September 25, 2012

Executive Decisions

Making the Most of Stock-Based Compensation

BERNSTEIN
Global Wealth Management

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Bernstein does not provide tax, legal or accounting advice. In considering this material, you should discuss your individual circumstances with professionals in those areas before making any decisions.

Dedicated to Client Success

- Global investment management firm founded in 1967
- One business: investment research and management
- Bernstein Culture
  - Client Confidentiality
  - Integrity and Honesty
  - Best-in-Class Research
  - Success Is Meeting Your Goals

Global Research Commitment

■ Investment Management and/or Research Office*

Number of Analysts

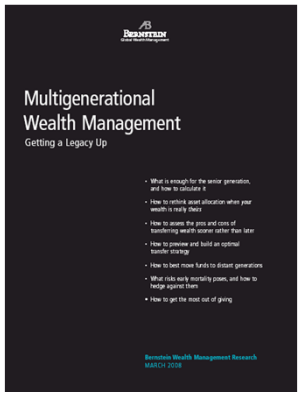
Fundamental	**113**
Global Equities	66
Global Fixed Income	39
Global Multi-Asset	8
Quantitative	**61**
Global Equities	14
Global Fixed Income	10
Global Multi-Asset	37
Economic	**7**
Wealth Strategies**	**45**
Total Research	**226**

As of June 30, 2012
*AllianceBernstein and its subsidiaries
**Includes senior portfolio managers, quantitative analysts and tax & estate planning professionals

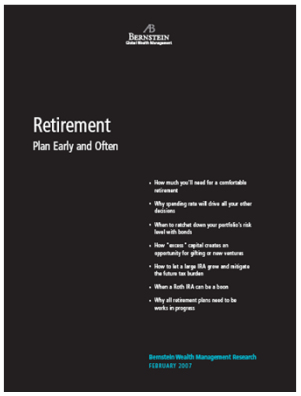
Bernstein Produces Proprietary Research on Many Private Client Planning Topics

Wealth Management Research

Multigenerational Wealth Transfer

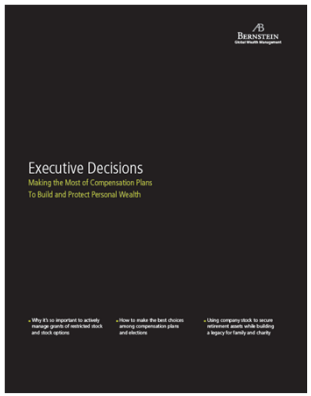


Retirement Planning

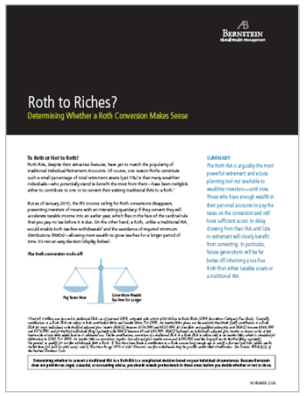


Sale of a Business

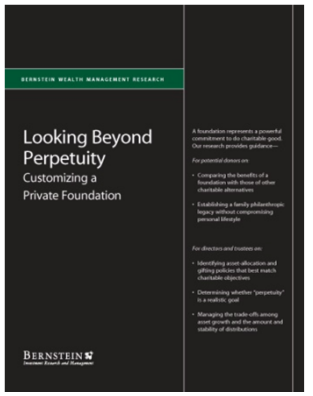
Corporate Executive Wealth



Tax-Efficient Structures



Charitable Giving



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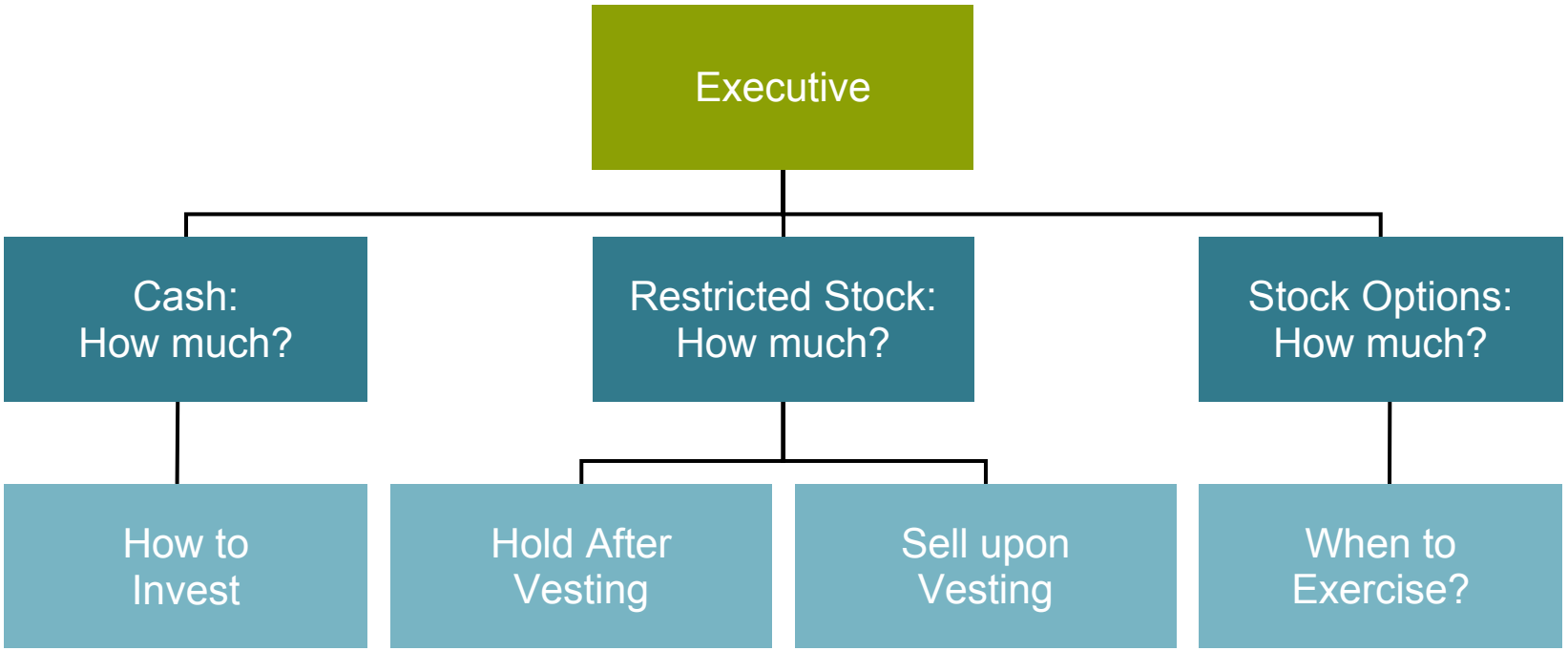
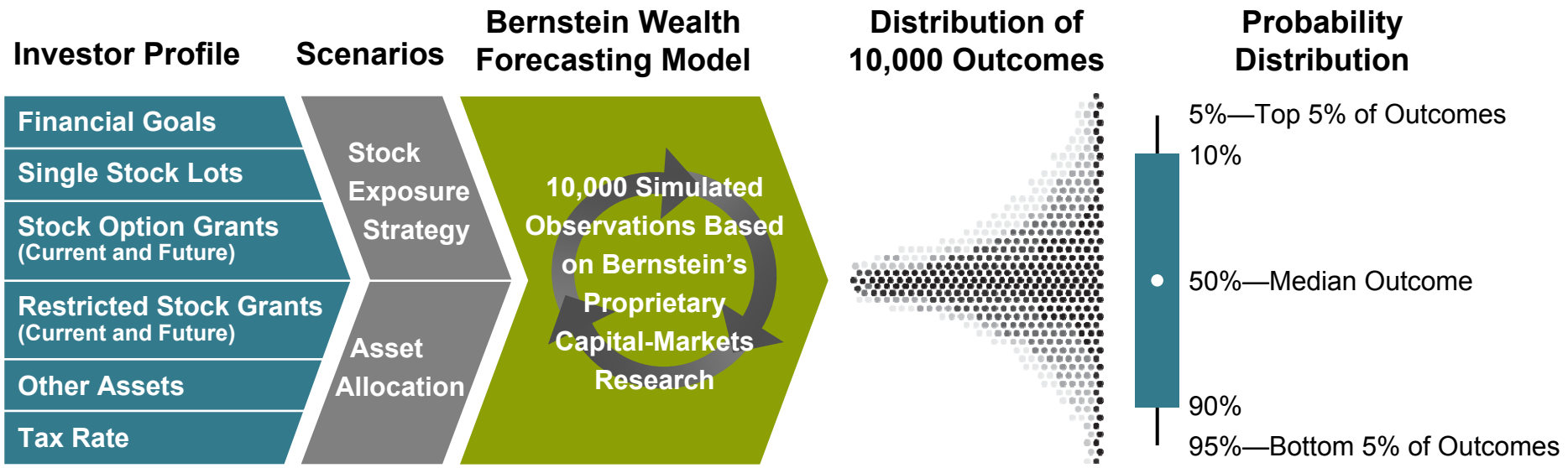
What Are the Best Choices?



