

ALLIANCEBERNSTEIN HOLDING L.P.
Form DEF 14A
May 21, 2010

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

SCHEDULE 14-A
Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

Filed by the Registrant T
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Check the appropriate box:

- o Preliminary Proxy Statement
 o Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
 T Definitive Proxy Statement
 o Definitive Additional Materials
 o Soliciting Material Pursuant to Section 240.14a-12

AllianceBernstein Holding L.p.
(Name of Registrant as Specified in its Charter)

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AllianceBernstein Holding l.p.

Notice of 2010 Special Meeting of Unitholders
1345 Avenue of the Americas, 41st Floor
New York, New York 10105
June 30, 2010; 10:00 a.m. (EDT)

May 21, 2010

Dear Fellow Unitholder:

I cordially invite you to attend AllianceBernstein Holding L.P.'s 2010 Special Meeting of Unitholders to:

- consider and approve the 2010 Long Term Incentive Plan, an equity compensation plan; and
- transact such other business as may properly come before the Special Meeting.

On behalf of our Board of Directors, I recommend that you vote "FOR" the approval of the 2010 Long Term Incentive Plan.

We enclose our letter to Unitholders, our proxy statement and a proxy card. Your participation in the Special Meeting is very important, so please return the enclosed proxy card as promptly as possible. Alternatively, you may use the information found in the enclosed proxy card to either call in your vote (toll-free) or vote using the Internet. If you attend the Special Meeting in person, you may withdraw your voting instructions and vote in person.

Thank you for your support of AllianceBernstein.

Very truly yours,

Peter S. Kraus
Chairman of the Board and Chief Executive Officer

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AllianceBernstein Holding L.P.

1345 Avenue of the Americas
New York, New York 10105

May 21, 2010

Proxy Statement

We are sending you this proxy statement in connection with the solicitation of proxies by our Board of Directors for our 2010 special meeting (“Special Meeting”) of unitholders. We are mailing this proxy statement and the accompanying form of proxy card to unitholders on or about May 27, 2010. In this proxy statement, we refer to AllianceBernstein L.P. (“AllianceBernstein”) and AllianceBernstein Holding L.P. (“Holding”) collectively as the “Company”, the “Partnerships”, “we”, “our” or “us” and the Board of Directors of AllianceBernstein Corporation (“General Partner”), the general partner of AllianceBernstein and Holding, as the “Board”. Where the context requires distinguishing between Holding and AllianceBernstein, we identify which of them is being discussed. Cross-references are in italics.

Special Meeting Information

Date and Location. We will hold the Special Meeting on Wednesday, June 30, 2010 at 10:00 a.m. (EDT) on the 41st floor of our corporate headquarters at 1345 Avenue of the Americas, New York, New York 10105.

Admission. Only record or beneficial owners of units representing assignments of beneficial ownership of limited partnership interests in Holding (“Holding Units”) or their proxies may attend the Special Meeting in person. When you arrive at the Special Meeting, you must present photo identification, such as a passport or driver’s license. Beneficial owners must also provide evidence of Holding Unit ownership, such as a recent brokerage account or bank statement.

Electronic and Telephonic Access. You may access the Special Meeting by either webcast or telephone:

- (i) To listen by webcast, please visit our Investor & Media Relations Internet site at <http://www.alliancebernstein.com/investorrelations> at least 15 minutes prior to the 10:00 a.m. (EDT) scheduled start time of the Special Meeting to download and install any necessary audio software.
- (ii) To listen by telephone, please dial (866) 556-2265 in the United States or (973) 935-8521 outside the United States at least ten minutes before the 10:00 a.m. (EDT) scheduled start time. The conference ID# is 76658294.

Voting Information

Record Date. The record date for the Special Meeting is May 17, 2010. You may vote all Holding Units that you owned as of the close of business on that date. Each Holding Unit entitles you to one vote on the matter to be voted on at the Special Meeting. On the record date, 102,160,583 Holding Units were outstanding. A majority of the Holding Units outstanding on the record date must be represented, in person or by proxy, to hold the Special Meeting.

Submitting Voting Instructions for Holding Units Held Through a Bank or Broker. If you hold Holding Units through a bank or broker, follow the voting instructions you receive from your account representative. If you want to vote in person at the Special Meeting, you must obtain a legal proxy from your account representative and present it at the Special Meeting.

Our proposal to adopt the 2010 Long Term Incentive Plan (“2010 Plan”) is a “non-discretionary” item. Accordingly, absent specific voting instructions from beneficial owners on this proposal, New York Stock Exchange (“NYSE”) member brokers, including Sanford C. Bernstein & Co., LLC (“SCB LLC”), a wholly-owned subsidiary of AllianceBernstein and a U.S.-registered broker-dealer, may not vote on this proposal. If you do not submit voting instructions and your broker does not have discretion to vote your Holding Units, the broker will return the proxy card without voting (referred to as “broker non-votes”). Under this circumstance, your Holding Units will not be counted in determining a quorum or the vote.

