of a Provision of the Code of Ethics.

Not applicable.

Section 6. [Reserved]

Section 7. Regulation FD

Item 7.01. Regulation FD Disclosure.

Alliance Holding is furnishing a News Release it issued on November 11, 2004, in which it announced that Lewis A. Sanders (58), chief executive officer and director, will assume the additional role of chairman, succeeding current chairman Bruce W. Calvert after Mr. Calvert's scheduled departure from the Alliance board on December 31, 2004. In addition, Gerald M. Lieberman (57), chief operating officer and director, will assume the additional title of president, effective immediately. The News Release is attached hereto as Exhibit 99.25.

Section 8. Other Events

Item 8.01. Other Events.

Not applicable.

Section 9. Financial Statements and Exhibits

Item 9.01. Financial Statements and Exhibits.

(a) Financial statements of businesses acquired.

None.

(b) Pro forma financial information.

None.

(c) Exhibits.

99.25 Alliance Holding is furnishing the News Release it issued on November 11, 2004.

99.25(a) Alliance Holding is filing Lewis A. Sanders's employment agreement.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ALLIANCE CAPITAL MANAGEMENT HOLDING L.P.

Dated: January 5, 2005

By: Alliance Capital Management
Corporation, General Partner

By: /s/ Adam R. Spilka
Adam R. Spilka
Senior Vice President,
Counsel and Secretary

FOR IMMEDIATE RELEASE

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**LEWIS A. SANDERS TO ASSUME ROLE OF CHAIRMAN AT ALLIANCE CAPITAL;
GERALD M. LIEBERMAN NAMED PRESIDENT**

New York, N.Y., November 11, 2004 – Alliance Capital Management Holding L.P. (“Alliance Holding”) (NYSE: AC) and Alliance Capital Management L.P. (“Alliance Capital”) today announced that Lewis A. Sanders, chief executive officer and director, will assume the additional role of chairman, succeeding current chairman Bruce W. Calvert after Mr. Calvert’s scheduled departure from the Alliance board on December 31, 2004. In addition, Gerald M. Lieberman, chief operating officer and director, will assume the additional title of president, effective immediately.

Mr. Sanders, 58, has been chief executive officer, director and a vice chairman since June 30, 2003. He had been director, vice chairman, and chief investment officer since the Sanford C. Bernstein & Co. acquisition in 2000. Previous to that he served as chairman and chief executive officer of Bernstein, which he joined in 1968 as a research analyst.

Mr. Lieberman, 57, has been chief operating officer, director and an executive vice president since November 2003. He joined the firm in 2000 at the time of the Bernstein acquisition. Mr. Lieberman joined Bernstein in 1998 as a member of the Board of Directors and as senior vice president of finance and administration. Previously, he was chief financial officer, chief administrative officer and a member of the operating committee at Fidelity Investments. From 1979 to 1993, he worked at Citibank, where he served in several roles including head of the Latin American Investment Bank, the senior corporate officer for human resources, and a member of the corporation’s policy committee.

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About Alliance Capital

Alliance Capital is a leading global investment management firm providing services for many of the largest U.S. public and private employee benefit plans, foundations, public employee retirement funds, pension funds, endowments, banks, insurance companies and high-net-worth individuals worldwide. Alliance Capital is also one of the largest mutual fund sponsors, with a diverse family of globally distributed mutual fund portfolios. Through its Sanford C. Bernstein & Co., LLC subsidiary, Alliance provides in-depth research, portfolio strategy and trade execution to the institutional investment community. At September 30, 2004, Alliance Holding owned approximately 31.6% of the Alliance Capital Units. AXA Financial was the beneficial owner of approximately 57.8% of the outstanding Alliance Capital Units at September 30, 2004 (including those held indirectly through its ownership of approximately 1.8% of the outstanding Alliance Holding Units), which, including the general partnership interests in Alliance Capital and Alliance Holding, represent an approximate 58.3% economic interest in Alliance Capital. AXA Financial, Inc. is a wholly-owned subsidiary of AXA, one of the largest global financial services organizations. Additional information may be found at www.alliancecapital.com.