Decisions should depend on your goals and circumstances

Source: AllianceBernstein

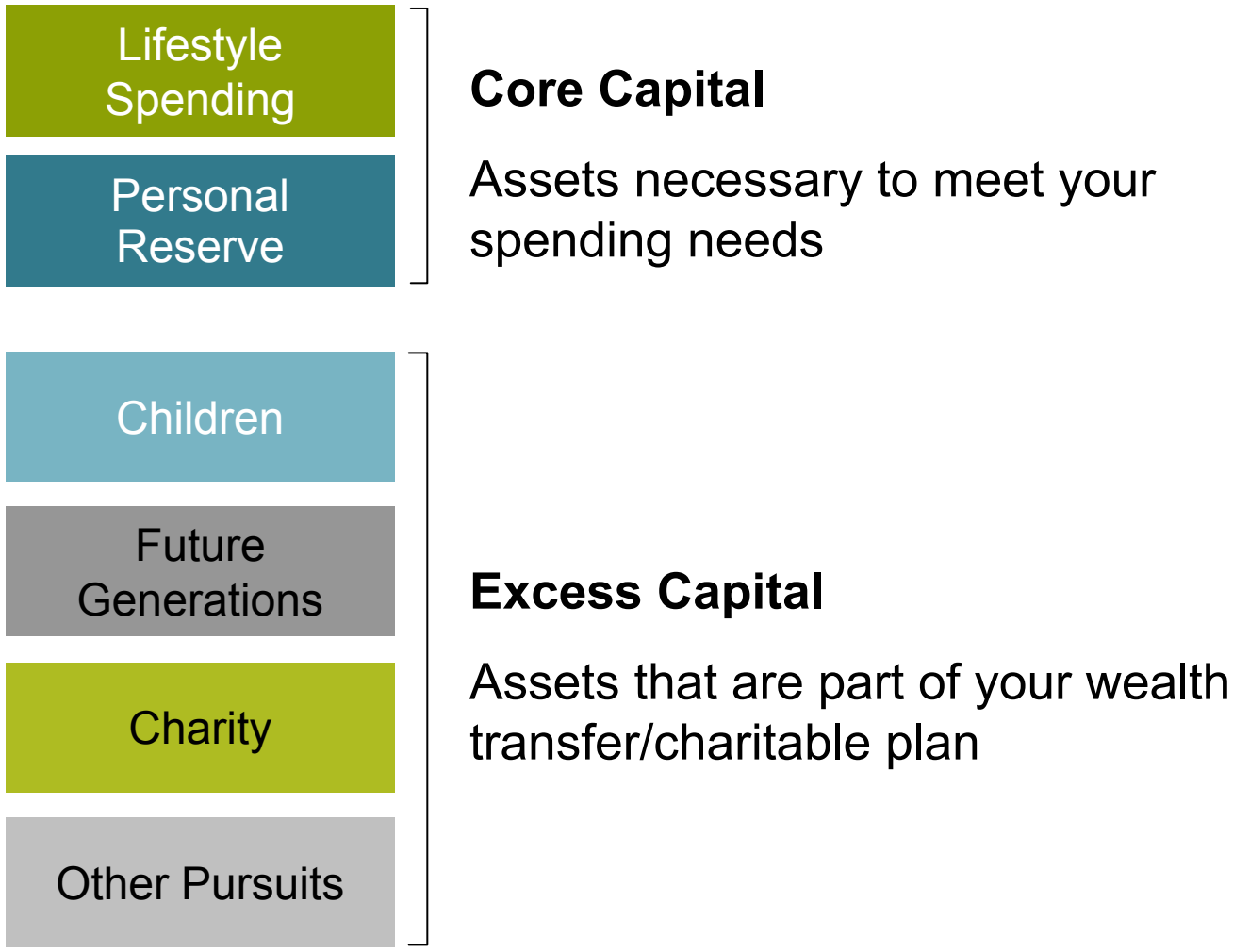
Our Wealth Forecasting System Is Uniquely Capable to Help



- Accommodates current and expected future grants of stock-based compensation
- Integrates effect of inflation, taxes and spending
- Integrates multiple investment vehicles such as taxable or retirement accounts and trusts

Source: AllianceBernstein

Goal-Based Planning: Establishing Priorities



Core Capital

Assets necessary to meet your spending needs

Excess Capital

Assets that are part of your wealth transfer/charitable plan

Source: AllianceBernstein

Age and Spending Determine Core Capital…

Sustainable Spending Rate in Hostile Markets

(Assuming Diversified 60/40 Portfolio)*

Example

60-Year-Old Couple

Spending Needs: $200K

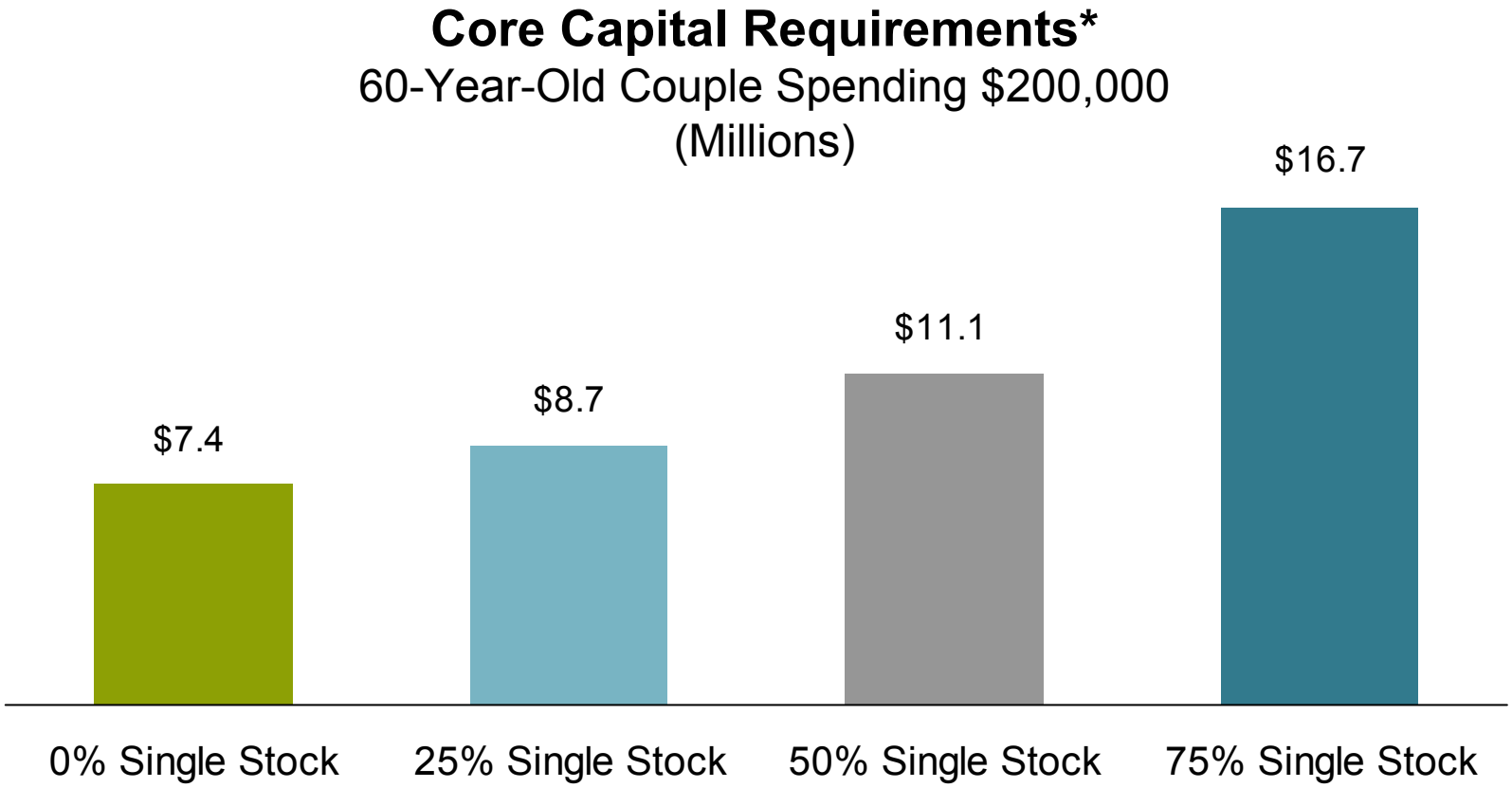
÷ Spending Rate: 2.7%

= Core Capital: $7.4 Mil.

Age	55	60	65	70
Spending Rate	2.4%	2.7%	2.9%	3.3%
Annual Spending	**Core Capital Amounts** ($ Millions)			
$200,000	8.3	7.4	6.9	6.1
$300,000	12.5	11.1	10.3	9.1
$400,000	16.7	14.8	13.8	12.1
$500,000	20.8	18.5	17.2	15.2

*__Data do not represent past performance and are not a promise of actual future results.__ These spending rates are for couples and assume an allocation of 60% globally diversified stocks (35% US value, 35% US growth, 25% developed foreign markets and 5% emerging markets) and 40% diversified intermediate-term municipal bonds. Spending is a percentage of the initial value of the portfolio, grown with inflation; sustainable spending rates assume maintaining spending with a 95% level of confidence. See Notes on Wealth Forecasting System at the end of this presentation for further details. All information on longevity and mortality-adjusted investment analyses in this study are based on mortality tables compiled in 2000. To reflect that high net worth individuals live longer than average, we subtract three years from each individual's age (e.g. a 60-year-old would be modeled as a 57-year-old). In our mortality adjusted analyses, the lifespan of an individual varies in each of our 10,000 trials in accordance with mortality tables.
Source: Society of Actuaries RP-2000 mortality tables and AllianceBernstein

