

ALLIANCEBERNSTEIN HOLDING L.P.
Form 10-Q
October 23, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2014

OR

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

For the transition period from to

Commission File No. 001-09818

AllianceBernstein Holding l.p.
(Exact name of registrant as specified in its charter)

Delaware 13-3434400
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

1345 Avenue of the Americas, New York, NY 10105
(Address of principal executive offices)
(Zip Code)

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

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Edgar Filing: ALLIANCEBERNSTEIN HOLDING L.P. - Form 10-Q

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

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

The number of units representing assignments of beneficial ownership of limited partnership interests outstanding as of September 30, 2014 was 97,160,178.*

*includes 100,000 units of general partnership interest having economic interests equivalent to the economic interests of the units representing assignments of beneficial ownership of limited partnership interests.

ALLIANCEBERNSTEIN HOLDING L.P.

Index to Form 10-Q

	Page
Part I	
FINANCIAL INFORMATION	
Item 1. <u>Financial Statements</u>	
<u>Condensed Statements of Financial Condition</u>	1
<u>Condensed Statements of Income</u>	2
<u>Condensed Statements of Comprehensive Income</u>	3
<u>Condensed Statements of Cash Flows</u>	4
<u>Notes to Condensed Financial Statements</u>	5-10
Item 2. <u>Management’s Discussion and Analysis of Financial Condition and Results of Operations</u>	11-13
Item 3. <u>Quantitative and Qualitative Disclosures About Market Risk</u>	13
Item 4. <u>Controls and Procedures</u>	14
Part II	
OTHER INFORMATION	
Item 1. <u>Legal Proceedings</u>	15
Item 1A. <u>Risk Factors</u>	15
Item 2. <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	15-16
Item 3. <u>Defaults Upon Senior Securities</u>	16
Item 4. <u>Mine Safety Disclosures</u>	16
Item 5. <u>Other Information</u>	16-17
Item 6. <u>Exhibits</u>	18
<u>SIGNATURE</u>	19

Index

Part I

FINANCIAL INFORMATION

Item 1. Financial Statements

ALLIANCEBERNSTEIN HOLDING L.P.
Condensed Statements of Financial Condition
(in thousands, except unit amounts)

	September 30, 2014 (unaudited)	December 31, 2013
ASSETS		
Investment in AllianceBernstein	\$ 1,536,424	\$ 1,533,654
Total assets	\$ 1,536,424	\$ 1,533,654
LIABILITIES AND PARTNERS' CAPITAL		
Liabilities:		
Other liabilities	\$ 556	\$ 776
Total liabilities	556	776
Commitments and contingencies (See Note 8)		
Partners' capital:		
General Partner: 100,000 general partnership units issued and outstanding	1,361	1,377
Limited partners: 97,060,178 and 95,928,494 limited partnership units issued and outstanding	1,565,056	1,558,080
Holding Units held by AllianceBernstein to fund long-term incentive compensation plans	(14,093)	(14,045)
Accumulated other comprehensive loss	(16,456)	(12,534)
Total partners' capital	1,535,868	1,532,878
Total liabilities and partners' capital	\$ 1,536,424	\$ 1,533,654

See Accompanying Notes to Condensed Financial Statements.

Index

ALLIANCEBERNSTEIN HOLDING L.P.

Condensed Statements of Income

(in thousands, except per unit amounts)

(unaudited)

	Three Months		Nine Months Ended	
	Ended September 30,		September 30,	
	2014	2013	2014	2013
Equity in net income attributable to AllianceBernstein Unitholders	\$49,876	\$34,504	\$139,714	\$122,941
Income taxes	5,742	4,981	16,567	14,911
Net income	\$44,134	\$29,523	\$123,147	\$108,030
Net income per unit:				
Basic	\$0.45	\$0.32	\$1.28	\$1.10
Diluted	\$0.45	\$0.32	\$1.27	\$1.10

See Accompanying Notes to Condensed Financial Statements.

2

Index

ALLIANCEBERNSTEIN HOLDING L.P.
 Condensed Statements of Comprehensive Income
 (in thousands)
 (unaudited)

	Three Months		Nine Months Ended	
	Ended September		September 30,	
	2014	2013	2014	2013
Net income	\$44,134	\$29,523	\$123,147	\$108,030
Other comprehensive (loss) income:				
Foreign currency translation adjustments	(5,354)	3,540	(3,205)	(3,450)
Income tax (expense) benefit	(6)	226	(19)	214
Foreign currency translation adjustments, net of tax	(5,360)	3,766	(3,224)	(3,236)
Unrealized (losses) gains on investments:				
Unrealized (losses) gains arising during period	(12)	(86)	288	35
Less: reclassification adjustments for gains (losses) included in net income	2	(1)	1	2
Changes in unrealized (losses) gains on investments	(14)	(85)	287	33
Income tax benefit (expense)	45	47	(58)	(76)
Unrealized (losses) gains on investments, net of tax	31	(38)	229	(43)
Changes in employee benefit related items:				
Amortization of transition asset	—	—	—	(18)
Amortization of prior service cost	(462)	(282)	(1,377)	(263)
Recognized actuarial gain	152	1,808	446	1,944
Changes in employee benefit related items	(310)	1,526	(931)	1,663
Income tax benefit (expense)	7	(21)	4	(57)
Employee benefit related items, net of tax	(303)	1,505	(927)	1,606
Other comprehensive (loss) income	(5,632)	5,233	(3,922)	(1,673)
Comprehensive income	\$38,502	\$34,756	\$119,225	\$106,357

See Accompanying Notes to Condensed Financial Statements.

Index

ALLIANCEBERNSTEIN HOLDING L.P.