Forward-Looking Statements

Certain statements provided by Alliance Capital and Alliance Holding in this presentation 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, which could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. The most significant of such factors include, but are not limited to, the following: the performance of financial markets, the investment performance of Alliance Capital’s sponsored investment products and separately managed accounts, general economic conditions, future acquisitions, competitive conditions, and government regulations, including changes in tax rates. Alliance Capital and Alliance Holding caution readers to carefully consider such factors. Further, such forward-looking statements speak only as of the date on which such statements are made; Alliance Capital and Alliance Holding 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, please refer to the Risk Factors section in Part I of Form 10-K for the year ended December 31, 2003. Any or all of the forward-looking statements that we make in Form 10-K, this presentation 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 the Risk Factors section of Form 10-K could also adversely affect our business, operating results or financial condition.

December 28, 2004

Mr. Lewis A. Sanders
Alliance Capital
Management Corporation
1345 Avenue of the Americas
New York, NY 10105

Dear Lew:

This letter sets forth the terms of your agreement with Alliance Capital Management Corporation (the “**Company**”) and Alliance Capital Management L.P. (the “**Partnership**”).

1. *Position and Responsibilities.* You will serve as Chief Executive Officer of the Company (“**CEO**”) until December 31, 2011. Commencing January 1, 2005, and through December 31, 2011, you will also serve as Chairman (“**Chairman**”) of the Board of Directors of the Company (the “**Board**”).

2. *Compensation.*

(a) *Base Salary.* During the term of your employment, you will be entitled to receive a minimum base salary of \$275,000 per year, or such greater amount as shall be determined on an annual basis by the Compensation Committee of the Board. Your base salary shall be payable in bi-weekly installments or otherwise in accordance with the Partnership’s payroll practices in effect from time to time.

(b) *Deferred Compensation Awards.* (i) Except as provided in Section 6 hereof, for calendar year 2004 and for each subsequent calendar year during the term of your employment, the Partnership will make a deferred compensation award to you of not less than one percent (1%) of the Partnership’s consolidated operating income before incentive compensation (as defined with respect to the calculation of the Partnership’s bonus pool) for such calendar year, which shall vest, in equal annual installments at the rate of one-third of each award following the grant date of the award, with such vesting to occur on December 1 of each year, and be distributed to you thereafter with earnings as provided in (ii) below unless you elect to defer payment. For example, the first one-third

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of the 2004 award shall vest on December 1, 2005. (ii) The deferred compensation awards shall be treated as notionally invested in such Approved Funds as selected by you from time to time based on procedures established by the Partnership. Approved Funds shall mean any money market, debt or equity fund sponsored by the Partnership or its affiliates and designated by the Partnership from time to time.

3. *Benefits.* During the term of your employment, you and your eligible dependents shall continue to participate in the Partnership’s benefit plans and programs, including group health, dental and life insurance. You shall also continue to participate in, contribute to or accrue benefits under the Partnership’s profit sharing plan.

4. *Perquisites and Expenses.* During the term of your employment, you will be entitled to perquisites, including use of the Partnership’s leased or owned aircraft, on the same terms and conditions as other senior executives, and you will also be entitled to the services of a chauffeur in connection with your services to the Company and the Partnership. In addition, the Partnership will reimburse you for all reasonable business-related expenses incurred by you, in accordance with the Partnership’s policies and procedures.

5. *Office and Support Staff.* During the term of your employment, the Partnership will make available to you at its New York headquarters such office space and other assistance as is consistent with your position, responsibilities and duties. In addition to the foregoing, the Partnership will provide you with a staff with compensation and abilities commensurate with your current staff.

6. *Termination of Employment.* The Partnership may terminate your employment hereunder at any time with or without cause.