Core Capital Needs Rise with Stock Concentration

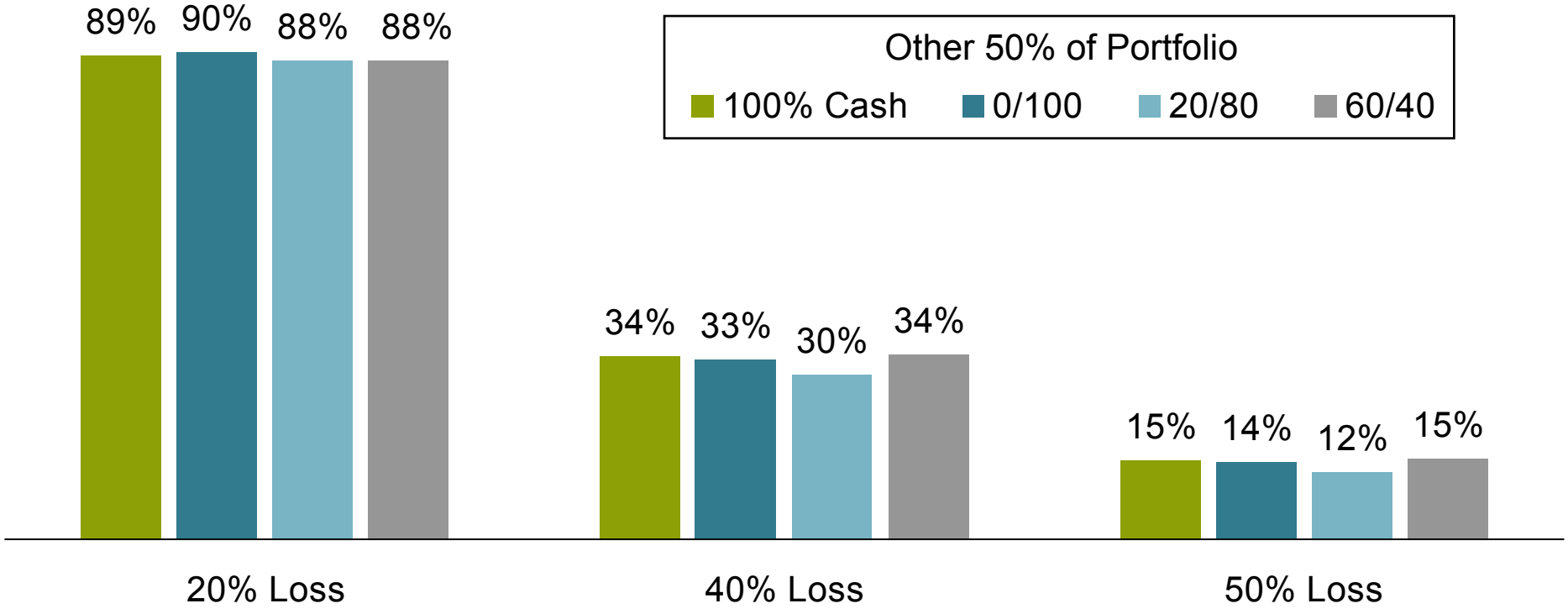


***Data do not represent past performance and are not a promise of actual future results.** Spending is assumed to grow with inflation; portfolio amounts assume a 95% level of confidence of maintaining spending. These amounts are for couples and assume an allocation of 60% globally diversified stocks (35% US value, 35% US growth, 25% developed foreign markets and 5% emerging markets) and 40% diversified intermediate-term municipal bonds for non Single Stock assets. See Notes on Wealth Forecasting System at the end of this presentation for further details. All information on longevity and mortality-adjusted investment analyses in this study are based on mortality tables compiled in 2000. To reflect that high-net-worth individuals live longer than average, we subtract three years from each individual's age (e.g., a 60-year-old would be modeled as a 57-year-old). In our mortality adjusted analyses, the lifespan of an individual varies in each of our 10,000 trials in accordance with mortality tables.
Source: Society of Actuaries RP-2000 mortality tables and AllianceBernstein

Cash or Bonds Barely Offset Single Stock Risk

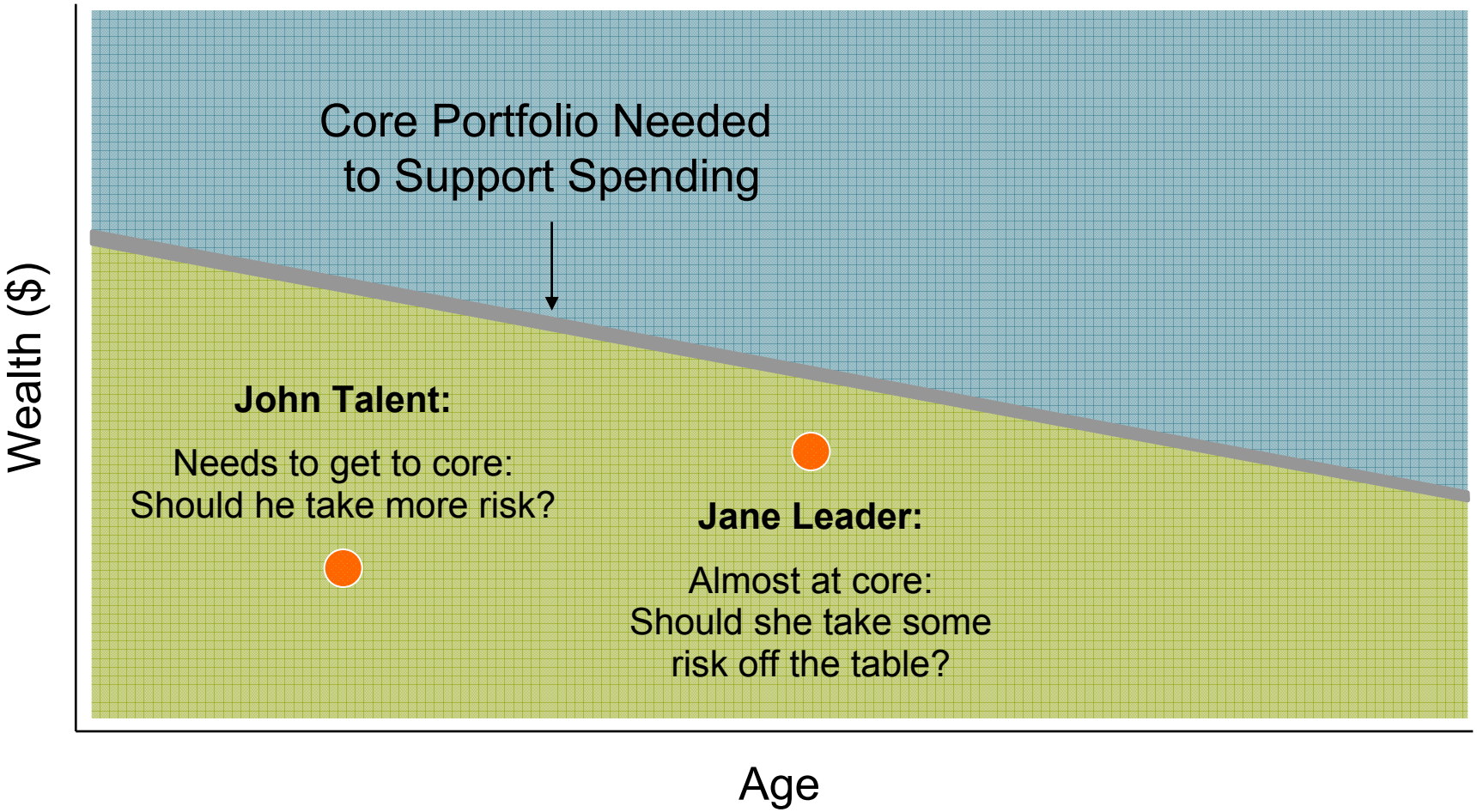
Probability of Loss in Portfolio with 50% Single Stock*

Over 20 Years



***Data do not represent past performance and are not a promise of actual future results.** *Projections indicate the probability of a peak-to-trough decline in pretax, pre-cash-flow cumulative returns of 20%, 40% or 50% over the next 20 years. Because the Wealth Forecasting System uses annual capital market returns, the probability of peak-to-trough losses measured on a more frequent basis (such as daily or monthly) may be understated. The probabilities depicted above include an upward adjustment intended to account for the incidence of peak-to-trough losses that do not last an exact number of years. Assumes no rebalancing between Single Stock and diversified assets. Based on Bernstein's estimates of the range of returns for the applicable capital markets over the next 20 years. See Assumptions and Notes on Wealth Forecasting System in Appendix for further details.

Should You Diversify to Meet Your Goals? Two Case Studies



Schematic only
Source: AllianceBernstein

Case Study 1: Building Up Core Capital

Situation

- John Talent, 50 years old
- Attracted to job offer at company spin-off, with stock option package
- Current assets: $4.5 million

Goals

- Retire in 10 years
- Support $200,000 annual spending in retirement

We calculate core capital at $7.4 million

John Talent and his wife are both 50. Spending is assumed to increase with inflation. Current liquid assets total $3.3 million: $2.5 million invested 40/60 ($2.2 million taxable, $300,000 retirement) and $810,000 in company stock (full basis). John has an additional $1.2 million in unvested company stock vesting over two years.

Comparing John's Annual Pay Packages*

	Current	Proposed
Salary & Bonus	$450,000	$600,000
Restricted Stock	600,000	400,000
Stock Options	0	600,000
Stock Volatility	Low	High

*Compensation amounts assumed to increase with inflation. Cash and bonus in proposed offer includes deferred bonus of $250,000 and 50% salary and bonus deferral. Deferred compensation is paid out and taxed at Year 10. Existing restricted stock assumed to be replaced with equal amount of spin-off restricted stock. Restricted stock and options vest over three years and the options expire at Year 7. Assumes ratio of 3 to 1 stock option to restricted stock. Unvested restricted stock and options assumed to vest at Year 10. Year 10 restricted stock and options assumed to be paid in cash. Stock of current company assumed to have low volatility; stock of spin-off assumed to have high volatility. Annual expenses and state income/capital gains tax rate in current position are $200,000 and 9.08%; in proposed job expenses will be $300,000 for 10 years and state taxes will be 10.55%. Retirement expenses assumed to be $200,000 in both scenarios.

Projected Outcome Is Disappointing: Why?

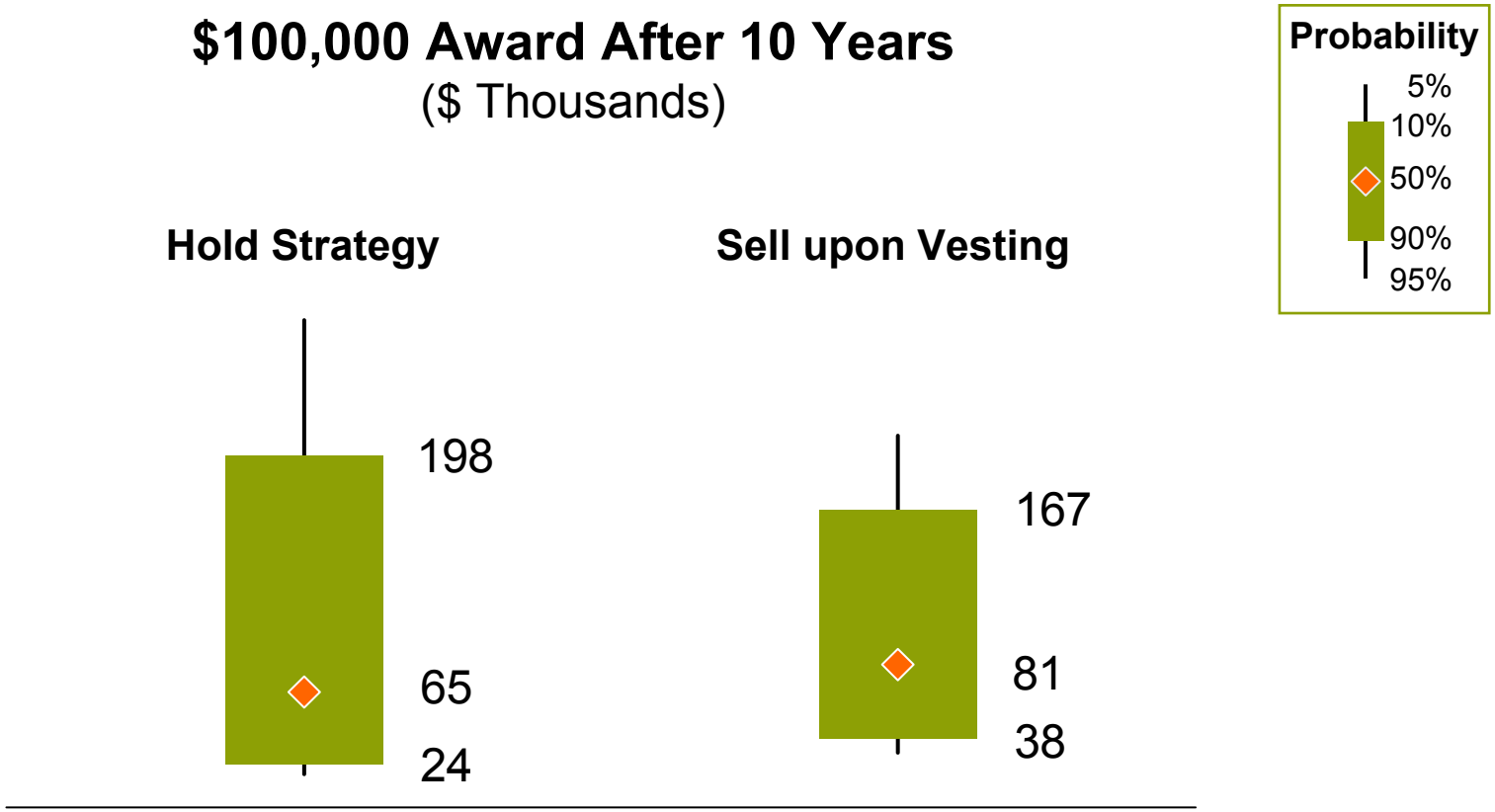
John Talent's Wealth After 10 Years*
(Millions)

