As filed with the Securities and Exchange Commission on July 31, 2006.

Registration No. 333-134087

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 2

to

FORM S-1
REGISTRATION STATEMENT

Under

THE SECURITIES ACT OF 1933

EVERCORE PARTNERS INC.

(Exact name of Registrant as specified in its charter)

Delaware	6199	20-4748747
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

55 East 52nd Street
43rd Floor
New York, NY 10055
Telephone: (212) 857-3100
(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

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Approximate date of commencement of the proposed sale of the securities to the public: As soon as practicable after the Registration Statement becomes effective.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. ☐

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

CALCULATION OF REGISTRATION FEE

Title Of Each Class Of Securities To Be Registered	Amount to be Registered(1)	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price(2)	Amount of Registration Fee(3)
Class A Common Stock, par value $.01 per share	4,542,500 shares	$ 20.00	$ 90,850,000	$ 9,720.95

(1) Includes 592,500 shares subject to the underwriters' option to purchase additional shares.
(2) Estimated solely for the purpose of determining the amount of the registration fee in accordance with Rule 457(a) under the Securities Act of 1933.
(3) $9,228.75 of which has been previously paid.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a)

of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion, dated July 31, 2006

PROSPECTUS

3,950,000 Shares

EVERCORE PARTNERS

Class A Common Stock

This is Evercore Partners Inc.'s initial public offering of Class A common stock. Evercore Partners Inc. is selling all of the shares in this offering.

We expect the public offering price to be between $18.00 and $20.00 per share. Currently, no public market exists for the shares. Our Class A common stock has been approved for listing on the New York Stock Exchange under the symbol "EVR".

Investing in our Class A common stock involves risks. See " Risk Factors" beginning on page 14.

	Per Share	Total
Initial public offering price	$	$
Underwriting discount	$	$
Proceeds, before expenses, to Evercore Partners Inc.	$	$

We have granted the underwriters a 30-day option to purchase up to 592,500 additional shares at the public offering price less the underwriting discount if the underwriters sell more than 3,950,000 shares of Class A common stock in this offering.

We intend to use a portion of the proceeds from this offering to repay all of our outstanding borrowings under our credit agreement. Affiliates of some of the underwriters are the lenders under our credit agreement and will, accordingly, receive the proceeds used to repay those borrowings.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Lehman Brothers, on behalf of the underwriters, expects to deliver the shares on or about , 2006.

LEHMAN BROTHERS

GOLDMAN, SACHS & CO. **JPMORGAN**

KEEFE, BRUYETTE & WOODS

FOX-PITT, KELTON

E*TRADE FINANCIAL

, 2006.

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EVERCORE PARTNERS

- Founded in 1996
- Advisory and Investment Management businesses
- 32 Senior Managing Directors*
- Offices in New York, Los Angeles, San Francisco, Mexico City and Monterrey*

Selected Advisory Transactions†

June 14, 2006 Advised CREDIT SUISSE on its pending $9.9 billion sale of winterthur	*April 3, 2006* Advised GM on its pending $7.9 billion sale of a 51% interest in GMAC	*March 5, 2006* Advised at&t on its pending $89.4 billion acquisition of BellSouth	*January 23, 2006* Advised CVS on its acquisitions of Osco Drug and Sav-on Drug as part of the $17.4 billion asset sale of Albertsons
January 16, 2006 Advised vnu on its $11.6 billion sale	*January 13, 2006* Advised tyco on its pending split-up	*October 24, 2005* Advised CENDANT on its $17.1 billion split-up	*October 3, 2005* Advised ntl: on its $8.8 billion acquisition of Telewest
January 31, 2005 Advised SBC on its $21.7 billion acquisition of AT&T	*February 17, 2004* Advised SBC on Cingular Wireless's $47.1 billion acquisition of AT&T Wireless	*July 17, 2000* Advised General Mills on its $10.5 billion acquisition of Pillsbury	*September 7, 1999* Advised CBS CORPORATION on its $40.9 billion sale

Private Equity Funds††
as of March 31, 2006

1997 **Evercore Capital Partners I** $512 million committed	*2001* **Evercore Capital Partners II** $663 million committed	*2000* **Evercore Ventures** $62 million committed	*2003* **Discovery Americas*** $68 million committed

* Gives effect to our combination with Protego Asesores prior to this offering.

† In the majority of the transactions presented, Evercore provided financial advisory services in conjunction with one or more other investment banking firms.

†† We do not consolidate these funds in our financial statements. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Financial Measures—Revenue" for a discussion of how we generate revenue from the private equity funds we manage.

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You should rely only on the information contained in this prospectus. We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus is accurate only as of the date on the front cover of this prospectus.

Through and including   , 2006 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

In this prospectus, references to "Evercore", "Evercore Partners", the "Company", "we", "us" or "our" refer (1) prior to the consummation of the reorganization into a holding company structure as described under "Organizational Structure", to Evercore Holdings, which is comprised of certain consolidated and combined entities under common ownership by Evercore's Senior Managing Directors, and (2) after such reorganization, to Evercore Partners Inc. and its subsidiaries. Unless the context otherwise requires, references to (1) "Evercore Partners Inc." refer solely to Evercore Partners Inc., a Delaware corporation, and not to any of its subsidiaries and (2) "Evercore LP" refer solely to Evercore LP, a Delaware limited partnership, and not to any of its subsidiaries. As part of the reorganization, Evercore will be combined with Protego Asesores S.A. de C.V., a Mexican *sociedad anónima de capital variable,* and its related subsidiaries, and Protego SI, S.C., a Mexican *sociedad civil* (an associated company), such entities being collectively referred to in this prospectus as "Protego", unless the context otherwise requires. Completion of the reorganization, including the combination with Protego, will occur prior to this offering.

Unless indicated otherwise, the information included in this prospectus assumes no exercise by the underwriters of the option to purchase up to an additional 592,500 shares of Class A common stock from us and that the shares of Class A common stock to be sold in this offering are sold at $19.00 per share, which is the midpoint of the price range indicated on the front cover of this prospectus.

SUMMARY

This summary highlights information contained elsewhere in this prospectus and does not contain all the information you should consider before investing in our Class A common stock. You should read this entire prospectus carefully, including the section entitled "Risk Factors" and the historical financial statements and related notes, before you decide to invest in our Class A common stock.

Evercore Partners

Evercore Partners is the leading investment banking boutique in the world, based on the dollar volume of announced worldwide merger and acquisition transactions on which we have advised since 2001. When we use the term "investment banking boutique", we mean an investment banking firm that does not underwrite public offerings of securities or engage in commercial banking activities. We provide advisory services to prominent multinational corporations on significant mergers, acquisitions, divestitures, restructurings and other strategic corporate transactions. Evercore also includes a successful investment management business through which we manage private equity funds for sophisticated institutional investors. We serve a diverse set of clients around the world from our offices in New York, Los Angeles and San Francisco.

Our senior leadership is comprised of Roger Altman, the former U.S. Deputy Treasury Secretary and Vice Chairman of The Blackstone Group; Austin Beutner, a former General Partner of The Blackstone Group; and Eduardo Mestre, the former head of Citigroup's Global Investment Bank. On May 12, 2006, we agreed to combine our business with that of Protego Asesores, a leading investment banking boutique in Mexico founded by Pedro Aspe. Following our combination with Protego, Mr. Aspe, the former Minister of Finance of Mexico, will join our management team.

From the time of our founding in 1996, we have grown by expanding the range of our advisory and investment management services. In our advisory business, we have thirteen Senior Managing Directors with expertise and client relationships in a number of industry sectors, including telecommunications, technology, media, energy, general industrial, consumer products and financial institutions. In addition, we have augmented our advisory business by adding professionals with extensive restructuring experience. In our investment management business, we have eight Senior Managing Directors with expertise and client relationships in a variety of industries. We have raised three private equity funds, with capital commitments as of March 31, 2006 of over $1.2 billion. Our revenue has grown to $125.6 million in 2005 from $46.0 million in 2001, a compound annual growth rate of 28.5%.

We have grown from three Senior Managing Directors at our inception to 25 today. With the pending Protego combination, we will add another seven Senior Managing Directors. We expect to continue our growth by hiring additional highly qualified professionals with a broad range of product and industry expertise, expanding into new geographic areas, raising additional private equity funds and diversifying our investment management services.

Advisory

Our advisory business provides confidential, strategic and tactical advice to both public and private companies, with a particular focus on large, multinational corporations. By virtue of their prominence, size and sophistication, many of our clients are more likely to require expertise relating to larger and more complex situations. We have advised on numerous noteworthy transactions, including:

- General Motors on its pending sale of a 51% interest in GMAC to an investor group
- Credit Suisse on its pending sale of Winterthur

- AT&T on its pending acquisition of BellSouth
- CVS on its acquisition of certain assets of Albertsons
- Tyco on its pending split-up
- E*Trade on its acquisitions of Harris*direct* and Brown & Co.
- SBC on its acquisition of AT&T
- General Mills on its acquisition of Pillsbury
- VNU on its sale to a private equity consortium
- Swiss Re on its acquisition of General Electric's reinsurance business
- Cendant on its split-up
- StorageTek on its sale to Sun Microsystems
- SBC on Cingular's acquisition of AT&T Wireless
- CBS on its sale to Viacom

Our approach is to work as a trusted senior advisor to top corporate officers and boards of directors, helping them determine and devise strategies for enhancing shareholder value. We believe this relationship-based approach to our advisory business gives us a competitive advantage in serving a distinct need in the market today. Furthermore, we believe our advisory business is differentiated from that of our competitors in the following respects:

- ***Objective Advice with a Long-Term Perspective.*** We seek to recommend shareholder value enhancement strategies or other financial strategies that we would pursue ourselves were we acting in management's capacity. This approach often includes advising our clients against pursuing transactions that we believe do not meet that standard.
- ***Transaction Excellence.*** Since the beginning of 2004, we have advised on more than $300 billion of announced transactions, including acquisitions, sale processes, mergers of equals, special committee advisory assignments, recapitalizations and restructurings. We have provided significant advisory services on multiple transactions for Accenture, Dow Jones, EDS, General Mills and AT&T (including a predecessor company, SBC), among others.
- ***Senior Level Attention and Experience.*** The Senior Managing Directors in our advisory business participate in all facets of client interaction, from the initial evaluation phase to the final stages of executing our recommendations. Our advisory Senior Managing Directors have, on average, more than 22 years of relevant experience.
- ***Independence and Confidentiality.*** We do not underwrite securities, publish securities research, or act as a lender. This enables us to avoid the potential conflicts that may arise from these activities at larger, more diversified competitors. In addition, we believe our commitment to discretion and the smaller size of our firm enhances our ability to provide our clients with strict confidentiality.

Our advisory business generates revenue from fees for providing advice and investment banking services on mergers, acquisitions, restructurings and other strategic transactions. In 2005 our advisory business generated $110.8 million, or 88.2%, of our revenue and earned advisory fees from 58 clients. In the first quarter of 2006 our advisory business generated $32.4 million, or 71.0%, of our revenue and earned advisory fees from 20 clients.

Investment Management

Our investment management business manages three private equity funds with aggregate capital commitments of over $1.2 billion as of March 31, 2006. Mr. Beutner is the Chief Investment Officer of Evercore and a majority of the investment team's Senior Managing Directors has worked together since 1999. Our team brings a diverse set of skills and experiences to the investment process and includes experienced investors, former senior executives from Fortune 100 companies, buy-side research analysts and strategic consultants. Our investment management business principally manages and invests capital on behalf of third parties. A broad range of institutional and high net worth investors, including corporate and public pension funds, endowments, foundations, insurance companies and family offices, have committed capital to the funds we manage. The investments made by our Evercore Capital Partners private equity funds are typically control or significant influence investments while the investments made by our Evercore Ventures private equity fund are typically minority investments.

Evercore Capital Partners I and Evercore Capital Partners II are value-oriented, middle-market private equity funds. We believe Evercore Capital Partners differentiates itself from other middle-market private equity funds by the breadth, depth, quality and stability of its investment team. As of March 31, 2006, the Evercore Capital Partners I and Evercore Capital Partners II private equity funds have invested $897.4 million in 18 companies. The funds typically hold investments for three to seven years and systematically evaluate exit opportunities. Evercore Ventures is an early stage private equity fund formed to invest in emerging technology companies in specific growth sectors. As of March 31, 2006, Evercore Ventures has invested $34.1 million in 19 companies.

We seek to generate attractive risk-adjusted returns in all of our funds by adhering to the following investment approach:

- ***Employing the Evercore Relationship Network*.** We employ the Evercore relationship network throughout the investment process to originate investments, evaluate potential opportunities thoroughly, and add value after an investment is made. We enhance the breadth and depth of our advisory relationship network with our investment management business' advisory board, in-house operating executives and the collective experience of our investment team.
- ***Value Discipline: Focus on Risk-Adjusted Returns*.** We focus on the fundamentals of the underlying business rather than relying on stock market arbitrage, future acquisitions or valuation multiple expansion to achieve returns.
- ***Focus on Post-Investment Value Creation*.** We devote considerable time and resources to working closely with the funds' portfolio companies to determine business strategy, allocate capital and other resources, evaluate expansion and acquisition opportunities and participate in implementing these plans.

Our investment management business primarily generates revenue from (1) fees earned for our management of the funds, (2) portfolio company fees, (3) incentive fees, referred to as carried interest, earned when specified financial returns are achieved over the life of a fund and (4) gains (or losses) on investments of our own capital in the funds. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Financial Measures—Revenue—Investment Management". Our investment management business generated $14.6 million, or 11.6%, of our revenue in 2005, which was comprised of $15.6 million of management and portfolio company fees and $(1.0) million of carried interest and investment losses. Our investment management business generated $13.1 million, or 28.7%, of our revenue in the first quarter of 2006, which was comprised of $8.0 million of management and portfolio company fees and $5.1 million of carried interest and investment gains.

The Evercore entities entitled to the management and portfolio company fees from the private equity funds we manage are being contributed to us as part of our reorganization prior to this offering. Accordingly, we will continue to receive these fees from all of the funds we manage following this offering. However, with the exception of a non-managing minority equity interest in the general partner of the Evercore Capital Partners II fund, the general partners of the private equity funds we currently manage and certain other entities through which Messrs. Altman and Beutner have invested capital in the Evercore Capital Partners I fund are not being contributed to us and will continue to be owned by our Senior Managing Directors and other third parties. Accordingly, following this offering we will no longer receive any carried interest from the Evercore Capital Partners I or Evercore Venture funds or any gains or losses arising from investments in those funds. However, through our equity interest in the general partner of the Evercore Capital Partners II fund, we will receive 8% to 9% (depending on the particular fund investment) of any carried interest realized from that fund following this offering, as well as gains (or losses) on investment based on the amount of capital in that fund which is contributed to, or is subsequently funded by, us. We also expect to receive a portion of the carried interest realized from any future private equity funds we manage and gains (or losses) on investment based on the amount of capital we contribute in respect of any such future fund. Please see "Unaudited Pro Forma Financial Information" for a presentation of our income and financial condition adjusted to give pro forma effect to the elimination of carried interest and investment gains or losses associated with uncontributed investments, the elimination of $19.4 million of the investments recorded on our statement of financial condition and other items.

We recently formed a traditional, institutional asset management business, Evercore Asset Management, that seeks to make value investments in small- and mid-capitalization publicly-traded companies for institutional and high net worth investors, and to manage individual client accounts for these types of sophisticated investors. See "Business—Evercore Asset Management".

Our Combination with Protego

On May 12, 2006, we agreed to combine our business with that of Protego Asesores, a leading investment banking boutique in Mexico founded by Mr. Aspe. Protego approaches its advisory business in much the same way as Evercore, by building long-standing relationships and acting as a trusted advisor to company management free from the conflicts that larger institutions may encounter.

The Protego team founded its advisory business in 1996 and currently has offices in Mexico City and Monterrey, Mexico. Protego's advisory services include mergers and acquisitions, energy project finance, sub-national public finance and infrastructure, real estate financial advisory and restructurings. Protego has advised on a number of innovative financing transactions that have had a meaningful role in developing Mexico's financial markets. For example, Protego advised on the development and financing of Cemex's power self-generation project, which was the first and largest project financing for a private project of its kind in Mexico, on the sale of HomeMart to Home Depot and on several innovative real estate transactions, including one of the largest sales of commercial property in Mexico to a group of international investors. Protego also served as advisor to the government of the State of Mexico on its $2.5 billion debt restructuring and fiscal adjustment plan. In 2003, Protego launched a private equity fund jointly with Discovery Capital Partners LLC and, in 2005, Protego formed an asset management business focused on investing in peso-denominated money market and fixed income securities for institutional and high net worth investors in Mexico.

Protego generated revenue of $19.5 million in 2005 and $3.2 million in the first quarter of 2006. On a pro forma basis giving effect to our reorganization, including our combination with Protego, revenue from Protego represented approximately 13.4% of our revenue in 2005 and 7.4% of our revenue in the first quarter of 2006. We will complete our combination with Protego prior to this offering.

Our Growth Strategy

We believe this offering will allow us to grow and diversify our advisory and investment management businesses and further enhance our profile and position. We seek to achieve these objectives through three primary strategies:

- ***Continue to Build Evercore's Advisory Team by Adding Highly Qualified Professionals with Industry and Product Expertise.*** We intend to continue to recruit high-caliber professionals into our advisory practice to add depth in industry sectors in which we believe we already have strength, to extend the reach of our advisory focus to industry sectors we have identified as particularly attractive and to further strengthen our restructuring business.

- ***Expand Into New Geographic Markets.*** We plan to expand into new geographic markets where we believe the business environment will be receptive to the strengths of our advisory and investment management business models or where our clients have or may develop a significant presence. Our combination with Protego is an important step in this strategy. In addition, we have recently entered into an agreement to acquire Braveheart Financial Services Limited, an English company which was formed to provide corporate finance and private equity advisory services in Europe. We have also recently entered into a strategic alliance with Mizuho Securities to provide joint advisory services for U.S.-Japan cross-border merger, acquisition and restructuring transactions. We may hire groups of talented professionals or pursue additional strategic acquisitions of or alliances with highly-regarded regional or local firms in new markets whose culture and operating principles are similar to ours.
- ***Raise New Private Equity Funds and Diversify Into New Investment Management Services.*** We intend to raise additional private equity funds and diversify our business into new investment management services. We are currently planning to raise a new private equity fund, Evercore Capital Partners III, and have recently formed Evercore Asset Management to offer public equity asset management services for institutional and high net worth investors.

Preliminary Results for the Second Quarter of 2006

Our combined financial statements and those of Protego for the second quarter of 2006 are not yet available. Our expectations with respect to our results and those of Protego discussed below are based upon management estimates and are subject to quarterly review procedures and final reconciliations and adjustments. Actual results may differ from these estimates, and those differences may be material.

Total Evercore revenue is estimated at $41 to $43 million in the second quarter of 2006, compared to total revenue of $14 million in the second quarter of 2005. Our Advisory segment revenue is estimated at $38 to $40 million of our revenue in the second quarter of 2006, compared to $12 million of our revenue in the second quarter of 2005. Our Investment Management segment generated approximately $2.5 to $3 million of our revenue in the second quarter of 2006, compared to $2 million of our revenue in the second quarter of 2005.

Total Evercore operating expenses are estimated at $18 to $20 million in the second quarter of 2006, compared to total operating expenses of $12 million in the second quarter of 2005.

Evercore operating income is estimated to be in the range of approximately $21 to $25 million in the second quarter of 2006, compared to operating income of $2 million in the second quarter of 2005.

Protego's revenue is estimated at $4 million in the second quarter of 2006, with estimated advisory revenue of $3 million and estimated investment management revenue of $1 million. Protego's operating expenses were estimated at $3 million in the second quarter of 2006.

The foregoing discussion of our expectations regarding our results and those of Protego for the second quarter of 2006 are not indicative of expected future results following this offering. These results do not reflect the Reorganization described in "Organizational Structure" or the additional employee compensation and benefits expense, minority interest and income taxes that we expect to record following this offering.

Evercore Partners Inc. was incorporated in Delaware on July 21, 2005. Our principal executive offices are located at 55 East 52nd Street, 43rd Floor, New York, New York 10055, and our telephone number is (212) 857-3100.

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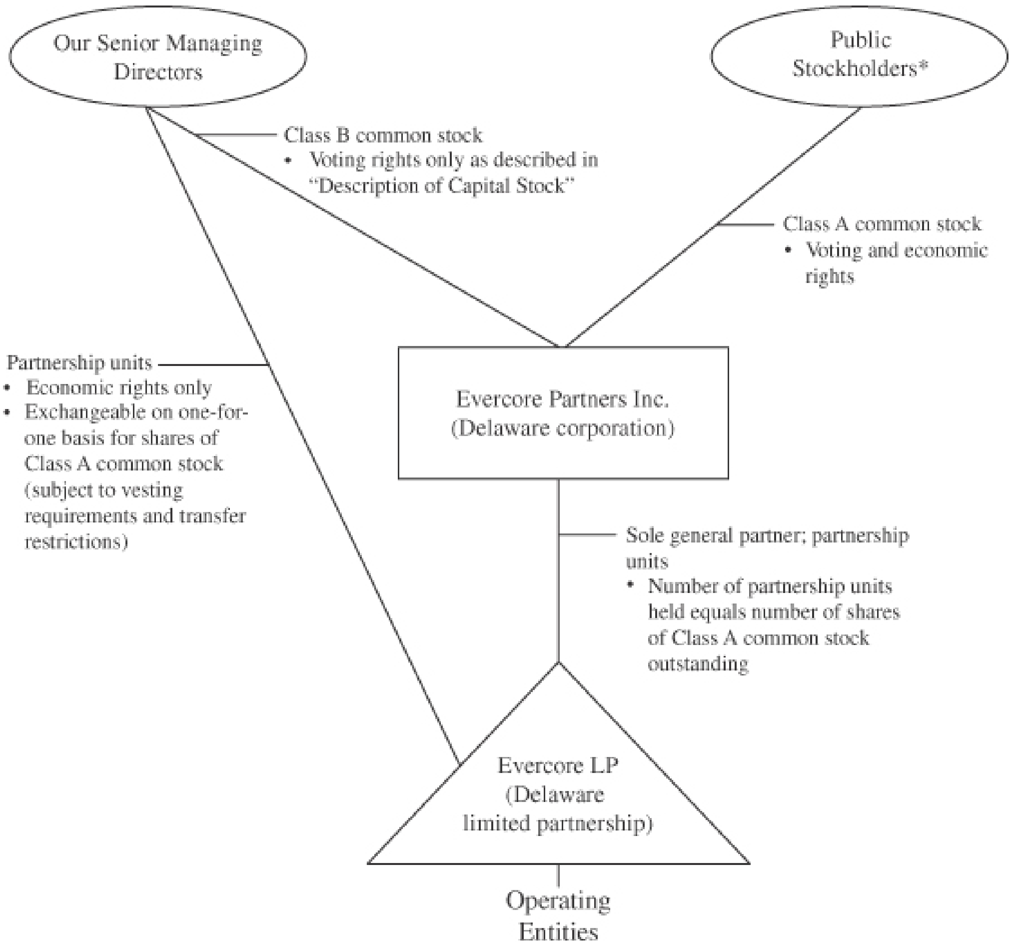
Organizational Structure

Prior to this offering we will effect the reorganization described in "Organizational Structure" beginning on page 29. Following the reorganization and this offering, Evercore Partners Inc. will be a holding company and its sole asset will be a controlling equity interest in Evercore LP. As the sole general partner of Evercore LP, Evercore Partners Inc. will operate and control all of the business and affairs of Evercore LP and, through Evercore LP and its operating entity subsidiaries, it will conduct the business conducted prior to this offering by the operating entities included in our historical combined financial statements (excluding the general partners of the private equity funds we currently manage and certain other entities through which Messrs. Altman and Beutner have invested capital in the Evercore Capital Partners I fund), as well as the business of Protego. Evercore Partners Inc. will consolidate the financial results of Evercore LP and its subsidiaries. Our Senior Managing Directors and their estate planning vehicles will be the only limited partners of Evercore LP at the time of this offering and their ownership interest in Evercore LP will be reflected as minority interest in Evercore Partners Inc.'s consolidated financial statements. The diagram below depicts our organizational structure following this offering.



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* Includes certain former stockholders of Protego

Immediately following this offering, Evercore Partners Inc. will hold partnership units in Evercore LP representing 14.7% of the total number of vested and unvested Evercore LP partnership units, or 16.6% if the underwriters exercise in full their option to purchase additional shares and our Senior Managing Directors and their estate planning vehicles will hold partnership units in Evercore LP representing 85.3% of the total number of vested and unvested Evercore LP partnership units, or 83.4% if the underwriters exercise in full their option to purchase additional shares. Accordingly, immediately following this offering public stockholders will own 14.7% of the equity in our business (or 22.9% if unvested Evercore LP partnership units are excluded) and our Senior Managing Directors will own 85.3% of the equity in our business (or 77.1% if unvested Evercore LP partnership units are excluded). If the underwriters exercise in full their option to purchase additional shares, immediately following this offering public stockholders will own 16.6% of the equity in our business (or 25.5% if unvested Evercore LP partnership units are excluded) and our Senior Managing Directors will own 83.4% of the equity in our business (or 74.5% if unvested Evercore LP partnership units are excluded). In addition, our public stockholders will have 14.7% of the voting power in Evercore Partners Inc., or 16.6% if the underwriters exercise in full their option to purchase additional shares, and Messrs. Altman, Beutner and Aspe will have 85.3% of the voting power in Evercore Partners Inc. (of which 68.1% will be held by Messrs. Altman and Beutner), or 83.4% if the underwriters exercise in full their option to purchase additional shares (of which 66.6% will be held by Messrs. Altman and Beutner).

The Offering

Class A common stock offered by Evercore Partners Inc.	3,950,000 shares.
Class A common stock outstanding immediately after the offering	4,000,000 shares (or 27,136,829 shares if all vested and unvested Evercore LP partnership units, other than those held by Evercore Partners Inc., are exchanged for newly-issued shares of Class A common stock on a one-for-one basis).
Use of proceeds	We estimate that our net proceeds from this offering, at an assumed initial public offering price of $19.00 per share and after deducting estimated underwriting discounts, commissions and offering expenses, will be approximately $62.9 million. We intend to use $30.0 million of these proceeds to repay all of our outstanding borrowings under our credit agreement, $6.05 million to repay the non-interest bearing notes to be issued as a portion of the consideration for the combination with Protego and the remainder to expand and diversify our advisory and investment management businesses and for general corporate purposes. Affiliates of Lehman Brothers Inc., J.P. Morgan Securities Inc. and Goldman, Sachs & Co. are the lenders under our credit agreement and will, accordingly, receive the proceeds used to repay those borrowings.
Voting rights	Each share of our Class A common stock will entitle its holder to one vote on all matters to be voted on by stockholders generally.
	Each limited partner of Evercore LP will be issued one or more shares of our Class B common stock. The shares of Class B common stock have no economic rights but will entitle the holder, without regard to the number of shares of Class B common stock held, to a number of votes that is determined pursuant to a formula that relates to the number of Evercore LP partnership units held by such holder. As a result of this formula, the limited partners of Evercore LP will collectively have a number of votes in Evercore Partners Inc. that is equal to the aggregate number of vested and unvested partnership units that they hold. Under the formula, until such time as Messrs. Altman, Beutner and Aspe and certain trusts benefiting their families collectively cease to beneficially own, in the aggregate, at least 90% of the Evercore LP partnership units they hold on the date of this offering, these three individuals will have all of the voting power of the Class B common stock and the other limited partners of Evercore LP will have no voting power. See “Description of Capital Stock—Class B Common Stock”.
	Holders of our Class A common stock and Class B common stock will vote together as a single class on all matters presented to our stockholders for their vote or approval, except as otherwise required by applicable law.

Dividend policy	Following this offering and subject to legally available funds, we intend to pay a quarterly cash dividend initially equal to $0.07 per share of Class A common stock, commencing with the fourth quarter of 2006. However, there is no assurance that sufficient cash will be available to pay such dividends. The declaration and payment of any future dividends will be at the sole discretion of our board of directors. Our board of directors will take into account general economic and business conditions, our financial condition and operating results, our available cash and current and anticipated cash needs, capital requirements, contractual, legal, tax and regulatory restrictions and implications on the payment of dividends by us to our stockholders or by our subsidiaries (including Evercore LP) to us, and such other factors as our board of directors may deem relevant. Evercore Partners Inc. will be a holding company and will have no material assets other than its ownership of partnership units in Evercore LP. We intend to cause Evercore LP to make distributions to Evercore Partners Inc. in an amount sufficient to cover dividends, if any, declared by us. If Evercore LP makes such distributions, our Senior Managing Directors will be entitled to receive equivalent distributions from Evercore LP on their vested partnership units.
Risk factors	See "Risk Factors" for a discussion of risks you should carefully consider before deciding to invest in our Class A common stock.
New York Stock Exchange symbol	EVR

Class A common stock outstanding and other information based thereon in this prospectus does not reflect:

- 592,500 shares of Class A common stock issuable upon exercise of the underwriters' option to purchase additional shares;
- 2,300,000 shares of Class A common stock underlying 200,000 vested and 2,100,000 unvested restricted stock units we expect to grant to our non-Senior Managing Director employees at the time of this offering. See "Management—IPO Date Restricted Stock Unit Awards." The vested restricted stock units are included in the calculation of our basic and diluted net income per share;
- 17,700,000 additional shares of Class A common stock reserved for issuance under our 2006 Stock Incentive Plan; or
- 1,181,213 shares of Class A common stock issuable as initial consideration and 590,607 to 1,181,213 additional shares of Class A common stock that may be issuable as deferred consideration as part of our acquisition of Braveheart Financial Services Limited. See "Business—Acquisition of Braveheart Financial Services Limited".

Summary Historical and Pro Forma Financial and Other Data

The following summary historical combined financial information and other data of Evercore Holdings and summary pro forma consolidated financial information of Evercore Partners Inc. should be read together with "Unaudited Pro Forma Financial Information", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the historical financial statements and related notes included elsewhere in this prospectus.

We derived the historical combined statement of income data of Evercore Holdings for each of the years ended December 31, 2003, December 31, 2004 and December 31, 2005, respectively, from our historical combined financial statements audited by Deloitte & Touche LLP which are included elsewhere in this prospectus. We derived the historical combined statement of financial condition and statement of income data of Evercore Holdings as of March 31, 2006 and for the three months ended March 31, 2005 and 2006 from our unaudited interim historical combined financial statements which are included elsewhere in this prospectus.

We derived the unaudited condensed consolidated pro forma statement of financial condition data of Evercore Partners Inc. as of March 31, 2006 and unaudited condensed consolidated pro forma statement of income data for the year ended December 31, 2005 and the three months ended March 31, 2006 by applying pro forma adjustments to our historical combined statement of financial condition data as of March 31, 2006 and our historical combined statement of income data for the year ended December 31, 2005 and the three months ended March 31, 2006. The unaudited condensed consolidated pro forma financial data present the consolidated results of operations and financial position of Evercore Partners Inc. assuming that the Reorganization described in "Organizational Structure" had been completed as of January 1, 2005 with respect to the unaudited condensed consolidated pro forma statement of income data and at March 31, 2006 with respect to the unaudited condensed consolidated pro forma statement of financial condition data.

The Evercore LP pro forma adjustments principally give effect to the following matters:

- the Formation Transaction described in "Organizational Structure", including the elimination of the financial results of the general partners of the Evercore Capital Partners I, Evercore Capital Partners II and Evercore Ventures funds and certain other entities through which Messrs. Altman and Beutner have invested capital in the Evercore Capital Partners I fund, which will not be contributed to Evercore LP, and the cash distribution of pre-offering profits to our Senior Managing Directors; and
- the Protego Combination described in "Organizational Structure", including certain purchase accounting adjustments such as the allocation of the purchase price to acquired assets and assumed liabilities.

The Evercore Partners Inc. pro forma adjustments principally give effect to the Formation Transaction and the Protego Combination described in "Organizational Structure" as well as the following matters:

- in the case of the unaudited condensed consolidated pro forma statement of income data, total compensation and benefits expenses at 50% of our total revenue, which gives effect to our policy following this offering to set our total compensation and benefits expenses at a level not to exceed 50% of our total revenue each year (excluding for purposes of this calculation, any revenue or compensation and benefits expense relating to gains or losses on investments or carried interest), and we initially expect to accrue compensation and benefits expense equal to 50% of our total revenue following this offering. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Operating Expenses—Employee Compensation and Benefits Expense";
- in the case of the unaudited condensed consolidated pro forma statement of income data, a provision for corporate income taxes at an effective tax rate of 44%, which assumes the highest statutory rates apportioned to each state, local and/or foreign tax jurisdiction and reflected net of U.S. federal tax benefit; and
- this offering and our use of a portion of the proceeds to repay debt as described in "Use of Proceeds".

The summary pro forma financial data are included for informational purposes only and should not be considered indicative of actual results that would have been achieved had these events actually been consummated on the dates indicated and do not purport to indicate results of operations as of any future date or for any future period.

	Evercore Holdings					Evercore Partners Inc. Pro Forma(a)	
	Year Ended December 31,			Three Months Ended March 31,		Year Ended December 31,	Three Months Ended March 31,
	2003	2004	2005	2005	2006	2005	2006
($ in thousands, except per share data)							
Statement of Income Data							
Revenues:							
Advisory	$ 26,302	$ 69,205	$ 110,842	$ 18,270	$ 32,397	$ 127,230	$ 34,686
Investment Management	33,568	16,967	14,584	4,120	13,108	18,415	8,781
Interest Income and Other	250	145	209	44	121	487	284
Total Revenues	60,120	86,317	125,635	22,434	45,626	146,132	43,751
Expenses:							
Employee Compensation and Benefits(b)	12,448	17,084	24,115	5,410	8,759	73,067	21,876
Other Operating Expenses	12,432	17,389	34,988	5,176	9,947	44,848	11,424
Total Operating Expenses	24,880	34,473	59,103	10,586	18,706	117,915	33,300
Other Income	—	76	—	—	—	—	—
Operating Income	35,240	51,920	66,532	11,848	26,920	28,217	10,451
Minority Interest	(9)	29	8	2	(7)	20,681	7,700
Income Before Taxes	35,249	51,891	66,524	11,846	26,927	7,536	2,751
Provision for Income Taxes(c)	905	2,114	3,372	670	979	3,984	1,454
Net Income	$ 34,344	$ 49,777	$ 63,152	$ 11,176	$ 25,948	$ 3,552	$ 1,297
Pro Forma Basic Net Income Per Share of Class A Common Stock						$ 0.85(d)	$ 0.31(d)
Pro Forma Diluted Net Income Per Share of Class A Common Stock						$ 0.85(d)	$ 0.31(d)
Pro Forma Basic Weighted Average Shares of Class A Common Stock						4,200(d)	4,200(d)
Pro Forma Diluted Weighted Average Shares of Class A Common Stock						4,200(d)	4,200(d)
($ in thousands)							
Operating Metrics							
Advisory:							
Number of Advisory Clients	35	45	58	26	20		
Advisory Senior Managing Director Headcount (as of the end of each period)	6	8	11	8	11		
Advisory Revenue per Advisory Senior Managing Director	$ 4,384	$ 8,651	$ 10,077	$ 2,284	$ 2,945		
Investment Management:							
Capital Commitments (as of the end of each period)(e)	$ 1,237,188	$ 1,237,188	$ 1,237,188	$ 1,237,188	$ 1,237,188		
Capital Invested(f)	206,823	15,076	179,509	32,820	124,969		
Gross Realized Proceeds(g)	308,050	35,087	85,488	5,422	122		
Investment Management Senior Managing Director Headcount	6	6	6	6	7		
Investment Management Revenue:							
Management and Portfolio Company Fees(h)	$ 20,846	$ 13,829	$ 15,560	$ 5,262	$ 7,992		
Carried Interest and Investment Income(i)	12,722	3,138	(976)	(1,142)	5,116		
Total Investment Management Revenue	$ 33,568	$ 16,967	$ 14,584	$ 4,120	$ 13,108		

	As of March 31, 2006		
	Evercore Holdings Historical	Evercore LP Pro Forma(a)	Evercore Partners Inc. Pro Forma(a)
($ in thousands)			
Statement of Financial Condition Data			
Total Assets	$ 73,476	$ 73,602	$ 105,477
Total Liabilities	44,772	52,530	20,530
Minority Interest	267	1,000	21,072
Members' Equity	28,437	20,072	—
Stockholder's Equity	—	—	63,875

(a) See "Unaudited Pro Forma Financial Information".

(b) Because the entities that form Evercore have been limited liability companies, partnerships or sub-chapter S entities, payments for services rendered by our Senior Managing Directors generally have been accounted for as distributions of members' capital rather than as compensation expense. Following this offering, we will include all payments for services rendered by our Senior Managing Directors in compensation and benefits expense. Accordingly, our historical operating expenses are not comparable to, and are lower than, the operating expenses we expect to incur after this offering. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Financial Measures—Operating Expenses—Employee Compensation and Benefits Expense".

(c) We have historically operated as a partnership or, in the case of certain combined subsidiaries, an S corporation, for U.S. federal income tax purposes. As a result, our income has not been subject to U.S. federal and state income taxes. Following this offering, Evercore Partners Inc. will be subject to additional entity-level taxes that will be reflected in our consolidated financial statements. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Financial Measures—Provision for Income Taxes".

(d) For the purposes of the Evercore Partners Inc. pro forma net income per share of Class A common stock calculation, the weighted average shares of Class A common stock outstanding, basic and diluted, are calculated based on:

	Year Ended December 31, 2005 Pro Forma		Three Months Ended March 31, 2006 Pro Forma	
	Basic	Diluted	Basic	Diluted
Evercore Partners Inc. Shares of Class A Common Stock	50,000	50,000	50,000	50,000
Evercore Partners Inc. Restricted Stock Units – vested	200,000	200,000	200,000	200,000
Evercore LP Partnership Units – vested(1)	—	—	—	—
New Shares from Offering	3,950,000	3,950,000	3,950,000	3,950,000
Weighted Average Shares of Class A Common Stock Outstanding	4,200,000	4,200,000	4,200,000	4,200,000

(1) 13,430,500 vested Evercore LP partnership units are not included in the calculation of Weighted Average Shares of Class A Common Stock outstanding as they are antidilutive.