(a) *Termination by the Partnership without Cause.* In the event of a termination of your employment by the Partnership without Cause (as defined below), you shall be entitled to receive (i) the base salary that would otherwise have been payable to you pursuant to Section 2(a) had you remained employed through the later of December 31, 2007 or the end of the year in which your employment terminates, to the extent not previously paid, (ii) a pro-rata deferred compensation award for the calendar year in which such termination occurs (calculated in accordance with Section 2(b) hereof based on the Partnership’s consolidated income before incentive compensation through the last day of your employment), (iii) all unvested deferred compensation awards (including any pro-rata award made to you in accordance with clause (ii) hereof) made to you under Section 2(b) hereof prior to the termination of your employment, (iv) comparable health and welfare benefits for yourself, your spouse and your dependents through the later of December 31, 2007 or the end of the year in which your employment terminates, (v) if the termination occurs prior to December 31, 2007, a lump sum cash payment equal to the product of \$20,000 times the number of plan years through and including 2007 for which you will not receive a Partnership contribution to your account under the tax-qualified Profit Sharing Plan for Employees of Alliance Capital Management L.P. as a result of your termination, and (vi) if the termination occurs prior to December 31, 2007, continuation of the perquisites, reimbursements and support provided under Section 4

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hereof until December 31, 2007. The amounts payable under clauses (i) and (v) above shall be distributed to you within 90 days after the termination of your employment, and the amount under clause (iii) above shall be distributed to you on the first business day following six (6) months after the termination of your employment.

(b) *Termination by the Partnership for Cause.* In the event of a termination of your employment for Cause (as defined below), you shall be entitled to receive (i) the pro rata portion of your base salary for services rendered to the date of termination, to the extent not previously paid, (ii) all deferred compensation awards made to you under Section 2(b) hereof that have vested prior to the termination of your employment, and you shall not be entitled to any further benefits or payments hereunder. For purposes of this agreement, “Cause” means (i) your continuing willful failure to perform your duties hereunder (other than as a result of total or partial incapacity due to physical or mental illness), following at least 30 days’ written notice to you, which specifies the details of such failure, and a reasonable opportunity to cure, (ii) your engaging in any conduct which a court or other governmental body with proper jurisdiction finds (A) constitutes an employment disqualification under applicable law (including the Securities Exchange Act of 1934) or a felony under the laws of the United States or any state thereof and which is materially and demonstrably injurious to the business or the reputation of the Partnership, or (B) a material violation of federal or state securities law, (iii) in the absence of a finding by a court or other governmental body with proper jurisdiction that a felony or employment disqualification described in (ii)(A) or a violation described in (ii)(B) has occurred, a determination in good faith by the Board that an act or acts by you constitutes such a felony or employment disqualification or violation, and that the continued employment of you by the Partnership would be materially and demonstrably injurious to the business or the reputation of the Partnership or (iv) breach of the provisions of Section 7(a) or Section 7(b) hereof, which breach is material to the business of the Partnership.

(c) *Resignation and Retirement.* In the event of your resignation prior to January 1, 2011, you shall be entitled to receive the pro rata portion of your base salary for services rendered to the date of termination, to the extent not previously paid, all deferred compensation awards made to you under Section 2(b) hereof that have vested prior to the termination of your employment, and you shall not be entitled to any further benefits or payments hereunder; provided, however, that you may elect to retire from the Partnership by providing six (6) months’ notice to the Partnership on or after January 1, 2007, and you will be entitled to (i) receive a pro rata deferred compensation award for the year in which you retire (calculated in accordance with Section 2(b) hereof based on the Partnership’s consolidated operating income before incentive compensation through the last day of your employment), (ii) all unvested deferred compensation awards (including any pro-rata award made to you in accordance with clause (i) hereof), as well as the other benefits provided for herein as if your employment were terminated without Cause. Any unvested deferred compensation amount payable hereunder shall be distributed to you on the first business day following six (6) months after the termination of your employment. Your resignation or retirement will only be valid hereunder if

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effected pursuant to a written notice signed by you and submitted to the Secretary of the Company for delivery to the Board.