	Median Outcome	Potential Upside	Potential Downside	Probability of Reaching Core Goal
Current	$9.2	$14.9	$6.2	75%
Proposed	$9.9	$27.7	$5.3	68%

He let the stock awards ride (a passive approach)

*All figures are after taxes and inflation-adjusted.
Data do not represent past performance and are not a promise of actual future results. Passive approach assumes the following: for restricted stock, maintain single stock exposure net of taxes at vest; for options, hold until expiration; allocate liquid holdings 40/60; maintain existing single stock holdings of $1.2 million (swapped for spin-off stock). All stock awards are assumed to be exercised and/or sold at Year 10.

Restricted Stock: The Case for Active Management



*__Data do not represent past performance and are not a promise of actual future results.__ All compensation is assumed to vest over four years (25% per year). Cash is assumed to be invested in global equities (35% US value, 35% US growth, 25% developed international and 5% emerging markets) pre- and post-vest. For the Sell Upon Vesting scenario we assume vested restricted stock is sold upon vest and the after-tax proceeds are invested in global equities. For the Hold Strategy we assume taxes due on vesting restricted stock are paid in stock, but the remainder of the position is maintained through year 10. Amounts are net of embedded capital gains and income taxes. See Assumptions and Notes on Wealth Forecasting System in Appendix for further details.

Understanding Time Value

How much would you pay for this option?		How about this one?	
Your Stock	$28	Your Stock	$28
Exercise Price	$30	Exercise Price	$30
Expires in **10 minutes**		Expires in **10 years**	
This option is worthless! Time Value = $0		**This option is valuable!! Time Value > $0**	

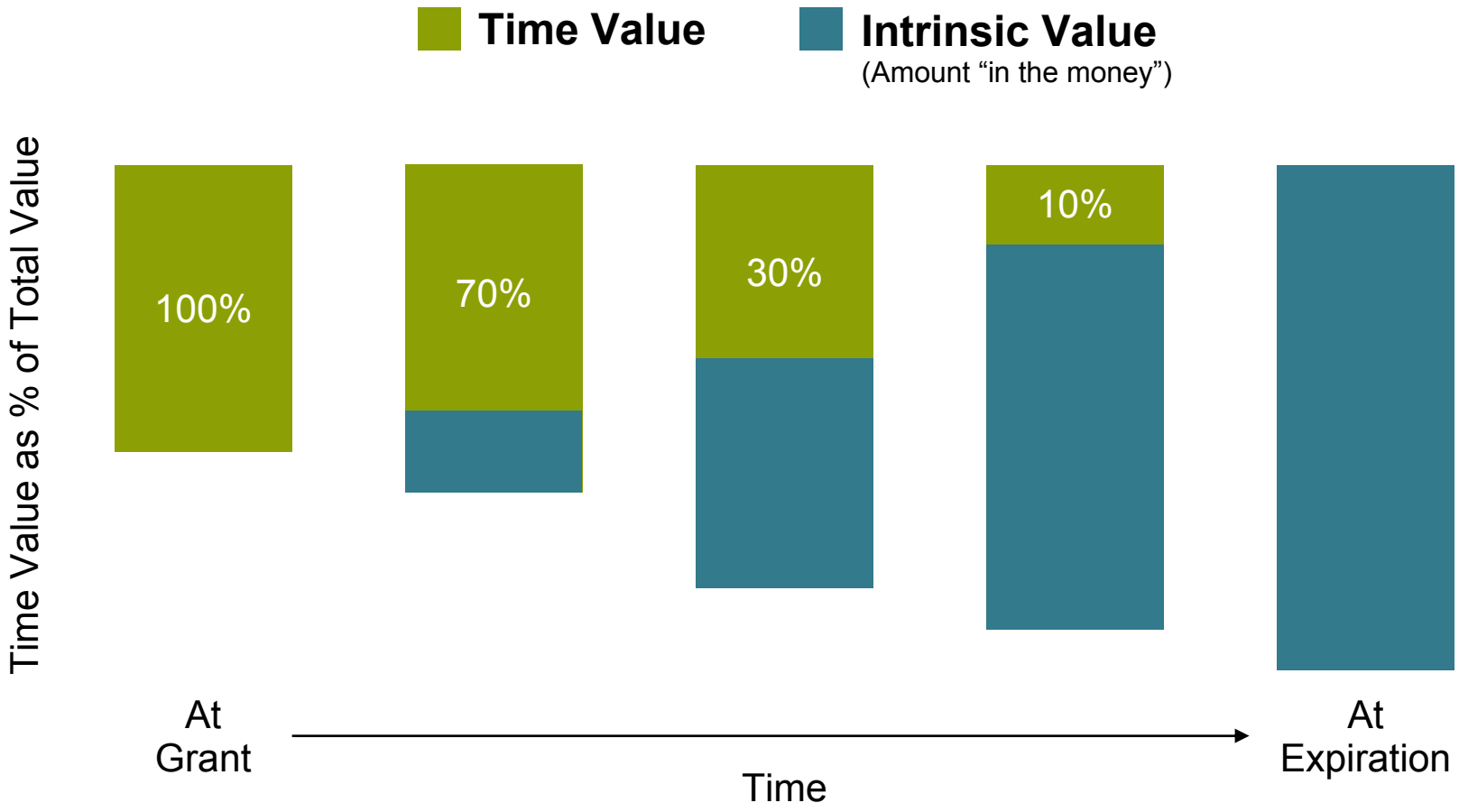
Time Value increases with:

- Higher volatility
- Lower dividends
- More time to expiration
- Lower interest rates
- Proximity to strike price

Source: AllianceBernstein

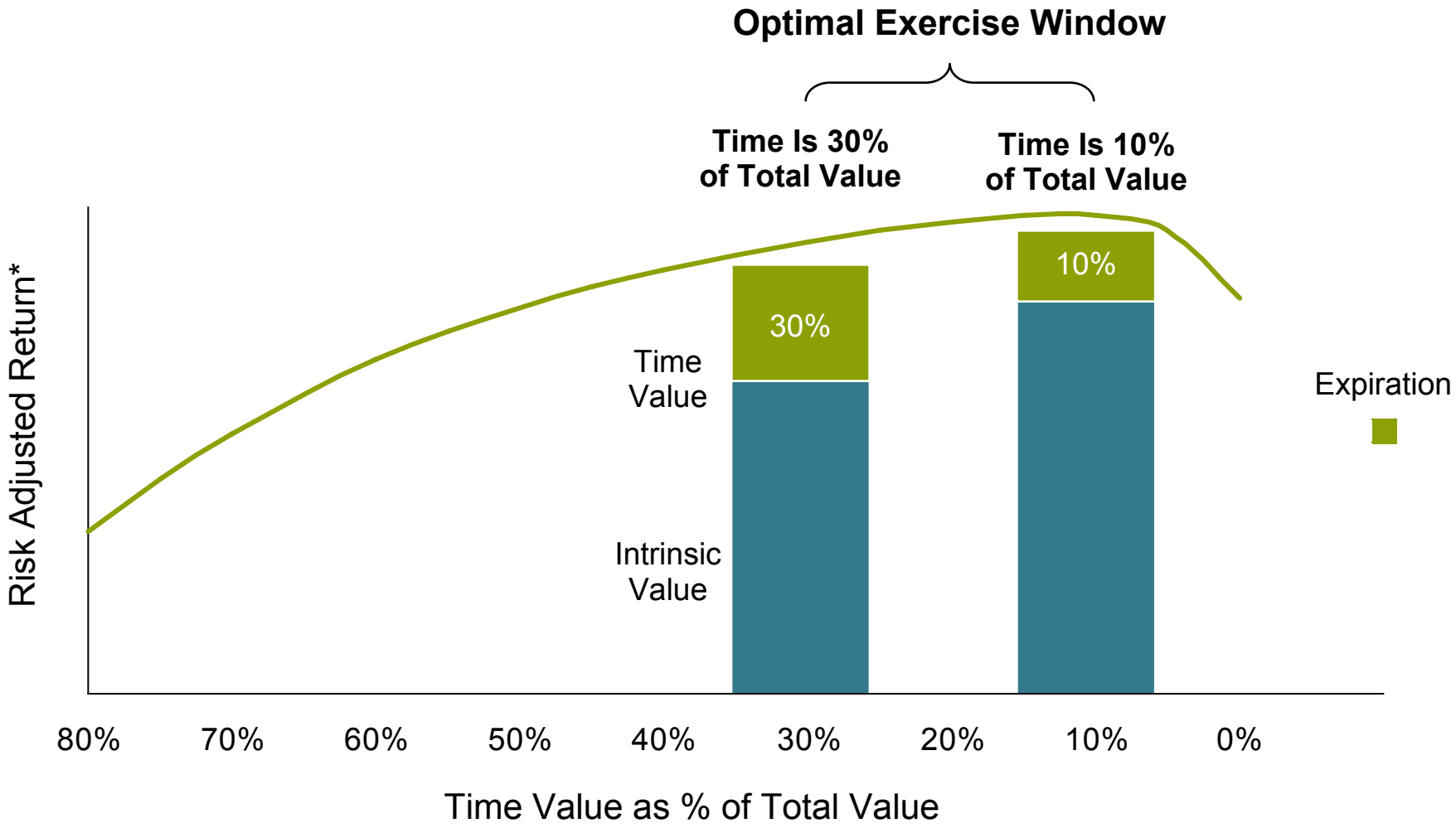
Monitoring Time Value as a Percentage of Total Value

Time value decreases as intrinsic value grows and expiration date approaches



Schematic only
Time Value is calculated by an options pricing model and is based on the volatility and dividend yield (if any) of the underlying stock, as well as the option's intrinsic value, its expiration date and the risk-free interest rate. Example assumes a rising stock price over time.
Source: AllianceBernstein

By Actively Managing Your Options, You Can Optimize Value



*Based on Bernstein's estimates of the range of returns for the applicable capital markets. Risk-adjusted return calculated as the median excess return over cash divided by the standard deviation of the excess return over cash; return calculated as the implied logarithmic growth rate; potential exercise considered on a monthly basis for a vested option; exercise proceeds assumed to be invested in 100% global equities.