Condensed Statements of Cash Flows

(in thousands)

(unaudited)

	Nine Months Ended September 30,	
	2014	2013
Cash flows from operating activities:		
Net income	\$ 123,147	\$ 108,030
Adjustments to reconcile net income to net cash provided by operating activities:		
Equity in net income attributable to AllianceBernstein Unitholders	(139,714)	(122,941)
Cash distributions received from AllianceBernstein	154,454	123,996
Changes in assets and liabilities:		
Decrease in other assets	—	5,957
Increase in due to AllianceBernstein	—	3,173
(Decrease) increase in other liabilities	(220)	4,722
Net cash provided by operating activities	137,667	122,937
Cash flows from investing activities:		
Investments in AllianceBernstein from cash distributions paid to AllianceBernstein consolidated rabbi trust	—	(12,987)
Investments in AllianceBernstein with proceeds from exercise of compensatory options to buy Holding Units	(12,849)	(13,859)
Net cash used in investing activities	(12,849)	(26,846)
Cash flows from financing activities:		
Cash distributions to unitholders	(139,078)	(107,243)
Capital contributions from (to) AllianceBernstein	1,411	(2,707)
Proceeds from exercise of compensatory options to buy Holding Units	12,849	13,859
Net cash used in financing activities	(124,818)	(96,091)
Change in cash and cash equivalents	—	—
Cash and cash equivalents as of beginning of period	—	—
Cash and cash equivalents as of end of period	\$—	\$—

See Accompanying Notes to Condensed Financial Statements.

4

Index

ALLIANCEBERNSTEIN HOLDING L.P.

Notes to Condensed Financial Statements

September 30, 2014

(unaudited)

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.

1. Business Description, Organization and Basis of Presentation

Business Description

Holding’s principal source of income and cash flow is attributable to its investment in AllianceBernstein limited partnership interests. The condensed financial statements and notes of Holding should be read in conjunction with the condensed consolidated financial statements and notes of AllianceBernstein included as an exhibit to this quarterly report on Form 10-Q and with Holding’s and AllianceBernstein’s audited financial statements included in Holding’s Form 10-K for the year ended December 31, 2013.

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

Institutional Services – servicing its institutional clients, including private and public pension plans, foundations and endowments, insurance companies, central banks and governments worldwide, and affiliates such as AXA and its 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 its retail clients, primarily by means of retail mutual funds sponsored by AllianceBernstein or an affiliated company, sub-advisory relationships with mutual funds sponsored by third parties, separately-managed account programs sponsored by financial intermediaries worldwide and other investment vehicles.

Private Client Services – servicing its private clients, including high-net-worth individuals and families, trusts and estates, charitable foundations, partnerships, private and family corporations, and other entities (including most institutions for which AllianceBernstein manages accounts with less than \$25 million in assets), by means of separately-managed accounts, hedge funds, mutual funds and other investment vehicles.

Bernstein Research Services – servicing institutional investors, such as pension fund, hedge fund and mutual fund managers, seeking high-quality fundamental research, quantitative services and brokerage-related services in equities and listed options.

AllianceBernstein also provides distribution, shareholder servicing, transfer agency services and administrative services to the mutual funds it sponsors.

AllianceBernstein’s high-quality, in-depth research is the foundation of its business. AllianceBernstein’s research disciplines include economic, fundamental equity, fixed income and quantitative research. In addition, AllianceBernstein has experts focused on multi-asset strategies, wealth management and alternatives.

AllianceBernstein provides a broad range of investment services with expertise in:

• Actively-managed equity strategies, including style-pure (e.g., value and growth) and absolute return-focused strategies;

• Actively-managed traditional and unconstrained fixed income strategies, including taxable and tax-exempt strategies;

• Passive management, including index and enhanced index strategies;

• Alternative investments, including hedge funds, fund of funds and private equity (e.g., direct real estate investing); and

• Multi-asset solutions and services, including dynamic asset allocation, customized target-date funds, target-risk funds and other strategies tailored to help clients meet their investment goals.

AllianceBernstein's services span 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, emerging markets, regional and local), in major markets around the world.

5

Index

Organization

As of September 30, 2014, 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, through certain of its subsidiaries (“AXA and its subsidiaries”) owns approximately 1.5% of the issued and outstanding units representing assignments of beneficial ownership of limited partnership interests in Holding (“Holding Units”).

As of September 30, 2014, the ownership structure of AllianceBernstein, expressed as a percentage of general and limited partnership interests, is as follows:

AXA and its subsidiaries	62.9 %
Holding	35.7
Unaffiliated holders	1.4
	100.0%

AllianceBernstein Corporation (a 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 both the general partnership and limited partnership interests in Holding and AllianceBernstein, AXA and its subsidiaries have an approximate 63.5% economic interest in AllianceBernstein as of September 30, 2014.

Basis of Presentation

The interim condensed financial statements have been prepared in accordance with the instructions to Form 10-Q pursuant to the rules and regulations of the U.S. Securities and Exchange Commission (“SEC”). In the opinion of management, all adjustments, consisting only of normal recurring adjustments, necessary for a fair statement of the interim results, have been made. The preparation of the condensed 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 condensed financial statements and the reported amounts of revenues and expenses during the interim reporting periods. Actual results could differ from those estimates. The December 31, 2013 condensed statement of financial condition was derived from audited financial statements but does not include all disclosures required by accounting principles generally accepted in the United States of America.

Holding records its investment in AllianceBernstein using the equity method of accounting. Holding’s investment is increased to reflect its proportionate share of income of AllianceBernstein and decreased to reflect its proportionate share of losses of AllianceBernstein and cash distributions made by AllianceBernstein to its unitholders. In addition, its investment is adjusted to reflect its proportionate share of certain capital transactions of AllianceBernstein.

2. Cash Distributions

Holding is required to distribute all of its Available Cash Flow, as defined in the Amended and Restated Agreement of Limited Partnership of Holding (“Holding Partnership Agreement”), to its unitholders pro rata in accordance with their percentage interests in Holding. 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 or plus such amounts as the General Partner determines, in its sole discretion, should be released from previously retained cash flow.