Of the 23,136,829 Evercore LP partnership units to be held by parties other than Evercore Partners Inc. immediately following this offering, 13,430,500 will be fully vested and 9,706,329 will be unvested. We have concluded that at the current time it is not probable that the conditions relating to the vesting of these unvested partnership units will be achieved or satisfied and, accordingly, these unvested partnership units are not reflected as outstanding for purposes of calculating the minority interest for the economic interest in Evercore LP held by the limited partners. Any vesting of these unvested partnership units would significantly increase minority interest and reduce our net income and net income per share. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Financial Measures—Operating Expenses—Employee Compensation and Benefits Expense".

Evercore Partners Inc. pro forma basic and diluted net income per share of Class A common stock are calculated as follows:

	Year Ended December 31, 2005 Pro Forma	Three Months Ended March 31, 2006 Pro Forma
Basic and Diluted Net Income Per Share		
Net Income Available to Holders of Shares of Class A Common Stock	$ 3,552	$ 1,297
Basic and Diluted Weighted Average Shares of Class A Common Stock Outstanding	4,200,000	4,200,000
Basic and Diluted Net Income Per Share of Class A Common Stock	$ 0.85	$ 0.31

The vested Evercore LP partnership units that could potentially dilute basic net income per share were not included in the computation of diluted net income per share because to do so would have been antidilutive for the periods presented.

The shares of Class B common stock have no right to receive dividends or a distribution on liquidation or winding up of Evercore Partners Inc. The shares of Class B common stock do not share in the earnings of Evercore Partners Inc. and no earnings are allocable to such class. Accordingly, pro forma basic and diluted net income per share of Class B common stock have not been presented.

(e) Capital commitments represent the total amount that has been committed by investors to the private equity funds we manage. We closed our last fund, Evercore Capital Partners II, in 2003 and, therefore, there has been no change in capital commitments subsequent to that period.

(f) Capital invested represents the amount invested during the period by the private equity funds we manage in the portfolio companies. Capital invested varies significantly from period to period. The decrease in capital invested in 2004 reflects a decrease in investment activity during that period.

(g) Gross realized proceeds represent the amount received during the period from the disposition of, or income received from, the underlying investments made by the private equity funds we manage. Gross realized proceeds vary significantly from period to period and decreased from 2003 to 2004 due to a decrease in the number and size of investments sold by the funds during 2004.

(h) Management fees are contractually based and are derived from investment management services provided in originating, recommending and consummating investment opportunities to the private equity funds. Portfolio company fees include monitoring, director and transaction fees associated with services provided to the portfolio companies of the private equity funds we manage.

(i) Carried interest is an incentive fee earned by the general partners of the private equity funds we manage when certain financial return targets and hurdles are met. Carried interest and investment income decreased over the three year period ending in 2005 due to a decrease in the number and amount of realizations of investments and in the carrying value of portfolio investments of the private equity funds we manage. Please see “Unaudited Pro Forma Financial Information” for presentation of our results of operations adjusted to give pro forma effect to the elimination of carried interest and investment gains or losses associated with the general partners of the private equity funds we currently manage.

RISK FACTORS

An investment in our Class A common stock involves risks. You should carefully consider the following information about these risks, together with the other information contained in this prospectus, before investing in our Class A common stock.

Risks Related to Our Business

We depend on Mr. Altman, Mr. Beutner, Mr. Mestre, and other key personnel and the loss of their services would have a material adverse effect on us.

We depend on the efforts and reputations of Roger Altman, our Chairman and Co-Chief Executive Officer, Austin Beutner, our President, Co-Chief Executive Officer and Chief Investment Officer, and Eduardo Mestre, our Vice Chairman. Our senior leadership team's reputations and relationships with clients and potential clients are critical elements in expanding our businesses, and we believe our performance is strongly correlated to the performance of Messrs. Altman, Beutner and Mestre. The loss of the services of any of them would have a material adverse effect on our operations, including our ability to attract advisory clients and raise new private equity funds.

Our future success depends to a substantial degree on our ability to retain and recruit qualified personnel, including Senior Managing Directors in addition to Messrs. Altman, Beutner, and Mestre. We anticipate that it will be necessary for us to add financial professionals as we pursue our growth strategy. However, we may not be successful in our efforts to recruit and retain the required personnel as the market for qualified financial professionals is extremely competitive. Our financial professionals possess substantial experience and expertise and have direct contact with our advisory and investment management clients, which can lead to strong client relationships. As a result, the loss of these personnel could jeopardize our relationships with clients and result in the loss of client engagements. For example, if any of our Senior Managing Directors were to join or form a competing firm, some of our current clients could choose to use the services of that competitor rather than our services.

Our transition to a corporate structure may adversely affect our ability to recruit, retain and motivate our Senior Managing Directors and other key employees, which in turn could adversely affect our ability to compete effectively and to grow our business.

In connection with our transition to a corporate structure, our Senior Managing Directors may experience significant reductions in their compensation. Following this offering, we intend to use equity, equity-based incentives and other employee benefits rather than pure cash compensation to motivate and retain our Senior Managing Directors. Our compensation mechanisms as a public company may not be effective, especially if the market price of our Class A common stock declines.

In addition, we expect that our Senior Managing Directors will receive less overall compensation than they would have otherwise received prior to this offering as a result of target compensation levels following this offering. A key driver of our profitability is our ability to generate revenue while achieving our target compensation levels. Following this offering, our policy will be to set our total employee compensation and benefits expense at a level not to exceed 50% of our total revenue each year (excluding, for purposes of this calculation, any revenue or compensation and benefits expense relating to gains (or losses) on investments or carried interest), and we initially expect to accrue compensation and benefits expense equal to 50% of our total revenue following this offering. However, we may record compensation and benefits expense in excess of this percentage to the extent that such expense is incurred due to a significant expansion of our business or to any vesting of the partnership units to be received by our Senior Managing Directors in the Reorganization or the restricted stock units to be received by our non-Senior Managing Director employees at the time of this offering. Moreover, we retain the ability to change this policy in the future. As a result, our Senior Managing Directors will receive less compensation than they otherwise would have received prior to this offering and may receive less compensation than they otherwise would receive at other firms. Such a reduction in compensation (or the belief that a reduction may occur) could make it more difficult to retain our Senior Managing Directors. In addition, some current or potential Senior Managing Directors and other employees may be more attracted to the benefits of working at a private partnership and the prospects of becoming a partner at such a firm, or at one of our larger competitors.

We have experienced rapid growth over the past several years, which may be difficult to sustain and which may place significant demands on our administrative, operational and financial resources.

We expect our rapid growth to continue, which could place additional demands on our resources and increase our expenses. Our future growth will depend, among other things, on our ability to successfully identify practice groups and individuals to join our firm. It may take more than one year for us to determine whether new professionals will be profitable or effective. During that time, we may incur significant expenses and expend significant time and resources toward training, integration and business development. If we are unable to hire and retain profitable professionals, we will not be able to implement our growth strategy and our financial results may be materially adversely affected.

Sustaining growth will also require us to commit additional management, operational and financial resources to this growth and to maintain appropriate operational and financial systems to adequately support expansion. There can be no assurance that we will be able to manage our expanding operations effectively or that we will be able to maintain or accelerate our growth, and any failure to do so could adversely affect our ability to generate revenue and control our expenses.

Difficult market conditions can adversely affect our business in many ways, including by reducing the volume of the transactions involving our advisory business and reducing the value or performance of the investments made by our private equity funds, which, in each case, could materially reduce our revenue or income.

As a financial services firm, our businesses are materially affected by conditions in the global financial markets and economic conditions throughout the world. For example, revenue generated by our advisory business is directly related to the volume and value of the transactions in which we are involved. During periods of unfavorable market or economic conditions, the volume and value of mergers and acquisitions transactions may decrease, thereby reducing the demand for our advisory services and increasing price competition among financial services companies seeking such engagements. Our results of operations would be adversely affected by any such reduction in the volume or value of mergers and acquisitions transactions. In addition, in the event of a market downturn, the private equity funds that our investment management business manages also may be impacted by reduced opportunities to exit and realize value from their investments. Our profitability may also be adversely affected by our fixed costs and the possibility that we would be unable to scale back other costs within a time frame sufficient to match any decreases in revenue relating to changes in market and economic conditions. The future market and economic climate may deteriorate because of many factors beyond our control, including rising interest rates or inflation, terrorism or political uncertainty.

Our revenue and profits are highly volatile, which may make it difficult for us to achieve steady earnings growth on a quarterly basis and may cause the price of our Class A common stock to decline.

Our revenue and profits are highly volatile. We generally derive revenue from a limited number of engagements that generate significant fees at key transaction milestones, such as closing, the timing of which is outside of our control. As a result, our financial results will likely fluctuate from quarter to quarter based on the timing of when those fees are earned. It may be difficult for us to achieve steady earnings growth on a quarterly basis, which could, in turn, lead to large adverse movements in the price of our Class A common stock or increased volatility in our stock price generally.

We earn a majority of our revenue from advisory engagements, and, in many cases, we are not paid until the successful consummation of the underlying merger or acquisition transaction or restructuring. As a result, our advisory revenue is highly dependent on market conditions and the decisions and actions of our clients, interested third parties and governmental authorities. For example, a client could delay or terminate an acquisition transaction because of a failure to agree upon final terms with the counterparty, failure to obtain necessary regulatory consents or board or stockholder approvals, failure to secure necessary financing, adverse market conditions or because the target's business is experiencing unexpected operating or financial problems. Anticipated bidders for assets of a client during a restructuring transaction may not materialize or our client may not be able to restructure its operations or indebtedness due to a failure to reach agreement with its principal creditors. In these circumstances, we often do not receive any advisory fees other than the reimbursement of certain out-of-pocket expenses, despite the fact that we have devoted considerable resources to these transactions.

The timing and receipt of carried interest generated by our private equity funds is uncertain and will contribute to the volatility of our investment management revenue. Carried interest depends on our funds' investment performance and opportunities for realizing gains, which may be limited. In addition, it takes a substantial period of time to identify attractive private equity or venture capital opportunities, to raise all the funds needed to make an investment and then to realize the cash value of an investment through resale, recapitalization or other exit. Even if an investment proves to be profitable, it may be several years or longer before any profits can be realized in cash or other proceeds. We recognize revenue on investments in our funds based on our allocable share of realized and unrealized gains (or losses) reported by such funds, and a decline in realized or unrealized gain, or a realized or unrealized loss, would adversely affect our revenue, which could further increase the volatility of our quarterly results.

A general decline in the media or telecommunications sectors could have an adverse effect on our total revenue.

We generated 44.8% of our total revenue in 2005 and 21.9% of our total revenue in the first quarter of 2006 from advisory clients in the media or telecommunications sectors. Our clients in those industries continue to play an important role in the overall prospects of our business. Accordingly, the success of our business depends, at least in part, on the strength and level of economic activity in these sectors, particularly in the United States. Adverse market or economic conditions as well as a slowdown in activity in the media or telecommunications sectors could reduce the size and number of our fee engagements, which would have an adverse effect on our revenue.

Our management has identified material weaknesses in our internal control over financial reporting; failure to achieve and maintain effective internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act of 2002 could have a material adverse effect on our business and stock price.

Our internal control over financial reporting does not currently meet all the standards contemplated by Section 404 of the Sarbanes-Oxley Act that we will eventually be required to meet. Our management has identified material weaknesses in our internal control over financial reporting, as defined in the standards established by the Public Company Accounting Oversight Board. Areas of material weaknesses in our internal control over financial reporting include a lack of an enterprise-wide, executive-driven internal control environment that documents key processes related to financial reporting and the lack of a formal, regular process designed to identify key financial reporting risks. The existence of such material weaknesses may indicate a heightened risk that our annual or interim financial statements will include a material misstatement. We are in the process of addressing these material weaknesses and, over the past year, have developed and begun implementation of a plan to improve our core accounting and finance processes. Specifically, we have hired a new Chief Financial Officer, Controller, Tax Director and Senior Private Equity Financial Officer as well as other requisite staff within our finance organization. We are also in the process of expanding our in-house legal capability and have recently hired a General Counsel and are in the process of filling the Compliance Officer position responsible for Section 404 compliance. With respect to financial reporting, we are in the process of establishing appropriate internal controls and have implemented a monthly close process and routine operating metrics and established budgets and periodic forecasts. In addition, we have established a number of formal committees to ensure proper protocols regarding control performance and changes to our risk profile, and have begun documenting our policies and processes related to financial reporting and are continuing to identify key financial reporting risks, assess their potential impact, and link those risks to specific areas and activities within the organization. The steps we have taken or intend to take, however, may not remediate these material weaknesses and additional significant deficiencies, and material weaknesses in our internal control over financial reporting may be identified in the future.

Additionally, we are in the process of documenting and testing our internal control procedures to satisfy the requirements of Section 404, which requires annual management assessments of the effectiveness of our internal control over financial reporting and a report by our independent registered public accounting firm addressing these assessments. As a public company, we will be required to complete our initial assessment by the filing of our Annual Report on Form 10-K for the year ended December 31, 2007. If we are not able to implement the requirements of Section 404 in a timely manner or with adequate compliance, our independent registered public accounting firm may not be able to certify as to the adequacy of our internal control over financial reporting. This result may cause us to be unable to report on a timely basis and thereby subject us to adverse regulatory consequences, including sanctions by the Securities and Exchange Commission or violations of applicable stock exchange listing rules. There could also be a negative reaction in the financial markets due to a loss of investor confidence in the reliability of our financial statements. We could also suffer a loss of confidence in the reliability of our financial statements if our independent registered public accounting firm reports a material weakness in our internal control over financial reporting. We will incur incremental costs in order to improve our internal control over financial reporting and comply with Section 404, including increased auditing and legal fees and costs associated with hiring additional accounting and administrative staff. This could harm our operating results and lead to a decline in our stock price.

Employee misconduct, which is difficult to detect and deter, could harm us by impairing our ability to attract and retain clients and subjecting us to significant legal liability and reputational harm.

Recently, there have been a number of highly-publicized cases involving fraud or other misconduct by employees in the financial services industry, and there is a risk that our employees could engage in misconduct that adversely affects our business. For example, our advisory business often requires that we deal with confidential matters of great significance to our clients. If our employees were improperly to use or disclose confidential information provided by our clients, we could be subject to regulatory sanctions and suffer serious harm to our reputation, financial position, current client relationships and ability to attract future clients. We are also subject to a number of obligations and standards arising from our investment management business and our authority over the assets managed by our investment management business. The violation of these obligations and standards by any of our employees would adversely affect our clients and us. It is not always possible to deter employee misconduct, and the precautions we take to detect and prevent this activity may not be effective in all cases. If our employees engage in misconduct, our business would be adversely affected.

The financial services industry faces substantial litigation risks, and we may face damage to our professional reputation and legal liability if our services are not regarded as satisfactory or for other reasons.

As a financial services firm, we depend to a large extent on our relationships with our clients and our reputation for integrity and high-caliber professional services to attract and retain clients. As a result, if a client is not satisfied with our services, such dissatisfaction may be more damaging to our business than to other types of businesses. Moreover, our role as advisor to our clients on important mergers and acquisitions or restructuring transactions involves complex analysis and the exercise of professional judgment, including, if appropriate, rendering “fairness opinions” in connection with mergers and other transactions.

In recent years, the volume of claims and amount of damages claimed in litigation and regulatory proceedings against financial advisors has been increasing. Our advisory activities may subject us to the risk of significant legal liabilities to our clients and third parties, including our clients' stockholders, under securities or other laws for materially false or misleading statements made in connection with securities and other transactions and potential liability for the fairness opinions and other advice provided to participants in corporate transactions. In our investment management business, we make investment decisions on behalf of our clients that could result in substantial losses. This also may subject us to the risk of legal liabilities or actions alleging negligent misconduct, breach of fiduciary duty or breach of contract. These risks often may be difficult to assess or quantify and their existence and magnitude often remain unknown for substantial periods of time. Our engagements typically include broad indemnities from our clients and provisions designed to limit our exposure to legal claims relating to our services, but these provisions may not protect us or may not be adhered to in all cases. As a result, we may incur significant legal expenses in defending against litigation. Substantial legal liability could materially adversely affect our business, financial condition or results of operations or cause significant reputational harm to us, which could seriously harm our business.

Compliance failures and changes in regulation could adversely affect us.

Our advisory and investment management businesses are subject to regulation in the United States, including by the Securities and Exchange Commission and National Association of Securities Dealers, Inc. Our failure to comply or have complied with applicable laws or regulations could result in fines, suspensions of personnel or other sanctions, including revocation of the registration of us or any of our subsidiaries as an investment adviser or broker-dealer. Even if a sanction imposed against us or our personnel is small in monetary amount, the adverse publicity arising from the imposition of sanctions against us by regulators could harm our reputation and cause us to lose existing clients or fail to gain new advisory or investment management clients. Our broker-dealer operations are subject to periodic examination by the Securities and Exchange Commission and the National Association of Securities Dealers, Inc. We cannot predict the outcome of any such examinations.

As a result of recent highly-publicized financial scandals, investors have exhibited concerns over the integrity of the U.S. financial markets, and the regulatory environment in which we operate is subject to further regulation in addition to those rules already promulgated. We may be adversely affected as a result of new or revised legislation or regulations imposed by the Securities and Exchange Commission, other United States or foreign governmental regulatory authorities or self-regulatory organizations that supervise the financial markets. We also may be adversely affected by changes in the interpretation or enforcement of existing laws and rules by these governmental authorities and self-regulatory organizations.

In addition, some of our subsidiaries are registered as investment advisors with the Securities and Exchange Commission. Registered investment advisors are subject to the requirements and regulations of the Investment Advisers Act of 1940. Such requirements relate to, among other things, recordkeeping and reporting requirements, disclosure requirements, limitations on agency cross and principal transactions between an advisor and advisory clients, as well as general anti-fraud prohibitions.

We have recently entered into an agreement to acquire Braveheart Financial Services Limited, an English company which was formed to provide corporate finance and private equity advisory services in Europe. Braveheart is subject to regulation by the Financial Services Authority in the United Kingdom.

Further, financial services firms are subject to numerous conflicts of interest or perceived conflicts. While we have adopted various policies, controls and procedures to address or limit actual or perceived conflicts, these policies and procedures carry attendant costs and may not be adhered to by our employees. Failure to adhere to these policies and procedures may result in regulatory sanctions or client litigation.

Risks Related to Our Advisory Business

A majority of our revenue is derived from advisory fees, which are not long-term contracted sources of revenue and are subject to intense competition, and declines in our advisory engagements could have a material adverse effect on our financial condition and results of operations.

We historically have earned a substantial portion of our revenue from advisory fees paid to us by our advisory clients. These fees are typically payable upon the successful completion of a particular transaction or restructuring. Advisory services accounted for 88.2%, 80.2% and 43.7% of our revenue in 2005, 2004 and 2003, respectively and 71.0% and 81.4% of our revenue in the first quarters of 2006 and 2005, respectively.

Unlike diversified investment banks, we do not have multiple sources of revenue, such as underwriting or trading securities. We expect that we will continue to rely on advisory fees for a substantial portion of our revenue for the foreseeable future. A decline in our advisory engagements or the market for advisory services would adversely affect our business.

In addition, our advisory business operates in a highly competitive environment where typically there are no long-term contracted sources of revenue. Each revenue-generating engagement typically is separately solicited, awarded and negotiated. In addition, many businesses do not routinely engage in transactions requiring our services. As a consequence, our fee-paying engagements with many clients are not likely to be predictable and high levels of revenue in one quarter are not necessarily predictive of continued high levels of revenue in future periods. We also lose clients each year as a result of the sale or merger of a client, a change in a client's senior management, competition from other financial advisors and financial institutions and other causes. As a result, our advisory fees could decline materially due to such changes in the volume, nature and scope of our engagements.

A high percentage of our total revenue is derived from a small number of clients and the termination of any one advisory engagement could reduce our revenue and harm our operating results.

Each year, we advise a limited number of advisory clients. Our top five advisory clients accounted for over 50.2%, 51.8% and 16.4% of our total revenue in 2005, 2004 and 2003, respectively. Our largest advisory client for each of 2005, 2004 and 2003 accounted for 16.5%, 27.3% and 4.3% of our total revenue, respectively. AT&T or SBC Communications (a predecessor to AT&T) has represented in excess of 10% of our total revenue in each of the last two years. With the exception of 2004 and 2005 when our largest advisory client was the same, the composition of the group comprising our largest advisory clients varies significantly from year to year. We expect that our advisory engagements will continue to be limited to a relatively small number of clients and that an even smaller number of those clients will account for a high percentage of revenue in any particular year. As a result, our results of operations may be significantly affected by even one lost mandate or the failure of one advisory assignment to be completed.

If the number of debt defaults, bankruptcies or other factors affecting demand for our restructuring advisory services declines, or we lose business to new entrants into the restructuring advisory business that are no longer precluded from offering such services due to recent changes to the U.S. Bankruptcy Code, our restructuring advisory business' revenue could suffer.

We provide various financial restructuring and related advice to companies in financial distress or to their creditors or other stakeholders. A number of factors affect demand for these advisory services, including general economic conditions, the availability and cost of debt and equity financing and changes to laws, rules and regulations, including deregulation or privatization of particular industries and those that protect creditors.

The requirement of Section 327 of the U.S. Bankruptcy Code requiring that one be a "disinterested person" to be employed in a restructuring has recently been modified pursuant to the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005. The "disinterested person" definition of the U.S. Bankruptcy Code has historically disqualified certain of our competitors, but has not often disqualified us from obtaining a role in a restructuring because we have not been an underwriter of securities or lender. However, a recent change to the "disinterested person" definition will allow underwriters of securities to compete for restructuring engagements as well as with respect to the recruitment and retention of professionals. If our competitors succeed in being retained in new restructuring engagements, our restructuring advisory business, and thereby our results of operations, could be adversely affected.

We face strong competition from other financial advisory firms, many of which have the ability to offer clients a wider range of products and services than we can offer, which could cause us to fail to win advisory mandates and subject us to pricing pressures that could materially adversely affect our revenue and profitability.

The financial advisory industry is intensely competitive, and we expect it to remain so. We compete on the basis of a number of factors, including the quality of our employees, transaction execution, our products and services, innovation and reputation, and price. We have experienced intense competition over obtaining advisory mandates in recent years, and we may experience pricing pressures in our advisory business in the future as some of our competitors seek to obtain increased market share by reducing fees.

We also face increased competition due to a trend toward consolidation. In recent years, there has been substantial consolidation and convergence among companies in the financial services industry. In particular, a number of large commercial banks, insurance companies and other broad-based financial services firms have established or acquired broker-dealers or have merged with other financial institutions. Unlike us, many of these firms have the ability to offer a wide range of products, from loans, deposit-taking and insurance to brokerage, asset management and investment banking services, which may enhance their competitive position. They also have the ability to support investment banking, including financial advisory services, with commercial banking, insurance and other financial services revenue in an effort to gain market share, which could result in pricing pressure in our businesses.

Risks Relating to Our Investment Management Business

If the investments we make on behalf of our funds perform poorly we will suffer a decline in our investment management revenue and earnings, we may be obligated to repay certain incentive fees we have previously received to the third party investors in our funds, and our ability to raise capital for future funds may be adversely affected.

Our revenue from our investment management business is derived from fees earned for our management of the funds calculated as a percentage of the capital committed to our funds, incentive fees, or carried interest, earned when certain financial returns are achieved over the life of a fund, gains or losses on investments of our own capital in the funds and monitoring, director and transaction fees. In the event that our investments perform poorly, our investment management revenues and earnings will suffer a corresponding decline and make it more difficult for us to raise new funds in the future. To the extent that, over the life of the funds, we have received an amount of carried interest that exceeds a specified percentage of distributions made to the third party investors in our funds, we may be obligated to repay the amount of this excess to the third party investors.

Our investment management activities involve investments in relatively high-risk, illiquid assets, and we may lose some or all of the principal amount we invest in these activities or fail to realize any profits from these activities for a considerable period of time.

We have made and expect to continue to make principal investments in the Evercore Capital Partners II private equity fund and in any new private equity funds we may establish in the future. These funds generally invest in relatively high-risk, illiquid assets. Contributing capital to these funds is risky, and we may lose some or all of the principal amount of our investments.

In addition, our private equity funds invest in businesses with capital structures that have significant leverage. The leveraged capital structure of such businesses increases the exposure of the funds' portfolio companies to adverse economic factors such as rising interest rates, downturns in the economy or deteriorations in the condition of such business or its industry. If these portfolio companies default on their indebtedness, the lender may foreclose and we could lose our entire investment.

The investment management business is intensely competitive.

The investment management business is intensely competitive, with competition based on a variety of factors, including investment performance, the quality of service provided to clients, brand recognition and business reputation.

Our investment management business competes with a number of private equity and venture capital firms, traditional asset managers, commercial banks, investment banks and other financial institutions. A number of factors serve to increase our competitive risks:

- a number of our competitors have more relevant experience, greater financial and other resources and more personnel than we do;
- there are relatively few barriers to entry impeding new private equity and venture capital firms, including a relatively low cost of entering these businesses, and the successful efforts of new entrants into our various lines of business, including major banks and other financial institutions, have resulted in increased competition;
- certain investors may prefer to invest with private partnerships; and
- other industry participants will from time to time seek to recruit our investment professionals and other employees away from us.

This competitive pressure could adversely affect our ability to make successful investments and prevent us from raising any future funds, either of which would adversely impact our revenue and earnings.

The limited partners of the funds we manage may terminate their relationship with us at any time.

The limited partnership agreements of the funds we manage provide that the limited partners of each fund may terminate their relationship with us without cause with a simple majority vote of each fund's limited partners. If the limited partners of the funds we manage terminate their relationship with us, we would lose fees earned for our management of the funds and carried interest from those funds. In addition, such an event would negatively impact our ability to raise capital for future funds.

The time and attention that our Senior Managing Directors and other employees devote to monetizing the investments of the Evercore Capital Partners I and Evercore Ventures funds will not financially benefit us and may reduce the time and attention these individuals devote to our business. The time and attention that these individuals devote to managing the Evercore Capital Partners II fund may not be as profitable to us as other business activities and opportunities to which they might otherwise have devoted their time and attention.

With the exception of a non-managing equity interest in the general partner of the Evercore Capital Partners II private equity fund, the general partners of the private equity funds we currently manage are not being contributed to us and will continue to be owned by our Senior Managing Directors and other third parties. Accordingly, following this offering we will no longer receive any carried interest from the Evercore Capital Partners I or Evercore Ventures funds or any gains (or losses) arising from investments in those funds. As a result, although the Evercore Capital Partners I and Evercore Ventures funds are in their realization, or harvesting, periods, the time and attention that our Senior Managing Directors and employees devote to monetizing the investments of these funds will not financially benefit us and may reduce the time and attention these individuals devote to our business. In addition, while we will receive 8% to 9% (depending on the particular fund investment) of the carried interest realized from the Evercore Capital Partners II fund following the date of this offering, the time and attention that our Senior Managing Directors and employees devote to managing this fund may not be as profitable to us as other business activities and opportunities to which these individuals might otherwise have devoted their time and attention.

Risks Related to Our Combination with Protego

Protego depends on Mr. Aspe and other key personnel and the loss of their services would have a material adverse effect on Protego.

Protego depends on the efforts and reputation of Mr. Aspe, who, following our combination with Protego, will become our Co-Chairman. Mr. Aspe's reputation and relationship with clients and potential clients are critical elements in expanding Protego's business. The loss of his services would have a material adverse effect on Protego's operations, including its ability to attract advisory clients and market new private equity funds. Moreover, the private equity fund in which Protego participates also has a "key man" provision, which would be triggered if Mr. Aspe is no longer actively involved in the investment committee of the fund. In such an event, the fund's commitment period may be terminated upon a vote of a majority in interest of the fund's investors. If that were to occur, the fund would no longer be able to call upon its investors to provide additional cash necessary for the fund to make additional investments. In addition, if Mr. Aspe leaves the investment committee of the fund, Protego could lose a significant portion of its carried interest from such fund. In addition, Protego's financial professionals have direct contact with Protego's clients, which can lead to strong client relationships. As a result, the loss of these personnel could jeopardize Protego's relationships with its clients and result in the loss of client engagements. For example, in June 2006 one of Protego's Directors left Protego, which may adversely affect Protego's business.

Our combination with Protego may adversely affect our business, and new acquisitions or joint ventures that we may pursue could present unforeseen integration obstacles.

The process of integrating the operations of Evercore and Protego may require a disproportionate amount of resources and management attention as the combination will increase the scope, geographic diversity and complexity of our operations. Any substantial diversion of management attention or difficulties in operating the combined business could affect our ability to achieve operational, financial and strategic objectives. The unsuccessful integration of our operations with Protego may also have adverse short-term effects on reported operating results and may lead to the loss of key personnel. In addition, Protego's clients may react unfavorably to the combination of our businesses or we may be exposed to additional liabilities of the combined business, both of which could materially adversely affect our revenue and results of operations.

We may also pursue new acquisitions or joint ventures that could present integration obstacles or costs. As may be the case with our combination with Protego, we may not realize any of the benefits we anticipated from the strategy and we may be exposed to additional liabilities of any acquired business, any of which could materially adversely affect our revenue and results of operations. In addition, future acquisitions or joint ventures may involve the issuance of additional partnership units of Evercore LP or shares of our Class A common stock, which would dilute your ownership.

Adverse economic conditions in Mexico, including interest rate volatility, may result in a decrease in Protego's revenue.

Protego is a Mexican company, with all of its assets located in Mexico and most of its revenue derived from operations in Mexico. As a financial services firm, Protego's businesses are materially affected by Mexico's financial markets and economic conditions. Historically, interest rates in Mexico have been volatile, particularly in times of economic unrest and uncertainty. Mexico has had, and may continue to have, high real and nominal interest rates. The interest rates on 28-day Mexican government treasury securities averaged 9.1%, 6.8%, 6.2%

and 7.1%, for 2005, 2004, 2003 and 2002, respectively. The Mexican economy has grown at varying rates over the past decade. For example, Mexico's GDP grew at a rate of approximately 5.45% between 1996 and 2000. Between 2001 and 2003, Mexico's GDP growth rates declined to approximately -0.2% in 2001, 0.8% in 2002, and 1.4% in 2003. Mexico's GDP grew at a rate of approximately 3.0% and 4.2% in 2005 and 2004, respectively. Economic crises have been recurrent in Mexico, particularly around election years. For example, in 1976, the Mexican peso was devalued by 60.0%. In 1982, the Mexican economy entered into a period of instability marked by sustained devaluation, inflation and high interest rates following a sharp decline in oil prices. In December 1994, weeks after the new government took office, the peso was devalued and the Mexican government abandoned the semi-fixed exchange rate after its foreign reserves were depleted.

Because revenue generated by Protego's advisory business, which accounted for 84% of its revenue in 2005, is directly related to the volume and value of the transactions in which it is involved, during periods of unfavorable market or economic conditions in Mexico, the volume and value of mergers and acquisitions and other types of transactions may decrease, thereby reducing the demand for Protego's advisory services and increasing price competition among financial services companies seeking such engagements. Protego's results of operations would be adversely affected by any such reduction in the volume or value of these and similar advisory transactions.

Fluctuations in the value of the Mexican peso relative to the U.S. dollar could adversely affect Protego's revenue and expenses in U.S. dollar terms.

Approximately 64%, 18% and 29% of Protego's revenue in 2005, 2004 and 2003, respectively, and 49% of Protego's revenue in the first quarter of 2006 was derived from contracts denominated in Mexican pesos. In addition, Protego's contracts with employees and most of its suppliers are denominated in Mexican pesos. As a result, variations in the exchange rate between the Mexican peso and the U.S. dollar may affect Protego's revenue and expenses in U.S. dollars. A peso appreciation increases Protego's costs in U.S. dollar terms but has a proportionately smaller effect on revenue, reducing Protego's net income in U.S. dollar terms. Historically, the value of the peso has fluctuated considerably relative to the U.S. dollar. For example, between December 31, 2004 and December 31, 2005, the peso appreciated 4.3% relative to the U.S. dollar. If the peso appreciates in the future, it may adversely affect Protego's net income in U.S. dollar terms.

Political events in Mexico may result in disruptions to Protego's business operations and adversely affect its revenue.

The Mexican government exercises significant influence over many aspects of the Mexican economy and Mexico's financial sector is regulated. Any action by the government, including changes in the regulation of Mexico's financial sector, could have an adverse effect on the operations of Protego, especially on its asset management business.

The Mexican national elections held on July 2, 2000 ended 71 years of rule by the Institutional Revolutionary Party (*Partido Revolucionario Institucional*) with the election of President Vicente Fox Quesada, a member of the National Action Party (*Partido Acción Nacional*). According to preliminary figures provided by the Federal Electoral Institute (*Instituto Federal Electoral*), the presidential elections of July 2, 2006 gave Felipe Calderón Hinojosa, the candidate of the National Action Party, a small advantage over Andrés Manuel López Obrador, the candidate of the Democratic Revolution Party (*Partido de la Revolución Democrática*). The results of the presidential election were appealed by the two parties that received the greatest number of votes at the Electoral Court of the Federations' Judiciary Power (*Tribunal Electoral del Poder Judicial de la Federación*), which must render a verdict by September 6, 2006. It is possible that the losing candidate will not recognize his defeat. It is also possible that the courts may nullify the presidential election and call for a new one. These two scenarios may adversely affect Protego's business by creating political and economic uncertainty and adversely affecting the business environment in Mexico.

As in the past several years, no political party has, or is expected to have in the next three years as a consequence of the recently held elections, a majority in the Mexican Congress. Multi-party rule is relatively new in Mexico and could result in economic or political conditions that could cause disruptions to Protego's business. The lack of a majority party in the legislature and the lack of alignment between the legislature and the executive branch could prevent the timely implementation of economic reforms or other legislative actions, which in turn could have a material adverse effect on the Mexican economy and cause disruptions to Protego's business and decrease its revenue.

A change in state and municipal political leadership in Mexico may adversely affect Protego's business.

Protego derives a significant portion of its revenue from advisory contracts with state and local governments in Mexico. The re-election of individual officeholders is prohibited by Mexican law. State governors have six-year terms of office, and local administrations are limited to three or four years, depending on the law of their state. The term limit system may prevent Protego from maintaining relationships with the same clients in the same political positions beyond these periods. After an election takes place, there is no guarantee that Protego will be able to remain as advisors of the new government, even if the new administration is of the same political party as the previous one. Protego currently has five contracts with state and local governments, including the states of Tabasco, Michoacán, Querétaro, Sonora and Durango. Advising state and local governments in Mexico accounted for $12.6 million, or 33.3%, of Protego's advisory revenue from January 1, 2003 through December 31, 2005 and $0.4 million, or 12%, of Protego's advisory revenue in the first quarter of 2006. Of Protego's current five Mexican state public finance clients, the governor of one is leaving office in 2006, one in 2008, two in 2009 and one in 2010. Moreover, political change or instability at the state or municipal level can lead to the unexpected termination of Protego advisory contracts or the cancellation of projects in which Protego might be involved, leading to a reduction of Protego's advisory revenue.

Risks Related to Our Organizational Structure

Our only material asset after completion of this offering will be our interest in Evercore LP, and we are accordingly dependent upon distributions from Evercore LP to pay dividends and taxes and other expenses.

Evercore Partners Inc. will be a holding company and will have no material assets other than its ownership of partnership units in Evercore LP. Evercore Partners Inc. has no independent means of generating revenue. We intend to cause Evercore LP to make distributions to its partners in an amount sufficient to cover all applicable taxes payable and dividends, if any, declared by us. To the extent that Evercore Partners Inc. needs funds, and Evercore LP is restricted from making such distributions under applicable law or regulation, or is otherwise unable to provide such funds, it could materially adversely affect our liquidity and financial condition.

We will be required to pay our Senior Managing Directors for most of the benefits relating to any additional tax depreciation or amortization deductions we may claim as a result of the tax basis step-up we receive in connection with this offering and related transactions.

The Evercore LP partnership units held by our Senior Managing Directors may in the future be exchanged for shares of our Class A common stock. The exchanges may result in increases in the tax basis of the assets of Evercore LP that otherwise would not have been available. These increases in tax basis may reduce the amount of tax that we would otherwise be required to pay in the future, although the IRS may challenge all or part of that tax basis increase, and a court could sustain such a challenge.

We intend to enter into a tax receivable agreement with our Senior Managing Directors that will provide for the payment by us to our Senior Managing Directors of 85% of the amount of cash savings, if any, in U.S. federal, state and local income tax or franchise tax that we actually realize as a result of these increases in tax basis. While the actual increase in tax basis, as well as the amount and timing of any payments under this agreement, will vary depending upon a number of factors, including the timing of exchanges, the price of shares of our Class A common stock at the time of the exchange, the extent to which such exchanges are taxable, and the amount and timing of our income, we expect that, as a result of the size of the increases in the tax basis of the tangible and intangible assets of Evercore LP attributable to our interest in Evercore LP, during the expected term of the tax receivable agreement, the payments that we may make to our Senior Managing Directors could be substantial.

Although we are not aware of any issue that would cause the IRS to challenge a tax basis increase, our Senior Managing Directors will not reimburse us for any payments that may previously have been made under the tax receivable agreement. As a result, in certain circumstances we could make payments to the Senior Managing Directors under the tax receivable agreement in excess of our cash tax savings. Our ability to achieve benefits from any tax basis increase, and the payments to be made under this agreement, will depend upon a number of factors, as discussed above, including the timing and amount of our future income.

If Evercore Partners Inc. were deemed an "investment company" under the Investment Company Act of 1940 as a result of its ownership of Evercore LP, applicable restrictions could make it impractical for us to continue our business as contemplated and could have a material adverse effect on our business.