John Talent: Active Management Makes the Difference

John Talent's Wealth After 10 Years*
(Millions)

	Median Outcome	Potential Upside	Potential Downside	Probability of Reaching Core
Passive	$9.9	$27.7	$5.3	68%
Active	$12.0	$20.5	$7.1	88%

Solution: Sell restricted stock upon vesting and exercise options when time value reaches 30% of total value

*All figures are after taxes and inflation-adjusted. **Data do not represent past performance and are not a promise of actual future results.**
Active approach: sell restricted stock upon vesting; exercise options when time value is less than 30% of total value; 60/40 allocation for liquid assets and deferred compensation; sell all existing single stock holdings.

A Cost-Efficient Formula for Building Core Capital

For optimal results, divest in order of cost of selling

■ Stock held at a loss	✓ Tax losses can be used against gains
■ Stock held in tax-deferred accounts	✓ No tax cost
■ Stock options with a time value of less than 30% of total value	✓ Near-optimal risk-adjusted return
■ Stock held at a profit, in order of lowest capital gain	✓ Can keep tax cost as low as possible

Plus: Sell all restricted stock as it vests

Source: AllianceBernstein

Case Study 2: Diversifying to Secure Core Capital

Situation

- Jane Leader, CEO, 55 years old
- Current assets: $20 million, 75% of which is company stock awards

Goals

- Retire now
- Support $450,000 annual spending in retirement

*Jane Leader and her husband are both 55. Spending is assumed to increase with inflation. Current holdings are: $5.1 million invested 60/40 ($4.5 million taxable, $600,000 retirement); $5.2 million of single stock; $1 million in deferred compensation (allocated to single stock); $1.7 million in unvested restricted stock; and $7.1 million in options (intrinsic value). Assumes annual income of $1.5 million for five years. Deferred compensation assumed to be paid out as a lump sum in five years.

Current Situation: Poor Odds for Someone Worth $20 Million

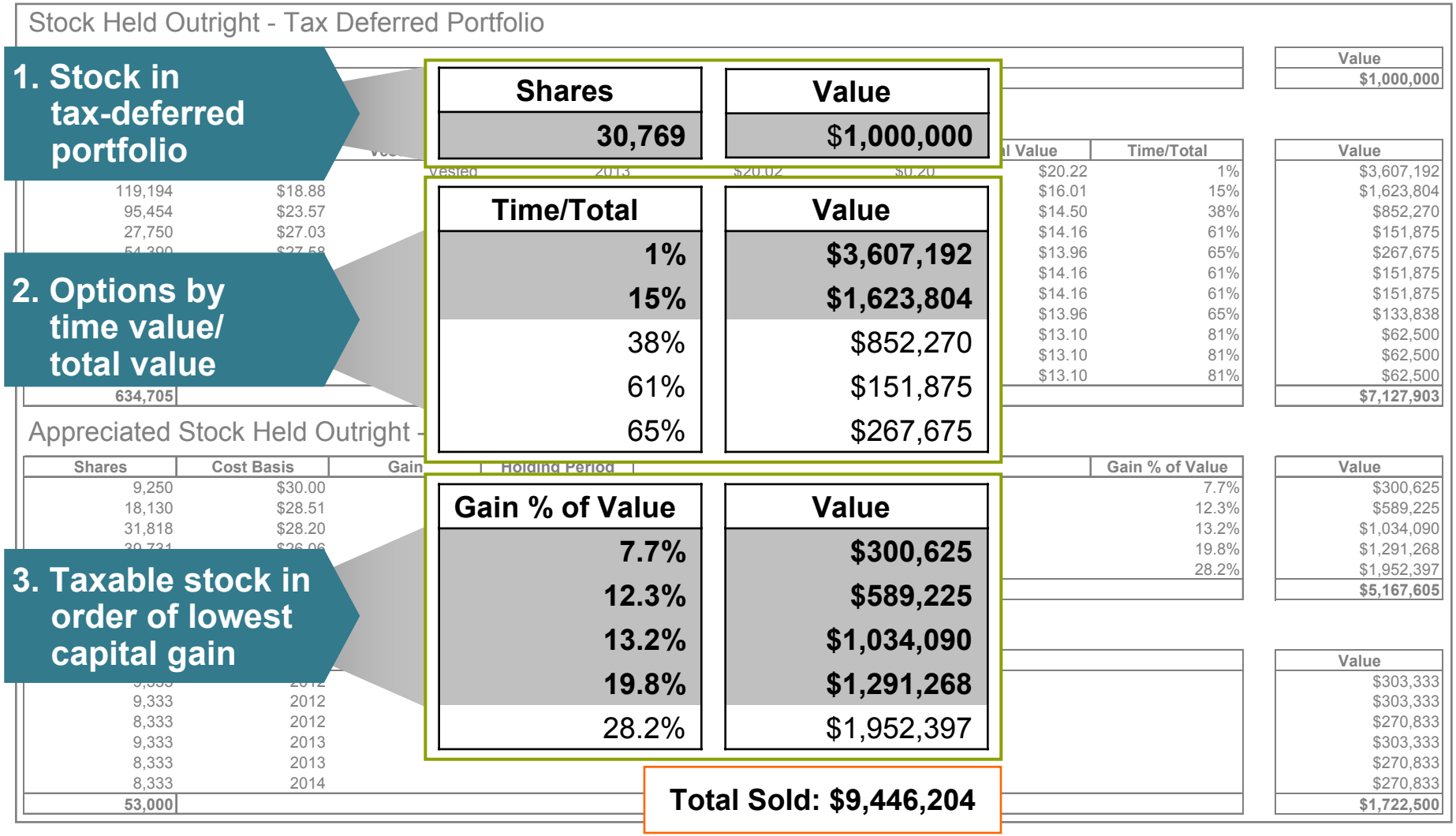
Jane Leader's Legacy Wealth*
(Millions)

	Median Outcome	Potential Upside	Potential Downside	Probability of Always Having Enough
Legacy	$22	$204	0	82%

Her portfolio is too exposed to single-stock risk

*All figures are after portfolio taxes but before estate taxes and inflation-adjusted. **Data do not represent past performance and are not a promise of actual future results.** Current: maintain allocation to single-stock in deferred compensation (to be paid out in five years), maintain single stock exposure after restricted stock vests net of taxes; and hold options until expiration. Assumes liquid holdings allocated 60/40 and current single stock maintained.

Efficient Divestiture, by Lot and Grant



Shading indicates the holdings recommended for exercise and/or sale.

A Better Outcome: Partial Diversification to Reach Core

Jane Leader's Legacy Wealth*
(Millions)

	Median Outcome	Potential Upside	Potential Downside	Probability of Always Having Enough
No Change	$22	$204	0	82%
Sell Just Enough to Reach Core	$29	$118	$5	95%
Full Diversification	$28	$83	$6	97%

*All figures are after taxes and inflation-adjusted. **Data do not represent past performance and are not a promise of actual future results.**
Sell Just Enough to Reach Core assumes: sell restricted stock upon vesting; exercise vested options when the time value is less than 30% of the total value; allocate liquid assets and deferred compensation in 60/40 portfolio; sell $3.2 million of single stock holdings; and keep $1.9 million of single stock holdings.
Sell All Holdings of Single Stock assumes: and sell restricted stock upon vesting; exercise vested options when they are in the money; allocate liquid assets and deferred compensation in 60/40 portfolio and deferred compensation; sell all single stock holdings.

Conclusion: Managing Stock-Based Compensation

- Stock-based compensation demands an active approach to managing awards
- A “core and excess” framework can increase the probability of reaching your financial goals
- Bernstein has a proprietary tool set with unique capability to help