On October 23, 2014, the General Partner declared a distribution of \$0.45 per unit, representing a distribution of Available Cash Flow for the three months ended September 30, 2014. Each general partnership unit in Holding is entitled to receive distributions equal to those received by each Holding Unit. The distribution is payable on

November 20, 2014 to holders of record at the close of business on November 3, 2014.

3. Long-term Incentive Compensation Plans

AllianceBernstein maintains several unfunded, non-qualified long-term incentive compensation plans, under which the company grants awards of restricted Holding Units and options to buy Holding Units to its employees and eligible members of the Board of Directors (“Eligible Directors”).

AllianceBernstein funds its restricted Holding Unit awards either by purchasing Holding Units on the open market or purchasing newly-issued Holding Units from Holding, all of which are held in a consolidated rabbi trust until they are distributed to employees or retired. In accordance with the Holding Partnership Agreement, when AllianceBernstein purchases newly-issued Holding Units from Holding, Holding is required to use the proceeds it receives from AllianceBernstein to purchase the equivalent number of newly-issued AllianceBernstein Units, thus increasing its percentage ownership interest in AllianceBernstein. Holding Units held in the consolidated rabbi trust are corporate assets in the name of the trust and are available to the general creditors of AllianceBernstein.

6

Index

During the third quarter and first nine months of 2014, AllianceBernstein purchased approximately 0.1 million and 0.2 million Holding Units for \$1.3 million and \$5.4 million, respectively (on a trade date basis). These amounts reflect purchases of Holding Units from employees to allow them to fulfill statutory tax withholding requirements at the time of distribution of long-term incentive compensation awards.

During the third quarter and first nine months of 2013, AllianceBernstein purchased 0.8 million and 2.1 million Holding Units for \$16.3 million and \$43.3 million, respectively (on a trade date basis). These amounts reflect open-market purchases of 0.8 million and 1.9 million Holding Units for \$15.3 million and \$38.5 million, respectively, with the remainder relating to purchases of Holding Units from employees to allow them to fulfill statutory tax withholding requirements at the time of distribution of long-term incentive compensation awards.

Each quarter, AllianceBernstein implements plans to repurchase Holding Units pursuant to Rule 10b5-1 under the Securities Exchange Act of 1934, as amended (“Exchange Act”). A Rule 10b5-1 plan allows a company to repurchase its shares at times when it otherwise might be prevented from doing so because of self-imposed trading blackout periods or because it possesses material non-public information. Each broker selected by AllianceBernstein has the authority under the terms and limitations specified in the plan to repurchase Holding Units on AllianceBernstein’s behalf in accordance with the terms of the plan. Repurchases are subject to SEC regulations as well as certain price, market volume and timing constraints specified in the plan. The plan adopted during the third quarter of 2014 expired at the close of business on October 22, 2014. AllianceBernstein did not buy any Holding Units pursuant to Rule 10b5-1 plans during the first nine months of 2014. AllianceBernstein may adopt additional Rule 10b5-1 plans in the future to engage in open-market purchases of Holding Units to help fund anticipated obligations under its incentive compensation award program and for other corporate purposes.

During the first nine months of 2014, AllianceBernstein granted to employees and Eligible Directors 0.8 million restricted Holding Unit awards. During the first nine months of 2013, AllianceBernstein granted to employees and Eligible Directors 6.9 million restricted Holding Unit awards (including 6.5 million granted in January 2013 for 2012 year-end awards). Prior to the third quarter of 2013 (and our decision described in the next paragraph to retire unallocated Holding Units in AllianceBernstein’s consolidated rabbi trust), AllianceBernstein funded awards by allocating previously repurchased Holding Units that had been held in the rabbi trust. In the first nine months of 2014, AllianceBernstein used Holding Units repurchased during the period and newly-issued Holding Units to fund restricted Holding Unit awards.

Effective July 1, 2013, management retired all unallocated Holding Units in AllianceBernstein’s consolidated rabbi trust. To retire such units, AllianceBernstein delivered the unallocated Holding Units held in the rabbi trust to Holding in exchange for the same number of AllianceBernstein units. Each entity then retired its units. As a result, on July 1, 2013, each of AllianceBernstein’s and Holding’s units outstanding decreased by approximately 13.1 million units. AllianceBernstein and Holding intend (subject to compliance with applicable safe harbor rules to avoid AllianceBernstein being treated as a publicly-traded partnership) to retire additional units as AllianceBernstein purchases Holding Units on the open market or from employees to allow them to fulfill statutory tax withholding requirements at the time of distribution of long-term incentive compensation awards, if such units are not required to fund new employee awards in the near future. If a sufficient number of Holding Units is not available in the rabbi trust to fund new awards, AllianceBernstein will purchase newly-issued Holding Units from Holding.

During the first nine months of 2014, Holding issued 753,622 Holding Units upon exercise of options to buy Holding Units. Holding used the proceeds of \$12.8 million received from employees as payment in cash for the exercise price to purchase the equivalent number of newly-issued AllianceBernstein Units.

Index

4. Net Income Per Unit

Basic net income per unit is derived by dividing net income by the basic weighted average number of units outstanding for each period. Diluted net income per unit is derived by adjusting net income for the assumed dilutive effect of compensatory options (“Net income – diluted”) and dividing by the diluted weighted average number of units outstanding for each period.