If Evercore Partners Inc. were to cease participation in the management of Evercore LP, its interest in Evercore LP could be deemed an "investment security" for purposes of the 1940 Act. Generally, a person is deemed to be an "investment company" if it owns investment securities having a value exceeding 40% of the value of its total assets (exclusive of U.S. government securities and cash items), absent an applicable exemption. Following this offering, Evercore Partners Inc. will have no material assets other than its equity interest in Evercore LP. A determination that this interest was an investment security could result in Evercore Partners Inc. being an investment company under the 1940 Act and becoming subject to the registration and other requirements of the 1940 Act.

The 1940 Act and the rules thereunder contain detailed parameters for the organization and operations of investment companies. Among other things, the 1940 Act and the rules thereunder limit or prohibit transactions with affiliates, impose limitations on the issuance of debt and equity securities, prohibit the issuance of stock options, and impose certain governance requirements. We intend to conduct our operations so that Evercore Partners Inc. will not be deemed to be an investment company under the 1940 Act. However, if anything were to happen which would cause Evercore Partners Inc. to be deemed to be an investment company under the 1940 Act, requirements imposed by the 1940 Act, including limitations on our capital structure, ability to transact business with affiliates (including us) and ability to compensate key employees, could make it impractical for us to continue our business as currently conducted, impair the agreements and arrangements between and among Evercore Partners Inc., Evercore LP or our Senior Managing Directors, or any combination thereof and materially adversely affect our business, financial condition and results of operations.

Risks Related to Our Class A Common Stock and this Offering

Control by Messrs. Altman and Beutner of the voting power in Evercore Partners Inc. may give rise to conflicts of interests.

Our certificate of incorporation provides that the holders of the shares of our Class B common stock will be entitled to a number of votes that is determined pursuant to a formula that relates to the number of Evercore LP partnership units held by such holders. Under this formula, Messrs. Altman, Beutner and Aspe will, immediately following this offering, collectively be entitled to a number of votes equal to the total number of vested and unvested partnership units of Evercore LP held by all of our Senior Managing Directors, and our other Senior Managing Directors will have no voting power in Evercore Partners Inc. Accordingly, immediately following this offering, Messrs. Altman, Beutner and Aspe, and certain trusts benefiting their families will, collectively, have 85.3% of the voting power in Evercore Partners Inc. (of which 68.1% will be held by Messrs. Altman and

Beutner), or 83.4% if the underwriters exercise in full their option to purchase additional shares (of which 66.6% will be held by Messrs. Altman and Beutner). In addition, Messrs. Altman and Beutner have agreed to vote together with respect to all matters submitted to stockholders. As a result, because Messrs. Altman and Beutner will have a majority of the voting power in Evercore Partners Inc. and our certificate of incorporation will not provide for cumulative voting, they will have the ability to elect all of the members of our board of directors and thereby to control our management and affairs, including determinations with respect to acquisitions, dispositions, borrowings, issuances of common stock or other securities, and the declaration and payment of dividends. In addition, they will be able to determine the outcome of all matters requiring stockholder approval and will be able to cause or prevent a change of control of our company or a change in the composition of our board of directors and could preclude any unsolicited acquisition of our company. The concentration of ownership could deprive our Class A stockholders of an opportunity to receive a premium for their common stock as part of a sale of our company and might ultimately affect the market price of our Class A common stock. As a result of the control exercised by Messrs. Altman and Beutner over us, none of our agreements with them have been negotiated on "arm's length" terms. We cannot assure you that we would not have received more favorable terms from an unaffiliated party.

There may not be an active trading market for shares of our Class A common stock, which may cause our Class A common stock to trade at a discount from its initial offering price and make it difficult to sell the shares you purchase.

Prior to this offering, there has been no public trading market for shares of our Class A common stock. It is possible that, after this offering, an active trading market will not develop or continue, which would make it difficult for you to sell your shares of Class A common stock at an attractive price or at all. The initial public offering price per share of our Class A common stock will be determined by agreement among us and the representative of the underwriters, and may not be indicative of the price at which the shares of our Class A common stock will trade in the public market after this offering.

The historical and pro forma financial information in this prospectus may not permit you to predict our costs of operations.

The historical financial information in this prospectus does not reflect the added costs we expect to incur as a public company or the resulting changes that will occur in our capital structure and operations. Because we have historically operated through limited liability companies, partnerships or sub-chapter S entities, payments for services rendered by our Senior Managing Directors generally have been accounted for as distributions of members' capital rather than as compensation expense. In preparing our pro forma financial information we have given effect to, among other items, the Reorganization described in "Organizational Structure", a deduction and charge to earnings of estimated taxes based on an estimated tax rate (which may be different from our actual tax rate in the future), estimated salaries, payroll taxes and benefits for our Senior Managing Directors, and the cash distribution of pre-incorporation profits to our Senior Managing Directors. The estimates we used in our pro forma financial information may not be similar to our actual experience as a public company. For more information on our historical financial information and pro forma financial information, see "Unaudited Pro Forma Financial Information", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the historical combined financial statements included elsewhere in this prospectus.

If securities analysts do not publish research or reports about our business or if they downgrade our company or our sector, the price of our Class A common stock could decline.

The trading market for our Class A common stock will depend in part on the research and reports that industry or financial analysts publish about us or our business. We do not control these analysts. Furthermore, if one or more of the analysts who do cover us downgrades our company or our industry, or the stock of any of our competitors, the price of our Class A common stock could decline. If one or more of these analysts ceases coverage of our company, we could lose visibility in the market, which in turn could cause the price of our Class A common stock to decline.

Our share price may decline due to the large number of shares eligible for future sale and for exchange.

The market price of our Class A common stock could decline as a result of sales of a large number of shares of Class A common stock in the market after the offering or the perception that such sales could occur. These sales, or the possibility that these sales may occur, also might make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate. After the consummation of this offering, we will have 4,000,000 outstanding shares of Class A common stock. This number is primarily comprised of the shares of our Class A common stock we are selling in this offering, which may be resold immediately in the public market. See “Shares Eligible for Future Sale”.

We have agreed with the underwriters not to dispose of or hedge any of our Class A common stock, subject to specified exceptions, during the period from the date of this prospectus continuing through the date 180 days after the date of this prospectus, except with the prior written consent of Lehman Brothers Inc. Subject to these agreements, we may issue and sell in the future additional shares of Class A common stock.

In addition, our Senior Managing Directors will, at the time of this offering, own an aggregate of partnership units in Evercore LP. Our amended and restated certificate of incorporation will allow the exchange of partnership units in Evercore LP (other than those held by us) for shares of our Class A common stock on a one-for-one basis, subject to customary conversion rate adjustments for stock splits, stock dividends and reclassifications. Our directors and executive officers and certain of their affiliates have agreed with the underwriters not to dispose of or hedge any of our Class A common stock, subject to specified exceptions, during the period from the date of this prospectus continuing through the date 180 days after the date of this prospectus, except with the prior written consent of Lehman Brothers Inc. After the expiration of the 180-day lock-up period, the shares of Class A common stock issuable upon exchange of the partnership units that are held by our Senior Managing Directors will be eligible for resale from time to time, subject to certain contractual and Securities Act restrictions. In addition, we expect to grant to certain of our employees an aggregate of 2,300,000 restricted stock units pursuant to the Evercore Partners Inc. 2006 Stock Incentive Plan at the time of this offering. 200,000 of these restricted stock units will be fully vested and the remaining 2,100,000 restricted stock units will be unvested and will vest upon the same conditions as the unvested partnership units of Evercore LP issued in connection with the Formation Transaction and the Protego Combination.

Our Senior Managing Directors are parties to a registration rights agreement with us. Under that agreement, after the expiration of the 180-day lock-up period, these persons will have the ability to cause us to register the shares of our Class A common stock they could acquire upon exchange of their partnership units in Evercore LP.

The market price of our Class A common stock may be volatile, which could cause the value of your investment to decline.

Securities markets worldwide experience significant price and volume fluctuations. This market volatility, as well as general economic, market or political conditions, could reduce the market price of our Class A common stock in spite of our operating performance. In addition, our operating results could be below the expectations of public market analysts and investors, and in response, the market price of our Class A common stock could decrease significantly. You may be unable to resell your shares of our Class A common stock at or above the initial public offering price.

Anti-takeover provisions in our charter documents and Delaware law could delay or prevent a change in control.

Our certificate of incorporation and by-laws may delay or prevent a merger or acquisition that a stockholder may consider favorable by permitting our board of directors to issue one or more series of preferred stock, requiring advance notice for stockholder proposals and nominations, and placing limitations on convening stockholder meetings. In addition, we are subject to provisions of the Delaware General Corporation Law that restrict certain business combinations with interested stockholders. These provisions may also discourage acquisition proposals or delay or prevent a change in control, which could harm our stock price. See “Description of Capital Stock”.

FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements, which reflect our current views with respect to, among other things, our operations and financial performance. You can identify these forward-looking statements by the use of words such as “outlook”, “believes”, “expects”, “potential”, “continues”, “may”, “will”, “should”, “seeks”, “approximately”, “predicts”, “intends”, “plans”, “estimates”, “anticipates” or the negative version of these words or other comparable words. Such forward-looking statements are subject to various risks and uncertainties. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. We believe these factors include, but are not limited to, those described under “Risk Factors”. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this prospectus. We undertake no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

ORGANIZATIONAL STRUCTURE

Formation Transaction

Our business is presently owned by our Senior Managing Directors. Pursuant to a contribution and sale agreement, dated as of May 12, 2006, our Senior Managing Directors will prior to this offering contribute to Evercore LP each of the various entities included in our historical combined financial statements, with the exception of the general partners of the Evercore Capital Partners I and II and Evercore Ventures funds and certain other entities through which Messrs. Altman and Beutner have invested capital in the Evercore Capital Partners I fund. More specifically, our Senior Managing Directors will contribute to Evercore LP all of the equity interests in:

- Evercore Group Holdings L.P. and its general partner, Evercore Group Holdings L.L.C. Evercore Group Holdings L.P. wholly owns Evercore Partners Services East L.L.C, the operating company that in turn wholly owns the advisors to the Evercore Capital Partners II and Evercore Ventures funds and certain other entities. In addition, Evercore Group Holdings L.P., through its non-managing membership in the general partner of the Evercore Capital Partners II fund, had $6.2 million of investments in and $3.7 million of commitments to that fund as of March 31, 2006;
- Evercore Advisors Inc., the advisor to the Evercore Capital Partners I fund, which will be converted into a limited liability company;
- Evercore Group L.L.C., Evercore's registered broker-dealer;
- Evercore Properties Inc., Evercore's leaseholding entity, which will be converted into a limited liability company; and
- Evercore GP Holdings L.L.C., which will become a non-managing member of the general partner of the Evercore Capital Partners II fund and will be entitled to 8% to 9% (depending on the particular fund investment) of any carried interest realized from that fund following this offering, which represents 10% of the carried interest currently allocable to our Senior Managing Directors.

In exchange for these contributions to Evercore LP, our Senior Managing Directors and certain trusts benefiting certain of their families will receive 11,670,313 vested and 9,354,967 unvested partnership units in Evercore LP. Fifty percent of these unvested partnership units will vest if Messrs. Altman, Beutner and Aspe, and trusts benefiting their families and permitted transferees, collectively, cease to beneficially own at least 90% of the aggregate Evercore LP partnership units owned by them on the date the Reorganization is affected. All of the unvested Evercore LP partnership units issued will vest upon the earliest to occur of the following events:

- when Messrs. Altman, Beutner and Aspe, and trusts benefiting their families and permitted transferees, collectively, cease to beneficially own at least 50% of the aggregate Evercore LP partnership units owned by them on the date of the partnership agreement;
- a change of control of Evercore; or
- two of Messrs. Altman, Beutner and Aspe are not employed by, or do not serve as a director of, Evercore Partners Inc. or one of its affiliates within a 10-year period following this offering.

In addition, all of the unvested Evercore LP partnership units held by a Senior Managing Director will vest if such Senior Managing Director dies or becomes disabled while in our employ.

The vested units will be reflected in our financial statements at the historical cost basis of the entities contributed. We intend to accrue for the unvested Evercore LP partnership units as compensation paid to our Senior Managing Directors in accordance with Statement of Financial Accounting Standards No. 123(R) "*Share-Based Payments*" or SFAS 123(R). The unvested Evercore LP partnership units will be charged to expense at the time a vesting event occurs or, if earlier, at the time that occurrence of an event related to the beneficial ownership, change of control or continued association conditions becomes probable or there is a change in the estimated forfeiture rate related to the death or disability condition. The expense will be based on the grant date fair value of the Evercore LP partnership units, which will be the initial public offering price of the Class A common stock into which these partnership units are exchangeable. In addition, we will distribute to our Senior Managing Directors cash and, to the extent cash is not available, notes or interests in certain accounts receivable so as to distribute to our Senior Managing Directors all earnings for the period from January 1, 2006 to the date of the closing of the contribution and sale agreement. We refer to these transactions, collectively, as the “Formation Transaction”.

Messrs. Altman and Beutner are the sole managing members of, and are vested with full management power and control over, Evercore Group Holdings L.L.C., which is the sole general partner of, and is vested with full management power and control over, Evercore Group Holdings L.P. Messrs. Altman and Beutner are also the sole managing members of Evercore Group L.L.C. and Evercore GP Holdings L.L.C and the sole stockholders of Evercore Advisors Inc. and Evercore Properties Inc. Accordingly, Messrs. Altman and Beutner control each of the entities being contributed to Evercore LP and, through their ownership of Evercore Partners Inc. Class B common stock, will hold a majority of our voting power immediately following this offering and have agreed to vote together with respect to all matters submitted to stockholders. See “Description of Capital Stock—Common Stock—Class B Common Stock.” Please see Note 1 to our historical combined financial statements included elsewhere in this prospectus for additional information regarding our present organizational structure. We will account for the Formation Transaction as an exchange between entities under common control and record the net assets and members’ equity of the contributed entities at historical cost. We will account for the unvested partnership units to be issued in the Formation Transaction as future compensation expense.

Evercore LP was formed as a Delaware limited partnership on May 12, 2006. Evercore LP has not engaged in any business or other activities except in connection with its formation and the Formation Transaction and the Protego Combination described below.

Combination with Protego

Protego’s business is presently owned by its directors and other stockholders and conducted by Protego Asesores and its subsidiaries and Protego SI. Prior to this offering, and concurrently with the Formation Transaction, we and Protego will undertake the following steps pursuant to the contribution and sale agreement, which we refer to collectively as the “Protego Combination”:

- Evercore LP will acquire Protego Asesores and its subsidiaries (including a 70% interest in Protego Casa de Bolsa, Protego’s asset management subsidiary) and Protego SI in exchange for $7.0 million aggregate principal amount of non-interest bearing notes; and
- Mr. Aspe and the other Protego Directors will become Senior Managing Directors of Evercore Partners and subscribe, collectively with certain companies they control, certain trusts benefiting their families and a trust benefiting certain Directors and employees of Protego, for 1,760,187 vested and 351,362 unvested partnership units of Evercore LP.

Of the $7.0 million in notes to be issued in consideration for the Protego Combination, $6.05 million will be payable in cash and $0.95 million will be payable in shares of our Class A common stock valued at the initial public offering price per share in this offering. Assuming an initial public offering price of $19.00 per share, we would issue 50,000 shares of Class A common stock upon repayment of such notes. In addition, Protego will distribute to its Directors cash and, to the extent cash is not available, notes or interests in certain accounts receivable so as to distribute to its Directors all earnings for the period from January 1, 2005 to the date of the closing of the contribution and sale agreement.

For U.S. GAAP and financial purposes, we will account for the vested partnership units of Evercore LP to be issued in the Protego Combination as a component of the estimated purchase price pursuant to Statement of Financial Accounting Standards No. 141 *Business Combinations*. The estimated value of the vested Evercore LP partnership units was determined by management. The estimated value of the vested Evercore LP partnership units was determined by estimating the total value of the combined entity, post Formation Transaction, including

Protego, as of the date of the contribution and sale agreement. The total value of these entities was then multiplied by the percentage ownership implied by the vested Evercore LP partnership units issued in connection with the Protego combination.

For U.S. GAAP and financial purposes, we will account for the unvested partnership units to be issued in the Protego Combination (which are subject to the same vesting provisions described above in respect of the unvested partnership units to be received by the Evercore Senior Managing Directors in the Formation Transaction) as future compensation expense and not as part of the purchase consideration. In accordance with Statement of Financial Accounting Standards No. 123R, *Share-Based Payments*, the unvested partnership units of Evercore LP will be charged to expense at the time a vesting event occurs or, if earlier, at the time a vesting event becomes probable. The expense will be based on the grant date fair value of the partnership units of Evercore LP, which will be the initial public offering price of the Class A common stock into which these partnership units are exchangeable.

Based on a preliminary valuation of the purchase price for the Protego Combination, including the $7.0 million non-interest bearing notes, the vested Evercore LP partnership units and deferred acquisition costs, the total value of the purchase price is estimated at $36.4 million.

Incorporation of Evercore Partners Inc.

Evercore Partners Inc. was incorporated as a Delaware corporation on July 21, 2005. Evercore Partners Inc. has not engaged in any business or other activities except in connection with its formation. Prior to this offering, the certificate of incorporation of Evercore Partners Inc. will be amended and restated so that it:

- authorizes two classes of common stock—Class A common stock and Class B common stock—having the terms described in “Description of Capital Stock”. The Class B common stock, shares of which will be held by limited partners of Evercore LP only, provides its holder with no economic rights but entitles the holder to a number of votes as described in “Description of Capital Stock—Common Stock—Class B common stock”; and
- entitles the limited partners of Evercore LP, subject to the vesting and transfer restriction provisions of the Evercore LP partnership agreement, to exchange their partnership units for shares of Class A common stock on a one-for-one basis, subject to customary rate adjustments for stock splits, stock dividends and reclassifications. See “Related Party Transactions—Evercore LP Partnership Agreement.”

Offering Transactions

Upon the consummation of this offering, Evercore Partners Inc. will contribute all of the proceeds from this offering to Evercore LP, and Evercore LP will issue to Evercore Partners Inc. a number of partnership units equal to the number of shares of Class A common stock that Evercore Partners Inc. has issued in connection with the Protego Combination and in this offering. In connection with its acquisition of partnership units in Evercore LP, Evercore Partners Inc. will also become the sole general partner of Evercore LP.

As a result of the Formation Transaction, the Protego Combination and the other transactions described above, which we collectively refer to as the “Reorganization”, immediately following this offering:

- Evercore Partners Inc. will become the sole general partner of Evercore LP and, through Evercore LP and its subsidiaries, operate our business, including the business of Protego;
- our Senior Managing Directors, including the former Directors of Protego, and certain companies they control, certain trusts benefiting certain of their families and a trust benefiting certain Directors and employees of Protego will hold 100 shares of our Class B common stock and 23,136,829 partnership units in Evercore LP and Evercore Partners Inc. will hold 4,000,000 partnership units in Evercore LP (or 4,592,500 partnership units in Evercore LP if the underwriters exercise in full their options to purchase additional shares);

- our public stockholders (including certain former stockholders of Protego who will receive $0.95 million payable in shares of our Class A common stock as described above under "—Combination with Protego") will collectively own 4,000,000 shares of Class A common stock (or 4,592,500 shares if the underwriters exercise in full their option to purchase additional shares); and
- our public stockholders will collectively have 14.7% of the voting power in Evercore Partners Inc. (or 16.6% if the underwriters exercise in full their option to purchase additional shares) and, through their holdings of our Class B common stock, Messrs. Altman, Beutner and Aspe will have 85.3% of the voting power in Evercore Partners Inc., of which 68.1% will be held by Messrs. Altman and Beutner (or 83.4% if the underwriters exercise in full their option to purchase additional shares, of which 66.6% will be held by Messrs. Altman and Beutner). See "Description of Capital Stock".

Under the terms of the Evercore LP partnership agreement, all of the partnership units received by our Senior Managing Directors in the Formation Transaction and subscribed for by the Directors of Protego in the Protego Combination will be subject to restrictions on transfer and exchange, and 66 $^{2}/_{3}$% of the partnership units received by our Senior Managing Directors other than Mr. Altman, Mr. Beutner and Mr. Aspe will, with specified exceptions, be subject to forfeiture and re-allocation to other Senior Managing Directors (or, in the event that there are no eligible Senior Managing Directors, to forfeiture and cancellation) if the Senior Managing Director ceases to be employed by us prior to the occurrence of specified vesting events. All of the partnership units received in the Formation Transaction and the Protego Combination by Mr. Altman, Mr. Beutner and Mr. Aspe, and 33 $^{1}/_{3}$% of the partnership units received by our other Senior Managing Directors, will be fully vested as of the date of issuance. See "Related Party Transactions—Evercore LP Partnership Agreement".

Holding Company Structure

Evercore Partners Inc. will be a holding company and its sole asset will be a controlling equity interest in Evercore LP. As the sole general partner of Evercore LP, Evercore Partners Inc. will operate and control all of the business and affairs of Evercore LP. Through Evercore LP, we will continue to conduct the business conducted prior to this offering by Evercore LP's operating subsidiaries, including the business of Protego. Evercore Partners Inc. will consolidate the financial results of Evercore LP and its subsidiaries and the ownership interest of our Senior Managing Directors in Evercore LP will be reflected as a minority interest in Evercore Partners Inc.'s consolidated financial statements.

Pursuant to the partnership agreement of Evercore LP, Evercore Partners Inc. has the right to determine when distributions will be made to the partners of Evercore LP and the amount of any such distributions. If Evercore Partners Inc. authorizes a distribution, such distribution will be made to the partners of Evercore LP (1) in the case of a tax distribution (as described below), to the holders of vested partnership units in proportion to the amount of taxable income of Evercore LP allocated to such holder and (2) in the case of other distributions, pro rata in accordance with the percentages of their respective vested partnership interests. Evercore Partners Inc. may, however, authorize a distribution to the partners of Evercore LP who hold vested and unvested units in accordance with the percentages of their respective vested and unvested partnership interests in the event of an extraordinary dividend, refinancing, restructuring or similar transaction.

The holders of partnership units in Evercore LP, including Evercore Partners Inc., will incur U.S. federal, state and local income taxes on their proportionate share of any net taxable income of Evercore LP. Net profits and net losses of Evercore LP will generally be allocated to its partners (including Evercore Partners Inc.) pro rata in accordance with the percentages of their respective partnership interests. Because Evercore Partners Inc. will own 14.7% of the total partnership units in Evercore LP (or 16.6% if the underwriters exercise in full their option to purchase additional shares), Evercore Partners Inc. will be allocated 14.7% of the net profits and net losses of Evercore LP (or 16.6% if the underwriters exercise in full their option to purchase additional shares). The remaining net profits and net losses will be allocated to the limited partners of Evercore LP. These percentages are subject to change, including upon an exchange of partnership units to shares of our Class A common stock and upon issuance of additional shares to the public. The partnership agreement will provide for cash distributions to the holders of vested partnership units of Evercore LP if Evercore Partners Inc. determines that the taxable income of Evercore LP will give rise to taxable income for its partners. In accordance with the partnership agreement, we intend to cause Evercore LP to make cash distributions to the holders of vested partnership units of Evercore LP for purposes of funding their tax obligations in respect of the income of Evercore LP that is allocated to them. Generally, these tax distributions will be computed based on our estimate of the net taxable income of Evercore LP allocable to such holder of vested partnership units multiplied by an assumed tax rate equal to the highest effective marginal combined U.S. federal, state and local income tax rate prescribed for an individual or corporate resident in New York, New York (taking into account the nondeductibility of certain expenses and the character of our income). If we had effected the Reorganization on January 1, 2005, the assumed effective tax rate for 2005 would have been approximately 44%.

After this offering, Evercore LP also intends to make distributions to Evercore Partners Inc. in order to fund any dividends Evercore Partners Inc. may declare on the Class A common stock. If Evercore Partners Inc. declares such dividends, our Senior Managing Directors will be entitled to receive equivalent distributions pro rata based on their partnership interests in Evercore LP, although these individuals will not be entitled to receive any such dividend-related distributions in respect of unvested partnership units.

USE OF PROCEEDS

We estimate that our net proceeds from this offering, at an assumed initial public offering price of $19.00 per share and after deducting estimated underwriting discounts, commissions and offering expenses, will be approximately $62.9 million, or $73.3 million if the underwriters exercise in full their option to purchase additional shares. A $1.00 increase (decrease) in the assumed initial public offering price of $19.00 per share would increase (decrease) the net proceeds to us from this offering by $3.7 million, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and estimated expenses payable by us. We intend to use $30 million of these proceeds to repay all of our outstanding borrowings under our credit agreement, $6.05 million to repay the non-interest bearing notes to be issued as a portion of the consideration for the Protego Combination and the remaining $26.8 million to expand and diversify our advisory and investment management businesses and for general corporate purposes. Pending specific application of the net proceeds, we expect to use the net proceeds to purchase U.S. Government securities, other short-term, highly-rated debt securities and money market funds.

Our credit agreement is a 364-day $30.0 million revolving line of credit that matures on the earlier of the consummation of this offering and December 31, 2006. As of July 31, 2006, we had outstanding borrowings of $30.0 million under our credit agreement bearing interest at a weighted average rate of 7.4%. Proceeds from these borrowings have been used for working capital purposes including funding of our ongoing investment management activities.

Affiliates of Lehman Brothers Inc., J.P. Morgan Securities Inc. and Goldman, Sachs & Co. are the lenders under our credit agreement and will, accordingly, indirectly receive the proceeds used to repay those borrowings.

DIVIDEND POLICY

Following this offering and subject to legally available funds, we intend to pay a quarterly cash dividend initially equal to $0.07 per share of Class A common stock, commencing with the fourth quarter of 2006. The declaration and payment of any future dividends will be at the sole discretion of our board of directors. Our board of directors will take into account:

- general economic and business conditions;
- our financial condition and operating results;
- our available cash and current and anticipated cash needs;
- capital requirements;
- contractual, legal, tax and regulatory restrictions and implications on the payment of dividends by us to our stockholders or by our subsidiaries (including Evercore LP) to us; and
- such other factors as our board of directors may deem relevant.

Evercore Partners Inc. will be a holding company and will have no material assets other than its ownership of partnership units in Evercore LP. We intend to cause Evercore LP to make distributions to Evercore Partners Inc. in an amount sufficient to cover dividends, if any, declared by us. If Evercore LP makes such distributions, our Senior Managing Directors will be entitled to receive equivalent distributions from Evercore LP on their vested partnership units.

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CAPITALIZATION

The following table sets forth our capitalization as of March 31, 2006:

- on a historical basis for Evercore Holdings;
- on a pro forma basis for Evercore LP giving effect to the Formation Transaction and the Protego Combination described in "Organizational Structure"; and
- on a pro forma basis for Evercore Partners Inc. giving effect to the Formation Transaction and Protego Combination described in "Organizational Structure", including the issuance of $0.95 million of shares of Class A common stock, as well as to:
  - the issue and sale by Evercore Partners Inc. of 3,950,000 shares of Class A common stock in this offering, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us in this offering and our use of a portion of the proceeds to repay debt as described in "Use of Proceeds"; and
  - the acquisition by Evercore Partners Inc. of a number of newly issued partnership units of Evercore LP equivalent to the number of shares of its Class A common stock outstanding.

You should read this table together with the other information contained in this prospectus, including "Organizational Structure", "Unaudited Pro Forma Financial Information", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our combined financial statements and related notes included elsewhere in this prospectus.

	March 31, 2006		
($ in thousands, except par value)	**Evercore Holdings Historical**	**Evercore LP Pro Forma**	**Evercore Partners Inc. Pro Forma as Adjusted**
Short-Term Debt (secured)	$25,000	$ 25,000	$ —
Capital Leases	371	371	371
Notes Payable	—	7,000	—
Minority Interest	267	1,000	21,072
Members' Capital	28,233	19,868	—
Class A Common Stock, par value $0.01 per share, 1,000,000,000 shares authorized; 4,000,000 shares issued and outstanding on a pro forma as adjusted basis	—	—	40
Class B Common Stock, par value $0.01 per share, 1,000,000 shares authorized; 100 shares issued and outstanding on a pro forma as adjusted basis	—	—	0
Restricted Stock Units, 200,000 restricted stock units issued and outstanding on a pro forma as adjusted basis	—	—	3,800
Additional Paid-in-Capital (1)	—	—	63,835
Accumulated Other Comprehensive Income	204	204	—
Total Capitalization (1)	$54,075	$ 53,443	$ 89,118

(1) A $1.00 increase (decrease) in the assumed initial public offering price of $19.00 per share would increase (decrease) each of additional paid-in-capital and total capitalization by $3.7 million, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and estimated expenses payable by us.

DILUTION

If you invest in our Class A common stock, your interest will be diluted to the extent of the difference between the initial public offering price per share of our Class A common stock and the pro forma net tangible book value per share of our Class A common stock after this offering. Dilution results from the fact that the per share offering price of the Class A common stock is substantially in excess of the book value per share attributable to the existing equity holders.

Our pro forma net tangible book deficit as of March 31, 2006 was approximately $(13.6 million), or $(1.01) per share of our Class A common stock. Pro forma net tangible book value represents the amount of total tangible assets less total liabilities, after giving effect to the Formation Transaction and the Protego Combination, and pro forma net tangible book value per share represents pro forma net tangible book value divided by the number of shares of Class A common stock outstanding, after giving effect to the Formation Transaction and the Protego Combination and assuming that all of the limited partners of Evercore LP exchanged their vested partnership units for newly-issued shares of our Class A common stock on a one-for-one basis.

After giving effect to the sale of 3,950,000 shares of Class A common stock in this offering at an assumed initial public offering price of $19.00 per share, the midpoint of the price range on the cover of this prospectus, our pro forma net tangible book value would have been $30.2 million, or $1.73 per share. This represents an immediate increase in net tangible book value (or a decrease in net tangible book deficit) of $2.74 per share to existing equityholders and an immediate dilution in net tangible book value of $17.27 per share to new investors.

The following table illustrates this dilution on a per share basis assuming the underwriters do not exercise their option to purchase additional shares:

Assumed Initial Public Offering Price Per Share		$ 19.00
Pro Forma Net Tangible Book Deficit Per Share as of March 31, 2006	(1.01)	
Increase in Pro Forma Net Tangible Book Value Per Share Attributable to New Investors	2.74	
Pro Forma Net Tangible Book Value per Share After the Offering		1.73
Dilution in Pro Forma Net Tangible Book Value per Share to New Investors		$ 17.27

The following table summarizes, on the same pro forma basis as of March 31, 2006, the total number of shares of Class A common stock purchased from us, the total cash consideration paid to us and the average price per share paid by the existing equityholders and by new investors purchasing shares in this offering, assuming that all of the limited partners of Evercore LP exchanged their vested partnership units for shares of our Class A common stock on a one-for-one basis.

	Shares Purchased		Total Consideration		Average Price
	Number	Percent	Amount	Percent	Per Share
Existing Equity Holders	13,480,500	77.3%	$ —	0.0%	$ —
New Investors	3,950,000	22.7	75,050,000	100.0	19.00
Total	17,430,500	100.0%	$75,050,000	100.0%	4.31

Of the 23,136,829 partnership units to be held by the limited partners of Evercore LP immediately following this offering 13,430,500 will be fully vested and 9,706,329 will be unvested. If we had assumed that all of the limited partners exchanged their unvested partnership units in addition to their vested partnership units for newly issued shares of our Class A common stock, the dilution in pro forma net tangible book value per share to new investors would have been greater and the average price per share paid by the existing equityholders would have been lower.

UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following unaudited condensed consolidated pro forma statements of income for the year ended December 31, 2005 and the three months ended March 31, 2006 and the unaudited condensed consolidated pro forma statement of financial condition as of March 31, 2006 present the consolidated results of operations and financial position of Evercore Partners Inc. assuming that all of the transactions described under “Organizational Structure” had been completed as of January 1, 2005 with respect to the unaudited condensed consolidated pro forma statements of income and as of March 31, 2006 with respect to the unaudited pro forma statement of financial condition data. The pro forma adjustments are based on available information and upon assumptions that our management believes are reasonable in order to reflect, on a pro forma basis, the impact of these transactions and this offering, on the historical financial information of Evercore Holdings. The adjustments are described in the notes to the unaudited condensed consolidated pro forma statements of income and the unaudited condensed consolidated pro forma statement of financial condition.

The Evercore LP pro forma adjustments principally give effect to the following items:

- the Formation Transaction described in “Organizational Structure”, including the elimination of the financial results of the general partners of the Evercore Capital Partners I, Evercore Capital Partners II and Evercore Ventures funds and certain other entities through which Messrs. Altman and Beutner have invested capital in the Evercore Capital Partners I fund, which will not be contributed to Evercore LP, and the cash distribution of pre-offering profits to our Senior Managing Directors; and
- the Protego Combination described in “Organizational Structure”, including certain purchase accounting adjustments such as the allocation of the purchase price to acquired assets and assumed liabilities.

The Evercore Partners Inc. pro forma adjustments principally give effect to the Formation Transaction and the Protego Combination described in “Organizational Structure” as well as the following items:

- in the case of the unaudited condensed consolidated pro forma statement of income data, total compensation and benefits expenses at 50% of our total revenue, which gives effect to our policy following this offering to set our total compensation and benefits expenses at a level not to exceed 50% of our total revenue each year (excluding for purposes of this calculation, any revenue or compensation and benefits expense relating to gains or losses on investments or carried interest), and we initially expect to accrue compensation and benefits expense equal to 50% of our total revenue following this offering. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Operating Expenses—Employee Compensation and Benefits Expense”;
- in the case of the unaudited condensed consolidated pro forma statement of income data, a provision for corporate income taxes at an effective tax rate of 44%, which assumes the highest statutory rates apportioned to each state, local and/or foreign tax jurisdiction and reflected net of U.S. federal tax benefit; and
- this offering and our use of a portion of the proceeds to repay debt as described in “Use of Proceeds”.

The unaudited condensed consolidated pro forma financial information of Evercore Partners Inc. should be read together with “Organizational Structure”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the Evercore Holdings and Protego historical financial statements and related notes included elsewhere in this prospectus.

The unaudited condensed consolidated pro forma financial information is included for informational purposes only and does not purport to reflect the results of operations or financial position of Evercore that would have occurred had we operated as a public company during the periods presented. The unaudited condensed consolidated pro forma financial information should not be relied upon as being indicative of our results of operations or financial condition had the transactions contemplated in connection with the Formation Transaction, the Protego Combination and this offering been completed on the dates assumed. The unaudited condensed consolidated pro forma financial information also does not project the results of operations or financial position for any future period or date.

Unaudited Condensed Consolidated Pro Forma Statements of Income

($ in thousands, except per share data)	Year Ended December 31, 2005: Evercore Holdings Historical	Adjustments for Formation	Evercore Post Formation	Protego Historical	Protego Combination Adjustments	Protego as Adjusted	Evercore LP Pro Forma	Adjustments for Offering	Evercore Partners Inc. Pro Forma
Advisory Revenue	$ 110,842	$	$ 110,842	$ 16,388	$	$ 16,388	$ 127,230	$	$ 127,230
Investment Management Revenue	14,584	976 (a)	15,560	2,855		2,855	18,415		18,415
Interest Income and Other Revenue	209		209	278		278	487		487
Total Revenues	125,635	976	126,611	19,521	—	19,521	146,132		146,132
Compensation and Benefits	24,115		24,115	8,347		8,347	32,462	40,605 (f)	73,067
Professional Fees	23,892		23,892	3,742		3,742	27,634		27,634
Other Operating Expenses	11,096	(162)(a)	10,934	3,280		3,280	14,214		14,214
Amortization of Intangibles	—		—	—	3,000 (c)	3,000	3,000		3,000
Total Expenses	59,103	(162)	58,941	15,369	3,000	18,369	77,310	40,605	117,915
Income Before Minority Interest and Income Tax	66,532	1,138	67,670	4,152	(3,000)	1,152	68,822	(40,605)	28,217
Minority Interest	8	(8)(a)	—	(1,199)	465 (d)	(734)	(734)	21,415(g)	20,681
Income Before Taxes	66,524	1,146	67,670	5,351	(3,465)	1,886	69,556	(62,020)	7,536
Provision for Income Taxes	3,372	(831)(b)	2,541	1,969	— (e)	1,969	4,510	(526)(h)	3,984
Net Income	$ 63,152	$ 1,977	$ 65,129	$ 3,382	$ (3,465)	$ (83)	$ 65,046	$ (61,494)	$ 3,552
Weighted Average Shares of Class A Common Stock Outstanding:									
Basic									4,200(i)
Diluted									4,200(i)
Net Income Available to Holders of Shares of Class A Common Stock Per Share:									
Basic									$ 0.85(i)
Diluted									$ 0.85(i)

($ in thousands, except per share data)	Three Months Ended March 31, 2006								
	Evercore Holdings Historical	Adjustments for Formation	Evercore Post Formation	Protego Historical	Protego Combination Adjustments	Protego as Adjusted	Evercore LP Pro Forma	Adjustments for Offering	Evercore Partners Inc. Pro Forma
Advisory Revenue	$ 32,397	$	$ 32,397	$ 2,289	$	$ 2,289	$ 34,686	$	$ 34,686
Investment Management Revenue	13,108	(5,116)(a)	7,992	789		789	8,781		8,781
Interest Income and Other Revenue	121		121	163		163	284		284
Total Revenues	45,626	(5,116)	40,510	3,241		3,241	43,751		43,751
Compensation and Benefits	8,759		8,759	1,579		1,579	10,338	11,538 (f)	21,876
Professional Fees	5,668		5,668	622		622	6,290		6,290
Other Operating Expenses	4,279	(15)(a)	4,264	750		750	5,014		5,014
Amortization of Intangibles	—		—	—	120 (c)	120	120		120
Total Expenses	18,706	(15)	18,691	2,951	120	3,071	21,762	11,538	33,300
Income Before Minority Interest and Income Tax	26,920	(5,101)	21,819	290	(120)	170	21,989	(11,538)	10,451
Minority Interest	(7)	7 (a)	—	(192)	74 (d)	(118)	(118)	7,818 (g)	7,700
Income Before Taxes	26,927	(5,108)	21,819	482	(194)	288	22,107	(19,356)	2,751
Provision for Income Taxes	979	(71)(b)	908	236	(e)	236	1,144	310 (h)	1,454
Net Income	$ 25,948	$ (5,037)	$ 20,911	$ 246	$ (194)	$ 52	$ 20,963	$ (19,666)	$ 1,297
Weighted Average Shares of Class A Common Stock Outstanding:									
Basic									4,200(i)
Diluted									4,200(i)
Net Income Available to Holders of Shares of Class A Common Stock Per Share:									
Basic									$ 0.31(i)
Diluted									$ 0.31(i)

Notes to Unaudited Condensed Consolidated Pro Forma Statements of Income ($ in thousands, unless otherwise noted)

The Unaudited Condensed Consolidated Pro Forma Statements of Income assume an initial public offering price of $19.00 per share, the midpoint of the price range set forth on the cover page of this prospectus.