Source: AllianceBernstein

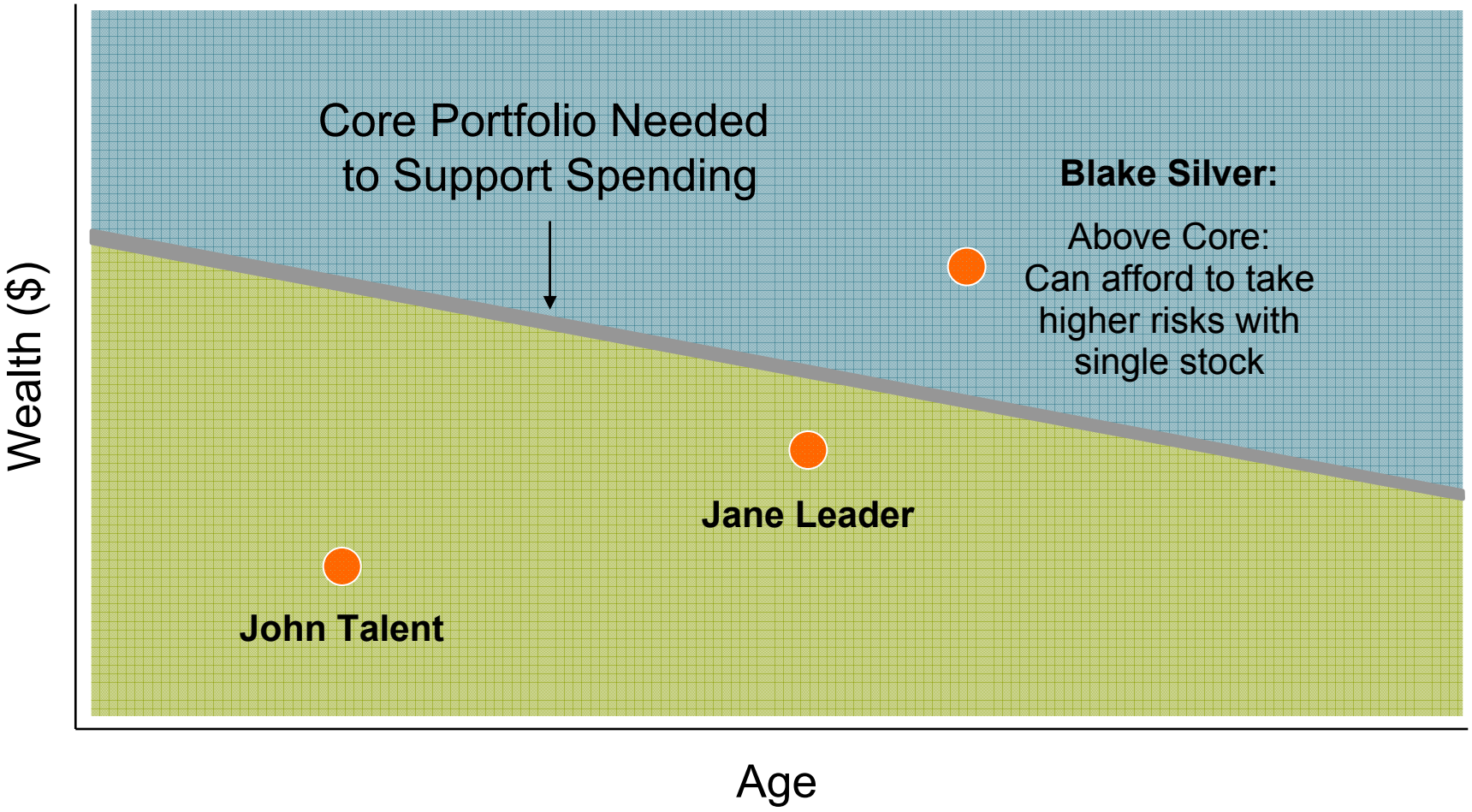
Other Ways We Can Help

- Analyzing non-qualified deferred compensation plans
- How to decide on the Net Unrealized Appreciation (NUA) election
- Strategies for exercising incentive stock options
- When to choose an 83(b) election
- Making the most of 10b5-1 plans

Source: AllianceBernstein

Appendix

What If You Are Well Above Core?



Schematic only
Source: AllianceBernstein

Case Study 3: Single Stock and Wealth Transfer

Situation

- Blake Silver, CEO, 65 years old. Core capital is $10.3 million
- Assets: $29 million, including $10 million in company stock

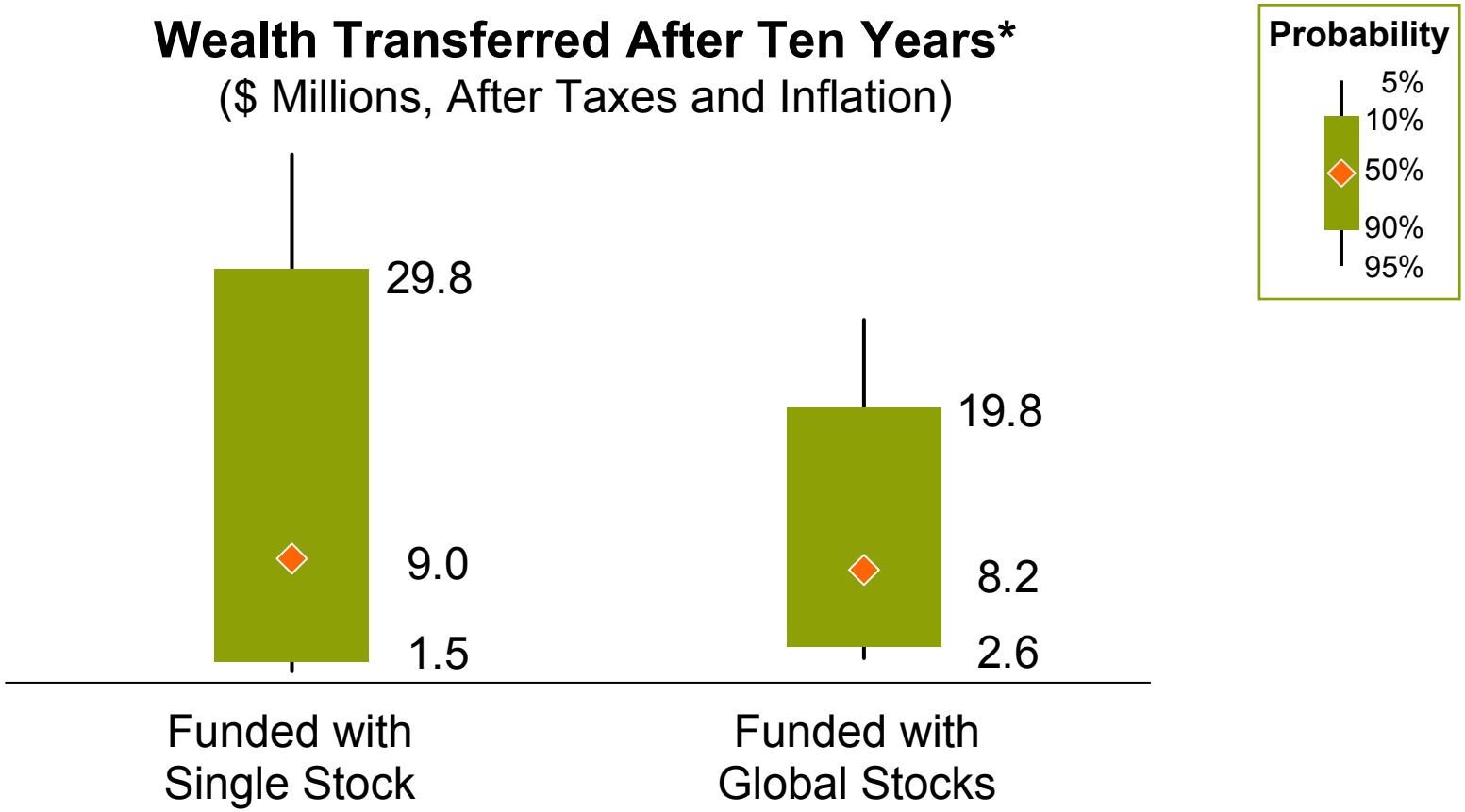
Goals

- Retire now and support $300,000 in annual spending
- Leave legacy to three children of $5 million apiece
- Leave at least $10 million to charity/Minimize estate tax

Recommendation: Put company stock in rolling short-term GRAT strategy

Silver Blake and his wife are both 65. Spending is assumed to increase with inflation. Current liquid assets total $29 million: $19 million invested 40/60 ($16 million taxable, $3 million retirement) and $10 million in single stock ($2.5 million basis).

Single Stock Lends Itself to a Rolling GRAT Strategy

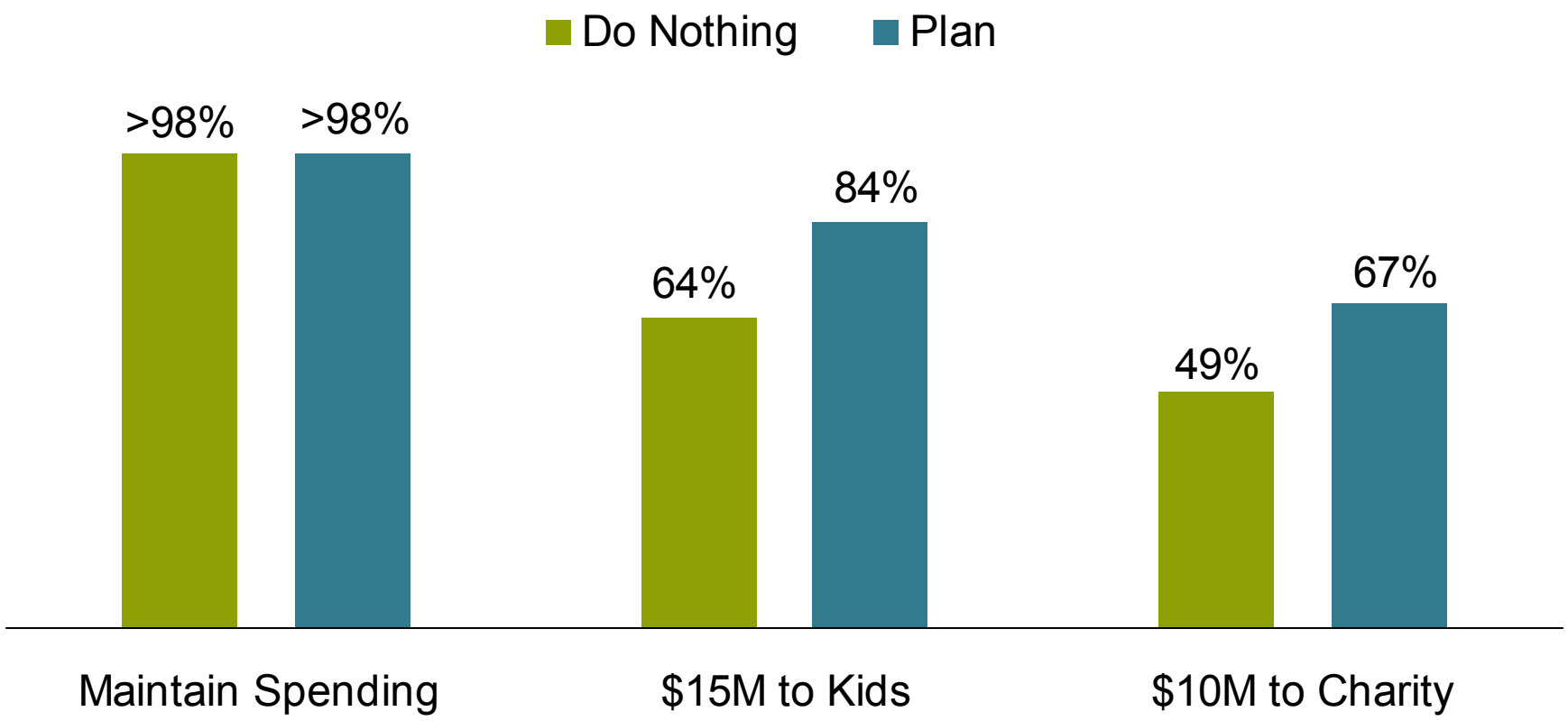


Data do not represent past performance and are not a promise of actual future results.