	Three Months		Nine Months Ended	
	Ended		September 30,	
	September 30,	2013	2014	2013
	(in thousands, except per unit amounts)			
Net income – basic	\$44,134	\$29,523	\$123,147	\$108,030
Additional allocation of equity in net income attributable to AllianceBernstein resulting from assumed dilutive effect of compensatory options	409	183	1,085	771
Net income – diluted	\$44,543	\$29,706	\$124,232	\$108,801
Weighted average units outstanding – basic	97,070	92,258	96,549	97,866
Dilutive effect of compensatory options	1,249	756	1,174	994
Weighted average units outstanding – diluted	98,319	93,014	97,723	98,860
Basic net income per unit	\$0.45	\$0.32	\$1.28	\$1.10
Diluted net income per unit	\$0.45	\$0.32	\$1.27	\$1.10

For the three months and nine months ended September 30, 2014, we excluded 2,774,117 and 2,806,033 options, respectively, from the diluted net income per unit computation due to their anti-dilutive effect. For the three months and nine months ended September 30, 2013, we excluded 3,045,173 and 2,974,935 options, respectively, from the diluted net income per unit computation due to their anti-dilutive effect. Weighted average units outstanding do not include Holding’s proportional share (34.5% during the third quarter of 2013 and 36.7% during the first nine months of 2013) of the unallocated Holding Units then held by AllianceBernstein in its consolidated rabbi trust.

As discussed in Note 3, on July 1, 2013, management retired all unallocated Holding Units in AllianceBernstein’s consolidated rabbi trust, and, since that time, has continued to retire units as AllianceBernstein has purchased Holding Units on the open market or from employees to allow them to fulfill statutory tax withholding requirements at the time of distribution of long-term incentive compensation awards, if such units are not required to fund new employee awards in the near future.

5. Investment in AllianceBernstein

Changes in Holding’s investment in AllianceBernstein during the nine-month period ended September 30, 2014 are as follows (in thousands):

Investment in AllianceBernstein as of December 31, 2013	\$1,533,654
Equity in net income attributable to AllianceBernstein Unitholders	139,714
Changes in accumulated other comprehensive loss	(3,922)
Additional investments with proceeds from exercise of compensatory options to buy Holding Units, net	12,849
Cash distributions received from AllianceBernstein	(154,454)
Capital contributions from AllianceBernstein	(1,411)

Edgar Filing: ALLIANCEBERNSTEIN HOLDING L.P. - Form 10-Q

AllianceBernstein Holding Units retired	(4,625)
AllianceBernstein Holding Units issued to fund long-term incentive compensation plans	14,667
Change in Holding Units held by AllianceBernstein for long-term incentive compensation plans	(48)
Investment in AllianceBernstein as of September 30, 2014	\$1,536,424

8

Index

6. Units Outstanding

Changes in Holding Units outstanding during the nine-month period ended September 30, 2014 are as follows:

Outstanding as of December 31, 2013	96,028,494
Options exercised	753,622
Units issued	566,277
Units retired	(188,215)
Outstanding as of September 30, 2014	97,160,178

As discussed in Note 3, on July 1, 2013, management retired all unallocated Holding Units in AllianceBernstein's consolidated rabbi trust, and, since that time, has continued to retire units as AllianceBernstein has purchased Holding Units on the open market or from employees to allow them to fulfill statutory tax withholding requirements at the time of distribution of long-term incentive compensation awards, if such units are not required to fund new employee awards in the near future.

7. Income Taxes

Holding is a "grandfathered" publicly-traded partnership ("PTP") for federal tax purposes and, accordingly, is not subject to federal or state corporate income taxes. However, Holding is subject to the 4.0% New York City unincorporated business tax ("UBT"), net of credits for UBT paid by AllianceBernstein, and to a 3.5% federal tax on partnership gross income from the active conduct of a trade or business. Holding's partnership gross income is derived from its interest in AllianceBernstein.

Holding's income tax is computed by multiplying certain AllianceBernstein qualifying revenues (primarily U.S. investment advisory fees and brokerage commissions) by Holding's ownership interest in AllianceBernstein, multiplied by the 3.5% tax rate. Holding Units in AllianceBernstein's consolidated rabbi trust are not treated as outstanding for purposes of calculating Holding's ownership interest in AllianceBernstein.

	Three Months Ended September 30,		%	Nine Months Ended September 30,		%	
	2014	2013		2014	2013		
	(in thousands)		Change			Change	
Net income attributable to AllianceBernstein Unitholders	\$139,798	\$99,948	39.9 %	\$392,958	\$335,178	17.2 %	
Multiplied by: weighted average equity ownership interest	35.7 %	34.5 %		35.6 %	36.7 %		
Equity in net income attributable to AllianceBernstein Unitholders	\$49,876	\$34,504	44.6 %	\$139,714	\$122,941	13.6 %	
AllianceBernstein qualifying revenues	\$548,319	\$502,423	9.1 %	\$1,581,456	\$1,496,177	5.7 %	
Multiplied by: weighted average equity ownership interest for calculating tax	29.4 %	27.9 %		29.4 %	27.9 %		
Multiplied by: federal tax	3.5 %	3.5 %		3.5 %	3.5 %		
Federal income taxes	5,642	4,901		16,267	14,631		
State income taxes	100	80		300	280		
Total income taxes	\$5,742	\$4,981	15.3 %	\$16,567	\$14,911	11.1 %	

Effective tax rate	11.5	%	14.4	%	11.9	%	12.1	%
--------------------	------	---	------	---	------	---	------	---

In order to preserve Holding's status as a "grandfathered" PTP for federal income tax purposes, management ensures that Holding does not directly or indirectly (through AllianceBernstein) enter into a substantial new line of business. If Holding were to lose its status as a "grandfathered" PTP, it would be subject to corporate income tax, which would reduce materially Holding's net income and its quarterly distributions to Holding unitholders.

8. Commitments and Contingencies

Legal and regulatory matters described below pertain to AllianceBernstein and are included here due to their potential significance to Holding's investment in AllianceBernstein.