Submitting Voting Instructions for Holding Units Held in Your Name. If you hold Holding Units as a record holder, you may vote by submitting a proxy for your Holding Units by mail, telephone or Internet as described on the enclosed proxy card. If you submit your proxy via the Internet, you may incur costs such as cable, telephone and Internet access charges. Submitting your proxy will not limit your right to vote in person at the Special Meeting. A properly completed and submitted proxy will be voted in accordance with your instructions, unless you subsequently revoke your proxy. If you submit a signed proxy card without indicating your voting instructions, your Holding Units will be voted according to the Board’s recommendation and in favor of the proposal.

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If you lose, misplace or otherwise need to obtain a proxy card, please contact our proxy tabulator, BNY Mellon Shareowner Services (“BNY Mellon”), at P.O. Box 358015, Pittsburgh, PA 15252 or by phone at (866) 737-9896.

Revoking Your Proxy. You can revoke your proxy at any time before your Holding Units are voted by: (1) delivering a written revocation notice prior to the Special Meeting to Mona Bhalla, Corporate Secretary, AllianceBernstein Holding L.P., 1345 Avenue of the Americas, 17th Floor, New York, New York, 10105; (2) submitting a later proxy that we receive no later than the conclusion of voting at the Special Meeting; or (3) voting in person at the Special Meeting. Attending the Special Meeting does not revoke your proxy unless you vote in person at the Special Meeting.

Holding Units Held in Trust for the Benefit of Employee Incentive Compensation Plans. If you have been awarded Holding Units under a Company employee incentive compensation plan, including our Company’s Incentive Compensation Award Program (“ICAP”), you do not have rights as a Unitholder until the Holding Units awarded to you have vested and have been distributed to you. For additional information concerning our ICAP, see “Executive Compensation” below.

Until your Holding Units vest and are distributed to you, they are held in a rabbi trust for which Prudential Trust Company (“Prudential”) acts as trustee. In accordance with our instructions, Prudential will vote the Holding Units held in the rabbi trust according to the Board’s recommendation and in favor of the proposal. As of May 17, 2010, approximately 16,819,832 Holding Units, or 16.5% of the Holding Units outstanding as of that date, were held in the rabbi trust or at the Depository Trust and Clearing Corporation prior to transfer to the rabbi trust.

Vote Required to Adopt the Proposal. The approval of the 2010 Plan requires a majority of votes cast at the Special Meeting, and the Special Meeting cannot be held unless a quorum is present (i.e., a majority of the outstanding Holding Units must be represented, either in person or by proxy).

“Abstaining” and “Broker Non-Votes.” You may vote “abstain” on the proposal. Holding Units voting “abstain” will be counted as present at the Special Meeting and your abstention will have the effect of a vote against the proposal. In addition, failure to cast a vote or a broker non-vote can have the effect of a vote against the proposal if such failure or broker non-vote results in the total number of votes cast on the proposal not representing over 50% of all Holding Units entitled to vote on the proposal.

Expenses Relating to this Proxy Solicitation. We will pay the expenses of the preparation of proxy materials and the solicitation of proxies for our Special Meeting. In addition to the solicitation of proxies by mail, solicitation may be made by certain of our directors, officers and employees telephonically, electronically or by other means of communication and by Georgeson Inc. (“Georgeson”), which we have hired to assist in the solicitation and distribution of proxies. We have agreed to pay Georgeson \$10,000 (plus reasonable out-of-pocket costs and expenses) for their services.

Other Business. We do not know of any other matters that may be presented for action at the Special Meeting other than approval of the 2010 Plan as further described in this Proxy Statement.

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Important Notice Regarding the Availability of Proxy Materials for the Special Meeting

Our Proxy Statement, 2009 Annual Report to Unitholders, Form 10-K for the year ended December 31, 2009 (“2009 Form 10-K”), as filed with the U.S. Securities and Exchange Commission (“Commission”) on February 11, 2010, and Form 10-Q for the quarter ended March 31, 2010 (“1Q10 Form 10-Q”), as filed with the Commission on May 3, 2010, are available free of charge on our Internet site (www.alliancebernstein.com).

Information Regarding our Company and Holding Units

A Note About Our Company

We are organized as a two-tier limited partnership under the laws of the State of Delaware. Unlike U.S. corporations, which must solicit their shareholders annually for matters including the election of directors, limited partnerships only solicit their unitholders under specific circumstances. (Our two-tier structure differentiates us in additional ways, which we discuss below in “Item 1—Company Proposal to Adopt 2010 Long Term Incentive Plan”.) As a result, we last approached our Unitholders in August 2000 to consider and approve the business combination of the legacy firms Alliance Capital Management L.P. and Sanford C. Bernstein Inc. (“Bernstein”) and an amendment to our 1997 Long Term Incentive Plan (“1997 Plan”), which we discuss below in “Item 1—Company Proposal to Adopt 2010 Long Term Incentive Plan”.