*Based on Bernstein's estimates of the range of returns for the applicable capital markets over the next 10 years. Assumptions: $10 million 2-year rolling GRAT strategy (global equities or single stock); GRAT remainders transferred to intentionally defective grantor trust; initial 7520 rate of 2.4%.

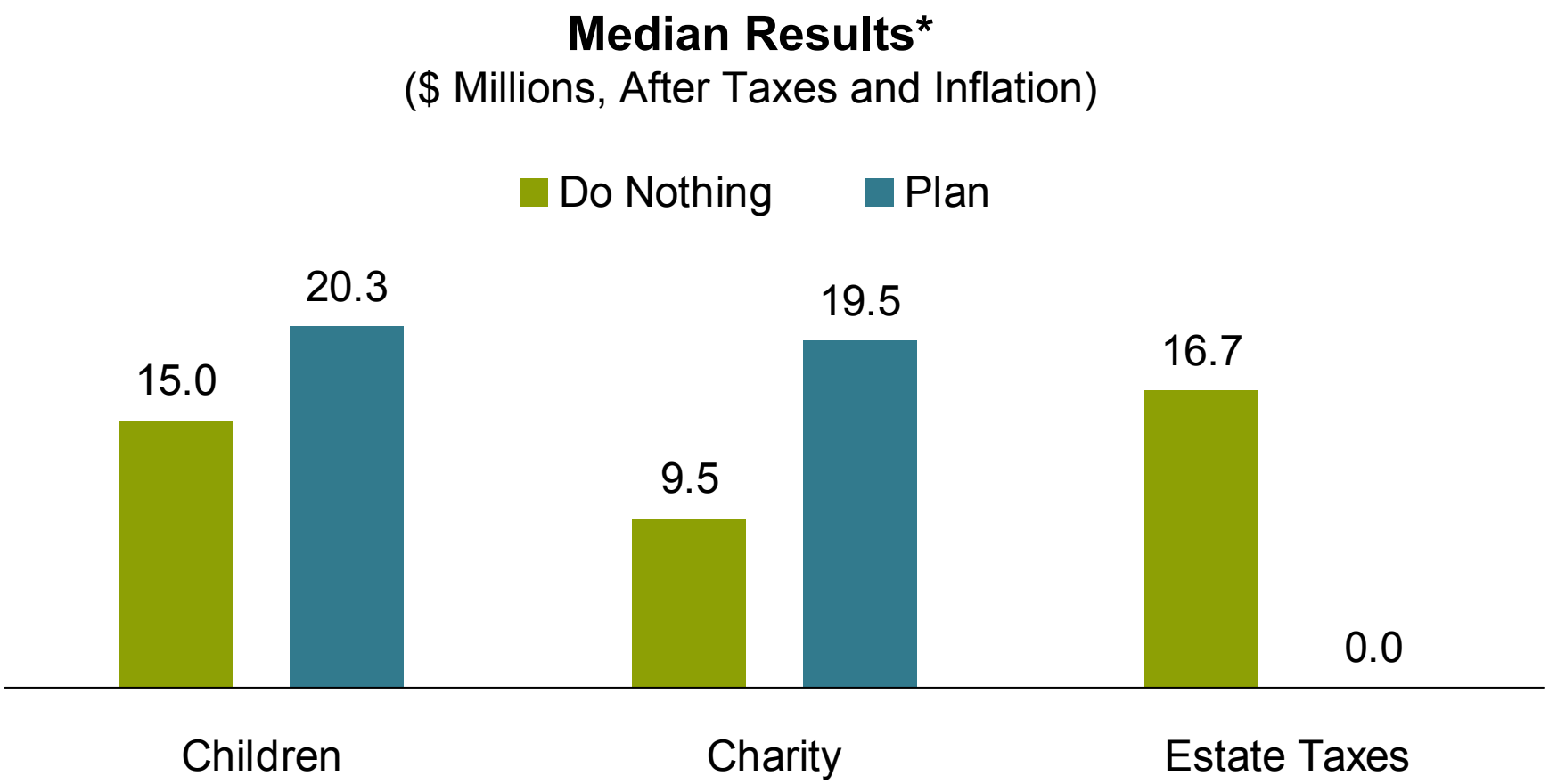
Funded with Single Stock: 100% single stock GRAT strategy (dividends invested in 100% global equities); $10 million global equity grantor portfolio (for taxes); grantor "swaps"' successful remainders with global equities from the personal portfolio and retains single stock exposure. Funded with Global Stocks: 100% global equity GRAT strategy; $10 million global equity grantor portfolio (for taxes)

The Result: Greater Probability of Achieving Goal



Data do not represent past performance and are not a promise of actual future results. Based on Bernstein's estimates of the range of returns for the applicable capital markets. All figures are after taxes and inflation-adjusted.
Do Nothing: Current fact pattern maintained; first $15 million (after-estate tax) passed to children; remainder passed to charity.
Plan: Gift $2 million liquid to children; initiate $10 million 2-year rolling GRAT strategy with single stock; initial 7520 rate of 2.4%; grantor "swaps" successful remainders with global equities from the personal portfolio and retains single stock exposure. Gift and GRAT remainders held in an intentionally defective grantor trust (invested 60/40). Grantor trust status is assumed to be "turned off" if Blake's liquid portfolio falls below $5 million or the trust grows to $15 million, after the trust functions as a taxable trust.
Assumes a federal estate tax rate of 55% with a $2 million nominal exemption.
See Notes on Wealth Forecasting System at the end of this presentation for further details. All information on longevity and mortality-adjusted investment analyses in this study are based on mortality tables compiled in 2000. To reflect that high-net-worth individuals live longer than average, we subtract three years from each individual's age. Source: AllianceBernstein

Further Benefits: The Median Outcomes Are Extraordinary



***Data do not represent past performance and are not a promise of actual future results.** Based on Bernstein's estimates of the range of returns for the applicable capital markets.
Do Nothing: Current fact pattern maintained; first $15 million (after-estate tax) passed to children; remainder passed to charity.
Plan: Gift $2 million liquid to children; initiate $10 million 2-year rolling GRAT strategy with single stock; initial 7520 rate of 2.4%; grantor "swaps" successful remainders with global equities from the personal portfolio and retains single stock exposure. Gift and GRAT remainders held in an intentionally defective grantor trust (invested 60/40). Grantor trust status is assumed to be "turned off"' if Blake's liquid portfolio falls below $5 million or the trust grows to $15 million, after the trust functions as a taxable trust.
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Disclosures

Capital Market Projections

	Median 50-Year Growth Rate	Mean Annual Return	Mean Annual Income	One-Year Volatility	50-Year Annual Equivalent Volatility
Cash Equivalents	3.8%	4.2%	4.2%	0.3%	13.7%
Int.-Term Diversified Municipals	3.9	4.2	4.0	4.0	10.8
Int.-Term Taxables	5.0	5.4	6.3	4.6	13.3
Equities - U.S. Value	9.2	10.9	4.1	17.5	23.7
Equities - U.S. Growth	8.9	11.0	2.5	20.2	25.5
Equities-Diversified Int'l - Unhedged	9.5	11.7	3.6	19.9	24.5
Equities-Emerging Markets	7.7	11.9	3.4	29.5	31.9
Single Stock (Medium Vol.)	5.5	10.9	2.7	32.8	36.7
Low Vol. Single Stock	6.3	10.7	2.7	27.5	33.0
High Vol. Single Stock	4.0	11.2	2.8	41.0	41.8
Inflation	2.9	3.2	n/a	1.1	11.6

Does not represent any past performance and is not a guarantee of any future specific risk-levels or returns, or any specific range of risk-levels or returns.
Based on 10,000 simulated trials each consisting of 50-year periods.
Reflects Bernstein's estimates, and the capital market conditions of September 30, 2010.

Notes on Wealth Forecasting System

1. Purpose and Description of Wealth Forecasting Analysis

Bernstein's Wealth Forecasting Analysis[SM] is designed to assist investors in making long-term investment decisions regarding their allocation of investments among categories of financial assets. Our new planning tool consists of a four-step process: (1) Client Profile Input: the client's asset allocation, income, expenses, cash withdrawals, tax rate, risk-tolerance level, goals, and other factors; (2) Client Scenarios: in effect, questions the client would like our guidance on, which may touch on issues such as when to retire, what his/her cash-flow stream is likely to be, whether his/her portfolio can beat inflation long term, and how different asset allocations might impact his/her long-term security; (3) The Capital-Markets Engine: Our proprietary model, which uses our research and historical data to create a vast range of market returns, takes into account the linkages within and among the capital markets, as well as their unpredictability; and finally (4) A Probability Distribution of Outcomes: Based on the assets invested pursuant to the stated asset allocation, 90% of the estimated ranges of returns and asset values the client could expect to experience are represented within the range established by the 5th and 95th percentiles on "box and whiskers" graphs. However, outcomes outside this range are expected to occur 10% of the time; thus, the range does not establish the boundaries for all outcomes. Expected market returns on bonds are derived taking into account yield and other criteria. An important assumption is that stocks will, over time, outperform long bonds by a reasonable amount, although this is in no way a certainty. Moreover, actual future results may not meet Bernstein's estimates of the range of market returns, as these results are subject to a variety of economic, market, and other variables. Accordingly, the analysis should not be construed as a promise of actual future results, the actual range of future results, or the actual probability that these results will be realized.

2. Retirement Vehicles

Each retirement plan is modeled as one of the following vehicles: Traditional IRA, 401(k), 403(b), Keogh, or Roth IRA/401(k). One of the significant differences among these vehicle types is the date at which mandatory distributions commence. For traditional IRA vehicles, mandatory distributions are assumed to commence during the year in which the investor reaches the age of 70.5. For 401(k), 403(b), and Keogh vehicles, mandatory distributions are assumed to commence at the later of (i) the year in which the investor reaches the age of 70.5 or (ii) the year in which the investor retires. In the case of a married couple, these dates are based on the date of birth of the older spouse. The minimum mandatory withdrawal is estimated using the Minimum Distribution Incidental Benefit tables as published on www.irs.gov. For Roth IRA/401(k) vehicles, there are no mandatory distributions. Distributions from Roth IRA/401(k) that exceed principal will be taxed and/or penalized if the distributed assets are less than five years old and the contributor is less than 59.5 years old. All Roth 401(k) plans will be rolled into a Roth IRA plan when the investor turns 59.5 years old to avoid Minimum Distribution requirements.