9

Index

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 loss can be reasonably estimated, we record an estimated loss for the expected outcome of the litigation. 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 in excess of amounts already accrued, if any, we disclose that fact together with the estimate of the possible loss or range of loss. However, it is often 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. Such is also the case when the litigation is in its early stages or when the litigation is highly complex or broad in scope. In these cases, we disclose that we are unable to predict the outcome or estimate a possible loss or range of loss.

During the first quarter of 2012, AllianceBernstein received a legal letter of claim (“Letter of Claim”) sent on behalf of Philips Pension Trustees Limited and Philips Electronic U.K. Limited (“Philips”), a former pension fund client, alleging that AllianceBernstein Limited (one of AllianceBernstein’s subsidiaries organized in the U.K.) was negligent and failed to meet certain applicable standards of care with respect to the initial investment in, and management of, a £500 million portfolio of U.S. mortgage-backed securities. The alleged damages range between \$177 million and \$234 million, plus compound interest on an alleged \$125 million of realized losses in the portfolio. On January 2, 2014, Philips filed a claim form (“Claim”) in the High Court of Justice in London, England, which formally commenced litigation with respect to the allegations in the Letter of Claim.

We believe that any losses to Philips resulted from adverse developments in the U.S. housing and mortgage market that precipitated the financial crisis in 2008 and not from any negligence or failure on our part. We believe that we have strong defenses to these claims, which were set forth in our October 12, 2012 response to the Letter of Claim and our June 27, 2014 Statement of Defence in response to the Claim, and will defend this matter vigorously. Currently, we are unable to estimate a reasonably possible range of loss because the matter remains in its early stages.

In addition to the Claim discussed immediately above, AllianceBernstein is involved in various other matters, including regulatory inquiries, administrative proceedings and litigation, some of which allege significant damages.

In the opinion of AllianceBernstein’s management, an adequate accrual has been made as of September 30, 2014 to provide for any probable losses regarding any litigation matters for which management can reasonably estimate an amount of loss. It is reasonably possible that AllianceBernstein could incur additional losses pertaining to these matters, but currently management cannot estimate any such additional losses.

Management, after consultation with legal counsel, currently believes that the outcome of any matter that is pending or threatened, or all of them combined, will not have a material adverse effect on our results of operations, financial condition or liquidity. However, any inquiry, proceeding or litigation has an element of uncertainty; management cannot determine whether further developments relating to any matter that is pending or threatened, or all of them combined, will have a material adverse effect on our results of operations, financial condition or liquidity in any future reporting period.

IndexItem 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Holding's principal source of income and cash flow is attributable to its investment in AllianceBernstein limited partnership Units. Holding's interim condensed financial statements and notes and management's discussion and analysis of financial condition and results of operations ("MD&A") should be read in conjunction with those of AllianceBernstein included as an exhibit to this Form 10-Q. They also should be read in conjunction with AllianceBernstein's audited financial statements and notes and MD&A included in Holding's Form 10-K for the year ended December 31, 2013.

Results of Operations

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2014	2013	% Change	2014	2013	% Change
(in millions, except per unit amounts)						
Net income attributable to AllianceBernstein Unitholders	\$139.8	\$99.9	39.9 %	\$393.0	\$335.2	17.2 %
Weighted average equity ownership interest	35.7 %	34.5 %		35.6 %	36.7 %	
Equity in net income attributable to AllianceBernstein Unitholders	\$49.9	\$34.5	44.6 %	\$139.7	\$122.9	13.6 %
Net income of Holding	\$44.1	\$29.5	49.5 %	\$123.1	\$108.0	14.0 %
Diluted net income per Holding Unit	\$0.45	\$0.32	40.6 %	\$1.27	\$1.10	15.5 %
Distribution per Holding Unit	\$0.45	\$0.40	12.5 %	\$1.29	\$1.19	8.4 %

Net income for the three and nine months ended September 30, 2014 increased \$14.6 million and \$15.1 million, respectively, to \$44.1 million and \$123.1 million from net income of \$29.5 million and \$108.0 million for the corresponding prior-year periods. The increase in the three months ended September 30, 2014 compared to the three months ended September 30, 2013 was the result of higher net income attributable to AllianceBernstein unitholders and higher weighted average ownership interest. The year-over-year increase was the result of higher net income attributable to AllianceBernstein unitholders offset by lower weighted average ownership interest.

Holding's income taxes represent a 3.5% federal tax on its partnership gross income from the active conduct of a trade or business. Holding's partnership gross income is derived from its interest in AllianceBernstein. Holding's income tax is computed by multiplying certain AllianceBernstein qualifying revenues (primarily U.S. investment advisory fees and brokerage commissions) by Holding's ownership interest in AllianceBernstein (adjusted for Holding Units owned by AllianceBernstein's consolidated rabbi trust), multiplied by the 3.5% tax rate. Holding's effective tax rate during the third quarter of 2014 was 11.5%, compared to 14.4% during the third quarter of 2013. Holding's effective tax rate during the nine months ended September 30, 2014 was 11.9%, compared to 12.1% during the nine months ended September 30, 2013. The lower effective rates for the three- and nine-month periods ended September 30, 2014 are due to increases of 44.6% and 13.6%, respectively, in equity in net income attributable to AllianceBernstein unitholders, exceeding increases of 15.3% and 11.1%, respectively, in income tax expense, primarily a result of higher AllianceBernstein qualifying revenues and a higher weighted average ownership interest for calculating the tax. See Note 7 to the condensed financial statements contained in Item 1.