(d) *Termination due to Death or Disability.* In the event that your employment is terminated due to your death or Disability (as defined below), you or your estate (as applicable) shall be entitled to receive the benefits and payments that you would have received under Section 6(a) above had your termination of employment been a termination by the Partnership without Cause, and you, your spouse and your dependents shall be entitled to continued health benefits as described in clause (iv) of Section 6(a), provided, however, that neither you, your estate nor your survivors will be entitled to the payment described in clause (v) of Section 6(a) or the continuation of the perquisites, reimbursements and support provided under Section 4 and 5 (and clause (vi) of Section 6(a)) hereof in the event your employment is terminated due to your death or Disability. Disability shall mean a good faith determination by the Partnership that you are physically or mentally incapacitated and have been unable for a period of six consecutive months to perform substantially all of the duties for which you are responsible immediately before the commencement of the incapacity. In order to assist the Partnership in making such a determination and as reasonably requested by the Partnership, you will (i) make yourself available for medical examination by one or more physicians chosen by the Partnership and approved by you, whose approval shall not be unreasonably withheld, (ii) grant the Partnership and any such physicians access to all relevant medical information relating to you, (iii) arrange to furnish copies of medical records to the Partnership and such physicians, and (iv) use your best efforts to cause your own physicians to be available to discuss your health with the Partnership and its chosen physicians.

7. Covenants.

(a) *Confidentiality.* You acknowledge that you have acquired and will acquire confidential information respecting the business of the Partnership and its affiliates. Accordingly, you agree that you will not disclose, at any time (during your employment or thereafter) any such confidential information to any unauthorized third party without the written consent of the Partnership as authorized by the Board, (or, in the case of information pertaining to one of the Partnership’s affiliates, the Chief Executive Officer of such affiliate) except as required to respond to a subpoena or other legal proceeding and except to consult with legal or other advisors, *provided* that such advisors agree to be bound by the provisions of this Section 7(a); *provided*, that in the event you are requested pursuant to a subpoena or other legal proceeding to disclose any such confidential information, you shall promptly notify the Partnership of such request and shall fully cooperate with the Partnership in any attempt to contest such request. For this purpose, information shall be considered confidential only if such information is proprietary to the Partnership and has not been made publicly available prior to its disclosure by you.

(b) *Non-Competition.* From the date hereof through (i) the later of December 31, 2007 or the termination of your employment hereunder, or (ii) in the case of a termination of your employment by the Partnership without Cause prior to December 31, 2007,

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through the date of such termination, you will not, without the consent of the Board, directly or indirectly, engage in or be interested in (whether as owner, partner, shareholder, employee, director, officer, agent, consultant or otherwise), with or without compensation, any business that is in direct competition with any active business of the Partnership, any successor to the Partnership’s business, or any of their affiliates or subsidiaries and in which you participated while you were employed by the Partnership, any successor to the Partnership’s business or any of their affiliates or subsidiaries prior to the date hereof or while you are employed. Nothing in this Section 7(b) shall prohibit you from acquiring or holding, directly or indirectly, any units in the Partnership or not more than 3% of any class of publicly traded securities of any business.

(c) *Remedy for Breach and Modification.* You acknowledge that the provisions of this Section 7 are reasonable and necessary for the protection of the Partnership and that the Partnership will be irrevocably damaged if such covenants are not specifically enforced. Accordingly, you agree that, in addition to any other relief or remedies available to the Partnership, the Partnership shall be entitled to seek and obtain an appropriate injunction or other equitable remedy from a court with proper jurisdiction for the purposes of restraining you from any actual or threatened breach of such covenants, and no bond or security will be required in connection therewith. If any provision of this Section 7 is deemed invalid or unenforceable, such provision shall be deemed modified and limited to the extent necessary to make it valid and enforceable.

(d) *Cooperation.* Following any termination of your employment for any reason or upon the expiration of this agreement, you agree that you will cooperate with the Company's and the Partnership's reasonable requests relating to matters that pertain to your employment by the Company and the transition of your duties to your successor. In addition, following termination of your employment by either party, you will cooperate with the Company or the Partnership's reasonable requests relating to any legal proceedings on behalf of the Company or the Partnership, or otherwise making yourself reasonably available to the Company or the Partnership for other related purposes. Any such cooperation hereunder will be performed at times scheduled taking into consideration your other commitments and the Partnership will reimburse you for your reasonable expenses incurred in connection with your cooperation.

8. *Indemnification.* During the term of your employment, you shall be an "Indemnified Person" within the meaning set forth in the Agreement of Limited Partnership of the Partnership. You shall also be covered by the Partnership's directors' and officers' liability policy. The foregoing indemnity shall not apply to claims against you that arise under the terms of this agreement and nothing herein shall require indemnification for any conduct occurring after the termination of your employment.