3. Rebalancing

Another important planning assumption is how the asset allocation varies over time. Cash flows and cash generated from portfolio turnover are used to maintain the selected asset allocation between cash, bonds, stocks, REITs, and hedge funds over the period of the analysis. Where this is not sufficient, assets are assumed to be sold to rebalance.

4. Expenses and Spending Plans (Withdrawals)

All results are generally shown after applicable taxes and after anticipated withdrawals and/or additions, unless otherwise noted. Liquidations may result in realized gains or losses, which will have capital gains tax implications.

Notes on Wealth Forecasting System

5. Modeled Asset Classes

The following assets or indexes were used in this analysis to represent the various model classes:

Asset Class	Modeled As…	Annual Turnover Rate
Cash Equivalents	3-month Treasury bills	100%
Int.-Term Diversified Municipals	AA-rated diversified municipal bonds of 7-year maturity	30%
Int.-Term Taxables	Taxable bonds with maturity of 7 years	30%
US Value	S&P / Barra Value Index	15%
US Growth	S&P / Barra Growth Index	15%
Developed International	MSCI EAFE Unhedged	15%
Emerging Markets	MSCI Emerging Markets Index	20%
Single Stock (Medium Vol.)	Volatility: 33%; Dividend: 1.5%; Beta:1.1	0%
Low Vol. Single Stock	Volatility: 26%; Dividend: 2.8%; Beta:0.8	0%
High Vol. Single Stock	Volatility: 43%; Dividend: 0.7%; Beta:1.6	0%

6. Volatility

Volatility is a measure of dispersion of expected returns around the average. The greater the volatility, the more likely it is that returns in any one period will be substantially above or below the expected result. The volatility for each asset class used in this analysis is listed on the Capital Markets Projections page at the end of these Notes. In general, two-thirds of the returns will be within one standard deviation. For example, assuming that stocks are expected to return 8.0% on a compounded basis and the volatility of returns on stocks is 17.0%, in any one year it is likely that two-thirds of the projected returns will be between (8.9)% and 28.8%. With intermediate government bonds, if the expected compound return is assumed to be 5.0% and the volatility is assumed to be 6.0%, two-thirds of the outcomes will typically be between (1.1)% and 11.5%. Bernstein's forecast of volatility is based on historical data and incorporates Bernstein's judgment that the volatility of fixed income assets is different for different time periods.

7. Technical Assumptions

Bernstein's Wealth Forecasting System is based on a number of technical assumptions regarding the future behavior of financial markets. Bernstein's Capital Markets Engine is the module responsible for creating simulations of returns in the capital markets. These simulations are based on inputs that summarize the current condition of the capital markets as of September 30, 2010. Therefore, the first 12-month period of simulated returns represents the period from September 30, 2010 through September 30, 2011, and not necessarily the calendar year of 2011. A description of these technical assumptions is available on request.

8. **Tax Implications**

Before making any asset allocation decisions, an investor should review with his/her tax advisor the tax liabilities incurred by the different investment alternatives presented herein, including any capital gains that would be incurred as a result of liquidating all or part of his/her portfolio, retirement-plan distributions, investments in municipal or taxable bonds, etc. Bernstein does not provide tax, legal, or accounting advice. In considering this material, you should discuss your individual circumstances with professionals in those areas before making any decisions.

Notes on Wealth Forecasting System

9. Tax Rates

Bernstein's Wealth Forecasting Analysis has used the following tax rates for this analysis:

Taxpayer	Scenario	Start Year	End Year	Federal Income Tax Rate	Federal Capital Gains Tax Rate	State Income Tax Rate	State Capital Gains Tax Rate	Tax Method Type
Client	All	2011	2060	39.6%	20.0%	6.0%	6.0%	Marginal Rate

Federal tax rates are blended with applicable state tax rates by including federal deductions for state income and capital gains taxes.

10. Stock Options and Restricted Stock Grants

It is assumed that the value of a vested non-qualified stock option equals the current fair market value of the underlying stock less the strike price. When the exercise guidelines are met, the options are immediately purchased at the supplied strike price and sold at fair market value. The resulting profits are taxed as earned income. In the event of a cash shortfall, our model assumes a 'cashless' exercise takes place. Also, an option will be automatically exercised if it is unexercised and in the money during its expiration year. Earned income tax is paid on the net gain of each option. The model for restricted stock assumes the grants are purchased at zero-cost basis and immediately sold at fair market value upon vesting. In the year of vesting, earned income tax is paid on the value of the grant.

11. Intentionally Defective Grantor Trusts (IDGTs)

The Intentionally Defective Grantor Trust (IDGT) is modeled as an irrevocable trust whose assets are treated as the grantor's for income tax purposes, but not for gift or estate tax purposes. Some income- and transfer-tax consequences associated with transfers to and the operation of an IDGT remain uncertain, and the strategy may be subject to challenge by the IRS. Hence, this technique requires substantial guidance from tax and legal advisors. The grantor may give assets to the trust, which will require using gift tax exemptions or exclusions, or paying gift taxes. The IDGT is modeled with one or more current beneficiaries, and one or more remainder beneficiaries. Distributions to the current beneficiaries are not required, but the system permits the user to structure annual distributions in a number of different ways, including 1) an amount or a percentage of fiduciary accounting income (FAI) (which may be defined to include some or all realized capital gains); 2) FAI plus some principal, expressed either as a percentage of trust assets or as a dollar amount; 3) An annuity, or fixed dollar amount, which may be increased annually by inflation, or by a fixed percentage; 4) A unitrust, or annual payment of a percentage of trust assets, based on the trust's value at the beginning of the year, or average over multiple years; or 5) any combination of the above four payout methods. Because the IDGT is modeled as a grantor trust, the system calculates all taxes on income and realized capital gains that occur in the IDGT portfolio each year, based on the grantor's tax rates and other income, and pays them from the grantor's personal portfolio. The IDGT may continue for the duration of the analysis, or the trust assets may be distributed in cash or in kind at a specific point in time or periodically to (1) a non-modeled recipient, (2) a taxable trust, or (3) a taxable portfolio for someone other than the grantor. If applicable, an installment sale to an IDGT may be modeled as a user-entered initial 'seed' gift followed by a sale of additional assets to the trust. The system will use one of two methods to repay the value of the sale assets plus interest (less any user-specified discount to the grantor): 1) user-defined payback schedule, or 2) annual interest-only payments at the applicable federal rate (AFR) appropriate for the month of sale and the term of the installment note, with a balloon payment of principal plus any unpaid interest at the end of the specified term.

Notes on Wealth Forecasting System

12. Grantor Retained Annuity Trusts

The Grantor Retained Annuity Trust (GRAT) is a wealth transfer vehicle which receives its initial funding from the grantor and transfers annuity payments to the grantor's personal portfolio each year. The annuity amounts, which are determined in advance, may be fixed (the same amount each year) or increasing (growing each year by no more than 20% of the previous year's amount). The annuity payment is made first from available cash, and then from other portfolio assets in kind. Because the GRAT is modeled as a grantor trust, the system calculates all taxes on income and realized capital gains that occur in the GRAT portfolio each year, based on the grantor's tax rates and other income, and pays them from the grantor's personal portfolio. When the GRAT term ends, the remainder, if any, may be transferred in cash or in kind (as the user specifies) to (1) a non-modeled recipient, (2) a continuing grantor trust, or (3) a taxable trust. If the remainder is transferred in kind, the assets will have carryover basis.

13. Rolling Grantor Retained Annuity Trust Strategy

The Rolling Grantor Retained Annuity Trust (GRAT) is a wealth transfer strategy which consists of a series of GRATs. Each GRAT is a wealth transfer vehicle that receives its initial funding from the grantor, and transfers annuity payments to the grantor's personal portfolio. Each year, the annuity payments from all existing GRATs are used to establish a new GRAT. The annuity amounts, which are determined in advance, may be fixed (the same amount each year) or increasing (growing each year by no more than 20% of the previous year's amount). Because the GRAT is modeled as a grantor trust, the system calculates all taxes on income and realized capital gains that occur in all GRAT portfolios each year, based on the grantor's tax rates and other income, and pays them either from the grantor's personal portfolio, or if specified, from annuity payments before funding the next GRAT. The remainders of all individual GRATs may be transferred in cash or in kind to (1) a non-modeled recipient, (2) a continuing grantor trust, (3) a taxable trust, or (4) a taxable portfolio for someone other than the grantor. In each year in which a new GRAT is to be created (aside from Year 1), we use our Capital Markets Engine to generate an IRS Section 7520 rate that is consistent with the concurrent yield curve environment. Using this rate as a discount rate, we are able to continually construct new "zeroed-out" GRATs in an ever-changing interest rate environment.

Brochure Supplement: Brian D. Wodar

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This brochure supplement provides information about your financial advisor that supplements the AllianceBernstein L.P. Investment Advisor brochure. Please contact the Chief Compliance Officer at 212-969-1000 if you did not receive AllianceBernstein L.P.'s Investment Advisor brochure or if you have any questions about the contents of this supplement.

Year of Birth

1969

Educational Background

New York University, MBA in Finance

New York University, MA in Literature

State University of New York at Albany, BA in Literature

Business Experience

Director, Wealth Management Research, Bernstein Global Wealth Management, 2000 - Present

Disciplinary Information

Nothing to report.

Other Business Activities

This advisor is a registered representative of Sanford C. Bernstein & Co., LLC ('SCB'). SCB is an SEC registered broker-dealer and FINRA member. SCB is an affiliate of AllianceBernstein L.P. and provides trade execution, clearance and custody services for the advisory clients of the Bernstein Global Wealth Management Unit.

Additional Compensation

Nothing to report.

Supervision

Supervisor: Gregory D. Singer, Director of Research, Wealth Management Group (telephone number 212-756-4320)

Supervisors in the Wealth Management Group meet with the members of the group on a regular basis to discuss their activities. Additionally, senior members of the group oversee the maintenance of the wealth forecasting tools, which are used as a basis for the investment advice provided to clients.