(a) Adjustment reflects the elimination of the historical results of operations for the general partners of the Evercore Capital Partners I, Evercore Capital Partners II and Evercore Ventures funds and certain other entities through which Messrs. Altman and Beutner have invested capital in the Evercore Capital Partners I fund, specifically, Evercore Founders LLC and Evercore Founders Cayman Limited, which will not be contributed to Evercore LP. See "Organizational Structure—Formation Transaction". For the year ended December 31, 2005, this adjustment reflects $976 of net losses associated with carried interest and portfolio investments, $8 minority interest, and $162 of general partnership level expenses. For the three months ended March 31, 2006, this adjustment reflects $5,116 of net gains associated with carried interest and portfolio investments, $(7) of minority interest and $15 of general partnership level expenses.

(b) Adjustment reflects the tax impact on Evercore LP's New York City Unincorporated Business Tax, or "UBT", associated with adjustments for the Formation Transaction, including the New York City tax impact of converting the subchapter S corporations to limited liability companies. Since the entities that form Evercore have been limited liability companies, partnerships or sub-chapter S entities, Evercore's income has not been subject to U.S. federal and state income taxes. Taxes related to income earned by limited liability companies and partnerships represent obligations of the individual Senior Managing Directors. Income taxes shown on Evercore Holdings' historical combined statements of income are attributable to the New York City UBT, attributable to Evercore's operations apportioned to New York City.

(c) Reflects the amortization of intangible assets acquired in conjunction with the purchase of Protego with an estimated useful life ranging from 0.5 years to five years. The intangible assets with finite useful lives include the following asset types: client backlog and relationships, broker dealer license and non-competition and non-solicitation agreements. See Notes (e) and (o) under "Notes to Unaudited Condensed Consolidated Pro Forma Statement of Financial Condition".

(d) Reflects an adjustment to eliminate a minority interest of 19% in Protego's asset management subsidiary that Evercore acquired as part of the Protego Combination.

(e) For tax purposes, no tax benefit will be realized related to the intangible assets acquired by Evercore LP in conjunction with the Protego Combination. However, a tax benefit will be realized by Evercore Partners Inc. upon consummation of this offering. See Note (h) under "Notes to Unaudited Condensed Consolidated Pro Forma Statements of Income."

(f) Historically the entities that form Evercore have been limited liability companies, partnerships or sub-chapter S entities. Accordingly, payments for services rendered by our Senior Managing Directors generally have been accounted for as distributions of members' capital rather than as compensation expense. Following this offering, we will include all payments for services rendered by our Senior Managing Directors in compensation and benefits expense. Our policy will be to set our total employee compensation and benefits expense at a level not to exceed 50% of our total revenue each year (excluding, for purposes of this calculation, any revenue or compensation and benefits expense relating to gains (or losses) on investments or carried interest), and we initially expect to accrue compensation and benefits expense equal to 50% of our total revenue following this offering. However, we may record compensation and benefits expense in excess of this percentage to the extent that such expense is incurred due to a significant expansion of our business or to any vesting of the partnership units to be held by our Senior Managing Directors or restricted stock units to be received by our non-Senior Managing Director employees at the time of this offering. We may change this policy in the future. An adjustment has been made to Evercore Partners Inc. to reflect total compensation and benefits expense as 50% of total revenue. See Note (y) under "Notes to Unaudited Condensed Consolidated Pro Forma Statement of Financial Condition".

	Year Ended December 31, 2005			Three Months Ended March 31, 2006		
	Evercore	Protego	Total	Evercore	Protego	Total
Post Formation Total Revenues	$ 126,611		$ 126,611	$ 40,510		$ 40,510
Historical Total Revenues		$ 19,521	19,521		$ 3,241	3,241
Compensation Expense Threshold – 50%	63,306	9,761	73,067	20,255	1,621	21,876
Historical Compensation and Benefits	(24,115)	(8,347)	(32,462)	(8,759)	(1,579)	(10,338)
Total Pro Forma Compensation and Benefits Expense Adjustment	$ 39,191	$ 1,414	$ 40,605	$ 11,496	$ 42	$ 11,538

(g) Reflects an adjustment to record the 77.1% minority interest ownership of our Senior Managing Directors in Evercore LP relating to their vested partnership units, assuming 4,000,000 shares of Class A common stock are outstanding after this offering. Partnership units of Evercore LP are, subject to certain limitations, exchangeable into shares of Class A common stock of Evercore Partners Inc. on a one-for-one basis. Evercore Partners Inc.'s interest in Evercore LP is within the scope of EITF 04-5. Although Evercore Partners Inc. will have a minority economic interest in Evercore LP, it will have a majority voting interest and control the management of Evercore LP. Additionally, although the limited partners will have an economic majority of Evercore LP, they will not have the right to dissolve the partnership or substantive kick-out rights or participating rights, and therefore lack the ability to control Evercore LP. Accordingly, Evercore will consolidate Evercore LP and record minority interest for the economic interest in Evercore LP held directly by the Senior Managing Directors. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Financial Measures—Minority Interest".

(h) As a limited liability company, partnership or sub-chapter S entity, we were generally not subject to income taxes except in foreign and local jurisdictions. An adjustment has been made to increase our effective tax rate to approximately 44%, that assumes that Evercore Partners Inc. is taxed as a C corporation at the highest statutory rates apportioned to each state, local and/or foreign tax jurisdiction and is reflected net of U.S. federal tax benefit. There is no current foreign tax increase or benefits assumed with the Protego Combination as it relates to the effective tax rate. However, Evercore Partners Inc. will realize deferred tax increases or benefits upon the Protego Combination as it relates to the tax amortization of intangibles and goodwill over a 15 year straight-line basis. The holders of partnership units in Evercore LP, including Evercore Partners Inc., will incur U.S. federal, state and local income taxes on their proportionate share of any net taxable income of Evercore LP. In accordance with the partnership agreement pursuant to which Evercore LP will be governed, we intend to cause Evercore LP to make pro rata cash distributions to our Senior Managing Directors and Evercore Partners Inc. for purposes of funding their tax obligations in respect of the income of Evercore LP that is allocated to them. The following table reflects the adjustment to arrive at total income subject to tax for Evercore Partners Inc.:

	Year Ended December 31, 2005	Three Months Ended March 31, 2006
Operating Income	$ 28,217	$ 10,451
Less Minority Interest	20,681	7,700
Total Income	$ 7,536	$ 2,751

(i) For the purposes of the pro forma net income per share calculation, the weighted average shares outstanding, basic and diluted, are calculated based on:

	Year Ended December 31, 2005		Three Months Ended March 31, 2006	
	Evercore Partners Inc. Pro Forma		Evercore Partners Inc. Pro Forma	
	Basic	Diluted	Basic	Diluted
Evercore Partners Inc. Shares of Class A Common Stock	50,000	50,000	50,000	50,000
Evercore Partners Inc. Restricted Stock Units – vested	200,000	200,000	200,000	200,000
Evercore LP Partnership Units – vested (1)	—	—	—	—
New Shares from Offering	3,950,000	3,950,000	3,950,000	3,950,000
Weighted Average Shares of Class A Common Stock Outstanding	4,200,000	4,200,000	4,200,000	4,200,000

(1) 13,430,500 vested Evercore LP partnership units are not included in the calculation of Weighted Average Shares of Class A Common Stock outstanding as they are antidilutive.

Of the 23,136,829 Evercore LP partnership units to be held by parties other than Evercore Partners Inc. immediately following this offering, 13,430,500 will be fully vested and 9,706,329 will be unvested. We have concluded that at the current time it is not probable that the conditions relating to the vesting of these unvested partnership units will be achieved or satisfied and, accordingly, these unvested partnership units are not reflected as outstanding for purposes of calculating the minority interest for the economic interest in Evercore LP held by the limited partners. Any vesting of these unvested partnership units would significantly increase minority interest and reduce our net income and net income per share. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Financial Measures—Operating Expenses—Employee Compensation and Benefits Expense".

Basic and diluted net income per share are calculated as follows:

	Year Ended December 31, 2005	Three Months Ended March 31, 2006
	Evercore Partners Inc. Pro Forma	Evercore Partners Inc. Pro Forma
Basic and Diluted Net Income Per Share		
Net Income Available to Holders of Shares of Class A Common Stock	$ 3,552	$ 1,297
Basic and Diluted Weighted Average Shares of Class A Common Stock Outstanding	4,200,000	4,200,000
Basic and Diluted Net Income Per Share of Class A Common Stock	$ 0.85	$ 0.31

The vested Evercore LP partnership units that could potentially dilute basic net income per share were not included in the computation of diluted net income per share because to do so would have been antidilutive for the periods presented.

The shares of Class B common stock have no right to receive dividends or a distribution on liquidation or winding up of Evercore Partners Inc. The shares of Class B common stock do not share in the earnings of Evercore Partners Inc. and no earnings are allocable to such class. Accordingly, pro forma basic and diluted net income per share of Class B common stock have not been presented.

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Unaudited Condensed Consolidated Pro Forma Statement of Financial Condition

($ in thousands, except per share data)	As of March 31, 2006								
	Evercore Holdings Historical	Adjustments for Formation	Evercore Post Formation	Protego Historical	Protego Combination Adjustments(m)	Protego As Adjusted	Evercore LP Pro Forma	Adjustments for Offering	Evercore Partners Inc. Pro Forma
Cash and Cash Equivalents	$ 13,804	$ (12,285)(j)(k)	$ 1,519	$ 4,082	$ (3,628)(m)	$ 454	$ 1,973	$ 35,687(u)(v)	$ 37,660
Accounts Receivable	16,531	(7,190)(k)	9,341	1,327	—	1,327	10,668		10,668
Investments at Fair Value	28,191	(19,427)(j)	8,764	1,322		1,322	10,086		10,086
Goodwill	—		—		29,874 (n)	29,874	29,874		29,874
Intangible Assets	—		—		3,770 (o)	3,770	3,770		3,770
Other Assets	14,950	1,743 (j)	16,693	2,441	(1,911)(p)	530	17,223	(3,812)(w)	13,411
Total Assets	$ 73,476	$ (37,159)	$ 36,317	$ 9,172	$ 28,105	$ 37,277	$ 73,594	$ 31,875	$ 105,469
Short-Term Borrowings	$ 25,000	$	$ 25,000	$ —	$	$	$ 25,000	$ (25,000)(v)	$ —
Accrued Compensation and Benefits	5,549		5,549	529		529	6,078		$ 6,078
Accounts Payable and Accrued Expenses	8,312		8,312	626		626	8,938		8,938
Notes Payable	—		—	—	7,000 (q)	7,000	7,000	(7,000)(v)	—
Other Liabilities	5,911	(1,009)(j)	4,902	612		612	5,514		5,514
Total Liabilities	44,772	(1,009)	43,763	1,767	7,000	8,767	52,530	(32,000)	20,530
Minority Interest	267	(267)(j)	—	1,633	(633)(r)	1,000	1,000	20,064 (x)	21,064
Members' Capital	28,233	(35,883)(j)(k)	(7,650)(l)		27,510 (s)	27,510	19,860	(19,860)(x)	—
Retained Earnings	—			5,545	(5,545)(m)(t)	—	—	(3,800)(y)	(3,800)
Accumulated Other Comprehensive Income	204		204	219	(219)(t)	—	204	(204)(x)	—
Class A Common Stock, $0.01 par value per share	—			—		—	—	40 (u)(v)	40
Class B Common Stock, $0.01 par value per share	—			—		—	—	0	0
Restricted Stock Units	—			—				3,800 (y)	3,800
Additional Paid-in-Capital	—			8	(8)(t)	—	—	63,835(u)(v)(w)	63,835
Total Stockholders' Equity	28,437	(35,883)	(7,446)	5,772	21,738	27,510	20,064	43,811	63,875
Total Liabilities and Stockholders' Equity	$ 73,476	$ (37,159)	$ 36,317	$ 9,172	$ 28,105	$ 37,277	$ 73,594	$ 31,875	$ 105,469

Notes to Unaudited Condensed Consolidated Pro Forma Statement of Financial Condition ($ in thousands, unless otherwise noted)

The Unaudited Condensed Consolidated Pro Forma Statement of Financial Condition assumes an initial public offering price of $19.00 per share, the midpoint of the price range set forth on the cover page of this prospectus.

(j) The cash, investments, other assets, other liabilities, minority interest and members' capital of the general partners of the Evercore Capital Partners I, Evercore Capital Partners II and Evercore Ventures private equity funds and certain other entities through which Messrs. Altman and Beutner have invested capital in the Evercore Capital Partners I fund are eliminated for the presentation of the unaudited condensed consolidated pro forma statement of financial condition since these entities will not be contributed to Evercore LP. Refer to "Organizational Structure—Formation Transaction".

(k) Reflects the pro forma cash distribution of pre-offering profits defined as net income less net income derived from the general partners and certain other entities as described in footnote (j) above for the period January 1 through the closing of the Formation Transaction, in the amount of $18,023 as of March 31, 2006 to our Senior Managing Directors to be effected prior to this offering. The distributions are to be funded with available cash, with the remainder to be funded by the assignment of interests in certain accounts receivable. The tables below reflect this pro forma distribution of first quarter 2006 profits as of March 31, 2006.

Pre-incorporation Profits	Three months ended March 31, 2006
Evercore Holdings Historical Net Income	$ 25,948
Less: Net Income of General Partner Not Distributed	(5,108)
Pre-incorporation Profits to be Distributed	$ 20,840
Partner Distribution made in Q1 2006 Pertaining to Pre-incorporation Profits	(2,817)
Net Pre-incorporation profits distribution	$ 18,023

Pre-incorporation Profits Consideration	Three months ended March 31, 2006
Accounts Receivable	$ 7,190
Cash	10,833
Total	$ 18,023

(l) The accumulated deficit represents cumulative distributions to members in excess of cumulative book income pertaining to periods prior to January 1, 2006.

(m) Represents adjustments to recognize the acquisition of Protego, which includes a 70% majority interest in its asset management subsidiary.

The estimated fair value of consideration paid and the assets and liabilities acquired in connection with the Protego Combination were determined to establish the appropriate allocation of purchase price to the acquired assets over liabilities. The total consideration includes the non-interest bearing notes of $7.0 million, 1,760,187 vested Evercore LP units and direct costs incurred with the acquisition transaction. With respect to the $7.0 million in notes to be issued in consideration for the Protego Combination, $6.05 million will be payable in cash and $0.95 million will be payable in shares of Class A common stock valued at the initial public offering price per share in this offering. Assuming an initial public offering price of $19.00 per share, we would issue 50,000 shares of Class A common stock upon repayment of such notes at the closing of this offering. The methodology to determine the estimated value of the vested Evercore LP units was to estimate the total value of the combined entity post Formation Transaction, including Protego, as of the date the contribution and sale agreement for the Protego Combination was signed and then multiply that percentage ownership implied by the vested units issued with respect to the Protego Combination to calculate the value of those partnership units. The purchase price was allocated to the acquired assets and liabilities based on fair value with any residual unallocated purchase price assigned to goodwill. The purchase price does not include 351,362 unvested Evercore LP partnership units issued by Evercore LP in connection with the acquisition, for which, among other things, employee service subsequent to the consummation date of the acquisition is required in order for the units to vest. The unvested partnership units of Evercore LP will be treated as expense and not part of the purchase price consideration. Expense will be charged at the time a vesting event occurs or, if earlier, at the time a vesting event becomes probable. The expense will be based on the grant date fair value of the partnership units of Evercore LP, which will be the initial public offering price of the Class A common stock into which these partnership units are exchangeable. 50% of these unvested partnership units will vest if and when Messrs. Altman, Beutner and Aspe, and trusts benefiting their families and permitted transferees, collectively, cease to beneficially own at least 90% of the aggregate Evercore LP partnership units owned by them on the date the Reorganization is affected. 100% of the unvested Evercore LP partnership units issued will vest upon the earliest to occur of the following events:

- When Messrs. Altman, Beutner and Aspe, and trusts benefiting their families and permitted transferees, collectively, cease to beneficially own at least 50% of the aggregate Evercore LP partnership units owned by them on the date of the partnership agreement;
- A change of control of Evercore; or
- Two of Messrs. Altman, Beutner and Aspe are not employed by, or do not serve as a director of, Evercore Partners Inc. or one of its affiliates within a 10-year period following this offering.

In addition, 100% of the unvested Evercore LP partnership units held by a Senior Managing Director will vest if such Senior Managing Director dies or becomes disabled while in our employ. Our Equity Committee, which is comprised of Messrs. Altman, Beutner and Aspe, with our concurrence, may also accelerate vesting of unvested Evercore LP partnership units.

A final determination of required purchase accounting adjustments, including the allocation of the purchase price, has not yet been made. Accordingly, the purchase accounting adjustments made in connection with these unaudited condensed consolidated pro forma financial statements are preliminary and have been made solely for the purposes of developing such condensed consolidated pro forma financial statements. At this time, we do not expect that the value of any of the identifiable, definite-lived intangibles will change in a material manner between the time the preliminary valuation was performed and the closing of the transaction when the final valuation will be completed. Additionally, we do not expect any material changes in the value of any of the other assets acquired and liabilities assumed in conjunction with the Protego Combination. We do not expect any uncertainties regarding amortization periods to have a material impact on our financials.

Estimated Purchase Price	
Non-Interest Bearing Evercore LP Notes	$ 7,000
Evercore LP Partnership Units (vested)	27,510
Acquisition Costs	1,911
Estimated Purchase Price	$36,421

Estimated Purchase Price Allocation	
Cash	$ 4,082
Less: Pre-Protego Combination Profits Distribution	(3,628)
Net Cash	454
Accounts Receivable	1,327
Investments	1,322
Intangible Assets	3,770
Other Assets	2,441
Current Liabilities	(1,767)
Minority Interest	(1,000)
Identifiable Net Assets	6,547
Goodwill	$29,874

Pursuant to the agreement with Protego, the above calculation reflects a pro forma cash distribution of pre-Protego Combination profits to the Protego Directors prior to this offering. The distributions are to be funded with available cash, with the remainder to be funded with notes or an assignment of certain accounts receivable. The table above reflects this pro forma distribution as of March 31, 2006. Under a service agreement with a Director who ceased to be employed by Protego in June 2006, Protego will be required to make a payment of up to $2.6 million. The associated expense will reduce Protego's pre-Protego Combination profits and accordingly reduce Protego's pre-Protego Combination profits distribution.

(n) Reflects the residual value of goodwill attributable to the acquisition. Goodwill is based on a provisional purchase price allocation and is equal to the purchase price in excess of the estimated fair value of identifiable net assets acquired, as set forth in Note (m) above. For tax purposes, such amounts will be amortized straight-line over a fifteen year period.

(o) Reflects the fair value of intangible assets acquired. Such amount will be amortized over the estimated useful lives of the intangible assets which have been assumed to range from 0.5 to five years for financial statement accounting purposes and fifteen years for tax purposes of these condensed consolidated pro forma financial statements.

(p) Reflects the elimination of direct costs which have been capitalized in Evercore's historical statement of financial condition, associated with the acquisition of Protego incurred prior to March 31, 2006. These costs have been added to the estimated purchase price. See Note (m) above.

(q) Reflects the issuance of the aggregate principal amount of non-interest bearing Evercore LP notes that are payable in cash of $6.1 million, and $0.9 million of Class A common stock immediately following the closing of this offering (the "Evercore LP Notes").

(r) Reflects an adjustment to eliminate a minority interest of 19% in Protego's asset management subsidiary acquired by Evercore as part of the Protego Combination.

(s) Reflects the fair value of 1,760,187 vested Evercore LP partnership units issued in connection with the purchase of Protego.

(t) Reflects the elimination of Protego's shareholder equity accounts including retained earnings, accumulated other comprehensive income and additional paid-in capital.

(u) Reflects net proceeds from the sale by us of 3,950,000 shares of Class A common stock pursuant to this offering, assuming an initial public offering price of $19.00 per share of Class A common stock, the midpoint of the price range set forth on the cover page of this prospectus, less estimated underwriting discounts and commissions and expenses payable in connection with this offering and the related transactions.

(v) Reflects repayment of the Evercore LP Notes issued to effect the Protego Combination using net proceeds from this offering of $6.1 million and the issuance of $0.9 million of Class A common stock and repayment of the outstanding amount under our line of credit of $25 million.

(w) Reflects the elimination of direct costs incurred through March 31, 2006 of this offering.

(x) Reflects a minority interest adjustment for the ownership of vested Evercore LP partnership units held directly by our Senior Managing Directors, assuming 3,950,000 shares of Class A common stock are issued in connection with this offering. Partnership units of Evercore LP are, subject to certain limitations, exchangeable into shares of Class A common stock of Evercore Partners Inc. on a one-for-one basis.

(y) Reflects the anticipated one time grant of restricted stock units. We intend to grant 2,300,000 restricted stock units to our non-Senior Managing Director employees at the time of this offering. 200,000 of the restricted stock units will be fully vested and, as a result, we will record compensation and benefits expense at the time of this offering equal to the value of these fully vested restricted stock units. Such expense has been excluded from the unaudited condensed consolidated pro forma statement of income as the charge is a non-recurring charge directly attributable to the acquisition. The remaining 2,100,000 of these restricted stock units will be unvested and will vest only upon the same conditions as the unvested partnership units of Evercore LP issued in connection with the Formation Transaction and the Protego Combination described above. If and when these unvested restricted stock units vest, we will record compensation and benefits expense at the time of vesting equal to the grant date fair value of the Class A common stock of Evercore Partners Inc. deliverable pursuant to such restricted stock units, which would be calculated based on the initial public offering price of the Class A common stock. As a result, based on an assumed initial public offering price of $19.00 per share, we expect to record compensation expense at the time of this offering equal to the fair value of the vested restricted stock units issued of $3.8 million and would record additional compensation expense at the time of vesting of the unvested restricted stock units of $39.9 million if all such unvested restricted stock units were to vest. If the initial public offering price per share is higher than $19.00, the compensation expense that we record will be greater.

SELECTED HISTORICAL FINANCIAL AND OTHER DATA

Evercore

The following selected combined financial and other data of Evercore Holdings should be read together with "Unaudited Pro Forma Financial Information", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the historical financial statements and related notes included elsewhere in this prospectus.

We derived the selected historical combined statement of income data of Evercore Holdings for each of the years ended December 31, 2003, 2004 and 2005 and the selected combined statement of financial condition data as of December 31, 2004 and 2005 from our historical combined financial statements audited by Deloitte & Touche LLP which are included elsewhere in this prospectus. We derived the historical combined statement of financial condition and statement of income data of Evercore Holdings as of March 31, 2006 and for the three months ended March 31, 2005 and 2006 from our unaudited interim historical combined financial statements which are included elsewhere in this prospectus. We derived the selected historical combined statement of financial condition data as of December 31, 2003 and the selected historical combined statement of income data of Evercore Holdings for the year ended December 31, 2002 from our historical combined financial statements audited by Deloitte & Touche LLP which are not included in this prospectus.

We derived the selected historical combined statement of income data of Evercore Holdings for the year ended December 31, 2001 and the selected combined statement of financial condition data as of December 31, 2001 and 2002 from our unaudited combined financial statements which are not included in this prospectus. The unaudited combined financial statements of Evercore Holdings have been prepared on substantially the same basis as the audited combined financial statements and include all adjustments that we consider necessary for a fair presentation of our combined financial position and results of operations for all periods presented.

We derived the unaudited pro forma data of Evercore Partners Inc. for the year ended December 31, 2005 and the three months ended March 31, 2006 from the pro forma data included in "Unaudited Pro Forma Financial Information" included elsewhere in this prospectus.

The selected historical financial data is not indicative of the expected future operating results of Evercore following the Formation Transaction. For example, following this offering our results will not include the financial results of the general partners of the three private equity funds that we currently manage and will include the financial results of Protego. See "Unaudited Pro Forma Financial Information".

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Selected Historical Financial and Other Data

	Evercore Holdings						
	Year Ended December 31,					Three Months Ended March 31,	
	2001	2002	2003	2004	2005	2005	2006
($ in thousands, except per share data)							
Statement of Income Data							
Revenues:							
Advisory	$ 40,206	$ 25,108	$ 26,302	$ 69,205	$ 110,842	$ 18,270	$ 32,397
Investment Management	5,267	32,921	33,568	16,967	14,584	4,120	13,108
Interest Income and Other	556	309	250	145	209	44	121
Total Revenues	46,029	58,338	60,120	86,317	125,635	22,434	45,626
Expenses:							
Employee Compensation and Benefits(a)	15,178	12,092	12,448	17,084	24,115	5,410	8,759
Other Operating Expenses	11,182	10,397	12,432	17,389	34,988	5,176	9,947
Total Operating Expenses	26,360	22,489	24,880	34,473	59,103	10,586	18,706
Other Income	—	—	—	76	—	—	—
Operating Income	19,669	35,849	35,240	51,920	66,532	11,848	26,920
Minority Interest	(7)	(13)	(9)	29	8	2	(7)
Income Before Taxes	19,676	35,862	35,249	51,891	66,524	11,846	26,927
Provision for Income Taxes(b)	378	1,065	905	2,114	3,372	670	979
Net Income	$ 19,298	$ 34,797	$ 34,344	$ 49,777	$ 63,152	$ 11,176	$ 25,948
Pro Forma Basic Net Income Per Share of Class A Common Stock					$ 0.85(c)		$ 0.31(c)
Pro Forma Diluted Net Income Per Share of Class A Common Stock					$ 0.85(c)		$ 0.31(c)
Pro Forma Basic Weighted Average Shares of Class A Common Stock					4,200(c)		4,200(c)
Pro Forma Diluted Weighted Average Shares of Class A Common Stock					4,200(c)		4,200(c)
($ in thousands)							
Operating Metrics							
Advisory:							
Number of Advisory Clients	26	29	35	45	58	26	20
Advisory Senior Managing Director Headcount (as of the end of each period)	3	5	6	8	11	8	11
Advisory Revenue per Advisory Senior Managing Director	$ 13,402	$ 5,022	$ 4,384	$ 8,651	$ 10,077	$ 2,284	$ 2,945
Investment Management:							
Capital Commitments(d)	$ 850,245	$ 1,152,699	$ 1,237,188	$ 1,237,188	$ 1,237,188	$ 1,237,188	$ 1,237,188
Capital Invested(e)	109,557	30,774	206,823	15,076	179,509	32,820	124,969
Gross Realized Proceeds(f)	101,039	50,594	308,050	35,087	85,488	5,422	122
Investment Management Senior Managing Director Headcount	3	5	6	6	6	6	7
Investment Management Revenue:							
Management and Portfolio Company Fees(g)	$ 7,039	$ 18,039	$ 20,846	$ 13,829	$ 15,560	$ 5,262	$ 7,992
Carried Interest and Investment Income(h)	(1,772)	14,882	12,722	3,138	(976)	(1,142)	5,116
Total Investment Management Revenue	$ 5,267	$ 32,921	$ 33,568	$ 16,967	$ 14,584	$ 4,120	$ 13,108

($ in thousands)	Evercore Holdings					
	As of December 31,					As of March 31, 2006
	2001	2002	2003	2004	2005	
Statement of Financial Condition Data						
Total Assets	$ 40,306	$ 45,527	$ 42,343	$ 71,681	$ 81,412	$ 73,476
Total Liabilities	15,807	19,694	15,135	20,137	29,633	44,772
Minority Interest	65	123	155	265	274	267
Members' Equity	24,434	25,710	27,053	51,279	51,505	28,437

(a) Because the entities that form Evercore have been limited liability companies, partnership or sub-chapter S entities, payments for services rendered by our Senior Managing Directors generally have been accounted for as distributions of members' capital rather than as compensation expense. Following this offering, we will include all payments for services rendered by our Senior Managing Directors in compensation and benefits expense. Accordingly, our historical operating expenses are not comparable to, and are lower than, the operating expenses we expect to incur after this offering. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Financial Measures—Operating Expenses—Employee Compensation and Benefits Expense".

(b) We have historically operated as a partnership or, in the case of certain combined subsidiaries, an S corporation, for U.S. federal income tax purposes. As a result, our income has not been subject to U.S. federal and state income taxes. Following this offering, Evercore Partners Inc. will be subject to additional entity-level taxes that will be reflected in our consolidated financial statements. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Financial Measures—Provision for Income Taxes".

(c) For the purposes of the Evercore Partners Inc. pro forma net income per share of Class A common stock calculation, the weighted average shares of Class A common stock outstanding, basic and diluted, are calculated based on:

	Year Ended December 31, 2005 Pro Forma		Three Months Ended March 31, 2006 Pro Forma	
	Basic	Diluted	Basic	Diluted
Evercore Partners Inc. Class A common stock	50,000	50,000	50,000	50,000
Evercore Partners Inc. Restricted Stock Units – vested	200,000	200,000	200,000	200,000
Evercore LP Partnership Units – vested(1)	—	—	—	—
New Shares from Offering	3,950,000	3,950,000	3,950,000	3,950,000
Weighted Average Shares of Class A Common Stock Outstanding	4,200,000	4,200,000	4,200,000	4,200,000

(1) 13,430,500 vested Evercore LP partnership units are not included in the calculation of Weighted Average Shares of Class A Common Stock outstanding as they are antidilutive.

Of the 23,136,829 Evercore LP partnership units to be held by parties other than Evercore Partners Inc. immediately following this offering, 13,430,500 will be fully vested and 9,706,329 will be unvested. We have concluded that at the current time it is not probable that the conditions relating to the vesting of these unvested partnership units will be achieved or satisfied and, accordingly, these unvested partnership units are not reflected as outstanding for purposes of calculating the minority interest for the economic interest in Evercore LP held by the limited partners. Any vesting of these unvested partnership units would significantly increase minority interest and reduce our net income and net income per share. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Financial Measures—Operating Expenses—Employee Compensation and Benefits Expense".

Evercore Partners Inc. pro forma basic and diluted net income per share of Class A common stock are calculated as follows:

($ in thousands except per share data)	Year Ended December 31, 2005 Pro Forma	Three Months Ended March 31, 2006 Pro Forma
Basic and Diluted Net Income Per Share		
Net Income Available to Holders of Shares of Class A Common Stock	$ 3,552	$ 1,297
Basic and Diluted Weighted Average Shares of Class A Common Stock Outstanding	4,200,000	4,200,000
Basic and Diluted Net Income Per Share of Class A Common Stock	$ 0.85	$ 0.31

The vested Evercore LP partnership units that could potentially dilute basic net income per share were not included in the computation of diluted net income per share because to do so would have been antidilutive for the periods presented.

The shares of Class B common stock have no right to receive dividends or a distribution on liquidation or winding up of Evercore Partners Inc. The shares of Class B common stock do not share in the earnings of Evercore Partners Inc. and no earnings are allocable to such class. Accordingly, pro forma basic and diluted net income per share of Class B common stock have not been presented.

(d) Capital commitments represent the total amount that has been committed by investors to the private equity funds we manage. We closed our last fund, Evercore Capital Partners II, in 2003 and, therefore, there has been no change in capital commitments subsequent to that period.

(e) Capital invested represents the amount invested during the period by the private equity funds we manage in the portfolio companies. Capital invested varies significantly from period to period. The decrease in capital invested in 2004 reflects a decrease in investment activity during that period.

(f) Gross realized proceeds represent the amount received during the period from the disposition of, or income received from, the underlying investments made by the private equity funds we manage. Gross realized proceeds vary significantly from period to period and decreased from 2004 to 2003 due to a decrease in the number and size of investments sold by the funds during 2004.

(g) Management fees are contractually based and are derived from investment management services provided in originating, recommending and consummating investment opportunities to the private equity funds. Portfolio company fees include monitoring, director and transaction fees associated with services provided to the portfolio companies of the private equity funds we manage.

(h) Carried interest is an incentive fee earned by the general partners of the private equity funds we manage when certain financial return targets and hurdles are met. Carried interest and investment income decreased over the three year period ending in 2005 due to a decrease in the number and amount of realizations of investments and in the carrying value of portfolio investments of the private equity funds we manage. Please see "Unaudited Pro Forma Financial Information" for presentation of our results of operations adjusted to give pro forma effect to the elimination of carried interest and investment gains or losses associated with the general partners of the private equity funds we currently manage.

Protego Asesores

Prior to this offering, and concurrently with the Formation Transaction, Evercore LP will acquire Protego Asesores and its subsidiaries (including a 70% interest in Protego's asset management subsidiary) and Protego SI in exchange for $7.0 million aggregate principal amount of non-interest bearing notes, and, once Protego is acquired, Mr. Aspe and the other Protego Directors will become Senior Managing Directors of Evercore and, collectively with certain companies they control, certain trusts benefiting their families and a trust benefiting Directors and employees of Protego, subscribe for partnership units in Evercore LP. In addition, Protego will distribute to its Directors cash and, to the extent cash is not available, notes or interests in certain accounts receivable so as to distribute to its Directors all earnings for the period from January 1, 2005 to the date of the closing of the contribution and sale agreement. See "Organizational Structure—Combination with Protego".

The following summary historical combined financial data should be read in conjunction with Protego's audited combined financial statements and related notes thereto included elsewhere in this prospectus. The summary historical combined statement of income data presented below for each of the years ended December 31, 2003, December 31, 2004 and December 31, 2005, have been derived from Protego's historical combined and consolidated financial statements included elsewhere in this prospectus. The summary historical combined statement of income data presented below as of March 31, 2006 and for the three months ended March 31, 2005 and 2006, have been derived from Protego's unaudited interim combined financial statements included elsewhere in this prospectus.

	Year Ended December 31,			Three Months Ended March 31,	
	2003	2004	2005	2005	2006
($ in thousands)					
Statement of Income Data					
Revenues:					
Advisory:	$ 9,083	$12,229	$16,388	$8,318	$2,289
Investment Management	—	670	2,855	562	789
Interest Income and Other	68	(50)	278	20	163
Total Revenues	9,151	12,849	19,521	8,900	3,241
Expenses:					
Employee Compensation and Benefits	5,161	5,700	8,347	3,323	1,579
Other Operating Expenses	2,914	4,056	7,022	1,235	1,372
Total Operating Expenses	8,075	9,756	15,369	4,558	2,951
Operating Income	1,076	3,093	4,152	4,342	290
Total Income Tax, Net	96	1,034	1,969	1,787	236
Minority Interest (a)	—	—	(1,199)	(442)	(192)
Net Income (b)	$ 980	$ 2,059	$ 3,382	$2,997	$ 246
($ in thousands)					
Operating Metrics					
Number of Advisory Clients	47	36	48	27	42
Advisory Senior Managing Director Headcount	5	5	5	5	5
Advisory Revenue per Advisory Senior Managing Director	$ 1,817	$ 2,446	$ 3,278	$1,664	$ 458

	As of March 31, 2006
($ in thousands)	
Statement of Financial Condition Data	
Total Assets	$ 9,172
Total Liabilities	1,767
Minority Interest	1,633
Members' Equity	5,772

(a) Minority interest reflects the pro-rata share of the losses in Protego's asset management entity Protego Casa de Bolsa allocated to third party ownership of 49%.

(b) Pursuant to a contribution and sale agreement, pre-incorporation profits will be distributed to the Protego Directors prior to this offering. The profits distribution will equal net income for the period from January 1, 2005 to the closing of the contribution and sale agreement.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with the historical financial statements and the related notes included elsewhere in this prospectus.

The historical combined financial data discussed below reflect the historical results of operations and financial position of Evercore Holdings. These historical combined financial data do not give effect to the Reorganization, including our combination with Protego, or to the completion of this offering. See "Organizational Structure" and "Unaudited Pro Forma Financial Information" included elsewhere in this prospectus.

Overview

Evercore is an investment banking boutique. Our operations consist of two business segments: Advisory and Investment Management.

- Advisory generates revenue from fees for providing advice on matters of strategic importance to our clients, including mergers, acquisitions, restructurings, divestitures, leveraged buy-outs, recapitalizations and other corporate transactions. Our Advisory segment generated $110.8 million, or 88.2%, of our revenue in 2005, $32.4 million, or 71.0%, of our revenue in the first quarter of 2006 and $18.3 million, or 81.4%, of our revenue in the first quarter of 2005.
- Investment Management generates revenue from fees earned for managing private equity funds and the portfolio companies of the private equity funds. In addition, we earn revenue from incentive fees, referred to as carried interest, earned when certain financial returns are achieved over the life of a fund, through net gains and losses on investments of our own capital in the funds, and from other sources. Our Investment Management segment generated $14.6 million, or 11.6%, of our revenue in 2005, $13.1 million, or 28.7%, of our revenue in the first quarter of 2006 and $4.1 million, or 18.4%, of our revenue in the first quarter of 2005.