Holding Units

Holding Units trade on the NYSE under the ticker symbol “AB” and are freely transferable subject to certain restrictions on transfer found in Rule 144 under the Securities Act of 1933, as amended (“Securities Act”), and Section 16 of the Securities Exchange Act of 1934, as amended (“Exchange Act”).

Cash Distributions and Holding Unit Prices

Holding is required to distribute all of its Available Cash Flow, as defined in the Amended and Restated Agreement of Limited Partnership of Holding, dated as of October 29, 1999 and as amended February 24, 2006 (“Holding Partnership Agreement”), to its Unitholders and to the General Partner pro rata in accordance with their percentage interests in Holding. Holding’s Available Cash Flow is defined as the cash distributions Holding receives from AllianceBernstein minus such amounts as the General Partner determines, in its sole discretion, should be retained by Holding for use in its business. The General Partner is an indirect, wholly-owned subsidiary of AXA. 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.

AllianceBernstein’s Available Cash Flow, as defined in the Amended and Restated Agreement of Limited Partnership of AllianceBernstein dated as of October 29, 1999 and as amended February 24, 2006 (“AllianceBernstein Partnership Agreement”), can be summarized as the cash flow received by AllianceBernstein from operations (i) minus such amounts as the General Partner determines, in its sole discretion, should be retained by AllianceBernstein for use in its business or (ii) plus amounts previously retained by the General Partner that the General Partner no longer deems necessary for use in AllianceBernstein’s business. The General Partner calculates cash flow received from operations, or “Operating Cash Flow”, by determining the sum of:

- net cash provided by operating activities of AllianceBernstein and entities controlled by it,

- 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 May 3, 2010, the General Partner declared a distribution of \$147.3 million, or \$0.53 per unit of limited partnership interest in AllianceBernstein (“AllianceBernstein Unit”), representing a distribution of Available Cash Flow for the three months ended March 31, 2010. The General Partner, as a result of its 1% general partnership interest, is entitled to receive 1% of each distribution. The distribution is payable on May 27, 2010 to holders of record on May 13, 2010.

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On May 3, 2010, the General Partner declared a distribution of \$46.8 million, or \$0.46 per Holding Unit, representing Available Cash Flow for the three months ended March 31, 2010. Each general partnership unit in Holding is entitled to receive distributions equal to those received by each Holding Unit. The distribution is payable on May 27, 2010 to holders of record at the close of business on May 13, 2010.

The tables set forth below provide the distributions of Available Cash Flow made by AllianceBernstein and Holding during 2009 and 2008 and the high and low sale prices of Holding Units reflected on the NYSE composite transaction tape during 2009 and 2008:

| | Quarters Ended 2009 | | | | Total |
|--|---------------------|--------------|---------|----------|--------|
| | December 31 | September 30 | June 30 | March 31 | |
| Cash distributions per AllianceBernstein Unit(1) | \$0.70 | \$ 0.74 | \$0.48 | \$0.14 | \$2.06 |
| Cash distributions per Holding Unit(1) | \$0.62 | \$ 0.67 | \$0.41 | \$0.07 | \$1.77 |
| Holding Unit prices: | | | | | |
| High | \$28.91 | \$ 27.81 | \$22.62 | \$23.27 | |
| Low | \$24.40 | \$ 17.83 | \$14.28 | \$10.12 | |

| | Quarters Ended 2008 | | | | Total |
|--|---------------------|--------------|---------|----------|--------|
| | December 31 | September 30 | June 30 | March 31 | |
| Cash distributions per AllianceBernstein Unit(1) | \$0.37 | \$ 0.70 | \$1.06 | \$0.94 | \$3.07 |
| Cash distributions per Holding Unit(1) | \$0.29 | \$ 0.60 | \$0.96 | \$0.83 | \$2.68 |
| Holding Unit prices: | | | | | |
| High | \$38.90 | \$ 57.11 | \$67.75 | \$78.00 | |
| Low | \$11.49 | \$ 32.00 | \$54.50 | \$53.63 | |

(1) Declared and paid during the following quarter.

Unitholders Have No Right to Direct the Business of Holding

The activities of Holding and AllianceBernstein are managed and controlled by the General Partner. The General Partner has agreed that it will conduct no active business other than managing Holding and AllianceBernstein, although it may make certain investments for its own account. Neither Holding Unitholders nor AllianceBernstein Unitholders have any rights to manage or control Holding or AllianceBernstein, or to elect directors of the General Partner.

Change in Control

Because the General Partner controls the activities of Holding and is a wholly-owned subsidiary of AXA, any change in control of Holding requires a transfer by AXA of its interest in the General Partner. Accordingly, any change in control of Holding would require AXA's consent.