Units Outstanding

Effective July 1, 2013, management retired all unallocated Holding Units in AllianceBernstein's consolidated rabbi trust. To retire such units, AllianceBernstein delivered the unallocated Holding Units held in its consolidated rabbi trust to Holding in exchange for the same number of AllianceBernstein units. Each entity then retired its units. As a result, on July 1, 2013, each of AllianceBernstein's and Holding's units outstanding decreased by approximately 13.1 million units. AllianceBernstein and Holding intend (subject to compliance with applicable safe harbor rules to avoid AllianceBernstein being treated as a publicly-traded partnership) to retire additional units as AllianceBernstein purchases Holding Units on the open market or when AllianceBernstein purchases Holding Units from employees to allow them to fulfill statutory tax withholding requirements at the time of distribution of long-term incentive compensation awards, if such units are not required to fund new employee awards in the near future. If a sufficient number of Holding Units is not available in the rabbi trust to fund new awards, AllianceBernstein will purchase newly-issued Holding Units from Holding. When AllianceBernstein purchases newly-issued Holding Units from Holding, Holding is required to use the proceeds it receives from AllianceBernstein to purchase the equivalent number of newly-issued AllianceBernstein Units.

11

Index

Management Operating Metrics

As supplemental information, AllianceBernstein provides the performance measures “adjusted net revenues”, “adjusted operating income” and “adjusted operating margin”, which are the principal operating metrics management uses in evaluating and comparing the period-to-period operating performance of AllianceBernstein. Such measures are not based on generally accepted accounting principles (“non-GAAP measures”). See AllianceBernstein’s MD&A contained in Exhibit 99.1. The impact of these adjustments on Holding’s net income and diluted net income per Holding Unit are as follows:

	Three Months		Nine Months Ended	
	Ended September		September 30,	
	30,		2014	2013
	2014	2013	2014	2013
	(in thousands, except per unit amounts)			
AllianceBernstein non-GAAP adjustments, before taxes	\$(59)	\$24,033	\$3,877	\$26,957
Income tax credit (expense) on non-GAAP adjustments	358	(1,094)	433	(1,218)
AllianceBernstein non-GAAP adjustments, after taxes	299	22,939	4,310	25,739
Holding’s weighted average equity ownership interest in AllianceBernstein	35.7 %	34.5 %	35.6 %	36.7 %
Impact on Holding’s net income of AllianceBernstein non-GAAP adjustments	\$106	\$7,919	\$1,532	\$9,442
Net income – diluted, GAAP basis	\$44,543	\$29,706	\$124,232	\$108,801
Impact on Holding’s net income of AllianceBernstein non-GAAP adjustments	106	7,919	1,532	9,442
Adjusted net income – diluted	\$44,649	\$37,625	\$125,764	\$118,243
Diluted net income per Holding Unit, GAAP basis	\$0.45	\$0.32	\$1.27	\$1.10
Impact of AllianceBernstein non-GAAP adjustments	—	0.08	0.02	0.10
Adjusted diluted net income per Holding Unit	\$0.45	\$0.40	\$1.29	\$1.20

The impact on Holding’s net income of AllianceBernstein’s non-GAAP adjustments reflects Holding’s share (based on its ownership percentage of AllianceBernstein over the applicable period) of AllianceBernstein’s non-GAAP adjustments to its net income. These non-GAAP measures are provided in addition to, and not as substitutes for, net revenues, operating income and operating margin, and they may not be comparable to non-GAAP measures presented by other companies. Management uses both the GAAP and non-GAAP measures in evaluating the company’s financial performance. The non-GAAP measures alone may pose limitations because they do not include all of AllianceBernstein’s revenues and expenses.

Cash Distributions

Holding is required to distribute all of its Available Cash Flow, as defined in the Holding Partnership Agreement, to its unitholders (including the General Partner). Since the third quarter of 2012, Available Cash Flow has been the adjusted diluted net income per unit for the quarter multiplied by the number of units outstanding at the end of the quarter. Management anticipates that Available Cash Flow will continue to be based on adjusted diluted net income per unit, unless management determines that one or more non-GAAP adjustments that are made for adjusted net income should not be made with respect to the Available Cash Flow calculation. See Note 2 to the condensed financial statements contained in Item 1 for a description of Available Cash Flow.

Capital Resources and Liquidity

During the nine months ended September 30, 2014, net cash provided by operating activities was \$137.7 million, compared to \$122.9 million during the corresponding 2013 period. The increase was primarily due to higher cash distributions received from AllianceBernstein of \$30.5 million, offset by a decrease in working capital of \$14.1 million.

During the nine months ended September 30, 2014, net cash used in investing activities was \$12.8 million, compared to \$26.8 million during the corresponding 2013 period. The decrease was primarily due to lower investments in AllianceBernstein from cash distributions paid to AllianceBernstein's consolidated rabbi trust of \$13.0 million.

During the nine months ended September 30, 2014, net cash used in financing activities was \$124.8 million, compared to \$96.1 million during the corresponding 2013 period. The increase was primarily due to higher cash distributions paid to unitholders of \$31.8 million.

12

Index

Management believes that the cash flow realized from its investment in AllianceBernstein will provide Holding with the resources necessary to meet its financial obligations.

Commitments and Contingencies

See Note 8 to the condensed financial statements contained in Item 1.

CAUTIONS REGARDING FORWARD-LOOKING STATEMENTS

Certain statements provided by management in this report and in the portion of AllianceBernstein's Form 10-Q attached hereto as Exhibit 99.1 are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. The most significant of these factors include, but are not limited to, the following: the performance of financial markets, the investment performance of sponsored investment products and separately-managed accounts, general economic conditions, industry trends, future acquisitions, integration of acquired companies, 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 Part I, Item 1A of our Form 10-K for the year ended December 31, 2013 and Part II, Item 1A in this Form 10-Q. Any or all of the forward-looking statements that we make in our Form 10-K, this Form 10-Q, other documents we file with or furnish to the SEC, and any other public statements we issue, may turn out to be wrong. It is important to remember that other factors besides those listed in "Risk Factors" and those listed below also could affect adversely our financial condition, results of operations and business prospects.