Key Financial Measures

Revenue

Advisory. Our Advisory business earns fees from our clients for providing advice on mergers, acquisitions, restructurings, leveraged buy-outs, recapitalizations and other corporate transactions. The amount and timing of the fees paid vary by the type of engagement. Fees may be paid at the time we sign an engagement letter, during the course of the engagement, or when an engagement is completed. The majority of our Advisory revenue comes from fees that are dependent on the successful completion of a transaction. A transaction can fail to be completed for many reasons, including failure to agree upon final terms with the counterparty, to secure necessary board or shareholder approvals, to secure necessary financing or to achieve necessary regulatory approvals.

Revenue trends in our Advisory business generally are correlated to the volume of merger and acquisition activity and restructurings. However, deviations from this trend can occur in any given year for a number of reasons. For example, changes in our market share or the ability of our clients to close certain large transactions can cause our revenue results to diverge from the level of overall merger and acquisition or restructuring activity.

We operate in a highly competitive environment where there are no long-term contracted sources of revenue and each revenue-generating engagement is separately awarded and negotiated. Our list of clients, including our list of clients with whom there is a currently active revenue-generating engagement, changes continually. We gain new clients through our business development initiatives, through recruiting additional senior investment banking professionals who bring with them client relationships and through referrals from executives, directors, attorneys and other parties with whom we have relationships. We may also lose clients as a result of the sale or merger of a client, a change in a client's senior management, competition from other investment banks and other causes.

Investment Management. Our Investment Management business has four principal sources of revenue: (1) management fees; (2) portfolio company fees; (3) carried interest; and (4) gains (or losses) on investments of our own capital in the private equity funds we manage.

- *Management Fees.* Management fees are generally a percentage of committed capital (the total dollar amount of capital pledged to a fund) from certain outside investors in each of the private equity funds we manage. During the commitment period or until full investment these fees are typically 2.0% per annum of committed capital and, for the remainder of the fund's life, 1.0% per annum of invested capital. The entities which are entitled to the management fees from the private equity funds we manage are being contributed to Evercore LP. Accordingly, we will continue to reflect the management fees from all of these funds in our consolidated financial statements following this offering.
- *Portfolio Company Fees.* Portfolio company fees include monitoring, director and transaction fees associated with services provided to the portfolio companies of the private equity funds we manage. We earn monitoring fees for services we provide with respect to the development and implementation of strategies for improving operating, marketing and financial performance. Monitoring fee revenue is recognized ratably over the period for which services are provided. We earn director fees for the services provided by our Senior Managing Directors who serve on the boards of directors of portfolio companies. Director fees are recorded as revenue when payment is received. We earn transaction fees for providing advice on the acquisition or disposition of portfolio companies held by the private equity funds. These fees are earned and recognized under the same revenue recognition policies as advisory fees. The private equity fund documents provide for a reduction of management fees by the amount of certain portfolio company fees earned by us. The entities which are entitled to the portfolio company fees from the private equity funds we manage are being contributed to Evercore LP. Accordingly, we will continue to reflect the portfolio company fees from all of these funds in our consolidated financial statements following this offering.
- *Carried Interest.* Carried interest is an incentive fee earned by the general partners of the private equity funds we manage when certain financial return targets and hurdles are met. Generally, the carried interest is calculated as 20% of the profits, provided that certain outside investors in the funds have earned an 8% return on investments from the Evercore Capital Partners funds and a 10% return on investments from the Evercore Ventures fund. Accordingly, the amount of carried interest earned depends on the profits, if any, ultimately generated within the funds. Our historical combined results of operations include the results of the general partners of the private equity funds we currently manage, including the carried interest earned by these general partners. Participation in such carried interest historically has been allocated principally to our Senior Managing Directors and other employees and any carried interest ultimately realized was paid directly to such individuals. Following this offering, we will no longer consolidate the results of the general partners of the private equity funds we currently manage. Accordingly, we will no longer recognize as revenue any carried interest earned by the general partners of the Evercore Capital Partners I or Evercore Ventures funds. However, through our equity interest in the general partner of the Evercore Capital Partners II fund, we will recognize as revenue 8% to 9% (depending on the particular fund investment) of any carried interest realized from that fund following this offering.
- *Gains (or Losses) on Investments.* Gains and losses include both realized gains and losses upon the sale of a portfolio company and unrealized gains and losses on investments arising from changes in the fair value of the portfolio companies. Because our historical combined results of operations include the results of the general partners of the private equity funds we currently manage and certain other entities through which Messrs. Altman and Beutner have invested capital in the Evercore Capital Partners I fund, our historical results include such realized or unrealized gains or losses. Following this offering, because we will no longer consolidate the results of these entities, we will no longer recognize as revenue any of the gains or losses arising from these entities' investments in the Evercore Capital Partners I or Evercore Ventures funds. However, through our equity interest in the general partner of the

Evercore Capital Partners II fund, we will continue to recognize revenue based on our share of that fund's realized or unrealized gains or losses. As of March 31, 2006, giving pro forma effect to the Reorganization, we had $6.2 million of investments in, and $3.7 million of commitments to, the Evercore Capital Partners II fund. The remaining $19.4 million of investments and $5.7 million of commitments associated with all of the general partners' investments in the private equity funds we currently manage as of March 31, 2006 will not be contributed to or assumed by us following this offering.

We expect we will be entitled to 100% of any management fees and portfolio company fees earned in relation to any future private equity funds we manage. We also expect to consolidate the general partners of any future private equity funds we manage. Accordingly, we expect to record as revenue 100% of any carried interest and realized or unrealized gains (or losses) on investments earned by these entities. However, we expect to allocate to our Senior Managing Directors and other employees through the direct equity interests these individuals will hold in these entities approximately 60% to 70% of any such carried interest. In addition, these individuals will be entitled to any such gains (or losses) on investment based on the amount of the general partners' capital they contribute in respect of any such future fund. We intend to make significant capital commitments to any future private equity fund we manage. We believe these commitments will strengthen our ability to attract outside investors because of our demonstrated financial commitment to the funds and the alignment of our interests with those of the limited partners in these funds.

In both our Advisory and Investment Management segments we make various transaction-related expenditures, such as travel and professional fees, on behalf of our clients. Pursuant to the engagement letters with our clients or the contracts with the limited partners in the private equity funds we manage, these expenditures may be reimbursable. We record expenses as these expenditures are incurred and record revenue when it is determined that clients have an obligation to reimburse us for such transaction-related expenses. Specifically, client expense reimbursements are recorded as revenue on the statement of income on the later of the date an engagement letter is executed or the date the expense is paid or accrued. In 2005 we recorded approximately $2.5 million of revenue and $4.2 million of expenses in our Advisory segment and approximately $0.9 million of revenue and $1.6 million of expenses in our Investment Management segment in connection with these reimbursements and the underlying expenditures. In the first quarter of 2006 and 2005, we recorded approximately $1.0 million and $0.6 million, respectively, of revenue and $0.8 million and $1.0 million, respectively, of expenses in our Advisory segment and approximately $1.0 million and $0.2 million, respectively, of revenue and $1.3 million and $0.4 million, respectively, of expenses in our Investment Management segment in connection with these reimbursements and the underlying expenditures.

Operating Expenses

Employee Compensation and Benefits Expense. Prior to this offering, our employee compensation and benefits expense reflects compensation solely to non-Senior Managing Directors. Historically, payments for services rendered by our Senior Managing Directors, including all salaries and bonuses, have been accounted for as distributions from members' capital rather than as employee compensation and benefits expense. As a result, our employee compensation and benefits expense and net income have not reflected payments for services rendered by our Senior Managing Directors. Following this offering, we will include all payments for services rendered by our Senior Managing Directors in employee compensation and benefits expense.

Following this offering, our policy will be to set our total employee compensation and benefits expense at a level not to exceed 50% of our total revenue each year (excluding for purposes of this calculation, any revenue or compensation and benefits expense relating to gains (or losses) on investments or carried interest), and we initially expect to accrue compensation and benefits expense equal to 50% of our total revenue following this offering. However, we may record compensation and benefits expense in excess of this percentage to the extent that such expense is incurred due to a significant expansion of our business or to any vesting of the partnership units to be held by our Senior Managing Directors in the Reorganization or the restricted stock units to be received by our non-Senior Managing Director employees at the time of the offering. Moreover, we retain the ability to change this policy in the future. We intend to achieve this target primarily by reducing payments for services rendered by our Senior Managing Directors, while continuing to maintain overall compensation and benefits packages that we believe are competitive in the marketplace.

Under the terms of the Evercore LP partnership agreement, 66 $^{2}/_{3}$% of the partnership units to be received by our Senior Managing Directors, other than Mr. Altman and Mr. Beutner, in the Formation Transaction and 66 $^{2}/_{3}$% of the partnership units to be received by the current Directors of Protego (who will become our Senior Managing Directors), other than Mr. Aspe, and certain companies they control and a trust benefiting Directors and employees of Protego in the Protego Combination will, with specified exceptions, be subject to forfeiture and re-allocation to other Senior Managing Directors (or, in the event that there are no eligible Senior Managing Directors, forfeiture and cancellation) if the Senior Managing Director ceases to be employed by us prior to the occurrence of specified vesting events. 4,853,164, or 50%, of these unvested partnership units will vest if and when Messrs. Altman, Beutner and Aspe, and trusts benefiting their families and permitted transferees, collectively, cease to beneficially own at least 90% of the aggregate Evercore LP partnership units owned by them on the date the Reorganization is effected. 9,706,329, or 100% of the unvested Evercore LP partnership units issued will vest upon the earliest to occur of the following events:

- when Messrs. Altman, Beutner and Aspe, and trusts benefiting their families and permitted transferees, collectively, cease to beneficially own at least 50% of the aggregate Evercore LP partnership units owned by them on the date of the partnership agreement;
- a change of control of Evercore; or
- two of Messrs. Altman, Beutner and Aspe are not employed by, or do not serve as a director of, Evercore Partners Inc. or one of its affiliates within a 10-year period following this offering.

In addition, 100% of the unvested Evercore LP partnership units held by a Senior Managing Director will vest if such Senior Managing Director dies or becomes disabled while in our employ. Our Equity Committee, which is comprised of Messrs. Altman, Beutner and Aspe, with our concurrence, may also accelerate vesting of unvested partnership units at any time.

We intend to account for the unvested Evercore LP partnership units as compensation paid to employees in accordance with SFAS 123(R), which we adopted effective January 1, 2006. The unvested Evercore LP partnership units vest based on the achievement of one of the performance and service vesting conditions as described above. In accordance with SFAS 123(R), accruals of compensation costs for awards with a performance or service condition are based on the probable outcome of that service or performance condition. Compensation cost is accrued if it is probable that the performance condition will be achieved and is not accrued if it is not probable that the performance condition will be achieved. We have concluded that at the current time it is not probable that the conditions relating to a decline in the collective beneficial ownership of Messrs. Altman, Beutner and Aspe (and trusts benefiting their families and permitted transferees), a change of control of Evercore or a lack of continued association of Messrs. Altman, Beutner and Aspe with Evercore will be achieved, or that the death or disability condition during the employment period will be satisfied. Accordingly, we are not accruing compensation expense relating to these unvested partnership units. The unvested partnership units will be charged to expense at the time a vesting event occurs or, if earlier, at the time that occurrence of an event related to the beneficial ownership, change of control or continued association conditions becomes probable or there is a change in the estimated forfeiture rate related to the death or disability condition. The expense will be based on the grant date fair value of the Evercore LP partnership units, which will be the initial public offering price of the Class A common stock into which the partnership units are exchangeable.

If all of the unvested partnership units were deemed to vest at some point in the future, based upon an assumed initial public offering price of the Class A common stock of $19.00 per share, which is the midpoint of the price range on the cover of this prospectus, the total amount of compensation expense that we would record in connection with the vesting of these unvested partnership units would be $184.4 million. However the compensation expense we may record could be significantly greater if the initial public offering price per share of the Class A common stock is higher than $19.00.

The unvested partnership units will not be reflected as outstanding for purposes of calculating the minority interest for the economic interest in Evercore LP held by the limited partners. Any vesting of these unvested partnership units would significantly increase minority interest and reduce our net income and net income per share. For example, if these unvested units were included in pro forma minority interest, our pro forma net income for the year ended December 31, 2005 would have been $2.3 million and our pro forma net income for the three months ended March 31, 2006 would have been $834 thousand.

We intend to grant 2,300,000 restricted stock units to our non-Senior Managing Director employees at the time of this offering. 200,000 of the restricted stock units will be fully vested and, as a result, we will record compensation expense at the time of this offering equal to the value of these fully vested restricted stock units. The remaining 2,100,000 of these restricted stock units will be unvested and will vest upon the same conditions as the unvested partnership units of Evercore LP issued in connection with the Formation Transaction and the Protego Combination described above. If and when these restricted stock units vest, we will record compensation expense at the time of vesting equal to the grant date fair value of the Class A common stock of Evercore Partners Inc. deliverable pursuant to such restricted stock units, which would be calculated based on the initial public offering price of the Class A common stock. As a result, based on an assumed initial public offering price of $19.00 per share, we expect to record compensation expense at the time of this offering equal to the fair value of the vested restricted stock units granted of $3.8 million and would record addition compensation expense at the time of vesting of the unvested restricted stock units of $39.9 million if all such unvested restricted stock units were to vest. If the initial public offering price per share is higher than $19.00, the compensation expense that we record will be greater. To the extent unvested restricted stock units vest they will be included in weighted average shares outstanding for purposes of calculating basic and diluted net income per share, which would have a dilutive effect on these measures.

Non-Compensation Expense. The balance of our operating expenses includes costs for occupancy and equipment rental, professional fees, travel and related expenses, communications and information services, depreciation and amortization and other operating expenses. We refer to all of these expenses as non-compensation expense.

As a result of this offering we will no longer be a private company and our costs for such items as insurance, accounting and legal advice will increase. We will also incur costs which we have not previously incurred for director fees, investor relations expenses, expenses for compliance with the Sarbanes-Oxley Act and new rules implemented by the Securities and Exchange Commission and the New York Stock Exchange, and various other costs of a public company. On an annual basis, we estimate that we will incur costs in the range of $4 to $5 million per year as a result of becoming a publicly traded company. In addition, we expect the one-time costs of meeting the legal and regulatory requirements of a public company, including Section 404 of the Sarbanes-Oxley Act of 2002 to reach $1.5 million and the ongoing annual costs of maintaining such requirements to approximate $0.5 million.

Equity in Income of Affiliate

On October 28, 2005 we began our expansion into the traditional asset management business by forming Evercore Asset Management LLC, in which we own a 41.7% equity interest, with the balance of EAM's equity held by its senior management team. We account for our investment in EAM under the equity method of accounting whereby we recognize our share of earnings and losses. Accordingly, we do not consolidate EAM and do not record any revenue or incur expenses in connection with EAM. We do, however, recognize an investment on our statement of financial condition at the carrying value of our commitments and allocations of profits and losses from EAM. We would be required to consolidate EAM if we were to gain control of the entity or become the primary beneficiary. See "Business—Evercore Asset Management".

Provision for Income Taxes

We have historically operated as a partnership or, in the case of certain combined subsidiaries, an S corporation, for U.S. federal income tax purposes. As a result, our income has not been subject to U.S. federal and state income taxes. Income taxes shown on Evercore Holdings' historical combined income statements are attributable to the New York City unincorporated business and corporate income taxes. Evercore Holdings is not subject to income taxes in the states of California and Delaware, but is subject to annual registration and filing fees within those states.

Following this offering, Evercore LP will continue to operate in the U.S. as a partnership for U.S. federal income tax purposes and remain subject to these New York City. In addition, however, Evercore Partners Inc. will be subject to additional entity-level taxes that will be reflected in our consolidated financial statements. For information on the pro forma effective tax rate of Evercore following the Reorganization, see Note (h) in "Unaudited Pro Forma Financial Information".

Minority Interest

On a historical basis, our minority interest has consisted of unaffiliated third party interests in the general partner of the Evercore Ventures private equity fund. Following this offering, we will no longer consolidate the general partner of that fund and, accordingly, minority interest related to Evercore Ventures will no longer be reflected in our financial results. We will, however, record significant minority interest relating to the ownership interest of our Senior Managing Directors and their estate planning vehicles in Evercore LP. As described in "Organizational Structure", Evercore Partners Inc. will be the sole general partner of Evercore LP. Accordingly, although Evercore Partners Inc. will have a minority economic interest in Evercore LP, it will have a majority voting interest and control the management of Evercore LP. As a result, Evercore Partners Inc. will consolidate Evercore LP and record a minority interest for the economic interest in Evercore LP held by the limited partners.

Presentation of Statements of Income

Consistent with the single-step presentation of our statements of income, we do not distinguish between operating and non-operating income and expenses as we consider all the various components of our revenues and expenses as operating items when making management decisions. We maintain accounting records reflecting the collective results of our operations both from a revenue and expense standpoint. We base the analysis of our financial results and the management of our cost structure and overall profitability on such accounting records.

Combination with Protego

On May 12, 2006, we agreed to combine our business with that of Protego Asesores, an investment banking boutique in Mexico founded by Mr. Aspe. Protego generated revenue of $19.5 million in 2005 and $3.2 million for the three months ended March 31, 2006. On a pro forma basis after giving effect to the Reorganization, revenues from Protego represented approximately 13.4% of our total pro forma combined revenue for the year ended December 31, 2005 and 7.4% of our total pro forma combined revenue for the three months ended March 31, 2006. See "Organizational Structure—Combination with Protego" and "Unaudited Pro Forma Financial Information".

We intend to consummate our combination with Protego (including the acquisition by us of a 70% interest in Protego's asset management subsidiary) prior to this offering. In this combination, we will acquire the Protego companies for $7.0 million aggregate principal amount of non-interest bearing notes, of which $6.05 million will be payable in cash and $0.95 million will be payable in shares of Class A common stock (such shares being valued at the initial public offering price per share in this offering). In addition, we will issue an aggregate of 1,760,187 vested and 351,362 unvested partnership units in Evercore LP to Mr. Aspe, the other Protego Directors certain companies they control, certain trusts benefiting certain of their families and a trust benefiting Directors and employees of Protego. Mr. Aspe and the other Protego Directors will become Senior Managing Directors of Evercore. For U.S. GAAP and financial purposes, we will account for the vested partnership units of Evercore

LP to be issued in the Protego Combination as a component of the estimated purchase price pursuant to Statement of Financial Accounting Standards No. 141 *Business Combinations*. For U.S. GAAP and financial purposes, we will account for the unvested partnership units to be issued in the Protego Combination as future compensation expense and not as part of the purchase consideration. See “Unaudited Pro Forma Financial Information” for a discussion of the estimated purchase price related to the Protego Combination.

Combined Results of Operations

Following is a discussion of our combined results of operations for the three years ended December 31, 2003, 2004 and 2005 and for the three months ended March 31, 2005 and 2006. For a more detailed discussion of the factors that affected our revenue and operating expenses of our Advisory and Investment Management business segments in these periods, please see the discussion in “—Business Segments” below.

Revenue

The following table sets forth information regarding our combined revenue for the years ended December 31, 2003, 2004 and 2005 and for the three months ended March 31, 2005 and 2006.

	Revenue				
	Year Ended December 31,			Three Months Ended March 31,	
	2003	2004	2005	2005	2006
($ in thousands)					
Advisory	$26,302	$69,205	$110,842	$18,270	$32,397
Investment Management	33,568	16,967	14,584	4,120	13,108
Interest Income and Other	250	145	209	44	121
Total Revenues	$60,120	$86,317	$125,635	$22,434	$45,626
(% of Total Revenues)					
Advisory	43.7%	80.2%	88.2%	81.4%	71.0%
Investment Management	55.8%	19.7%	11.6%	18.4%	28.7%

Three Months Ended March 31, 2006 versus Three Months Ended March 31, 2005.

- Total revenue for the three months ended March 31, 2006 was $45.6 million, an increase of $23.2 million, or 103.4%, over the same period in 2005. Advisory revenue increased $14.1 million, or 77.3%, and Investment Management revenue increased $9.0 million, or 218.2%. Client expense reimbursements for transaction-related expenses recorded as revenue in the three months ended March 31, 2006 were $2.0 million, or $1.2 million greater than the same period in 2005.

Year Ended December 31, 2005 versus Year Ended December 31, 2004.

- Total revenue for 2005 was $125.6 million, an increase of $39.3 million, or 45.6%, over 2004. Advisory revenue increased $41.6 million, or 60.2%, while Investment Management revenue decreased $2.4 million, or 14.0%. Client expense reimbursements for transaction-related expenses recorded as revenue in 2005 were $3.4 million, or $1.0 million greater than 2004.

Year Ended December 31, 2004 versus Year Ended December 31, 2003.

- Total revenue for 2004 was $86.3 million, an increase of $26.2 million or 43.6% over 2003. Advisory revenue increased $42.9 million or 163.1%, while Investment Management revenue decreased $16.6 million, or 49.5%. Client expense reimbursements for transaction-related expenses recorded as revenue were steady between 2003 and 2004 at $2.5 million and $2.4 million, respectively.

Operating Expenses

The following table sets forth information regarding our combined operating expenses for the years ended December 31, 2003, 2004 and 2005 and for the three months ended March 31, 2005 and 2006.

	Operating Expenses				
	Year Ended December 31,			Three Months Ended March 31,	
	2003	2004	2005	2005	2006
($ in thousands)					
Employee Compensation and Benefits	$12,448	$17,084	$24,115	$ 5,410	$ 8,759
Non-Compensation Expense	12,432	17,389	34,988	5,176	9,947
Total Operating Expenses	$24,880	$34,473	$59,103	$10,586	$18,706

Three Months Ended March 31, 2006 versus Three Months Ended March 31, 2005.

- Employee compensation and benefits expense was $8.8 million in the three months ended March 31, 2006, an increase of $3.3 million, or 61.9%, versus employee compensation and benefits expense of $5.4 million in the three months ended March 31, 2005. The increase in first quarter 2006 compensation expense was primarily due to a net increase in headcount and an increase in sign-on and estimated year end bonus compensation. Base compensation in the three months ended March 31, 2006 increased by $0.4 million to $2.4 million, an increase of 16.9% relative to first quarter 2005 base compensation. Total bonus compensation for the three months ended March 31, 2006 was $5.3 million, reflecting an increase of $2.5 million, or 92.0%, compared to first quarter 2005 bonus compensation. Employee compensation and benefits represented 19.2% of total revenue in the three months ended March 31, 2006 versus 24.1% in the three months ended March 31, 2005. At March 31, 2006 and March 31, 2005, headcount for employees other than Senior Managing Directors was 100 and 75 respectively.
- Non-compensation expenses were $9.9 million in the three months ended March 31, 2006, an increase of $4.8 million, or 92.2%, versus $5.2 million in the three months ended March 31, 2005. Professional fees were $5.7 million, an increase of $3.1 million, or 119.2%. Approximately $1.2 million of the increase in professional fees was due to incremental costs incurred in connection with the preparation of our historical financial statements and upgrades to our reporting and accounting systems. Additionally, $0.8 million of costs were incurred through temporary outsourcing of our accounting and finance organization. This arrangement will cease with the hiring of permanent accounting staff which is planned to be substantially completed in the second quarter of 2006. Professional fees also increased in the first quarter of 2006 due to an increase in transaction-related expenses referred to below and new business initiatives. Additionally, non-compensation expenses increased due to costs associated with our line of credit of $0.6 million and $0.5 million of travel-related expenses in the first quarter of 2006.
- Included in the first quarter 2006 non-compensation expenses of $9.9 million are $2.1 million of transaction-related expenses for travel, meals and professional fees incurred in the conduct of financial advisory and investment management activity. Transaction-related expenses incurred in the three months ended March 31, 2005 were $1.4 million. We may be reimbursed for such transaction-related expenses, and such clients expense reimbursements are recorded as revenue on the statement of income on the later of the date of an executed engagement letter or the date the expense is incurred.

Year Ended December 31, 2005 versus Year Ended December 31, 2004.

- Employee compensation and benefits expense was $24.1 million in 2005, an increase of $7.0 million, or 41.2%, versus employee compensation and benefits expense of $17.1 million in 2004. The 2005 compensation expense increase was primarily due to a net increase in headcount and an increase in bonus compensation. Base compensation in 2005 increased by $2.3 million to $8.6 million, an increase of 36.5% relative to 2004 base compensation, primarily as a result of the net increase in headcount.

Total bonus compensation for 2005 was $13.5 million, reflecting an increase of $4.2 million, or 45.2% compared to 2004 bonuses. Employee compensation, which is highly correlated with total revenue, represented 19.2% of total revenue in 2005 versus 19.8% in 2004. At December 31, 2005 and December 31, 2004, headcount for employees other than Senior Managing Directors was 93 and 77, respectively.

- Non-compensation expenses were $35.0 million in 2005, an increase of $17.6 million, or 101.2%, versus $17.4 million in 2004. Professional fees were $23.9 million, an increase of $15.9 million, or 198.8%. Approximately $10.2 million of the increase in professional fees was due to incremental costs incurred in connection with the preparation of our historical financial statements and upgrades to our reporting and accounting systems. Additionally, $3.0 million of costs were incurred through temporary outsourcing of our accounting and finance organization. Professional fees also increased by $1.5 million in 2005 for the placement fees associated with the recruiting and retention of M&A professionals and accounting professionals.
- Included in the 2005 non-compensation expense of $35.0 million are $5.8 million of transaction-related expenses for travel, meals, and professional fees incurred in the conduct of financial advisory and investment management activity. Transaction-related expenses incurred in 2004 were $3.7 million. We may be reimbursed for such transaction-related expenses, and such client expense reimbursements are recorded as revenue on the statement of income on the later of the date of an executed engagement letter or the date the expense is incurred.

Year Ended December 31, 2004 versus Year Ended December 31, 2003.

- Employee compensation and benefits expense was $17.1 million in 2004, an increase of $4.6 million, or 37.2%, versus $12.4 million in 2003. The 2004 compensation expense increase was primarily due to a net increase in headcount and an increase in bonus compensation. Base compensation in 2004 increased by $0.8 million to $6.3 million, an increase of 14.5% relative to 2003 base compensation, primarily as a result of the net increase in headcount. Total bonus compensation for 2004 was $9.3 million, reflecting an increase of $3.7 million, or 66.1% compared to 2003 bonuses. Employee compensation, which is highly correlated with total revenue, represented 19.8% of total revenue in 2004 versus 20.7% in 2003. At December 31, 2004 and December 31, 2003, headcount for employees other than Senior Managing Directors was 77 and 69, respectively.
- Non-compensation expense was $17.4 million in 2004, an increase of $5.0 million, or 39.9%, versus $12.4 million in 2003. Professional fees were $8.0 million in 2004, an increase of $3.6 million from 2003, or 81.8%. The increase in professional fees was principally due to expenses related to our attempted but terminated launch of a business development company in 2004 and additional consulting costs to support our growth initiatives.
- Included in 2004 non-compensation expense of $17.4 million are transaction-related expenses of $3.7 million for travel, meals, and professional fees incurred in the conduct of financial advisory and investment management activity.

Provision for Income Taxes

The following table sets forth information regarding our provision for income taxes for the years ended December 31, 2003, 2004 and 2005 and for the three months ended March 31, 2005 and 2006.

	Provision for Income Taxes				
	Year Ended December 31,			Three Months Ended March 31,	
	2003	2004	2005	2005	2006
($ in thousands)					
Provision for Income Taxes	$ 905	$2,114	$3,372	$670	$979

Three Months Ended March 31, 2006 versus Three Months Ended March 31, 2005.

- Provision for income taxes was $1.0 million in the three months ended March 31, 2006, an increase of $0.3 million, or 46.1%, from the prior-year period, which increase was due to the increase in operating income coupled with a higher percentage of operating income derived from S corporations in our structure.

Year Ended December 31, 2005 versus Year Ended December 31, 2004.

- Provision for income taxes was $3.4 million in 2005, an increase of $1.3 million, or 59.5%, which was due to the increase in operating income coupled with a higher percentage of operating income derived from S corporations in our structure.

Year Ended December 31, 2004 versus Year Ended December 31, 2003.

- Provision for income taxes was $2.1 million in 2004, an increase of $1.2 million, or 133.6% from 2003, which was primarily due to an increase in operating income coupled with a decline in the percentage of operating income derived from carried interest which is exempted from the Unincorporated Business Tax.

Business Segments

The following data discusses revenue and operating income by business segment. Each segment's operating expenses include (1) compensation and benefits expense incurred directly in support of the businesses of the segment and (2) non-compensation expenses, which include directly incurred expenses for premises and occupancy, professional fees, travel and entertainment, communications and information services, equipment, and indirect support costs (including compensation and other operating expenses related thereto) for administrative services. These administrative services include accounting, tax, legal, facilities management and senior management activities. Such support costs are allocated to the relevant segments based on various statistics such as headcount, square footage and transactional volume.

Advisory Results of Operations

The following table summarizes the results for the Advisory segment for the years ended December 31, 2003, 2004 and 2005 and for the three months ended March 31, 2005 and 2006.

	Advisory				
	Year Ended December 31,			Three Months Ended March 31,	
	2003	2004	2005	2005	2006
($ in thousands)					
Revenues:					
Advisory Revenue	$ 26,302	$ 69,205	$ 110,842	$ 18,270	$ 32,397
Interest Income and Other	31	110	170	34	101
Total Advisory Revenue	26,333	69,315	111,012	18,304	32,498
Expenses:					
Employee Compensation and Benefits Expense	8,151	13,288	19,047	4,331	6,811
Non-Compensation Expense	7,841	11,214	17,558	3,135	4,404
Total Advisory Operating Expenses	15,992	24,502	36,605	7,466	11,215
Advisory Operating Income	$ 10,341	$ 44,813	$ 74,407	$ 10,838	$ 21,283

Certain client and industry statistics for the Advisory segment are set forth below:

	Client and Industry Statistics				
	Year Ended December 31,			Three Months Ended March 31,	
	2003	2004	2005	2005	2006
Industry Statistics ($ in billions):					
Value of North American M&A Deals Announced	$ 589	$ 855	$ 1,251	$ 287	$ 345
Value of North American M&A Deals Completed	$ 486	$ 819	$ 951	$ 171	$ 348
Advisory Statistics:					
Number of Advisory Clients	35	45	58	26	20
Advisory Headcount:					
Senior Managing Directors	6	8	11	8	11
Other Advisory Professionals	24	29	35	33	38
Total Advisory Headcount	30	37	46	41	49

Three Months Ended March 31, 2006 versus Three Months Ended March 31, 2005.

- Advisory revenue, including interest and other revenue allocated to this segment, was $32.5 million for the three months ended March 31, 2006, compared to $18.3 million for the same period in 2005, which represents an increase of 77.6%. The increase represents an overall increase in the M&A market, our continued business development and the continued addition to our Advisory headcount. Advisory client expense reimbursements billed as revenue were $1.0 million and $0.6 million for the three months ended March 31, 2006 and 2005, respectively.
- We earned Advisory revenue from 20 different clients during the three months ended March 31, 2006, compared to 26 different clients during the same period in 2005. We earned in excess of $1 million from 9 of those clients in the three months ended March 31, 2006, compared to 7 in the same period in 2005. Five clients accounted for more than 71.3% of Advisory revenue for the three months ended March 31, 2006, as compared to five clients accounting for more than 63.2% of Advisory revenue during the same period in 2005. Additionally, one client accounted for 21% of Advisory revenue for the three months ended March 31, 2006 and 27% for the same period in 2005.
- Advisory operating expenses were $11.2 million for the three months ended March 31, 2006, an increase of $3.7 million, or 50.2%, from the same period in 2005. This increase is largely due to an increase in employee compensation, which rose from $4.3 million for the three months ended March 31, 2005 to $6.8 million for the three months ended March 31, 2006. In addition, the $1.3 million increase in non-compensation expense, from $3.1 million as of March 31, 2005 to $4.4 million as of March 31, 2006, is primarily attributable to professional fees and other allocated expenses such as costs due to our line of credit discussed below.
- Advisory base compensation for the three months ended March 31, 2006 was $1.9 million, an increase of $0.5 million, or 31.3%, relative to the same period in 2005. This increase can be directly attributed to the increase in headcount within the Advisory segment as well as an increase in allocated compensation costs. Total Advisory bonus compensation for the three months ended March 31, 2006 was $4.1 million, which represents an increase of $1.6 million related to the increased headcount and higher estimated year-end bonus accruals versus $2.5 million of bonus compensation for the same period in 2005.
- Non-compensation expenses increased principally due to allocated costs of $0.5 million for our line of credit and $0.5 million for temporary staffing and some professional fees. Included in Advisory non-compensation expenses for the three months ended March 31, 2006 of $4.4 million are transaction-related expenses of $0.8 million for travel, meals, and professional fees incurred in the conduct of financial advisory activity. Advisory transaction-related expenses incurred for the three months ended March 31, 2005 were $1.0 million.

Year ended December 31, 2005 versus Year Ended December 31, 2004.

- Advisory revenue, including interest and other revenue allocated to this segment, was $111.0 million in 2005 compared to $69.3 million in 2004, which represents an increase of 60.2%. The increase reflects the continued growth of the M&A market, our continued business development efforts and additions to our Advisory headcount, particularly three new Senior Managing Directors. Our revenue per Senior Managing Director increased by 16.1% from $8.7 million in 2004 to $10.1 million in 2005. Advisory client expense reimbursements billed as revenue were $2.5 million and $2.1 million in 2005 and 2004, respectively.
- We earned Advisory revenue from 58 different clients in 2005 compared to 45 in 2004. We earned in excess of $1 million from 28 of those clients in 2005, compared to 15 in 2004. Three clients each accounted for more than 10% of Advisory revenue in 2005 and two clients each accounted for more than 10% of Advisory revenue in 2004. Additionally, one client accounted for 18.7% of Advisory revenue in 2005 and 34.1% in 2004. Our top five clients accounted for 56.9% of Advisory revenue in 2005 and 64.6% of Advisory revenue in 2004.
- Advisory operating expenses were $36.6 million in 2005, an increase of $12.1 million from 2004, largely due to higher employee compensation and benefits expense, which rose from $13.3 million in 2004 to $19.0 million in 2005, and an increase in non-compensation expense from $11.2 million in 2004 to $17.6 million in 2005, an increase of $6.4 million or 56.6%.
- Advisory base compensation in 2005 was $6.1 million, an increase of $1.9 million or 45.2% relative to 2004. Of this $1.9 million increase, $1.7 million, or 40.5%, of 2004 base compensation relates to net increases in headcount for direct hires into the Advisory headcount and compensation costs of allocated support staff. Total Advisory bonus compensation for 2005 was $11.4 million, which represents an increase of $3.3 million relative to 2004 Advisory bonus compensation of $8.1 million.
- Non-compensation expense increased principally due to additional professional fees and transaction-related expenses. The increase in professional fees is due to $2.4 million of temporary accounting fees borne by this segment and an increase in executive search fees to recruit Advisory professionals of $1.2 million. Included in Advisory 2005 non-compensation expense of $17.6 million are transaction-related expenses of $4.2 million for travel, meals, and professional fees incurred in the conduct of financial advisory activity. Advisory transaction-related expenses incurred in 2004 were $2.9 million.

Year Ended December 31, 2004 versus Year Ended December 31, 2003.

- We earned Advisory revenue of $69.3 million in 2004, an increase of 163.2% compared to 2003. The increase reflects the recovery of the M&A market, additions to the M&A team and our continued business development efforts. Our revenue per Senior Managing Director increased by 97.7% from $4.4 million in 2003 to $8.7 million in 2004. Advisory client expense reimbursements billed as revenue were $2.1 million and $1.9 million in 2004 and 2003, respectively.
- We earned Advisory revenue from 45 different clients in 2004 compared to 35 in 2003. We earned in excess of $1 million from 15 of those clients in 2004 and nine in 2003. Two clients each accounted for more than 10% of Advisory revenue in 2004 and no single client accounted for more than 10% of Advisory revenue in 2003. Our top five clients accounted for 64.6% of Advisory revenue in 2004 and 37.5% of advisory revenue in 2003.
- Advisory operating expenses were $24.5 million in 2004, an increase of $8.5 million from 2003, primarily due to higher employee compensation and benefits expense, which rose from $8.2 million in 2003 to $13.3 million in 2004 and an increase in non-compensation expense from $7.8 million in 2003 to $11.2 million in 2004, an increase of $3.4 million, or 43.0%.
- Advisory base compensation in 2004 was $4.2 million, an increase of $1.0 million or 31.3% relative to 2003. The majority of this increase relates to net increases in Advisory headcount for direct hires and compensation costs of allocated support staff. Total Advisory bonus compensation for 2004 was $8.1 million, which represents an increase of $4.0 million compared to $4.1 million in 2003.

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- Non-compensation expense increased due to client development efforts and transaction-related expenses. Included in Advisory 2004 non-compensation expense of $11.2 million are transaction-related expenses of $2.9 million for travel, meals, and professional fees incurred in the conduct of financial advisory activity. Advisory transaction-related expenses incurred in 2003 were $2.5 million.

Investment Management Results of Operations

Our historical combined results of operations include the results of the general partners of the private equity funds we currently manage and certain other entities through which Messrs. Altman and Beutner have invested capital in the Evercore Capital Partners I fund. Following this offering we will no longer consolidate these entities. See "—Key Financial Measures—Revenue—Investment Management" for a discussion of the revenues we expect to recognize in our Investment Management segment following this offering.