9. *Legal Rights, Fees and Expenses.* The Partnership will reimburse all reasonable attorneys' and related fees and expenses incurred by you in connection with the negotiation of this agreement. In addition, the Partnership will reimburse all reasonable attorneys' and related fees and expenses incurred by you in connection with any dispute associated with the

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interpretation, enforcement or defense of your rights under this agreement unless you have proceeded without substantial merit or good faith. Nothing contained herein is intended to limit remedies or damages to which the parties may be entitled for any breach of this agreement either in law or in equity.

10. *Miscellaneous.*

(a) *Governing Law.* This agreement shall be governed by New York law, without reference to principles of conflicts of law.

(b) *Entire Agreement; Amendments.* This agreement contains the entire understanding of the parties with respect to the subject matter hereof, including the terms and conditions of your continued employment with the Company and the Partnership, and supercedes any and all prior agreements and understandings, whether written or oral, among you, the Company, the Partnership or any affiliate thereof with respect to the subject matter hereof. There are no restrictions, agreements, promises, warranties, covenants or undertakings between the parties with respect to the subject matter herein other than those expressly set forth herein. This agreement may not be altered, modified, or amended except by written instrument signed by the parties hereto.

(c) *Assignment.* This agreement shall not be assignable by you, and shall be assignable by the Company or the Partnership only to any affiliate of the Company or the Partnership or to any corporation or other entity resulting from the reorganization, merger or consolidation of the Company or the Partnership with any other corporation or entity or any corporation or entity to or with which the Company's or the Partnership's business or substantially all of its business or assets may be sold, exchanged or transferred.

(d) *Waiver.* The failure of a party to insist upon strict adherence to any term of this agreement on any occasion shall not be considered a waiver thereof or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this agreement.

(e) *Severability.* In the event any provision of this agreement shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the agreement and the agreement shall be construed and enforced as if the illegal or invalid provision had not been included.

(f) *Taxes.* The Partnership shall have the right to deduct from all amounts paid to you any taxes required by law to be withheld in respect of payments pursuant to this agreement.

(g) *Arbitration.* Subject to Section 7(c), any dispute arising out of, or relating to, this agreement shall be resolved by binding arbitration, to be held in the Borough of Manhattan in New York City, under the auspices of the American Arbitration Association and the rulings of such arbiters shall be enforceable by any court of competent jurisdiction.

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(h) *Headings.* Section headings are used herein for convenience of reference only and shall not affect the meaning of any provision of this agreement.

(i) *Notice.* Any notice, consent, request or other communication made or give in connection with this agreement shall be in writing and shall be deemed to have been duly given when delivered or mailed by registered or certified mail, return receipt requested, to those listed below at their following respective addresses or at such other address as each may specify by notice to the others:

To the Executive:

At the address set forth below

To the Partnership:

Alliance Capital Management Corporation
1345 Avenue of the Americas
New York, New York 10105
Attention: Laurence E. Cranch
Executive Vice President and General Counsel

11. *Unsecured Creditor.*

(a) Your rights to receive the deferred compensation, and earnings thereon, shall be an unsecured claim against the general assets of the Partnership. All such distributions shall be paid from the general funds of the Partnership and no special or separate fund shall be established and no segregation of assets shall be made to assure payments of any such distributions. You shall have no right, title or interest whatsoever in, or to, any investments which the Partnership may make to assist it in meeting its obligations hereunder. Nothing contained herein, and no action taken pursuant hereto, shall create or be construed to create a trust of any kind or a fiduciary relationship between the Partnership and you.

(b) Your right to receive any payment hereunder may not be transferred or assigned, pledged or otherwise encumbered by you, 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.

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(c) The provisions hereof are intended to comply with the requirements of Internal Revenue Code section 409A and the provisions hereof shall be deemed modified to the extent necessary to comply herewith.

Sincerely,

ALLIANCE CAPITAL MANAGEMENT L.P.

By: ALLIANCE CAPITAL MANAGEMENT
CORPORATION, its General Partner

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

AGREED TO AND ACCEPTED BY

/s/ Lewis A. Sanders
Lewis A. Sanders

1-04-05
Date

Address: _____

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