The forward-looking statements referred to in the preceding paragraph, most of which directly affect AllianceBernstein but also affect Holding because Holding's principal source of income and cash flow is attributable to its investment in AllianceBernstein, include statements regarding:

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

Our financial condition and ability to access the public and private capital markets providing adequate liquidity for our general business needs: Our financial condition is dependent on our cash flow from operations, which is subject to the performance of the capital markets, our ability to maintain and grow client assets under management and other factors beyond our control. Our ability to access public and private capital markets on reasonable terms may be limited by adverse market conditions, our firm's long-term credit ratings, our profitability and changes in government regulations, including tax rates and interest rates.

The outcome of litigation: Litigation is inherently unpredictable, and excessive damage awards do occur. Though we have stated that we do not expect certain pending legal proceedings to have a material adverse effect on our results of operations, financial condition or liquidity, any settlement or judgment with respect to a pending or future legal proceeding could be significant, and could have such an effect.

The possibility that AllianceBernstein will engage in open market purchases of Holding Units to help fund anticipated obligations under our incentive compensation award program: The number of Holding Units AllianceBernstein may decide to buy in future periods, if any, to help fund incentive compensation awards depends on various factors, some of which are beyond our control, including the fluctuation in the price of a Holding Unit (NYSE: AB) and the

availability of cash to make these purchases.

Our determination that adjusted employee compensation expense should not exceed 50% of our adjusted net revenues: Aggregate employee compensation reflects employee performance and competitive compensation levels. Fluctuations in our revenues and/or changes in competitive compensation levels could result in adjusted employee compensation expense being higher than 50% of our adjusted net revenues.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes to Holding's market risk for the quarter ended September 30, 2014.

13

Index

Item 4. 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 that 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 the 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.

Changes in Internal Control over Financial Reporting

No change in our internal control over financial reporting occurred during the third quarter of 2014 that materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

14

Index

Part II

OTHER INFORMATIONItem 1. Legal Proceedings

See Note 8 to the condensed financial statements contained in Part I, Item 1.

Item 1A. Risk Factors

In addition to the information set forth in this report, please consider carefully “Risk Factors” in Part I, Item 1A of our Form 10-K for the year ended December 31, 2013. Such factors could materially affect our revenues, financial condition, results of operations and business prospects. See also our “Cautions Regarding Forward-Looking Statements” in Part I, Item 2.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

There were no Holding Units sold by Holding in the period covered by this report that were not registered under the Securities Act.

During the first nine months of 2014, AllianceBernstein implemented plans to repurchase Holding Units pursuant to Rule 10b5-1 under the Exchange Act. See Note 3 to the condensed financial statements contained in Part I, Item 1.

The following table provides information relating to Holding Units bought by AllianceBernstein in the quarter 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 or Plans Programs	(d) Maximum Number (or Approximate Dollar Value) of Holding Units that May Yet Be Purchased Under the Plans or Programs
7/1/14 - 7/31/14 ⁽¹⁾⁽²⁾	72	\$ 26.88	—	—
8/1/14 - 8/31/14 ⁽¹⁾⁽²⁾	47,188	27.66	—	—
9/1/14 - 9/30/14 ⁽¹⁾	—	—	—	—
Total	47,260	\$ 27.65	—	—

⁽¹⁾ During the third quarter of 2014, AllianceBernstein did not purchase any Holding Units on the open market pursuant to a Rule 10b5-1 plan.

⁽²⁾

During the third quarter, AllianceBernstein purchased from employees a total of 47,260 Holding Units to allow them to fulfill statutory tax withholding requirements at the time of distribution of long-term incentive compensation awards.

15

Index

The following table provides information relating to AllianceBernstein Units bought by AllianceBernstein in the quarter 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 Be Purchased Under the Plans or Programs
7/1/14 - 7/31/14	—	\$ —	—	—
8/1/14 - 8/31/14	—	—	—	—
9/1/14 - 9/30/14 ⁽¹⁾	13,012	27.22	—	—
Total	13,012	\$ 27.22	—	—

⁽¹⁾ During September 2014, AllianceBernstein purchased 13,012 AllianceBernstein Units in private transactions.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

Iran Threat Reduction and Syria Human Rights Act

AllianceBernstein, Holding and their global subsidiaries had no transactions or activities requiring disclosure under the Iran Threat Reduction and Syria Human Rights Act (“Iran Act”), nor were they involved in the AXA Group matters described immediately below.

The non-U.S. based subsidiaries of AXA operate in compliance with applicable laws and regulations of the various jurisdictions where they operate, including applicable international (United Nations and European Union) laws and regulations. While AXA Group companies based and operating outside the United States generally are not subject to U.S. law, as an international group, AXA has in place policies and standards (including the AXA Group International Sanctions Policy) that apply to all AXA Group companies worldwide and often impose requirements that go well beyond local law. For additional information regarding AXA, see Note 1 to the condensed financial statements contained in Part I, Item 1.

AXA has reported to us that the two insurance policies underwritten by one of AXA’s European insurance subsidiaries, AXA France IARD (“AXA France”), that were in-force during the third quarter of 2014 and potentially came within the

scope of the disclosure requirements of the Iran Act, were terminated on September 1, 2014 and September 30, 2014, respectively. Each of these insurance policies related to property and casualty insurance (homeowners, auto, accident, liability and/or fraud policies) covering property located in France where the insured was a company or other entity that might have had direct or indirect ties to the Government of Iran, including Iranian entities designated under Executive Orders 13224 and 13382. AXA France is a French company, based in Paris, which is licensed to operate in France. The annual aggregate revenue AXA derived from these two policies was approximately \$3,500 and the related net profit, which is difficult to calculate with precision, was estimated to be \$1,750.