The following table summarizes the operating results for the Investment Management segment for the years ended December 31, 2003, 2004 and 2005 and for the three months ended March 31, 2005 and 2006:

	Investment Management				
	Year Ended December 31,			Three Months Ended March 31,	
	2003	2004	2005	2005	2006
($ in thousands)					
Revenue:					
Management Fees	$12,265	$14,575	$12,935	$ 3,786	$ 3,346
Placement Fees	(1,268)	(2,487)	(2,487)	(622)	—
Net Management Fees	10,997	12,088	10,448	3,164	3,346
Portfolio Company Fees	9,849	1,741	5,112	2,098	4,646
Total Management and Portfolio Company Fees	20,846	13,829	15,560	5,262	7,992
Carried Interest and Gains/(Losses) on Portfolio Investments	12,722	3,138	(976)	(1,142)	5,116
Investment Management Revenue	33,568	16,967	14,584	4,120	13,108
Interest Income and Other Revenue	219	111	39	10	20
Total Investment Management Revenue	33,787	17,078	14,623	4,130	13,128
Expenses:					
Employee Compensation and Benefits Expense	4,297	3,796	5,068	1,079	1,948
Non-Compensation Expense	4,591	6,175	7,097	2,041	3,693
Total Investment Management Operating Expenses	8,888	9,971	12,165	3,120	5,641
Investment Management Operating Income	$24,899	$ 7,107	$ 2,458	$ 1,010	$ 7,487
Investment Management Headcount:					
Senior Managing Directors	6	6	6	6	7
Other Investment Management Professionals	5	7	4	7	3
Total Investment Management Headcount	11	13	10	13	10

Three Months Ended March 31, 2006 versus Three Months Ended March 31, 2005

- Investment Management revenue was $13.1 million in the three months ended March 31, 2006, an increase of $9.0 million or 217.9%, compared to revenue of $4.1 million in the three months ended March 31, 2005. The increase in revenue was driven primarily by an increase in transaction fees and unrealized gains on portfolio investments. Investment Management client expense reimbursements billed as revenue were $1.0 million and $0.2 million in the three months ended March 31, 2006 and 2005, respectively.

- Investment Management operating expenses were $5.6 million in the three months ended March 31, 2006, an increase of $2.5 million, or 80.8%, versus operating expenses of $3.1 million in the three months ended March 31, 2005. This increase is primarily due to an increase in employee compensation and benefits expense and higher professional fees.
- Investment Management employee compensation and benefits expense increased by $0.9 million, or 80.5% in the first quarter of 2006 relative to the first quarter of 2005. This increase is principally due to an increase in allocated employee compensation and benefits expenses associated with new hires.
- Professional fees for the Investment Management business increased $1.4 million in the three months ended March 31, 2006 from the three months ended March 31, 2005 primarily due to an increase in transaction-related fees described below, new business initiatives and fees related to the implementation of a new private equity accounting system.
- Included in the Investment Management non-compensation expenses of $3.7 million for the first quarter of 2006 are transaction-related expenses of $1.3 million for travel, meals, and professional fees incurred in the conduct of Investment Management activity. Investment Management transaction-related expenses incurred in the first quarter of 2005 were $0.4 million.

Year Ended December 31, 2005 versus Year Ended December 31, 2004.

- Investment Management revenue was $14.6 million in 2005, a decrease of $2.5 million, or 14.4%, compared to revenue of $17.1 million in 2004. The decrease in revenue was driven primarily by an increase in fee related revenue of $1.7 million offset by a decline in investment performance related revenue of $4.1 million. The increase in fee related revenue was due to an increase in transaction fees related to an investment in the Evercore Capital Partners II fund's portfolio. This increase was offset by a decline in management fees due to the realization of several investments in the Evercore Capital Partners I fund's portfolio in 2004 resulting in a decrease in invested capital and related management fees in 2005. The decline in investment performance related revenue was due to realizations in four Evercore Capital Partners I portfolio companies that generated modest carried interest and investment gains offset by an unrealized loss resulting from a reduction in the carrying value of an Evercore Capital Partners I portfolio company due to currency fluctuations in 2005. Investment Management client expense reimbursements billed as revenue were $0.9 million and $0.3 million in 2005 and 2004, respectively.
- Investment Management operating expenses were $12.2 million in 2005, an increase of $2.2 million, or 22.0%, versus operating expenses of $10.0 million in 2004. This increase is primarily due to an increase in employee compensation and benefits expense and higher professional fees. Investment Management employee compensation and benefits expense increased by $1.3 million, or 33.5% relative to 2004. This increase is principally due to increases in compensation costs associated with additional hires in the Investment Management fund administration group and increases in bonus compensation.
- Professional fees for the Investment Management business increased $0.7 million in 2005 from 2004 primarily due to an increase in transaction-related expenses as described below.
- Included in Investment Management 2005 non-compensation expense of $7.1 million are transaction-related expenses of $1.6 million for travel, meals, and professional fees incurred in the conduct of Investment Management activity. Investment Management transaction-related expenses incurred in 2004 were $0.8 million.

Year Ended December 31, 2004 versus Year Ended December 31, 2003.

- Investment Management revenue was $17.1 million in 2004, a decrease of $16.7 million, or 49.5%, versus revenue of $33.8 million in 2003. A significant decrease in transaction activity and related fees as well as realizations in 2004 drove a decline in both total management and portfolio company fees from

$20.8 million to $13.8 million as well as a decline in investment performance related revenue from $12.7 million to $3.1 million. Investment Management client expense reimbursements billed as revenue were $0.3 million and $0.6 million in 2004 and 2003, respectively.

- Investment Management operating expenses were $10.0 million in 2004, an increase of $1.1 million, or 12.2%, versus operating expenses of $8.9 million in 2003. This increase is primarily due to increases in professional fees.
- Professional fees increased by $1.1 million from $1.9 million in 2003 to $3.0 million in 2004 due to expenses associated with our attempted launch of a business development corporation.
- Included in the Investment Management 2004 non-compensation expenses of $6.2 million are transaction-related expenses of $0.8 million for travel, meals, and professional fees incurred in the conduct of Investment Management activity. Investment Management transaction related expenses incurred in 2003 were $1.2 million.

Cash Flows

Our historical cash flows are primarily related to the timing of receipt of Advisory and Investment Management fees and the timing of distributions to our Senior Managing Directors and payment of bonuses to employees. In general, we collect our accounts receivable within 60 days.

Three Months Ended March 31, 2006

Cash decreased $25.6 million in 2006. Cash of $6.1 million was provided by operating activities, including $25.9 million from net income. Cash of $7.6 million was used for investing activities, primarily for the funding of capital calls by our private equity funds and our investments in Evercore Asset Management during this period. Financing activities used $24.1 million of cash primarily due to distributions to our Senior Managing Directors of $49 million, which was partially offset by borrowings under our credit agreement in January 2006 of $25 million.

2005

Cash increased $0.5 million in 2005. Cash of $66.7 million was provided by operating activities, including $63.2 million from net income. Cash of $2.5 million was used for investing activities, including $1.0 million for the purchase of furniture, equipment and leasehold improvements. Financing activities used $63.7 million of cash primarily due to distributions to our Senior Managing Directors of $65.3 million.

2004

Cash increased $21.6 million in 2004. Operating activities provided $46.6 million due to $49.8 million in net income, partially offset by a loss of $3.1 million on private equity investments. Cash of $0.7 million was provided by investing activities with $3.1 million being provided by proceeds on investments offset by purchases of fixed assets of $1.0 million and purchases of investments of $0.5 million. Net cash used in financing activities was $25.7 million due to distributions to our Senior Managing Directors of $26.5 million.

2003

Cash decreased $2.0 million in 2003. Cash of $17.8 million was provided by operating activities, primarily due to $34.3 million in net income offset by $12.7 million in private equity investment losses coupled with a decrease in deferred revenue of $6.5 million. Cash of $4.5 million was provided by investing activities, mainly due to $9.0 million in proceeds from investments, offset by $3.8 million in investment purchases. Financing activities used $24.3 million due to distributions to our Senior Managing Directors of $28.1 million.

Liquidity and Capital Resources

Our current assets typically have consisted primarily of cash and accounts receivable in relation to earned Advisory fees. Cash distributions to our Senior Managing Directors are generally made shortly after the end of each calendar quarter. Therefore, levels of cash on hand decrease significantly after the quarterly distribution of cash to Senior Managing Directors, and gradually increase until quarter end. We expect this pattern of cash flow to continue. Our liabilities have typically consisted of accounts payable and accrued compensation.

On December 30, 2005, we entered into a $30.0 million credit agreement with affiliates of Lehman Brothers, JPMorgan Chase and Goldman, Sachs & Co. that matures on the earlier of the consummation of this offering and December 31, 2006. The agreement is a 364-day revolving line of credit. Borrowings under the agreement bear interest at a rate of LIBOR plus 200 basis points for any amount drawn and a commitment fee of $^1/_2$ of 1% per annum for any unused portion. On January 12, 2006, we borrowed $25.0 million on the line of credit at an interest rate of 6.6% and, at March 31, 2006, $25.0 million was outstanding. We recognized $0.2 million of debt issuance cost expense and $0.4 million of interest expense for the three months ended March 31, 2006. The proceeds of this borrowing have been used for working capital purposes including funding of our ongoing investment management activities. We intend to use a portion of the proceeds from this offering to repay all outstanding borrowings under this line of credit.

We regularly monitor our liquidity position, including cash, other significant working capital assets and liabilities, debt, principal investment commitments and other matters relating to liquidity and compliance with regulatory net capital requirements.

We will distribute to our Senior Managing Directors cash and, to the extent cash is not available, notes or interests in certain accounts receivable so as to distribute to our Senior Managing Directors all earnings for the period from January 1, 2006 to the date of the closing of the contribution and sale agreement. As of March 31, 2006, we had $12.3 million in cash on hand.

Under the Evercore LP limited partnership agreement, we intend to cause Evercore LP to make distributions to its partners in an amount sufficient to cover all applicable taxes payable and dividends, if any, declared by us.

We had total commitments (not reflected on our statement of financial condition) relating to future principal investments of $9.3 million as of March 31, 2006. We expect to fund $3.7 million of these commitments with cash flows from operations, with the balance to be funded by other members of the general partners of the private equity funds we manage. We may be required to fund these commitments at any time through December 2011, depending on the timing and level of investments by the Evercore Capital Partners private equity funds, although we do not expect these commitments to be drawn in full.

We expect that, as a result of future exchanges of Evercore LP partnership units for shares of Class A common stock, the tax basis of Evercore LP's assets attributable to our interest in Evercore LP will be increased. This increase in the tax basis of Evercore LP's assets attributable to our interest in Evercore LP would not have been available to us but for the future exchanges of Evercore LP partnership units for shares of Class A common stock. This increase in tax basis would reduce the amount of tax that we would otherwise be required to pay in the future, although the IRS may challenge all or part of that tax basis increase, and a court could sustain such a challenge.

We intend to enter into a tax receivable agreement with our Senior Managing Directors that will provide for the payment by us to an exchanging Evercore partner of 85% of the amount of cash savings, if any, in U.S. federal, state and local income tax that we actually realize as a result of this increase in tax basis. We expect to benefit from the remaining 15% of cash savings, if any, in income tax that we realize. For purposes of the tax receivable agreement, cash savings in income tax will be computed by comparing our actual income tax liability to the amount of such taxes that we would have been required to pay had there been no increase to the tax bases of the tangible and intangible assets of Evercore LP as a result of the exchanges and had we not entered into the tax receivable agreement. The term of the tax receivable agreement will commence upon consummation of this offering and will continue until all such tax benefits have been utilized or expired, unless we exercise our right to terminate the tax receivable agreement for an amount based on an agreed payments remaining to be made under the agreement.

Although we are not aware of any issue that would cause the IRS to challenge a tax basis increase, our Senior Managing Directors will not reimburse us for any payments previously made under the tax receivable agreement. As a result, in certain circumstances we could make payments to the Senior Managing Directors under the tax receivable agreement in excess of our cash tax savings. However, our Senior Managing Directors receive 85% of our cash tax savings, leaving us with 15% of the benefits of the tax savings. While the actual amount and timing of any payments under this agreement will vary depending upon a number of factors, including the timing of exchanges, the extent to which such exchanges are taxable and the amount and timing of our income, we expect that, as a result of the size of the increases of the tangible and intangible assets of Evercore LP attributable to our interest in Evercore LP, during the expected term of the tax receivable agreement, the payments that we may make to our Senior Managing Directors could be substantial.

Following this offering and subject to legally available funds, we intend to pay a quarterly cash dividend initially equal to $0.07 per share of Class A common stock, commencing with the fourth quarter of 2006. The Class B common stock will not be entitled to dividend rights. The declaration of this and any other dividends and, if declared, the amount of any such dividend, will be subject to the ability of our subsidiaries to provide cash to us. The declaration and payment of any future dividends will be at the sole discretion of our board of directors. Our board of directors will take into account general economic and business conditions, our financial condition and operating results, our available cash and current and anticipated cash needs, capital requirements, contractual, legal, tax and regulatory restrictions and implications on the payment of dividends by us to our stockholders or by our subsidiaries (including Evercore LP) to us, and such other factors as our board of directors may deem relevant. If we pay such dividends, our Senior Managing Directors will be entitled to receive equivalent distributions pro rata based on their partnership interests in Evercore LP, although these individuals will not be entitled to receive any such dividend-related distributions in respect of unvested partnership units. See “Dividend Policy”.

Contractual Obligations

The following table sets forth information relating to our contractual obligations as of December 31, 2005:

	Payment Due by Period				
($ in thousands)	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Capital Lease Obligations	$ 425	$ 182	$ 241	$ 2	$ —
Operating Lease Obligations	15,697	2,824	4,289	4,340	4,244
Investment Management Commitments	13,458	—	4,001	245	9,212
Total	$29,580	$ 3,006	$ 8,531	$ 4,587	$ 13,456

We expect to sublease an additional 124,000 square feet of office space at our principal executive offices at 55 East 52nd Street, New York, New York. Our rental payment obligations under the sublease are as follows: $9.5 million per year for years one through five of the sublease term; $10.2 million per year for years six through ten of the sublease term; $10.8 million per year for years 11 through 15 of the sublease term; and $11.4 million per year for year 16 through the expiration of the sublease term. We intend, however, to sublease a portion of this additional space for a term of only three to five years. Our current annual lease expense is $3.2 million. In connection with the execution of the sublease, we expect to deliver a security deposit in the form of a letter of credit in the amount of $4.8 million. We intend to take possession of this additional space between February 1, 2007 and April 30, 2007. The term of the sublease expires on April 29, 2023.

Off-Balance Sheet Arrangements

We do not invest in any off-balance sheet vehicles that provide liquidity, capital resources, market or credit risk support, or engage in any leasing activities that expose us to any liability that is not reflected in our combined financial statements.

Market Risk

Due to the nature of our business and the manner in which we conduct our operations, in particular our limitation of investments to short term cash investments, we believe we do not face any material interest rate risk, foreign currency exchange rate risk, equity price risk or other market risk. Through our principal investments in our funds and our ability to recognize carried interest from these funds, which depends on the profits generated within our funds, we face exposure to changes in the estimated fair value of the companies in which these funds invest, which historically has been volatile. However, we do not believe normal changes in public equity markets will have a material effect on revenues derived from such investments.

Critical Accounting Policies and Estimates

The combined financial statements included in this prospectus are prepared in conformity with accounting principles generally accepted in the United States, which require management to make estimates and assumptions regarding future events that affect the amounts reported in our financial statements and their footnotes, including reported amounts of assets, liabilities, revenue and expenses, and related disclosure of contingent assets and liabilities. We base these estimates on historical experience and various other assumptions that we believe to be reasonable under the circumstances. Actual results could differ materially from those estimates. We believe that the following discussion addresses our most critical accounting policies, which are those that are most important to the presentation of our financial condition and results of operations and require management’s most difficult, subjective and complex judgments.

Investments

The private equity funds’ investments are generally restricted and encumbered and are not actively traded or intended for immediate sale. These investments are carried at fair value on the combined statements of financial condition, with realized and unrealized gains and losses included on the combined statements of income in Investment Management revenue.

The private equity funds consist primarily of investments in marketable and non-marketable securities of the portfolio companies. The underlying investments held by the private equity funds are valued based on quoted market prices, or estimated fair value if there is no public market. The fair value of each private equity fund’s investments in non-marketable securities is determined by the general partner of each private equity fund subject to review by the fund’s advisory committee comprised of certain third party limited partners. The carrying value of non-marketable securities is determined in good faith by giving consideration to a range of factors, including but not limited to market conditions, operating performance (current and projected) and subsequent financing transactions at each period end. The values assigned are based upon available information and do not necessarily represent amounts which might ultimately be realized. Due to the inherent uncertainty in the valuation of these non-marketable securities, estimated values may materially differ from the values that would have been used had a ready market existed for these investments.

Investments in publicly traded securities are valued using quoted market prices and discounted for liquidity where appropriate.

Available-For-Sale Securities are valued using quoted market prices for publicly traded securities or estimated fair value if there is no public market.

Revenue Recognition

We recognize Advisory revenue when the services related to the underlying transactions such as mergers, acquisitions, restructurings and divestitures are completed in accordance with the terms of the respective engagement agreement. Fees paid in advance of services rendered are initially recorded as deferred revenue and recognized as Advisory revenue ratably over the period in which the related service is rendered.

Investment Management revenue consists of management fees, portfolio company fees, carried interest and realized and unrealized gains (or losses) on investments in the private equity funds.

Management fees are contractually based and are derived from investment management services provided to the private equity funds in originating, recommending and consummating investment opportunities. Management fees are payable semi-annually in advance on committed capital during the private equity funds' investment period, and on invested capital, thereafter. Management fees are initially recorded as deferred revenue and revenue is recognized ratably over the period for which services are provided.

The private equity funds' partnership agreements provide for a reduction of management fees for certain portfolio company fees earned by us. Portfolio company fees are recorded as revenue when earned and are offset, in whole or in part, against future management fees.

Carried interest is computed in accordance with the underlying private equity funds' partnership agreements and is based on investment performance over the life of each investment partnership. Future investment underperformance may require amounts previously distributed to be returned to the respective investment partnerships. As required by the private equity funds' partnership agreements, the general partners of each private equity fund maintain a defined amount in escrow in the event that distributions received by such general partner must be returned due to investment underperformance. These escrow funds are not included in our accounts. The members of the general partners of the private equity funds have guaranteed the general partners' obligations to repay or refund to outside investors in the private equity funds interim amounts distributed to us, which may arise due to future investment underperformance.

Goodwill

In accordance with Statement of Financial Accounting Standards No. 142, "*Goodwill and Other Intangible Assets*," goodwill is tested for impairment annually or more frequently if circumstances indicate impairment may have occurred. In this process, we make estimates and assumptions in order to determine the fair value of our assets and liabilities and to project future earnings using valuation techniques, including a discounted cash flow model. We use our best judgment and information available to us at the time to perform this review. Because our assumptions and estimates are used in projecting future earnings as part of the valuation, actual results could differ. At March 31, 2006 we had no outstanding goodwill. On a pro forma basis after giving effect to the Reorganization, including our combination with Protego, our goodwill as of March 31, 2006 was $29.9 million.

Recently Issued Accounting Pronouncements

SFAS 123(R)—On December 16, 2004, the FASB issued SFAS No. 123 (revised 2004), "*Share-Based Payment*," or SFAS 123(R), which is a revision of SFAS No. 123 "*Accounting for Stock Based Compensation*." SFAS 123(R) supersedes Accounting Principles Board Opinion ("APB") No. 25, "*Accounting for Stock Issued to Employees*," and amends SFAS No. 95, "*Statement of Cash Flows*." Generally, the approach in SFAS 123(R) is similar to the approach described in SFAS 123. However, SFAS 123(R) requires all share-based payments to employees, including grants of employee stock options, to be recognized in the Combined Statements of Income based on their fair values. Pro forma disclosure is no longer an alternative. We have operated as a series of partnerships, limited liability companies and sub-chapter S corporations and have not historically issued stock-based compensation awards. The impact of the adoption of SFAS 123(R) cannot be predicted at this time because it will depend on the level of share-based awards granted in the future.

FIN 47—In March 2005, the FASB issued Financial Interpretation No. 47, "*Accounting for Conditional Asset Retirement Obligations*" ("FIN 47"). FIN 47 clarifies guidance provided in SFAS No. 143, "*Accounting for Asset Retirement Obligations.*" The term asset retirement obligation refers to a legal obligation to perform an asset retirement activity in which the timing and/or method of settlement are conditional on a future event that may or may not be within the control of the entity. Entities are required to recognize a liability for the fair value of a conditional asset retirement obligation when incurred if the liability's fair value can be reasonably estimated. FIN 47 was effective for fiscal years ending after December 15, 2005. The adoption of FIN 47 did not have a material effect on the Company's combined financial condition or results of operations.

SFAS 154—In May 2005, the FASB issued SFAS No. 154 "*Accounting Changes and Error Corrections*", which replaces APB Opinion No. 20 and SFAS No. 3, and changes the requirements for the accounting for and reporting of a change in accounting principle. This statement is effective for accounting changes and corrections of errors made in fiscal years beginning after December 15, 2005, although early adoption is permitted for accounting changes and corrections of errors made in fiscal years beginning after the date SFAS 154 was issued. The adoption of SFAS 154 will not have a material effect on the Company's combined financial condition or results of operations.

Emerging Issues Task Force Issue No. 04-5—In June 2005 the Emerging Issues Task Force reached a consensus on Issue No. 04-5, "*Determining Whether a General Partner, or the General Partners as a Group, Controls a Limited Partnership or Similar Entity When the Limited Partners Have Certain Rights*." Under Issue 04-5, the general partners in a limited partnership or similar entity are presumed to control that limited partnership regardless of the extent of the general partners' ownership interest in the limited partnership. A general partner should assess the limited partners' rights and their impact on the presumption of control. If the limited partners have either a) the substantive ability to dissolve the limited partnership or otherwise remove the general partners without cause or b) substantive participating rights, the general partners do not control the limited partnership. For general partners of all new limited partnerships formed and for existing limited partnerships for which the partnership agreement is modified, Issue 04-5 is effective after June 29, 2005. For general partners in all other limited partnerships, Issue 04-5 is effective for the first reporting period in fiscal years beginning after December 15, 2005, and allows either of two transition methods. As of December 31, 2005 the private equity funds' partnership agreements provide for the right to remove the general partners by a simple majority. As a result, we have determined that consolidation of the private equity funds will not be required pursuant to Issue 04-5.

BUSINESS

Overview

Evercore Partners is the leading investment banking boutique in the world, based on the dollar volume of announced worldwide merger and acquisition transactions on which we have advised since 2001. When we use the term “investment banking boutique”, we mean an investment banking firm that does not underwrite public offerings of securities or engage in commercial banking activities. We provide advisory services to prominent multinational corporations on significant mergers, acquisitions, divestitures, restructurings and other strategic corporate transactions. Evercore also includes a successful investment management business through which we manage private equity funds for sophisticated institutional investors. We serve a diverse set of clients around the world from our offices in New York, Los Angeles and San Francisco.

Our senior leadership is comprised of Roger Altman, the former U.S. Deputy Treasury Secretary and Vice Chairman of The Blackstone Group; Austin Beutner, a former General Partner of The Blackstone Group; and Eduardo Mestre, the former head of Citigroup’s Global Investment Bank. On May 12, 2006, we agreed to combine our business with that of Protego Asesores, a leading investment banking boutique in Mexico, founded by Pedro Aspe. Following our combination with Protego, Mr. Aspe, the former Minister of Finance of Mexico, will join our management team. Protego’s offices are located in Mexico City and Monterrey, Mexico.

We were founded on the belief that there was an opportunity within the investment banking market for a firm free of the potential conflicts of interest created within large, multi-product financial institutions. We also believed that an independent advisory business, with its broad set of relationships, would provide a differentiated investment platform from which to make private equity investments. We employ the Evercore relationship network throughout the investment process to originate investments, evaluate those opportunities and add value after an investment is made.

From the time of our founding in 1996, we have grown by expanding the range of our advisory and investment management services. In our advisory business, we have thirteen Senior Managing Directors with expertise and client relationships in a number of industry sectors, including telecommunications, technology, media, energy, general industrial, consumer products and financial institutions. Over the past several years, our advisory business has had a particular focus on advising large multinational corporations on many noteworthy transactions. In addition, we have augmented our advisory business by adding professionals with extensive restructuring experience. In our investment management business, we have eight Senior Managing Directors with expertise and client relationships in a variety of industries. A majority of our investment management team’s Senior Managing Directors have worked together since 1999. We raised our first private equity fund in 1997, our second in 2000 and our third in 2001. As of March 31, 2006 the three private equity funds we manage had capital commitments of over $1.2 billion. In 2005, we began our expansion into the traditional asset management business by forming Evercore Asset Management LLC.

We have grown from three Senior Managing Directors at our inception to 25 today. With the pending Protego combination, we will add another seven Senior Managing Directors. We expect to continue our growth by hiring additional highly qualified professionals with a broad range of product and industry expertise, expanding into new geographic areas, raising additional private equity funds and diversifying our investment management services. We opened our first office in New York in 1996, our first office on the West Coast in 2000, and settled in our current New York City headquarters in 2004.

We believe maintaining standards of excellence in our core businesses demands a spirit of cooperation and hands-on participation most commonly found in smaller organizations. Since our inception, we have set out to build—in the employees we choose and in the projects we undertake—an organization dedicated to the highest caliber of professionalism.

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Why We Are Going Public

We have decided to become a public company for five principal reasons:

- To enhance our profile and position as an investment banking boutique;
- To expand our advisory business, including through the improved ability to hire advisory professionals and expand into new geographic regions;
- To expand our investment management business, including through the improved ability to hire professionals and to offer our clients a broader array of investment services including more traditional investment vehicles;
- To increase our ability to provide financial incentives to our existing and future employees through the issuance of equity-related securities; and
- To permit the realization over time of equity value by our principal owners without necessitating the sale of our business.

Industry Trends

We believe a combination of long-term trends creates a favorable climate for revenue and profit growth in the industry segments in which we compete. Long-term trends that may benefit our advisory business include:

Emphasis on Responsible Corporate Governance. Boards of directors and management teams are placing increasing emphasis on their responsibilities relating to corporate governance. We believe Evercore is well-positioned to obtain engagements advising on matters of strategic and financial importance involving sensitive corporate governance issues because of the senior level attention our firm provides, the reputations and experience levels of our Senior Managing Directors, and our reputation for providing objective and unbiased advice without encountering the conflicts that may arise at larger, more diversified financial firms.

Consolidation. Intense and increasing commercial competition is driving the need for companies to realize economies of scale and scope and to optimize strategic positioning, which in turn drives the market for mergers and acquisitions.

Globalization. Companies around the world are continuing to globalize their operations, including through international merger and acquisition activity. We believe this trend toward globalization represents a growth opportunity for us as we seek to expand our presence outside the United States.

Focus on Stockholder Value. Companies place a strong focus on stockholder value, which drives continual business portfolio rebalancing, including mergers, acquisitions, divestitures, restructurings, and similar transactions. We strive to serve as a trusted strategic and financial advisor to help our clients maximize stockholder value, even when no transaction is imminent.

Expansion of Debt Markets. Long-term increases in investor demand for debt of non-investment grade issuers have driven growth in acquisitions by financial sponsors. In the event of an economic downturn, some of these issuers may become candidates for restructuring advisory services. We are seeking to increase the size of our restructuring advisory effort as part of our growth plan. We believe an increase in restructuring advisory business will provide a partial hedge against merger and acquisition advisory revenue, which tends to be inversely correlated with restructuring advisory revenue.

We believe the following trends may influence long-term growth in the markets served by our investment management business:

Acceptance of Alternative Investments. Many institutional and high-net worth investors are increasing their asset allocations to alternative investments to diversify risk while maintaining high and uncorrelated absolute returns. Growing acceptance of these strategies increases the demand for investment products such as the private equity funds that we manage.

Demographics. Aging populations in both developed and emerging markets around the world have increased the pools of savings and the need for retirement investment services by institutions and individuals.

Internationalization. Investors around the world are diversifying their investment portfolios by increasing their allocations to investments outside their domestic capital markets.

Independent Investment Firm. Many institutions and high net worth investors are increasing their asset allocations to independent investment management firms where compensation is directly tied to their investment performance and where there is no real or perceived conflict associated with providing securities research or underwriting services.

Our Growth Strategy

We believe this offering will allow us to grow and diversify our advisory and investment management businesses and further enhance our profile and position. We seek to achieve these objectives through three primary strategies:

- ***Continue to Build Evercore's Advisory Team by Adding Highly Qualified Professionals with Industry and Product Expertise.*** We intend to continue to recruit high-caliber professionals into our advisory practice to add depth in industry sectors in which we believe we already have strength, to extend the reach of our advisory focus to industry sectors we have identified as particularly attractive and to further strengthen our restructuring business.
- ***Expand Into New Geographic Markets.*** We plan to expand into new geographic markets where we believe the business environment will be receptive to the strengths of our advisory and investment management business models or where our clients have or may develop a significant presence. Our combination with Protego is an important step in this strategy. In addition, we have recently entered into an agreement to acquire Braveheart Financial Services Limited, an English company which was formed to provide corporate finance and private equity advisory services in Europe. We have also recently entered into a strategic alliance with Mizuho Securities to provide joint advisory services for U.S.-Japan cross-border merger, acquisition and restructuring transactions. We may hire groups of talented professionals or pursue additional strategic acquisitions of or alliances with highly-regarded regional or local firms in new markets whose culture and operating principles are similar to ours.
- ***Raise New Private Equity Funds and Diversify Into New Investment Management Services.*** We intend to raise additional private equity funds and diversify our business into new investment management services. We are currently planning to raise a new private equity fund, Evercore Capital Partners III, and have recently formed Evercore Asset Management to offer public equity asset management services for institutional and high net worth investors.

Business Segments

Our two business segments are advisory and investment management.

Advisory

Our advisory business provides confidential, strategic and tactical advice to both public and private companies, with a particular focus on large, multinational corporations. By virtue of their prominence, size and sophistication, many of our clients are more likely to require expertise relating to larger and more complex situations. We have advised on numerous noteworthy transactions, including:

- General Motors on its pending sale of a 51% interest in GMAC to an investor group
- AT&T on its pending acquisition of BellSouth
- CVS on its acquisition of certain assets of Albertsons
- Credit Suisse on its pending sale of Winterthur
- VNU on its sale to a private equity consortium
- Swiss Re on its acquisition of General Electric's reinsurance business

- Tyco on its pending split-up
- E*Trade on its acquisitions of Harris*direct* and Brown & Co.
- SBC on its acquisition of AT&T
- General Mills on its acquisition of Pillsbury
- Cendant on its split-up
- StorageTek on its pending sale to Sun Microsystems
- SBC on Cingular's acquisition of AT&T Wireless
- CBS on its sale to Viacom

Our approach is to work as a trusted senior advisor to top corporate officers and boards of directors, helping them devise strategies for enhancing shareholder value. We believe this relationship-based approach to our advisory business gives us a competitive advantage in serving a distinct need in the market today. Furthermore, we believe our advisory business is differentiated from that of our competitors in the following respects:

- ***Objective Advice with a Long-Term Perspective*.** We seek to recommend shareholder value enhancement strategies or other financial strategies that we would pursue ourselves were we acting in management's capacity. This approach often includes advising our clients against pursuing transactions that we believe do not meet that standard.
- ***Transaction Excellence*.** Since the beginning of 2004, we have advised on more than $300 billion of announced transactions, including acquisitions, sale processes, mergers of equals, special committee advisory assignments, recapitalizations and restructurings. We have provided significant advisory services on multiple transactions for Accenture, Dow Jones, EDS, General Mills and AT&T (including predecessor company, SBC), among others.
- ***Senior Level Attention and Experience*.** The Senior Managing Directors in our advisory business participate in all facets of client interaction, from the initial evaluation phase to the final stage of executing our recommendations. Our advisory Senior Managing Directors have, on average, more than 22 years of relevant experience.
- ***Independence and Confidentiality*.** We do not underwrite securities, publish securities research, or act as a lender. This enables us to avoid the potential conflicts that may arise from these activities at larger, more diversified competitors. In addition, we believe our commitment to discretion and the smaller size of our firm enhance our ability to provide our clients with strict confidentiality.

Our advisory business generates revenue from fees for providing advice and investment banking services on mergers, acquisitions, restructurings and other strategic transactions. We also provide financial advice and investment banking services to companies in financial transition, as well as to their creditors. Our restructuring advisory services complement our other advisory services because they are generally counter-cyclical and more active when other areas of our advisory business are less active. In addition, our restructuring advisory business often generates follow-on relationships and assignments that survive the completion of restructuring-related engagements.

We advise clients in a number of different situations across many industries and geographies, each of which may require various services:

- *Mergers and Acquisitions.* When we advise companies about the potential acquisition of another company or certain assets, our services include evaluating potential acquisition targets, providing valuation analyses, evaluating and proposing financial and strategic alternatives and rendering, if appropriate, fairness opinions. We also may advise as to the timing, structure, financing and pricing of a proposed acquisition and assist in negotiating and closing the acquisition.
- *Divestitures and Sale Transactions.* When we advise clients that are contemplating the sale of certain businesses, assets or their entire company, our services include evaluating and recommending financial and strategic alternatives with respect to a sale, advising on the appropriate sales process for the

situation and valuation issues, assisting in preparing an offering memorandum or other appropriate sales materials and rendering, if appropriate, fairness opinions. We also identify and contact selected qualified acquirers and assist in negotiating and closing the sale.

- *Special Committee and Fairness Opinion Assignments.* We are well-known for our independence, quality and thoroughness, devoting senior-level attention throughout the project lifecycle. We believe our objectivity, integrity and discretion allow us to provide an unbiased perspective. Our firm does not underwrite securities, publish securities research or act as a lender. We are therefore not burdened by these potential conflicts of interest when advising special committees and boards of directors and rendering fairness opinions.
- *Corporate Finance Advisory.* We often serve as an independent and objective advisor in financing situations. We have developed an expertise in assisting clients with respect to the entire spectrum of capital structure decisions, from underwriter selection and management to negotiation of financing terms and transaction execution.

We strive to earn repeat business from our clients. However, we operate in a highly competitive environment in which there are no long-term contracted sources of revenue. Each revenue-generating engagement is separately negotiated and awarded. To develop new client relationships, and to develop new engagements from historical client relationships, we maintain an active dialogue with a large number of clients and potential clients, as well as with their financial and legal advisors, on an ongoing basis. We have gained a significant number of new clients each year through our business development initiatives, through recruiting additional senior professionals who bring with them client relationships and through referrals from directors, attorneys and other third parties with whom we have relationships.

We staff our assignments with a team of professionals with appropriate product and industry expertise. Twelve of our Senior Managing Directors are primarily dedicated to our advisory business. These individuals have an average of over 22 years of relevant experience in the advisory services industry. We have recruited our other professionals from leading financial institutions and universities.

Investment Management

Our investment management business manages three private equity funds with aggregate capital commitments of over $1.2 billion as of March 31, 2006. Mr. Beutner is the Chief Investment Officer of Evercore and a majority of the investment team's Senior Managing Directors has worked together since 1999. Our team brings a diverse set of skills and experiences to the investment process and includes experienced investors, former senior executives from Fortune 100 companies, buy-side research analysts and strategic consultants. Our investment management business principally manages and invests capital on behalf of third parties. A broad range of institutional and high net worth investors, including corporate and public pension funds, endowments, foundations, insurance companies and family offices, have committed capital to the funds we manage. The investments made by our Evercore Capital Partners private equity funds are typically control or significant influence investments while the investments made by our Evercore Ventures private equity fund are typically minority investments.

Our Investment Management business has four principal sources of revenue: (1) management fees; (2) portfolio company fees; (3) carried interest; and (4) gains (or losses) on investments of our own capital in the private equity funds we manage. The entities which are entitled to the management and portfolio company fees from the private equity funds we manage are being contributed to Evercore LP. Accordingly, we will continue to reflect the management and portfolio company fees from all of these funds in our consolidated financial statements following this offering. However, with the exception of a non-managing minority equity interest in the general partner of our Evercore Capital Partners II fund, the general partners of the private equity funds we currently manage and certain other entities through which Messrs. Altman and Beutner have invested capital in the Evercore Capital Partners I Fund are not being contributed to Evercore LP and will continue to be owned by our Senior Managing Directors and other third parties. Following this offering, because we will no longer consolidate the results of the general partners of the Evercore Capital Partners I or Evercore Ventures funds, we will no longer recognize as revenue any carried interest earned by these entities or any of the gains or losses arising from these entities' investments in the Evercore Capital Partners I or Evercore Ventures funds. However, through our equity interest in the general partner of the Evercore Capital Partners II fund, we will recognize as revenue 8% to 9% (depending on the particular fund investment) of any carried interest realized from that fund following this offering, as well as realized or unrealized gains and losses based on the amount of capital in that fund which is being contributed to, or which is subsequently funded by, us. As of March 31, 2006, $6.2 million of investments and $3.7 million of commitments are to be contributed or assumed by us as part of the Formation Transaction.

The historical information presented below and elsewhere in this prospectus with respect to each of our funds is provided for illustrative purposes only. The historical investment and realization performance for our funds is no guarantee of future performance for Evercore Capital Partners I, Evercore Capital Partners II, Evercore Ventures, or any other fund we may form or manage in the future.

The following table provides information with respect to each of our funds as of March 31, 2006.

($ in thousands)	Year of Initial Closing	Total Capital Commitments	Capital Invested as of March 31, 2006	Gross Realizations as of March 31, 2006	Carrying Value as of March 31, 2006	Status
Evercore Capital Partners I	1997	$ 511,868	$ 438,389	$ 608,619	$ 116,136	Harvesting
Evercore Capital Partners II	2001	662,900	459,028	1,566	532,163	Investing
Evercore Ventures	2000	62,420(1)	34,054	9,494	28,232	Harvesting

(1) Excludes $15 million commitment by Evercore Partners I for side-by-side investment.

Evercore Capital Partners I and Evercore Capital Partners II are value-oriented, middle-market private equity funds. We believe Evercore Capital Partners differentiates itself from other middle-market private equity funds by the breadth, depth, quality and stability of its investment team.

We seek to generate attractive risk-adjusted returns in all of our funds by adhering to the following investment approach:

- ***Employing the Evercore Relationship Network.*** We employ the Evercore relationship network throughout the investment process to originate investments, evaluate potential opportunities thoroughly, and add value after an investment is made. We enhance the breadth and depth of our advisory relationship network with our investment management business' advisory board, in-house operating executives and the collective experience of our investment team.
- ***Value Discipline: Focus on Risk-Adjusted Returns.*** We focus on the fundamentals of the underlying business rather than relying on stock market arbitrage, future acquisitions or valuation multiple expansion to achieve returns.
- ***Focus on Post-Investment Value Creation.*** We devote considerable time and resources to working closely with the funds' portfolio companies to determine business strategy, allocate capital and other resources, evaluate expansion and acquisition opportunities and participate in implementing these plans.

Investment Process

We evaluate potential investments at a prudent and deliberate pace, targeting a limited number of investments per year. The funds' investment guidelines are flexible with respect to both industry exposure and investment size, though we have chosen to avoid undue concentration in any particular industry or segment. We typically seek investments with total enterprise value of at least $100 million but have completed individual transactions that exceed $4 billion in value in partnership with other investors. Given the range of transaction sizes we pursue, we seek to commit an average of approximately $50 million to $150 million of equity to each investment. As of March 31, 2006, the Evercore Capital Partners I and Evercore Capital Partners II private equity funds have invested over $897 million in 18 companies. The funds typically hold investments for three to seven years and systematically evaluate exit opportunities throughout the holding period.

While we remain generalists in our approach, we focus on a limited number of sectors where we believe our professionals and firm have extensive intellectual capital, including media, energy and power, and business services. We typically invest in businesses as the lead financial sponsor and demand strong governance rights. However, we are willing to share control with other investors assuming the interests and incentives of the controlling group of investors are aligned with ours.

Investment Management Business Model

The life cycle of a typical private equity fund can be defined by three distinct, but overlapping stages:

- *Fundraising Period*. Investment capital is raised during a finite period.
- *Investment Period*. Investments are made over time and capital is drawn as needed to fund those investments. Multiple investments may be made in a single portfolio company.
- *Realization or Harvesting Period*. Capital and carried interest are realized over the life of the fund as investments are monetized. A single portfolio company can have multiple realizations.

Evercore Capital Partners I

In February 1998, the final closing was held for Evercore Capital Partners I, with total committed capital of $511.9 million, of which $493.0 million was committed by outside investors and $18.9 million was committed by our Senior Managing Directors and other professionals. As of March 31, 2006, $438.4 million of the $511.9 million of committed capital was invested. The investment period for Evercore Capital Partners I ended in April 2003 and therefore, no additional capital will be committed from this fund. However, a follow-on basket totaling $50.0 million is available to continue to support existing portfolio companies. As of March 31, 2006, Evercore Capital Partners I had returned $608.6 million of gross proceeds. The portfolio is invested in a number of different sectors of the economy including, media, energy, and business services.

Evercore Capital Partners II

In March 2003, the final closing was held for Evercore Capital Partners II, with total committed capital of $662.9 million, of which $642.9 million was committed by outside investors and $20.0 million was committed by our Senior Managing Directors and other professionals. As of March 31, 2006, Evercore Capital Partners II had invested $459.0 million in eight investments in the media, power, financial services and healthcare sectors, among others.

Evercore Ventures

In October of 2002, the final closing was held for Evercore Ventures, with total committed capital of $104.1 million, of which $82.1 million was committed by outside investors, $20.0 million was committed by Evercore Capital Partners I, and $2.0 million was committed by our Senior Managing Directors and other professionals. The fund size was later reduced to $77.4 million, which included $15.0 million committed by Evercore Capital Partners I. Evercore Ventures has invested in emerging technology companies in specific growth sectors including data storage, wireline and wireless communications, enterprise software, and technology enabled services. As of March 31, 2006, Evercore Ventures had returned $9.5 million of gross proceeds.

Combination with Protego

On May 12, 2006, we agreed to combine our business with that of Protego Asesores, a leading investment banking boutique in Mexico, founded by Mr. Aspe. The combination is the result of a long-standing relationship between Messrs. Altman and Beutner and Mr. Aspe. We believe this combination will create a firm based on a shared set of business principles and will afford us new business opportunities together that neither business could successfully have realized independently.

The Protego team founded its advisory business in 1996 and currently has offices in Mexico City and Monterrey, Mexico. Protego's advisory services include mergers and acquisitions, energy project finance, sub-national public finance and infrastructure, real estate financial advisory and restructurings. Protego approaches its advisory business in much the same way as Evercore, by building long-standing relationships and acting as a trusted advisor to company management free from the conflicts that larger institutions may encounter. Protego has advised on a number of innovative financing transactions that have had a meaningful role in developing Mexico's financial markets. For example, Protego advised on the development and financing of Cemex's power self-generation project, which was the first and largest project financing for a private project of its kind in Mexico, on the sale of HomeMart to Home Depot and on several innovative real estate transactions, including one of the largest sales ever of commercial property in Mexico to a group of international investors. Protego also served as advisor to the government of the State of Mexico on its $2.5 billion debt restructuring and fiscal adjustment plan, the government of the State of Michoacán on its $142 million long-term financing, the government of the State of Durango on its $235 million refinancing, the government of the State of Sonora on its $119 million long-term financing and $337 million debt refinancing, and designed a financial mechanism using water fees for the financing of three water treatment plants for the Water Commission of the State of Querétaro.

In 2003, Protego launched a private equity fund jointly with Discovery Capital Partners LLC. The fund, called Discovery Americas I L.P., has $68.3 million as of March 31, 2006 in capital commitments and seeks investment opportunities in Mexico in several sectors, including housing, healthcare, retail, consumer finance and transportation. Protego holds a 50% interest in the general partner of Discovery Americas I, L.P and is entitled to 33 1/3% of the carried interest from the fund. As of December 31, 2005, the fund has invested $29.6 million. In 2005, Protego formed an asset management business that focuses on investment management in peso-denominated money market and fixed income securities for institutional and high net worth investors in Mexico.

($ in thousands)	Year of Initial Closing	Total Capital Commitments	Capital Invested as of December 31, 2005	Gross Realizations as of December 31, 2005	Carrying Value as of December 31, 2005	Status
Discovery Americas I LP	2003	$ 68,355	$ 29,582	—	$ 29,582	Investing

We will not consolidate the general partner of the Discovery Americas I private equity fund following this offering. However, we will recognize as revenue 10% of any carried interest realized from the Discovery Americas I private equity fund following this offering.

Evercore Asset Management

On October 28, 2005 we began our expansion into the traditional asset management business by forming Evercore Asset Management LLC. The core team of professionals has long-standing working relationships and a deep commitment to value investing. Gregory Sawers, EAM's Chief Executive Officer and Andrew Moloff, EAM's Chief Investment Officer who lead the investment management effort, worked closely managing and co-managing several investment services at one of the industry's leading value-based asset management firms.

EAM's approach to investing is classic value and the firm will seek to make value investments in small- and mid-capitalization publicly-traded companies. Business development will be focused on the institutional pension, endowment and foundation market. The firm's first product offering, a concentrated small-cap value service, is now being formally marketed to the investment community. A second investment service, a concentrated small/ mid value equity portfolio, has also been launched. Marketing of this service will commence over the course of the second quarter of 2006. We intend to cross-market our other services with EAM in a variety of ways, and to seek additional operational and back-office synergies with the rest of our lines of business. EAM is registered as an investment adviser under the Investment Advisers Act of 1940. See “—Regulation” for a discussion of Investment Advisers Act regulatory matters.

Alliance with Mizuho Securities

On February 2, 2006, we entered into an alliance agreement with Mizuho Securities of Japan and its U.S. advisory subsidiary, The Bridgeford Group. The agreement calls for Evercore, Mizuho, and Bridgeford to provide U.S.-Japan cross-border advisory services for merger, acquisition or restructuring transactions on a joint basis. Subject to the terms of the agreement, we and Mizuho will offer one another the exclusive option to provide joint advisory services for certain cross-border transactions to U.S. clients of Evercore and Japanese clients of Mizuho. This alliance will give us access to the large number of Japanese corporate clients that Mizuho serves and enhances our ability to advise our U.S. clients on a global basis. The alliance agreement has an initial term of three years and is renewable for successive one-year terms thereafter. The alliance agreement may be terminated by either party at any time.

Co-Operation Agreement with Braveheart Financial Services Limited

On April 19, 2006, we entered into a Co-Operation Agreement with Braveheart Financial Services Limited, a private company limited by shares incorporated in England, which provides for a business referral arrangement. Braveheart was recently organized to provide corporate finance and private equity advisory services, and has applied for its receipt of applicable regulatory approvals. The arrangement under the Co-Operation Agreement is intended to generate incremental fee income for each of Evercore and Braveheart through mutual business referrals for financial advisory work and the sourcing and execution of private equity fundraising and investment opportunities. Pursuant to the Co-Operation Agreement, Braveheart will refer matters in North America to Evercore and Evercore will refer matters in Europe, the Middle East or Africa to Braveheart. Each of the parties is obligated to pay fees to the other party for services provided under the Co-Operation Agreement. The Co-Operation Agreement may be terminated by either party at any time on or after December 31, 2007 and will also terminate upon consummation of our pending acquisition of Braveheart as described below.

Acquisition of Braveheart Financial Services Limited

On July 31, 2006, we entered into a sale and purchase agreement to acquire Braveheart Financial Services Limited, an English company which provides corporate finance and private equity advisory services in Europe and with whom we already have a Cooperation Agreement. In exchange for 100% of the outstanding share capital of Braveheart, we would pay, subject to the terms and conditions of the sale and purchase agreement, initial consideration, deferred consideration and earn-out consideration, each of which is subject to reduction in the event that the value of Braveheart on the date of the sale and purchase agreement declines prior to the date on which such consideration is payable. The initial consideration will be comprised of 1,181,213 shares of our Class A common stock. The deferred consideration, payable not later than the seventh anniversary of the closing, will be comprised of additional shares of Class A common stock of not less than 50% and not more than 100% of the number of shares of Class A common stock issued as initial consideration, which percentage shall be determined by us based on the success of Braveheart’s business over the period from the consummation of the acquisition to the date of issuance of these shares. The Braveheart shareholders are also eligible to receive earn-out consideration based on gross revenues generated by the financial advisory business carried on by us and Braveheart in Europe. The maximum aggregate amount of earn-out consideration issuable to the Braveheart shareholders, collectively, is $3,000,000. Any earn-out consideration payable to the Braveheart shareholders will be paid in the form of loan notes due 2010 which bear interest at LIBOR plus 1% per annum and which are redeemable by the holder at any time after the date which is six months after the date of issuance. The closing of the Braveheart acquisition is subject to a number of conditions, including the closing of this offering, the absence of any breach of law and the receipt of the approval of the change of control of Braveheart from the U.K. Financial Services Authority. We expect that the closing of the Braveheart acquisition will occur no later than the first half of 2007.

If the relevant U.K. tax authority determines that any portion of the consideration to be issued to the Braveheart shareholders under the sale and purchase agreement is taxable as employment income, we may be required to pay to the U.K. tax authority certain employer-related taxes, which under current U.K. tax laws would equal 12.8% of the value of any such consideration deemed to be taxable as employment income. In such an event, the Braveheart shareholders have agreed to bear the cost of certain other taxes payable by an employee and pay to Braveheart a sum equal to such tax liabilities (which may be collected from the employer), which under current U.K. tax laws would equal in total 41% of the value of any such consideration deemed to be taxable as employment income. If Braveheart receives a particular U.K. corporation tax relief as a result of any of such tax liabilities or the circumstances giving rise thereto, then we will be required to share with the Braveheart shareholders of up to 50% of the net tax benefit of any such relief, as determined in accordance with the purchase and sale agreement. If any taxes are payable by the Braveheart shareholders in connection with the shares of Class A common stock to be received by the Braveheart shareholders under the sale and purchase agreement, we have agreed that, in order to fund the payment of any such tax liabilities by the Braveheart shareholders, we will : (i) buy back shares of Class A common stock from the Braveheart shareholders in exchange for cash, (ii) reduce the number of shares of Class A common stock to be issued to the Braveheart shareholders (Evercore may only elect this option with the prior written consent of the Braveheart shareholders), or (iii) waive the transfer restrictions to permit the sale of shares of Class A common stock by the Braveheart shareholders (Evercore may only elect this option to the extent that the Braveheart shareholders are able to sell a sufficient number of shares to fund their tax liabilities in accordance with U.S. securities laws).

People

As of July 15, 2006, we employed a total of 136 people, including our 25 Senior Managing Directors. We use the title Senior Managing Director to refer to our senior investment banking and investment management professionals; this title does not imply that these individuals are directors of Evercore Partners Inc. None of our employees is subject to any collective bargaining agreements and we believe we have good relations with our employees.

As an investment banking boutique, our core asset is our professional staff, their intellectual capital, and their dedication to providing the highest quality services to our clients. Prior to joining Evercore Partners, our Senior Managing Directors held positions with other leading financial services firms, law firms or investment firms. Roger Altman, Austin Beutner, Eduardo Mestre, David Wezdenko and Adam Frankel are our executive officers and biographical information relating to each of these five Senior Managing Directors is found in “Management”. The following individuals are our other 20 Senior Managing Directors and our Principal Accounting Officer:

Advisory

Saul Goodman, 38, is a Senior Managing Director in our advisory business with 15 years of relevant experience. Prior to joining Evercore, Mr. Goodman was a Vice President in the Investment Banking Division of Lehman Brothers, where he focused on media and telecommunications clients. Since joining Evercore, Mr. Goodman was involved in advising The Hearst Corporation on its investment in Fitch Ratings, CBS on its merger with Viacom Inc., ACNielsen Corporation on its sale to VNU N.V., Robert Mondavi Corporation on its sale to Constellation Brands, Spectrasite Inc. on its merger with American Towers Corporation and VNU N.V. on its sale to a private equity consortium. He also was involved with Evercore Capital Partners’ investments in American Media, Inc. and Telenet Holding N.V. Mr. Goodman currently serves on the Boards of Directors of Telenet Holding N.V and of American Media, Inc. Mr. Goodman has a B.S. from the University of Florida and an M.B.A. from the Columbia University Graduate School of Business.

Gil Ha, 42, is a Senior Managing Director in our advisory business with 17 years of relevant experience. Prior to joining Evercore, Mr. Ha was a Managing Director at Rohatyn Associates. He was previously a Managing Director and Co-Head of Deutsche Bank's Telecommunications Group for the Americas and a Managing Director of Lazard in New York. Mr. Ha started his investment banking career at Lehman Brothers. Mr. Ha has a B.S. from Columbia University, a B.S. from Allegheny College and an M.B.A. from Columbia University Graduate School of Business.

William Hiltz, 55, is a Senior Managing Director in our advisory business with 30 years of relevant experience. Prior to joining Evercore, Mr. Hiltz was Head of the Global Energy Group at UBS Warburg, having become Head of the Energy Group at Dillon Read, a predecessor firm, in 1995. From 1982 to 1995, Mr. Hiltz was a Managing Director at Smith Barney, where at various times he headed the Energy Group, the High Yield and Merchant Banking Group, the Transportation Group, and the General Industrial Group. Since joining Evercore, Mr. Hiltz has advised General Mills on its acquisition of Pillsbury, the divestiture of its interest in Ice Cream Partners and the divestiture of its interest in SVE to PepsiCo. He has advised CVS on both its acquisition of Eckerd and, more recently, its acquisition of Albertson's free standing drugstores. He advised EDS on the sale of UGS PLM, Swiss Re on its acquisition of GE's reinsurance business, Tyco on its pending split-up in three separately traded companies, Credit Suisse on its pending sale of Winterthur, and Energy Partners on its pending acquisition of Stone Energy. Mr. Hiltz currently serves on the Boards of Directors of Energy Partners, Ltd. and Davis Petroleum. He is a former Trustee of the Salisbury School and currently serves as the Chairman of the Board of Trustees at Lenox Hill Hospital and its affiliate, Manhattan Eye Ear and Throat Hospital. Mr. Hiltz has a B.A. from Dartmouth College and an M.B.A. from The Wharton School at the University of Pennsylvania.

Jonathan Knee, 44, is a Senior Managing Director in our advisory business with 17 years of relevant experience. Prior to joining Evercore, Mr. Knee was a Managing Director and Co-head of the Media Group at Morgan Stanley. He was previously Publishing Sector Head in the Communications, Media and Entertainment Group at Goldman, Sachs & Co. Since joining Evercore, Mr. Knee has advised NTL on its acquisition of Telewest, VNU N.V. on its sale to a private equity consortium, Freedom Communications on its recapitalization, The Hearst Corporation on its investment in Fitch Ratings, Dow Jones on its purchase of CBS MarketWatch and J.D. Power and Associates on its sale to McGraw-Hill. Mr. Knee is currently an Adjunct Professor at the Columbia University Graduate School of Business, where he teaches Media Mergers and Acquisitions and Media Strategy and serves as the Director of the Media Program. Mr. Knee currently serves on the Boards of Directors of Art Connection, Citizens' Committee for Children of New York, National Women's Law Center, New Alternatives for Children and the Yale Law School Fund. Mr. Knee has a J.D. from Yale University, an M.B.A. from Stanford University, an M.Sc. from Trinity College Dublin and a B.A. from Boston University.

Timothy LaLonde, 45, is a Senior Managing Director and the Chief Operating Officer of our advisory business. Mr. LaLonde has 17 years of relevant experience. Prior to joining Evercore, he was an Executive Director at UBS Warburg. Since joining Evercore, Mr. LaLonde has advised on Energy Partners' pending acquisition of Stone Energy, General Motors' sale of a 51% interest in GMAC, AT&T's acquisition of BellSouth, NTL's acquisition of Telewest, SBC's acquisition of AT&T, EDS' sale of UGS PLM, the sale of PanAmSat to an investor group and Cingular's acquisition of AT&T Wireless. Mr. LaLonde has a B.S.B. from the University of Minnesota, an M.Sc. from the London School of Economics and an M.B.A. from the Amos Tuck School of Business Administration at Dartmouth College.

Michael Price, 49, is a Senior Managing Director in our advisory business with 27 years of relevant experience. Prior to joining Evercore, he held various positions at FirstMark Communications Europe, which he co-founded, including Chairman and CEO. Prior to FirstMark, Mr. Price spent eleven years at Lazard, where he was a Managing Director and founded and led the firm's global Telecom and Technology Group. Since joining Evercore, Mr. Price has advised on SBC's acquisition of AT&T, Cingular's acquisition of AT&T Wireless, Scientific Atlanta's sale to Cisco Systems, Flarion Technologies' sale to Qualcomm, and Nextel Partners' sale to Sprint. He serves on the Board of Overseers of the College of Arts and Sciences at the University of Pennsylvania and on the Board of the Rockefeller University Council. Mr. Price has a B.S. from The Wharton School at the University of Pennsylvania and an M.B.A. from the Harvard Business School.

William Repko, 57, is a Senior Managing Director in our advisory business with 33 years of relevant experience. He is co-head of the firm's restructuring practice. Prior to joining Evercore, Mr. Repko served as a Managing Director and head of The Restructuring Group at J.P. Morgan Chase & Co., where he focused on providing comprehensive solutions to clients' liquidity and reorganization challenges. Mr. Repko entered the banking world in 1973 with Manufacturers Hanover Trust, which after a series of mergers became J.P. Morgan Chase. Mr. Repko has a B.S. from Lehigh University.

Jane Sadowsky, 44, is a Senior Managing Director in our advisory business with 17 years of relevant experience. Prior to joining Evercore, Ms. Sadowsky was a Managing Director in Citigroup's Investment Bank, which she joined in 2000. At Citigroup, she focused on Power and Utility companies and was Co-Head of Citigroup's North America Power Investment Banking Group. Prior to Citigroup, Ms. Sadowsky spent 11 years as an investment banker for Donaldson, Lufkin & Jenrette, where she was a Senior Vice President in the Utilities Group. Ms. Sadowsky has a B.A. from the University of Pennsylvania and an M.B.A. from The Wharton School at the University of Pennsylvania.

William Shutzer, 59, is a Senior Managing Director in our advisory business with 34 years of relevant experience. Prior to joining Evercore, he was a Managing Director of Lehman Brothers, where he did both advisory work and was a principal in Lehman's Merchant Banking Group. Prior to rejoining Lehman in 2000, Mr. Shutzer was the President of Furman Selz, where he coordinated its sale to ING Baring and subsequently became Executive Vice President of ING Baring Furman Selz. Prior to joining Furman Selz in 1994, Mr. Shutzer spent 22 years at Lehman Brothers in various positions, including Head of Corporate Finance. Since joining Evercore, Mr. Shutzer has advised Levi Strauss & Co., Cox Enterprises, and Hallmark Cards, among other clients, on a variety of matters. Mr. Shutzer is currently a Director of Tiffany & Co., JupiterMedia Corp., CSK Auto Corp., Turbochef Technologies, Inc., RSI Holding Co. and Test Equity LLC. Mr. Shutzer has a B.A. from Harvard College and an M.B.A. from the Harvard Business School.

Jane Wheeler, 37, is a Senior Managing Director in our advisory business with 15 years of relevant experience. Prior to joining Evercore, Ms. Wheeler was the Managing Director heading the securities industry and financial technology investment banking business at Morgan Stanley. She spent twelve years at Morgan Stanley in New York working on a variety of financings as well as mergers and acquisitions. Before that, she spent two years at JO Hambro Magan in London working on European mergers and acquisitions. Since joining Evercore, Ms. Wheeler has advised The Bank of New York in its formation of BNY ConvergEx, through the combination of BNY Securities Group's trade execution business with Eze Castle Software and an investment from GTCR Golder Rauner. She also advised TA Associates on its acquisition of eSeclending, Reuters in the creation of FX MarketSpace, its joint venture with the Chicago Mercantile Exchange, Hotspot FX in its sale to Knight, and E*TRADE FINANCIAL in its acquisitions of Harris*direct* from Bank of Montreal and BrownCo from JP Morgan. Ms. Wheeler was named to the Institutional Investor Online Finance 40 in both 2005 and 2006. She currently serves on the Board of Trustees of the Brearley School. Ms. Wheeler has a B.A. from the University of Virginia.

David Ying, 51, is a Senior Managing Director in our advisory business with 28 years of relevant experience. He is co-head of the firm's restructuring practice. Prior to joining Evercore, Mr. Ying has had extensive experience leading successful restructuring advisory groups. Most recently, he was for two years a Managing Director of Miller Buckfire Ying & Co., LLC, a boutique restructuring advisory firm. Before that he spent six years as a Senior Managing Director of JLL Partners, a private equity investment firm that invests in turnaround situations. Prior to that he led restructuring groups at Donaldson Lufkin & Jenrette, Smith Barney and Drexel Burnham Lambert. Mr. Ying has a B.S. from the Massachusetts Institute of Technology and an M.B.A. from The Wharton School at the University of Pennsylvania.

Investment Management

Ciara Burnham, 39, is a Senior Managing Director in our investment management business with 15 years of relevant experience. Previously, Ms. Burnham was a founding partner of Five Mile Capital Partners, an equity research analyst with Sanford C. Bernstein & Co., Inc., and a consultant with McKinsey & Company. Ms. Burnham currently serves on the Boards of Directors of Vertis, Inc., Specialty Products & Insulation Co., and TestEquity LLC. Ms. Burnham has an B.A. from Princeton University and an M.B.A. from the Columbia University Graduate School of Business.

Phillipe Camus, 58, is a Senior Managing Director in our investment management business with 33 years of relevant experience. Since 1998, Mr. Camus has been co-managing partner of the Lagardère SCA and, from 2000 to 2005, he was co-Chief Executive Officer of the European Aeronautic Defence & Space Company (EADS). Prior to his service at EADS, Mr. Camus spent 18 years in senior management positions at Lagardère SCA and, prior to that, he spent ten years at Caisse des Dépôts, where he was appointed Head of the Fixed Income Directorate in 1976. In 2005, Mr. Camus was designated an Officer of the French Légion d'Honneur and in 2004 also received the Cross of the German Merit Order. Mr. Camus currently serves on the Boards of Directors of Crédit Agricole SA, Accor SA, the Institut d'Expertise et de Prospective of the Ecole Normale Supérieure and the Paris Ueroplace Association. Mr. Camus is a graduate in economics and finance of Institut d'Etudes Politiques de Paris, a graduate in physics of Ecole Normale Supérieure, and holds a doctorate degree in actuarial science from the Institute des Actuaires.

John Dillon, 67, is a Senior Managing Director and Vice Chairman of our investment management business, with 43 years of relevant experience. From 1996-2003, Mr. Dillon served as Chairman and Chief Executive Officer of International Paper and, prior to that, he served as that company's President and Chief Operating Officer for one year. He is currently a Director of Caterpillar, Inc., the Kellogg Company, DuPont, Vertis Inc., Specialty Products & Insulation Co., Test Equity LLC, and Davis Petroleum. Mr. Dillon has also served as Chairman of the Business Roundtable; Chairman of the Board of Governors of the National Council for Air and Stream Improvement; and Chairman of the Board of the American Forest and Paper Association. He was a member of the President's Advisory Council on Trade Policy and Negotiations and The Business Council. Mr. Dillon has a B.S. from the University of Hartford and an M.S. from the Columbia University Graduate School of Business.

Richard Emerson, 44, is a Senior Managing Director in our investment management business with 20 years of relevant experience. Prior to joining Evercore, Mr. Emerson was Senior Vice President of Corporate Development and Strategy at Microsoft, where he was responsible for leading Microsoft's overall corporate development activities, including mergers, acquisitions and strategic partnerships, and corporate strategy. Mr. Emerson also was a member of Microsoft's Business Leadership Team, which shared responsibility for Microsoft's strategic and business planning. Prior to joining Microsoft in 2000, Mr. Emerson was Managing Director and co-head of technology and telecommunications advisory services at Lazard, where he also ran the West Coast office. He currently serves as a Trustee of the California Academy of Sciences, a non-profit museum and research institute located in San Francisco. Mr. Emerson has a B.A. and M.A. from Stanford University and an M.B.A. from the Amos Tuck School of Business Administration at Dartmouth College.

Neeraj Mital, 40, is a Senior Managing Director in our investment management business with 19 years of relevant experience. Prior to joining Evercore, he was a Managing Director at The Blackstone Group. Since joining Evercore, Mr. Mital has been involved in our investments in Diagnostic Imaging Group and Michigan Electric Transmission Company (METC), among other transactions. He currently serves on the Boards of Directors of American Media, Inc., METC and Diagnostic Imaging Group. Mr. Mital has a B.S. from The Wharton School at the University of Pennsylvania.

Sangam Pant, 41, is a Senior Managing Director in our investment management business with 18 years of relevant experience. He runs our Venture Capital business, and additionally focuses on India-related private equity. Prior to joining Evercore, Mr. Pant was Executive Vice President, General Manager and Chief Technology Officer of the eCompanies Incubator, where he was responsible for product, creative, technology and business development functions as well as the wireless joint-venture with Sprint. Previously, he was Vice President of Integration and Operations for Lycos. Mr. Pant currently serves on the Boards of Directors of

Certus, Sierra Design Automation and StrongMail. He holds four patents and has published numerous research papers and articles. He has a B.S. from Maharaja Sayajirao University in Baroda, India, an M.S. from the University of Florida, and an M.B.A. from the Wharton School at the University of Pennsylvania.

Kathleen Reiland, 41, is a Senior Managing Director and the Chief Operating Officer of our investment management business. Ms. Reiland has 17 years of relevant experience. Prior to joining Evercore, she was a Principal and buy-side equity research analyst with Sanford C. Bernstein & Co., Inc. where she was responsible for investments in both small capitalization and hedge fund portfolios and a consultant with Bain & Co. Since joining Evercore, Ms. Reiland has been involved in advising CBS Corporation on its merger with Viacom Inc. and in Evercore Capital Partners' investment in Diagnostic Imaging Group, among other transactions. She currently serves on the Boards of Directors of Causeway Capital Management LLC and Diagnostic Imaging Group. Ms. Reiland has an B.A. from Duke University and an M.B.A. from the Amos Tuck School of Business Administration at Dartmouth College.

Administrative and Marketing

Thomas J. Gavenda, 37, Controller, is responsible for all aspects of the accounting functions of the firm. Mr. Gavenda joined Evercore in December 2005 after spending three years at Primus Guaranty, Ltd. as the controller, and five years at Deutsche Bank Securities as the Chief Financial Officer for the US investment bank. Previously, Mr. Gavenda spent several years at Morgan Stanley in their controlling and treasury areas and began his career at Deloitte & Touche. Mr. Gavenda has a B.B.A. from the University of Notre Dame and a J.D. from Brooklyn Law School. Mr. Gavenda is a C.P.A. and has been admitted to the New Jersey State Bar.

Gail Landis, 53, is a Senior Managing Director and Head of Sales and Marketing for our investment management business. She is also a founding partner in Evercore Asset Management. Prior to joining Evercore in June 2005, Ms. Landis was a Managing Director and Head of Americas Distribution for Credit Suisse Asset Management (CSAM). In addition, she served as Chair of CSAM's Global Marketing Committee and was a member of the firm's Global Executive Committee. Prior to CSAM, Ms. Landis spent 21 years at Sanford C. Bernstein & Co. where she most recently was a Managing Director and senior executive leading the firm's global institutional marketing and consultant development activities. She currently serves on the Investment Committee of the Board of Trustees of St. Mark's School and the Board of Directors of Pro Mujer, a not-for-profit microfinance organization. Ms. Landis has a B.A. from Boston University and an M.B.A. from New York University's Stern School of Business.

M. Sharon Lewellen, 48, is a Senior Managing Director. Prior to joining Evercore, Ms. Lewellen was a Managing Director at The Blackstone Group from 1995 to 2002, where she was responsible for the firm's internal accounting, tax and financial reporting for the private equity, real estate and mezzanine funds. From 1989 to 1995, Ms. Lewellen was the Vice President of Finance and Operations at Financo, Inc. Ms. Lewellen has a B.S. from The Wharton School at the University of Pennsylvania and an M.B.A. from Temple University.

Protego

Following our combination with Protego, the following Directors of Protego will become our Senior Managing Directors. In addition, following the combination with Protego, Pedro Aspe will become a Senior Managing Director and our Co-Chairman and his biographical information is found in "Management".

Advisory

Fernando Aportela, 35, is a Director responsible for Protego's sub-sovereign public finance group. Mr. Aportela has 9 years of relevant experience. He joined Protego as deputy director in 2004, and became managing director in 2005. Prior to that, he was Revenues Deputy Secretary in the Government of the State of Veracruz. Mr. Aportela has also served as manager-researcher in the Mexican Central Bank, deputy director of the economic advisory team of the Presidency and member of the economic advisory team of the Minister of Finance and Public Credit of Mexico. Mr. Aportela received a B.A. from Instituto Tecnológico Autónomo de México (ITAM) and a Ph.D. from the Massachusetts Institute of Technology.

Augusto Arellano, 32, is a Director responsible for Protego's real estate group. Mr. Arellano has seven years of relevant experience. In 1996, he joined Protego as an analyst, in 2003 he became Deputy Director and in 2006 Managing Director. Prior to that he was a staff member of the Director of Financial Engineering and Sector Projects for Banobras. Mr. Arellano has also been a Research Scholar at the Stern School of Business at New York University and Professor of Economics in the MBA program of the Instituto Tecnologico Autonomo de Mexico (ITAM). Mr. Arellano received a B.A. from ITAM and a Ph.D from the Carlos III University in Spain.

Hugo Garza, 42, is a Director responsible for Protego's restructuring and refinancing groups. Mr. Garza has 12 years of relevant experience. Prior to joining Protego in 1996, he was Chief Information & Technology Officer at Banco Regional de Monterrey, and co-founder and General Manager of two software and automation companies. Since 1987, Mr. Garza has founded several health and technology associations. Mr. Garza received a B.A. from Instituto Tecnológico de Estudios Superiores de Monterrey (ITESM) and a Masters degree from DUXX Graduate School of Business Leadership.

Jorge Marcos, 54, is a Director responsible for Protego's mergers and acquisitions group with 23 years of relevant experience. Prior to joining Protego in 1996, Mr. Marcos served as Director of Corporate Finance at Vector, Chief Financial Officer and Director of Treasury at Ponderosa Industrial, and Corporate Treasurer and Manager of Administration Funds at Cemex. He has also been advisor to BITAL and Bancomext, and President of the Mexican Institute of Finance Executives (IMEF). Mr. Marcos received a B.A. and an M.B.A. from the Universidad Autónoma de Nuevo León (UANL). He is also a graduate of the Management program at Universidad Panamericana—Instituto Panamericano de Alta Direccion de Empresas (IPADE).

Antonio Souza, 52, is a Director in Protego's advisory business responsible for Protego's energy group with 25 years of relevant experience. Prior to joining Protego in 1998, Mr. Souza was Vice President of Project Finance for energy projects at Banamex, Vice President of Project Development in the Business Promotion division of Banamex, and Senior Partner in Servicios Industriales Peña Verde. He has held a variety of roles at PEMEX, including Chief Economist in the Refining and Petrochemical Division. Prior to joining Pemex, he worked in the Mexican Government in the energy department of the Secretary of the Patrimony. Mr. Souza received a Masters degree and a Ph.D. from the French Institute of Petroleum. He also holds a degree from the L'Ecole Superior des Art et Metiers in Paris.

Investment Management

Sergio Sánchez, 47, is a Director and the Chief Executive Officer of Protego's asset management business with 21 years of relevant experience. Prior to joining Protego, Mr. Sánchez served as Chief Executive Officer of Vector Casa de Bolsa from 1996 to May 2001. Prior to that, he was Senior Vice President at Santander Investment Securities in New York, where he was responsible for fixed income. Mr. Sánchez also worked as head of risk management for Grupo Inverlat in Mexico, and as a consultant for the Ambrosetti Group in Madrid, Spain. He has been an advisor to several companies involved in antitrust cases in the transportation and telecommunications sectors. Mr. Sánchez has served as a Member of the Board of the Mexican Stock Exchange. Mr. Sánchez received a B.A. from Instituto Tecnológico Autónomo de México (ITAM) and a Ph.D. from the Massachusetts Institute of Technology.

Competition

The financial services industry is intensely competitive, and we expect it to remain so. Our competitors are other investment banking, financial advisory and private equity firms. We compete both globally and on a regional, product or niche basis. We compete on the basis of a number of factors, including transaction execution skills, investment performance, our range of products and services, innovation, reputation and price.

We believe our primary competitors in securing advisory engagements are Citigroup, Credit Suisse, Goldman, Sachs & Co., Lazard, Lehman Brothers, Merrill Lynch, Morgan Stanley, UBS Investment Bank and other large investment banking firms as well as investment banking boutiques such as Allen & Co., The Blackstone Group, Gleacher Partners, Greenhill & Co. and Rohatyn Associates.

We believe our competition in the investment management business includes private equity funds of all sizes. As we seek to expand our investment management business, we expect to face competition both in the pursuit of outside investors for our private equity funds and in acquiring investments in attractive portfolio companies. In addition, Evercore Asset Management, which seeks to make investments for institutional and high net worth investors, faces substantial competition from a large number of traditional asset management companies, many of which are larger, more established firms with greater brand name recognition and more extensive client bases.

Competition is also intense for the attraction and retention of qualified employees. Our ability to continue to compete effectively in our businesses will depend upon our ability to attract new employees and retain and motivate our existing employees.

In recent years there has been substantial consolidation and convergence among companies in the financial services industry. In particular, a number of large commercial banks, insurance companies and other broad-based financial services firms have established or acquired broker-dealers or have merged with other financial institutions. Many of these firms have the ability to offer a wider range of products, from loans, deposit-taking and insurance to brokerage, asset management and investment banking services, which may enhance their competitive position. They also have the ability to support investment banking and securities products with commercial banking, insurance and other financial services revenues in an effort to gain market share, which could result in pricing pressure in our businesses. This trend toward consolidation and convergence has significantly increased the capital base and geographic reach of our competitors.

Regulation

Our business, as well as the financial services industry generally, is subject to extensive regulation in the United States and elsewhere. As a matter of public policy, regulatory bodies in the United States and the rest of the world are charged with safeguarding the integrity of the securities and other financial markets and with protecting the interests of customers participating in those markets, not with protecting the interests of our shareholders or creditors. In the United States, the Securities and Exchange Commission, or SEC, is the federal agency responsible for the administration of the federal securities laws. Evercore Group LLC, a wholly-owned subsidiary of ours through which we conduct our financial advisory business, is registered as a broker-dealer with the SEC and the National Association of Securities Dealers, Inc., or the NASD, and is in the process of registering as a broker-dealer in all 50 states and the District of Columbia. Evercore Group LLC is subject to regulation and oversight by the SEC. In addition, the NASD, a self-regulatory organization that is subject to oversight by the SEC, adopts and enforces rules governing the conduct, and examines the activities, of its member firms, including Evercore Group LLC. State securities regulators also have regulatory or oversight authority over Evercore Group LLC.

Protego Casa de Bolsa, Protego's asset management subsidiary, is authorized by the Mexican Ministry of Finance to act as a broker-dealer and financial advisor in accordance with the Mexican Securities Market Law. Protego Casa de Bolsa is subject to regulation and oversight by the Mexican Ministry of Finance and the Mexican National Banking and Securities Commission. In addition, the Mexican Broker Dealer Association, a self-regulatory organization that is subject to oversight by the Mexican National Banking and Securities Commission, adopts and enforces rules governing the conduct, and examines the activities of, its member broker-dealers, including Protego Casa de Bolsa.

Broker-dealers are subject to regulations that cover all aspects of the securities business, including sales methods, trade practices among broker-dealers, use and safekeeping of customers' funds and securities, capital structure, record-keeping, the financing of customers' purchases and the conduct and qualifications of directors, officers and employees. In particular, as a registered broker-dealer and member of a self-regulatory organization, we are subject to the SEC's uniform net capital rule, Rule 15c3-1. Rule 15c3-1 specifies the minimum level of net capital a broker-dealer must maintain and also requires that a significant part of a broker-dealer's assets be kept in relatively liquid form. The SEC and various self-regulatory organizations impose rules that require notification when net capital falls below certain predefined criteria, limit the ratio of subordinated debt to equity in the regulatory capital composition of a broker-dealer and constrain the ability of a broker-dealer to expand its business under certain circumstances. Additionally, the SEC's uniform net capital rule imposes certain requirements that may have the effect of prohibiting a broker-dealer from distributing or withdrawing capital and requiring prior notice to the SEC for certain withdrawals of capital.