AXA has informed us that AXA Konzern AG (“AXA Konzern”), a subsidiary of AXA organized under the laws of Germany, has a German client designated under Executive Order 13382. This client has a pension savings contract with AXA Konzern with an annual premium of approximately \$15,000. The related annual net profit arising from this contract, which is difficult to calculate with precision, is estimated to be \$7,500. This contract will end in March 2015. In addition, a subsidiary of the same German client has a life insurance contract (which includes a savings element) with AXA Konzern, with an annual premium of approximately \$1,400 per annum. The related annual net profit arising from this contract, which is difficult to calculate with precision, is estimated to be \$700. AXA Konzern intends to leave these contracts in place as there is no legal basis that would allow a German company to cancel such a contract.

16

Index

AXA previously informed us that AXA Konzern had taken actions to terminate property insurance provided to Industrial Commercial Services (“ICS”) for an office building in Hamburg, Germany. ICS is a company that some reports suggest may be owned by the Iranian Mines and Mining Industries Development and Renovation Organization, an entity designated as a Specially Designated National and Blocked Person (an “SDN”) by the Office of Foreign Assets Control of the U.S. Department of the Treasury (“OFAC”) with the identifier [IRAN]. As of the date of this report, AXA Konzern has confirmed that this policy has been terminated. The annual premium in respect of this policy was approximately \$2,500. The related annual net profit arising from this policy, which is difficult to calculate with precision, was estimated to be \$1,250.

In addition, AXA has informed us that AXA Ireland, an AXA insurance subsidiary, provides statutorily required car insurance under four separate policies to the Iranian Embassy in Dublin, Ireland. AXA has informed us that compliance with the Declined Cases Agreement of the Irish Government prohibits the cancellation of these policies unless another insurer is willing to assume the cover. The total annual premiums for these four policies are approximately \$6,000 per annum and the annual net profit arising from these policies, which is difficult to calculate with precision, is estimated to be \$3,000.

Lastly, AXA has informed us about a pension contract in place between a subsidiary in Hong Kong, AXA China Region Trustees Limited (“AXA CRT”), and Hong Kong Intertrade Ltd (“HKIL”), an entity that OFAC has designated an SDN with the identifier [IRAN]. There is only one employee of HKIL (“Employee”) enrolled in this pension contract, who himself also has been designated an SDN with the identifier [IRAN]. The pension contract with HKIL was entered into, and the enrollment of the Employee took place, in May 2012. HKIL was first designated an SDN in July 2012 and the Employee was first designated an SDN in May 2013. Local authorities have informed AXA CRT that the pension contract cannot be cancelled. The annual pension contributions received under this pension contract total approximately \$7,800 and the related net profit, which is difficult to calculate with precision, is estimated to be \$3,900.

The aggregate annual premiums for the above-referenced insurance policies and pension contracts still in effect is approximately \$30,200, representing approximately 0.00003% of AXA’s 2013 consolidated revenues, which were in excess of \$100 billion. The related net profit, which is difficult to calculate with precision, is estimated to be \$15,100, representing approximately 0.0003% of AXA’s 2013 aggregate net profit.

W.P. Stewart

On December 12, 2013, we acquired W.P. Stewart & Co., Ltd. (“WPS”), an equity investment manager that managed, as of December 12, 2013, approximately \$2.1 billion in U.S., Global, and Europe, Australasia (Australia and New Zealand) and Far East (“EAFE”) concentrated growth equity strategies for its clients, primarily in the U.S. and Europe. On the date of the WPS acquisition, each of approximately 4.9 million outstanding shares of WPS common stock (other than certain specified shares, as previously disclosed in Amendment No. 2 to Form S-4 filed by AllianceBernstein on November 8, 2013) was converted into the right to receive \$12 per share and one transferable contingent value right (“CVR”) entitling the holders to an additional \$4 per share cash payment if the Assets Under Management (as such term is defined in the Contingent Value Rights Agreement (“CVR Agreement”) dated as of December 12, 2013, a copy of which we filed as Exhibit 4.01 to our December 31, 2013 Form 10-K) in the acquired WPS investment services exceed \$5 billion on or before December 12, 2016, subject to measurement procedures and limitations set forth in the CVR Agreement. The foregoing description of the CVR Agreement does not purport to be complete and is qualified in its entirety by the full text of the CVR Agreement included as Exhibit 4.01 to our December 31, 2013 Form 10-K.

As of September 30, 2014, the Assets Under Management are approximately \$2.3 billion. As noted above, payment pursuant to the CVRs is triggered if Assets Under Management exceed \$5 billion on or prior to December 12, 2016, subject to certain measurement procedures and limitations. See the definition of AUM Milestone in the CVR

Agreement filed as Exhibit 4.01 to our December 31, 2013 Form 10-K for additional information regarding the circumstances that trigger payment pursuant to the CVRs.

Management has determined that the AUM Milestone did not occur during the third quarter of 2014.

17

Index

Item 6. Exhibits

31.1 Certification of Mr. Kraus furnished pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

31.2 Certification of Mr. Weisenseel furnished pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

Certification of Mr. Kraus furnished for the purpose of complying with Rule 13a-14(b) or Rule 15d-14(b) of the 32.1 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.

Certification of Mr. Weisenseel furnished for the purpose of complying with Rule 13a-14(b) or Rule 15d-14(b) of 32.2 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.

99.1 Part I, Items 1 through 4 of the AllianceBernstein L.P. Quarterly Report on Form 10-Q for the quarter ended September 30, 2014.

101.INS XBRL Instance Document.

101.SCH XBRL Taxonomy Extension Schema.

101.CAL XBRL Taxonomy Extension Calculation Linkbase.

101.LAB XBRL Taxonomy Extension Label Linkbase.

101.PRE XBRL Taxonomy Extension Presentation Linkbase.

101.DEF XBRL Taxonomy Extension Definition Linkbase.

Index

SIGNATURE

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.

Date: October 23, 2014 AllianceBernstein Holding
l.p.

By:/s/ John C. Weisenseel
John C. Weisenseel
Chief Financial Officer

By:/s/ Edward J. Farrell
Edward J. Farrell
Chief Accounting
Officer