Certain of our businesses are subject to compliance with laws and regulations of U.S. federal and state governments, non-U.S. governments, their respective agencies and/or various self-regulatory organizations or exchanges relating to, among other things, the privacy of client information, and any failure to comply with these regulations could expose us to liability and/or reputational damage. Additional legislation, changes in rules promulgated by financial authorities (in the case of Mexican broker-dealers) and self-regulatory organizations or changes in the interpretation or enforcement of existing laws and rules, either in the United States or elsewhere, may directly affect our mode of operation and profitability.

Some of our subsidiaries are registered as investment advisors with the Securities and Exchange Commission. Registered investment advisors are subject to the requirements and regulations of the Investment Advisers Act of 1940. Such requirements relate to, among other things, fiduciary duties to clients, maintaining an effective compliance program, solicitation agreements, conflicts of interest, recordkeeping and reporting requirements, disclosure requirements, limitations on agency cross and principal transactions between an advisor and advisory clients, as well as general anti-fraud prohibitions.

The U.S. and non-U.S. government agencies and self-regulatory organizations, as well as state securities commissions in the United States and Mexican Financial Authorities, are empowered to conduct periodic examinations and initiate administrative proceedings that can result in censure, fine, the issuance of cease-and-desist orders or the suspension or expulsion of a broker-dealer or its directors, officers or employees.

In addition, we have recently entered into an agreement to acquire Braveheart Financial Services Limited, an English company which provides corporate finance and private equity advisory services in Europe. Braveheart is subject to regulation by the Financial Services Authority in the United Kingdom.

Facilities

Our principal executive offices are located in leased office space at 55 East 52nd Street, New York, New York. We also lease the space for our offices at 150 East 52nd Street, New York, New York; 100 Wilshire Boulevard, Santa Monica, California; and at One Maritime Plaza, San Francisco, California. We do not own any real property. We consider these arrangements to be adequate for our present needs.

With the Protego combination, we will also have offices in leased office space at Av. Lázaro Cárdenas 2400 Torre D-32, Col. San Agustin in Monterrey, Mexico and at Blvd. Manuel A. Camacho 36-22, Col. Lomas de Chapultepec in Mexico City, Mexico.

Legal Proceedings

We are not party to any material legal proceedings.

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MANAGEMENT

Directors and Executive Officers

The following table sets forth the names, ages and positions of our current directors and executive officers, as well as our nominees for our board of directors.

Name	Age	Position
Roger C. Altman	60	Chairman, Co-Chief Executive Officer and Director
Austin M. Beutner	46	President, Co-Chief Executive Officer, Chief Investment Officer and Director
Francois de St. Phalle	60	Director Nominee
Curt Hessler	62	Director Nominee
Gail Block Harris	53	Director Nominee
Anthony N. Pritzker	45	Director Nominee
Eduardo Mestre	57	Vice Chairman
David E. Wezdenko	42	Chief Financial Officer
Adam B. Frankel	38	General Counsel

Following our combination with Protego, Pedro Aspe will become a Senior Managing Director and will join Messrs. Altman and Beutner on our board of directors as Co-Chairman and Director. Mr. Aspe's biographical information is set forth below with that of our executive officers and directors.

Roger C. Altman is Chairman of Evercore. He began his investment banking career at Lehman Brothers and became a general partner of that firm in 1974. Beginning in 1977, he served as Assistant Secretary of the U.S. Treasury for four years. He then returned to Lehman Brothers, later becoming Co-Head of overall investment banking, a member of the firm's Management Committee and its board of directors. He remained in those positions until the firm was sold to Shearson/American Express.

In 1987, Mr. Altman joined The Blackstone Group as Vice Chairman, Head of the Firm's merger and acquisition advisory business and a member of its Investment Committee. Mr. Altman also had primary responsibility for Blackstone's international business. Beginning in January 1993, Mr. Altman returned to Washington to serve as Deputy Secretary of the U.S. Treasury for two years. In 1996, he co-founded Evercore Partners.

Mr. Altman is a Trustee of The National Park Foundation, New Visions for Public Schools and The American Museum of Natural History, where he also serves as Chairman of the Investment Committee. He also is a member of the Council on Foreign Relations and serves on its Finance and Investment Committees. He received a B.A. from Georgetown University and an M.B.A. from the University of Chicago.

Austin M. Beutner, President, Co-Chief Executive Officer and Chief Investment Officer, co-founded the Company in 1996. Mr. Beutner has served as Chairman of the Evercore Capital Partners private equity funds since 1997, Chairman of the Evercore Ventures private equity fund since 2002 and Chairman of Evercore Asset Management since 2006. From 1994 to 1996, Mr. Beutner was President and Chief Executive Officer of The U.S. Russia Investment Fund, a private investment fund capitalized with $440 million by the U.S. Government. In 1988, Mr. Beutner joined The Blackstone Group, where he became a General Partner in 1989. From 1982 to 1988, Mr. Beutner worked in Smith Barney's Mergers and Acquisitions Group and, in 1986, he helped establish the firm's Merchant Banking Group.

Mr. Beutner currently serves on the boards of directors of American Media, Inc. and Sedgwick CMS, Inc. He also serves as Chairman of the Board of the California Governor's Council on Physical Fitness and Sports, as Chairman of the Board of Directors of the California Institute of the Arts, as Chairman of the board of directors of Carlthorp School and is a member of the Council on Foreign Relations. Mr. Beutner has a B.A. in Economics from Dartmouth College.

Pedro Aspe, 55, Co-Chairman, founded Protego in 1996, and serves as Protego's Chairman of the board of directors and Chief Executive Officer. Mr. Aspe has been since 1995 a professor at the Instituto Tecnológico Autónomo de México located in Mexico City. Mr. Aspe has held a number of positions with the Mexican government and was most recently the Minister of Finance and Public Credit of Mexico from 1988 through 1994.

Mr. Aspe is a Principal, member of the Investment Committee and Chairman of the Advisory Board of Discovery Americas I L.P. Mr. Aspe serves as a director of a number of public companies, including Televisa and the McGraw Hill Companies. Mr. Aspe is a member of the Board of the Carnegie Foundation, the Advisory Board of Stanford University's Institute of International Studies and the Visiting Committee of the Department of Economics of the Massachusetts Institute of Technology. Mr. Aspe also currently serves as a member of the Advisory Board of Marvin & Palmer and of MG Capital, in Monterrey, Mexico. Mr. Aspe received a B.A. in Economics from Instituto Tecnológico Autónomo de México (ITAM) and a Ph.D. in Economics from the Massachusetts Institute of Technology.

Francois de St. Phalle, director nominee, has been a private equity investor, financial advisor and investment banker for more than thirty-five years. Mr. St. Phalle has been a private investor since 2000 and was a consultant for Evercore from 2000 to 2002. From 1989 to 2000 he was Chief Operating Officer and Vice Chairman of Dillon, Read & Co. Inc. before it was merged into UBS. In this capacity he was responsible for the oversight of the firm's capital commitments in debt and equity markets. Previously, Mr. de St. Phalle worked for 21 years at Lehman Brothers. He was named a general partner of the firm in 1976 and at various points he managed the Corporate Syndicate Department, the Equity Division and co-headed the Corporate Finance Department. From 1985 to 1989 he served as Chairman of Lehman International, with a primary responsibility for developing a coordinated international finance strategy with American Express which had acquired Lehman in 1984. He was named to Lehman's Operating and Compensation Committees in 1980.

Mr. de St. Phalle is a member Emeritus of the Board of Visitors of Columbia College. He received his B.A. from Columbia College.

Curt Hessler, director nominee, has been a Lecturer at the UCLA School of Law since 2003. Mr. Hessler has held various CEO and board-level leadership positions in media and IT companies. In 1998, Mr. Hessler founded 101 Communications LLC, an IT media company, as CEO and served as the company's chairman until its sale in 2006. From 1985 to 1991, he was Vice-Chairman and Chief Financial Officer of Unisys Corporation; from 1991 to 1995, he was Executive Vice President of Times Mirror Company; he was Chairman of I-net. Inc. during 1996; and he was President of Quarterdeck Corporation in 1997 and 1998. From 1981 to 1983, Mr. Hessler practiced law as a partner at Paul Weiss Rifkind Wharton & Garrison. From 1976 to 1981, Mr. Hessler served as the U.S. Assistant Secretary of the Treasury for Economic Policy, Executive Director of President's Economic Group, and Associate Director of OMB. He clerked for Judge J. Skelly Wright of the U.S. Court of Appeals in D.C. from 1973 to 1974 and then clerked for Justice Potter Stewart of the U.S. Supreme Court from 1974 to 1975. Mr. Hessler is currently a director of Learning Tree International, Inc.

Mr. Hessler received a B.A. from Harvard College, a J.D. from Yale Law School and an M.A. from the University of California at Berkeley. He was also a Rhodes Scholar of Balliol College at Oxford.

Gail Block Harris, director nominee, has served as President of the Board of Directors of New York Cares, a leading non-profit organization providing volunteer services in New York City since 2001. Since 1998, Ms. Harris has been Of Counsel to Simpson Thacher & Bartlett LLP, where she was a partner from 1984 to 1998 specializing in corporate and securities law with a special emphasis on entertainment and media companies as well as joint ventures. Ms. Harris is a director of CIGNA Life Insurance Company of New York and is a member of the Dean's Advisory Council of Stanford Law School and the Executive Committee of the Stanford Law School Board of Visitors.

Ms. Harris has an A.B. from Stanford University and a J.D. from Stanford Law School.

Anthony N. Pritzker, director nominee, is a co-founder of The Pritzker Group where he has served as Managing Partner since January 2004. He has also served as Chairman of Am-Safe, Inc. since September 2004. Mr. Pritzker has over twenty years experience leading middle-market manufacturing and distribution companies. From 2000 to 2004 he served as President of Baker Tanks, a leading tank and pump equipment rental company. In 1998, he was appointed by the Marmon Group to oversee Stainless Industrial Companies, a portfolio of several industrial manufacturing companies. Mr. Pritzker served as President of Stainless Industrial Companies from January 1998 to December 2005. From 1996 to 1998 he served as the Regional Vice President of operations in Asia for Getz Bros. & Co. Prior to 1996, Mr. Pritzker was a Group Executive at the Marmon Group and directed operations at Arzo, MD Tech, Micro-Aire, Oshkosh Door and Fenestra.

Mr. Pritzker is a trustee of Cal Arts, serves as a director for Heal The Bay and is a member of the Dartmouth Board of Overseers. Mr. Pritzker graduated with a B.A. from Dartmouth College and an M.B.A. from the University of Chicago.

Eduardo Mestre, Vice Chairman, is responsible for the firm's corporate advisory business. From 2001 to 2004, Mr. Mestre served as Chairman of Citigroup's Global Investment Bank. From 1995 to 2001, he served as Head of investment banking and, prior to that, as Co-Head of mergers and acquisitions at Salomon Smith Barney. As Head of investment banking, Mr. Mestre led Salomon's business integration efforts arising from the various mergers that led to the creation of Citigroup. Prior to joining Salomon in 1977, Mr. Mestre practiced law at Cleary Gottlieb Steen & Hamilton LLP.

Mr. Mestre is a member of the Executive Committee and past Chairman of the Board of WNYC and is Chairman of the Board of Cold Spring Harbor Laboratory. Mr. Mestre has a B.A. from Yale University and a J.D. from Harvard Law School.

David E. Wezdenko, Chief Financial Officer and Senior Administrative Partner, is responsible for accounting, administrative and tax functions of the firm and its private equity and venture capital funds. Prior to joining the firm, Mr. Wezdenko was a Managing Director at JP Morgan Asset Management from 1996 to 2005, where he was head of technology and operations for the U.S. platform and Chief Operating Officer of JP Morgan's mutual fund business. Prior to JP Morgan, Mr. Wezdenko held senior financial and operational positions at United Asset Management and Fidelity Investments in Boston. Mr. Wezdenko has a B.S. in accounting from Boston College.

Adam B. Frankel, General Counsel, is responsible for Evercore's legal and compliance departments. Prior to joining the firm in July 2006, Mr. Frankel was Senior Vice President, General Counsel and Corporate Secretary of Genesee & Wyoming from 2003 to 2006, a leading owner and operator of short line and regional freight railroads in the United States, Canada, Mexico, Australia and Bolivia. Mr. Frankel was also responsible for matters related to human resources and government affairs. Prior to that, Mr. Frankel worked from 1999 until 2003 as a corporate and transactions attorney in the Office of the General Counsel at Ford Motor Company. From 1995 until 1999, Mr. Frankel was an associate at Simpson Thacher & Bartlett LLP in London and New York.

Mr. Frankel is currently a member of the board of directors at Picis, Inc., a privately held company that creates automated software for resource-intensive hospital departments. He has a B.A. from Brown University and a J.D. from Stanford Law School.

There are no family relationships among any of our directors, director nominees or executive officers.

Composition of the Board of Directors after this Offering

Prior to the closing of this offering, we intend to appoint Francois de St. Phalle, Curt Hessler, Gail Block Harris and Anthony N. Pritzker to our board of directors and each of them has consented to so serve.

Our bylaws provide that our board of directors shall consist of such number of directors as shall from time to time be fixed by our board of directors. Each director will serve until our next annual meeting or until the director's earlier resignation or removal.

Committees of the Board of Directors

We anticipate that, prior to this offering, our board of directors will establish an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee, and our board of directors intends to adopt new charters for its committees that comply with current federal and New York Stock Exchange rules relating to corporate governance matters. Following the closing of this offering, we intend to make copies of the committee charters, as well as our Corporate Governance Guidelines and our Code of Ethics, available on our website at www.evercore.com.

Audit Committee. We anticipate that Messrs. Hessler and de St. Phalle and Ms. Harris will serve on the Audit Committee and that Mr. Hessler will serve as its chair. The purpose of the Audit Committee will be to assist our board of directors in overseeing and monitoring (1) the quality and integrity of our financial statements, (2) our compliance with legal and regulatory requirements, (3) the independent registered public accounting firm's qualifications and independence and (4) the performance of the independent registered public accounting firm. The Audit Committee will also be responsible for preparing the Audit Committee report that is included in our annual proxy statement.

Compensation Committee. We anticipate that Messrs. Hessler, Pritzker and de St. Phalle will serve on the Compensation Committee and that Mr. Pritzker will serve as its chair. The Compensation Committee will be responsible for approving, administering and interpreting our compensation and benefit policies, including our executive officer incentive programs. It will review and make recommendations to our board of directors to ensure that our compensation and benefit policies are consistent with our compensation philosophy and corporate governance guidelines. The Compensation Committee will also be responsible for establishing the compensation of our Co-Chief Executive Officers.

Nominating and Corporate Governance Committee. We anticipate that Ms. Harris and Messrs. Pritzker and de St. Phalle will serve on the Nominating and Corporate Governance Committee and that Ms. Harris will serve as its chair. The purpose of the Nominating and Corporate Governance Committee will be to oversee our governance policies, nominate directors for election by stockholders, nominate committee chairpersons and, in consultation with the committee chairpersons, nominate directors for membership on the committees of the board. In addition, the Nominating and Corporate Governance Committee will assist our board of directors with the development of our Corporate Governance Guidelines.

Compensation Committee Interlocks and Insider Participation

Upon the effectiveness of the registration statement of which this prospectus forms a part, our board of directors will form a Compensation Committee as described above. Mr. Altman and Mr. Beutner have historically made all determinations regarding executive officer compensation.

Director Compensation

Our policy is not to pay director compensation to directors who are also our employees. We anticipate that each outside director will receive an annual retainer of $70,000, payable, at the director's option, either 100% in cash or half of which will be payable in cash and half of which will be payable in restricted stock of Evercore Partners Inc. In addition, each outside director will receive a one-time award of restricted stock units with a value of $50,000 upon their initial appointment to the Board. The restricted stock units will be granted under the 2006 Stock Incentive Plan described below and will vest after a two-year period following the director's appointment to the Board, subject to continued service on the Board. In addition, we anticipate that the chair of the Audit Committee will receive an additional annual cash retainer of $10,000.

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Executive Compensation

As an independent company, we have established executive compensation practices that link compensation with our performance as a company. We will periodically review our executive compensation programs to ensure that they are competitive.

Summary Compensation Table

Prior to this offering, our business was conducted through limited liability companies, partnerships and sub-chapter S entities. As a result, meaningful individual compensation information for our directors and executive officers of our business based on its operation in corporate form is not available for periods prior to this offering. In addition, we have operated our business with a relatively small number of executive officers for the years prior to the current fiscal year. In October 2005, David Wezdenko joined us as our Chief Financial Officer and the following table shows compensation information for his employment from that time until December 31, 2005. Following the Protego Combination and this offering, Mr. Aspe will join us as our Co-Chairman.

The following table sets forth certain summary information concerning compensation paid or accrued by the Company for services rendered in all capacities during the fiscal year ended December 31, 2005 for Co-Chief Executive Officers and our two other executive officers during the fiscal year ended December 31, 2005. These individuals are referred to as the "named executive officers" in other parts of this prospectus.

2005 Compensation Information

		Annual Compensation				Long-Term Compensation		
						Awards		Pay-outs
Name And Principal Position	Year	Salary	Bonus	Participation in Earnings of Evercore Entities(1)	Other Annual Compensation(2)	Restricted Stock Awards	Securities Underlying Options/ SARS	LTIP Payouts
Roger C. Altman Chairman and Co-Chief Executive Officer	2005	$	$	$ 9,091,399	$ 634,480(3)	$	$	$
Austin M. Beutner President, Co-Chief Executive Officer and Chief Investment Officer	2005			6,823,541	598,666(4)			
Eduardo Mestre Vice Chairman	2005			5,688,222	30,000(5)			
David E. Wezdenko Chief Financial Officer(6)	2005			320,317				

(1) Evercore has historically operated in the form of limited partnerships, limited liability companies or sub-chapter S entities and the Senior Managing Directors, in lieu of a salary and bonus, received their compensation in the form of participation in the earnings of the respective entities in which they were members or partners. The amounts presented in this additional column reflect distributions made to the named executive officers by such entities in respect of the fiscal year ended December 31, 2005, including distributions to Messrs. Altman, Beutner, Mestre and Wezdenko in January and February 2006 in the amounts of $6,673,000, $4,397,309, $3,528,000 and $0, respectively, and excluding distributions made to them in January 2005 in respect of the prior fiscal year in the amounts of $4,290,787, $4,316,247, $0 and $0, respectively.

(2) Except as otherwise provided below, perquisites and other personal benefits to the named executive officers were less than both $50,000 and 10% of the total annual salary and bonus reported for the named executive officers, and therefore, information regarding perquisites and other personal benefits has not been included.

(3) Includes (a) $574,990 in carried interest earned in connection with investments realized by Evercore Capital Partners I, Evercore Capital Partners II and Evercore Ventures of which $65,583 was unpaid as of December 31, 2005, (b) a $30,000 profit sharing contribution relating to 2005 which was unpaid as of December 31, 2005, and (c) costs and expenses of $29,490 associated with the automobile and driver the Company provides for Mr. Altman. Excluded from this amount is the $29,000 profit sharing contribution relating to 2004 that was paid in 2005.

(4) Includes (a) $568,666 in carried interest earned in connection with investments realized by Evercore Capital Partners I, Evercore Capital Partners II and Evercore Ventures of which $59,462 was unpaid as of December 31, 2005 and (b) a $30,000 profit sharing contribution relating to 2005 which was unpaid as of December 31, 2005. Excluded from this amount is the $24,000 profit sharing contribution relating to 2004 that was paid in 2005.

(5) Consists of a $30,000 profit sharing contribution relating to 2005 which was unpaid as of December 31, 2005.

(6) Mr. Wezdenko joined the Company on October 12, 2005.

Employment Agreements with Messrs. Altman, Beutner and Aspe

Prior to this offering, we expect to enter into substantially similar employment agreements with each of Roger Altman, Austin Beutner and Pedro Aspe (each, an “Executive”). Pursuant to the terms of the individual employment agreements, (i) Mr. Beutner will serve as Co-Chief Executive Officer, President, Chief Investment Officer and Director; (ii) Mr. Altman will serve as a Co-Chief Executive Officer, Co-Chairman of the Board of Directors and Director and (iii) Mr. Aspe will serve as Co-Chairman of the Board of Directors and a Senior Managing Director, as well as the Chief Executive Officer of our principal Mexican operating subsidiary, in each case for a term of three years, subject to automatic, successive one-year extensions thereafter unless either party gives the other 60 days prior notice that the term will not be extended.

Each employment agreement would provide for an annual base salary of $500,000 and a guaranteed annual bonus payment of $500,000 on a fixed date following the end of each fiscal year (the “guaranteed annual bonus”). The employment agreements for Messrs. Altman and Beutner will also provide for a profit annual bonus in the amount of $1.25 million for 2006, which shall be in addition to profits or other bonuses paid out in 2006 prior to the effectiveness of the employment agreement. For each subsequent year, Messrs. Altman and Beutner shall receive a profit annual bonus as long as the annual percentage increase in adjusted net income per share (as defined in the agreement) for such year compared to the prior year is greater than 5%, in an amount equal to one plus the percentage increase in our adjusted net income per share for such year compared to the base net income per share for 2006 (as defined in the agreement) multiplied by $2.50 million. For Mr. Aspe, his profit annual bonus would be calculated as an amount such that his total annual compensation for the applicable fiscal year is equal to the product of (x) the average of the total cash compensation earned by Messrs. Altman and Beutner for such fiscal year and (y) the ratio that his share ownership interest in the company as of this offering bears to 0.5 times the total share ownership of Messrs. Altman and Beutner in the Company as of this offering, as set forth more fully in his employment agreement. In any event, Mr. Aspe’s compensation will never be less than the sum of his annual base salary and guaranteed annual bonus. In the event either of Messrs. Altman or Beutner ceases to serve as a Co-Chief Executive Officer, the value of “(x),” above, used for purposes of calculating Mr. Aspe’s profit annual bonus, will instead be deemed to equal total cash compensation earned by our Chief Executive Officer for the applicable fiscal period.

Pursuant to each employment agreement, if the Executive’s employment terminates prior to the expiration of the term due to his death or disability, the Executive would be entitled to receive (i) any base salary earned but unpaid through the date of termination; (ii) reimbursement for any unreimbursed business expenses properly incurred by the Executive; (iii) such employee benefits, if any, as to which the Executive may be entitled under our employee benefit plans (the payments and benefits described in (i) through (iii) are referred to as the “accrued rights”); (iv) lump sum payments equal to the Executive’s earned but unpaid guaranteed annual bonus and profit annual bonus, if any, payable in respect of the fiscal year immediately preceding the fiscal year in which the termination occurs, payable when such bonuses would have otherwise been payable had Executive’s employment not terminated; and (v) pro-rated portions of the guaranteed annual bonus and profit annual bonus, calculated based on the number of months (and any fraction thereof) the Executive is employed during the fiscal year in which a termination of employment occurs and in respect of which such bonuses are payable, relative to 12 months.

If an Executive’s employment is terminated prior to the expiration of the term (or such extension thereof) by us without “cause” (as defined in the employment agreement) or by the Executive for “good reason” (as defined in the employment agreement) or if we elect not to extend the term (each a “qualifying termination”), the Executive would be entitled, subject to his compliance with certain restrictive covenants (contained in the agreements described under “—Confidentiality, Non-Solicitation and Proprietary Information Agreements”), to (A) a lump sum payment equal to two times (three times in the case of a qualifying termination that occurs on or following a “change in control” of the Company (as defined in the employment agreement)) the greater of (x) the sum of (i) his annual base salary, (ii) his guaranteed annual bonus and (iii) his average profit annual bonus for the three most recently completed fiscal years and (y) the average of the aggregate amount of cash compensation payable to our three most highly paid executives in the most recently completed fiscal year (for Mr. Aspe, the average amount of the total annual cash compensation payable to Messrs. Altman and Beutner in the most recently completed fiscal year, multiplied by the ratio his ownership interest at the time of this offering bears to that of Messrs. Altman and Beutner (as set forth more fully in his agreement)); (B) any "accrued rights" (as defined above); (C) lump sum payments equal to the Executive's earned but unpaid guaranteed annual bonus and profit annual bonus, if any, payable in respect of the fiscal year immediately preceding the fiscal year in which the termination occurs, payable when such bonuses would have otherwise been payable had Executive's employment not terminated; and (D) pro-rated portions of the guaranteed annual bonus and profit annual bonus, calculated based on the number of months (and any fraction thereof) the Executive is employed during the fiscal year in which a termination of employment occurs and in respect of which such bonuses are payable, relative to 12 months. The Executive would also be entitled to receive continued coverage for the Executive and his spouse and dependents under our medical plans for two years (three years in the case of a qualifying termination that occurs on or following a change in control of the Company), subject to payment by the Executive of the same premiums he would have paid during such period of coverage if he were an active employee. Any termination by us without cause within six months prior to the occurrence of a change in control of the Company would be deemed to be a termination of employment on the date of such change in control.

In the event of a termination of an Executive's employment which is not a qualifying termination or a termination due to the Executive's death or disability (including if the Executive resigns without good reason), the Executive would be entitled to receive any "accrued rights" (as defined above).

If a dispute arises out of the employment agreement with an Executive, we would pay the Executive's reasonable legal fees and expenses incurred in connection with such dispute if the Executive prevails in substantially all material respects on the issues presented for resolution.

In addition, each of Messrs. Altman, Beutner and Aspe are provided with certain protections, which provide that, in the event payments or benefits provided to the Executive under an employment agreement or any other plan or agreement in connection with a change in control of the Company result in an "excess parachute payment" excise tax being imposed on the Executive, he would be entitled to a gross-up payment equal to the amount of the excise tax, as well as the excise tax and income tax on the gross-up payment.

Employment Agreement with Mr. Wezdenko

David Wezdenko, our Senior Managing Director, Executive Vice President and Chief Financial Officer, joined Evercore in October 2005 and in connection therewith was admitted as a partner of Evercore Group Holdings L.P. We have entered into an employment agreement with Mr. Wezdenko, which provides for an annual salary of $500,000 and an annual guaranteed bonus of $200,000. Mr. Wezdenko's salary and bonus are subject to annual review by our Co-Chief Executive Officers and will be payable after fiscal year 2006 in a manner that is commensurate with his position with us.

Mr. Wezdenko's employment with the company is "at-will" and may be terminated by either party at any time, provided, however that Mr. Wezdenko is obligated to give at least thirty day's advance written notice if he intends to terminate the agreement. Upon termination of the agreement for any reason, Mr. Wezdenko is entitled to any unpaid base salary and signing bonus through the date of his termination.

Employment Agreement with Mr. Frankel

Adam Frankel, our Senior Managing Director and General Counsel, joined Evercore in July 2006 and in connection therewith was admitted as a partner of Evercore Group Holdings L.P. We have entered into an employment agreement with Mr. Frankel, which provides for an annual salary of $500,000 and an annual guaranteed bonus of $200,000 for the remainder of 2006 and 2007. Mr. Frankel's salary and bonus are subject to annual review by our Co-Chief Executive Officers and will be payable after the second anniversary of Mr. Frankel's start date with Evercore in a manner that is commensurate with his position with us.

If Mr. Frankel's employment is terminated by us without cause or by Mr. Frankel for good reason during his first 30 months of his employment or at any time after the occurrence of a change in control of Evercore, he would be entitled to (a) continued payment of his base salary for twenty-four months following such termination, (b) an amount equal to $200,000 if such termination occurs prior to January 1, 2007 and thereafter, the average of the annual cash bonuses he received in respect of the two fiscal years (or, if such termination occurs prior to the first two fiscal years ending after he commences employment with us, one fiscal year) occurring prior to the fiscal year in which such termination occurs, and (c) continued coverage for Mr. Frankel, his spouse and dependents under our medical plans in effect for corporate executives for the twenty-four calendar months following such termination.

IPO Date Restricted Stock Unit Awards

On the date of the consummation of the offering, we intend to make significant grants of restricted stock units pursuant to the 2006 Stock Incentive Plan, as described further below. In general, each restricted stock unit will represent a contractual right, which is not transferable except in the event of death, of the participant to receive a share of Class A common stock on a specified delivery date. Holders of restricted stock units will not have a lien on any of our assets to secure their contractual rights under, and we are not required to set aside any funds in respect of, the restricted stock units.

We intend to grant 2,300,000 restricted stock units to our non-Senior Managing Director employees at the time of this offering, 200,000 of which will be vested on the grant date. Subject to a participant's continued employment with us or our affiliates, 50% of the unvested restricted stock units will vest if and when Messrs. Altman, Beutner and Aspe, and trusts benefiting their families and permitted transferees, collectively, cease to beneficially own at least 90% of their aggregate equity interest in our company. Subject to a participant's continued employment with us or our affiliates, all of the participant's restricted stock units will vest upon the earliest to occur of the following events:

- when Messrs. Altman, Beutner and Aspe, and trusts benefiting their families and permitted transferees, collectively, cease to beneficially own at least 50% of the aggregate equity interest in our company;
- a change of control of Evercore;
- two of Messrs. Altman, Beutner and Aspe are not employed by, or do not serve as a director of, Evercore Partners Inc. within a 10-year period following this offering; or
- the death or disability of such participant while in our employ.

Subject to a participant's compliance with certain restrictive covenants, the shares of Class A common stock underlying this portion of the restricted stock units will be delivered to each participant as follows:

- If the participant is employed on the fifth anniversary of this offering, then on that date the participant will receive all shares underlying any restricted stock units that are vested as of such date. Thereafter, so long as the participant remains employed through the subsequent vesting date of any restricted stock units that were not vested as of the fifth anniversary of this offering, the participant will receive the shares underlying such restricted stock units at the time of such subsequent vesting date(s).
- If the participant's employment terminates prior to the fifth anniversary of this offering other than due to death or disability, then the employee will (i) forfeit any then unvested restricted stock units and (ii) receive the shares underlying any restricted stock unit that were vested prior to such termination upon the later of (a) the eighth anniversary of this offering and (b) the fifth anniversary of the participant's cessation of service.

Non-competition. In consideration of the grant of such restricted stock units, each Managing Director generally will be prohibited during his or her employment, and during the three-month period following the termination of employment with us, to:

1) engage in any competitive business;

2) enter the employ or render any services to a competitive business; or

3) acquire a financial interest in, or otherwise become actively involved with, a competitive business.

A "competitive business" is any business that competes with our business or that we or our affiliates are actively considering conducting at the time of the termination of employment.

Confidentiality. In consideration of the grant of restricted stock units, each participant is required to protect and use "confidential information" in accordance with the restrictions placed by us on its use and disclosure.

Non-Solicitation. In consideration of the grant of restricted stock units, each participant generally will be prohibited:

1) during the six-month period following the termination of employment with us to solicit any opportunity to make an investment in, or to act as a financial or restructuring advisor in connection with, any transaction involving any client, investor, prospective client, investor, portfolio company, venture capital investee or prospective portfolio company with whom such participant had contact with during the prior two-year period;

2) during the twelve-month period following the termination of employment with us to solicit or seek to induce or actually induce certain of our employees or employees of our affiliates to discontinue their employment with us or hiring or employing such employees; and

3) during the six-month period following the termination of employment with us to interfere with, or attempt to interfere with, business relationships between us or any of our affiliates and our customers, clients, suppliers, partners, members, portfolio companies or investors.

In the event of a participant's breach of these restrictive covenants, in addition to any other remedies available to us, the participant will forfeit any then undelivered shares underlying restricted stock units. In addition, if a participant's employment with us or any of our affiliates is terminated for cause, any outstanding restricted stock units will immediately terminate and no additional shares will be delivered to the participant.

2006 Stock Incentive Plan

Our board of directors intends to adopt the 2006 Evercore Partners Inc. Stock Incentive Plan, or the "2006 Plan," and receive shareholder approval of the 2006 Plan, before the effective date of this offering. The following description of the 2006 Plan is not complete and is qualified by reference to the full text of the 2006 Plan, which has been filed as an exhibit to the registration statement of which this prospectus forms a part. The 2006 Plan will be the source of new equity-based awards permitting us to grant to our key employees, directors and consultants incentive stock options (within the meaning of Section 422 of the Code), non-qualified stock options, stock appreciation rights, restricted stock and other awards based on our Class A common stock.

Administration. The Compensation Committee of our board of directors will administer the 2006 Plan. The Compensation Committee may delegate its authority under the 2006 Plan in whole or in part as it determines, including to a subcommittee consisting solely of at least two non-employee directors within the meaning of Rule 16b-3 of the Exchange Act and, to the extent required by Section 162(m) of the Internal Revenue Code (the "Code"), "outside directors" within the meaning thereof. The Compensation Committee will determine who will receive awards under the 2006 Plan, as well as the form of the awards, the number of shares underlying the awards, and the terms and conditions of the awards consistent with the terms of the 2006 Plan. The Compensation Committee will have full authority to interpret and administer the 2006 Plan, which determinations will be final and binding on all parties concerned.

Shares Subject to the 2006 Plan. The total number of shares of our Class A common stock which may be issued under the 2006 Plan is 20,000,000. No more than 700,000 may be issued per year, per participant, in the form of incentive stock options, non-qualified stock options and stock appreciation rights (or other stock-based awards other than performance-based awards). The maximum dollar value payable in respect to performance- based awards and other stock-based awards that are valued with reference to property other than our Class A common stock and granted to any participant in any one calendar year is $10,000,000.

We will make available the number of shares of our Class A common stock necessary to satisfy the maximum number of shares that may be issued under the 2006 Plan. The shares of our Class A common stock underlying any award granted under the 2006 Plan that expires, terminates or is cancelled or satisfied for any reason without being settled in stock will again become available for awards under the 2006 Plan.

Stock Options and Stock Appreciation Rights. The Compensation Committee may award non-qualified or incentive stock options under the 2006 Plan. Stock options granted under the 2006 Plan will become vested and exercisable at such times and upon such terms and conditions as may be determined by the Compensation Committee at the time of grant, but an option will generally not be exercisable for a period of more than ten years after it is granted.

The exercise price per share of our Class A common stock for any stock option awarded will not be less than the fair market value of a share of our Class A common stock on the day the stock option is granted. To the extent permitted by the Compensation Committee, the exercise price of a stock option may be paid in cash or its equivalent, in shares of our Class A common stock having a fair market value equal to the aggregate stock option exercise price; partly in cash and partly in shares of our Class A common stock and satisfying such other requirements as may be imposed by the Compensation Committee; or through the delivery of irrevocable instructions to a broker to sell shares of our Class A common stock obtained upon the exercise of the stock option and to deliver promptly to us an amount out of the proceeds of the sale equal to the aggregate stock option exercise price for the shares of our Class A common stock being purchased.

The Compensation Committee may grant stock appreciation rights independent of or in conjunction with a stock option. The exercise price of a stock appreciation right will not be less than the greater of (i) the fair market value of a share of our Class A common stock on the date the stock appreciation right is granted and (ii) the minimum amount permitted by applicable laws, rules, by-laws or policies of regulatory authorities or stock exchanges; except that, in the case of a stock appreciation right granted in conjunction with a stock option, the exercise price will not be less than the exercise price of the related stock option. Each stock appreciation right granted independent of a stock option shall entitle a participant upon exercise to an amount equal to (i) the excess of (A) the fair market value on the exercise date of one share of our Class A common stock over (B) the exercise price per share of our Class A common stock, multiplied by (ii) the number of shares of our Class A common stock covered by the stock appreciation right, and each stock appreciation right granted in conjunction with a stock option will entitle a participant to surrender to us the stock option and to receive such amount. Payment will be made in shares of our Class A common stock and/or cash (any share of our common stock valued at fair market value), as determined by the Compensation Committee.

Other Stock-Based Awards. The Compensation Committee, in its sole discretion, may grant or sell shares of our Class A common stock and awards that are valued in whole or in part by reference to, or are otherwise based on the fair market value of, our Class A common stock. Any of these other stock-based awards may be in such form, and dependent on such conditions, as the Compensation Committee determines, including, without limitation, the right to receive, or vest with respect to, one or more shares of our Class A common stock (or the equivalent cash value of such shares of our Class A common stock) upon the completion of a specified period of service, the occurrence of an event and/or the attainment of performance objectives. The Compensation Committee may in its discretion determine whether other stock-based awards will be payable in cash, shares of our Class A common stock, or a combination of both cash and shares.

Certain stock awards, stock-based awards and non-stock denominated awards granted under the 2006 Plan may be granted in a manner designed to make them deductible by us under Section 162(m) of the Code. Such awards, “performance-based awards”, shall be based upon one or more of the following performance criteria:

(i) net income; (ii) net income per share; (iii) book value per share; (iv) stock price; (v) return on equity; (vi) expense management; (vii) return on investment; (viii) improvements in capitalization; (ix) profitability of an identifiable business unit or product; (x) profit margins; (xi) budget comparisons; (xii) total return to stockholders; (xiii) revenues or sales; (xiv) working capital; (xv) market share; (xvi) costs; and (xvii) cash flow. The foregoing criteria may relate to us, one or more of our subsidiaries or one or more of our divisions or units, or any combination of the foregoing, and may be applied on an absolute basis and/or be relative to one or more peer group companies or indices, or any combination thereof, as the Compensation Committee shall determine. The Compensation Committee shall determine whether, with respect to a performance period, the applicable performance goals have been met with respect to a given participant and, if they have, shall so certify and ascertain the amount of the applicable performance-based award. No performance-based awards will be paid to any participant for a given period of service until the Compensation Committee certifies that the objective performance goals (and any other material terms) applicable to such period have been satisfied. The amount of the performance-based award actually paid to a given participant may be less than the amount determined by the applicable performance goal formula, at the discretion of the Compensation Committee. The amount of the performance-based award determined by the Compensation Committee for a performance period shall be paid to the participant at such time as determined by the Compensation Committee in its sole discretion after the end of such performance period; provided, however, that a participant may, if and to the extent permitted by the Compensation Committee and consistent with the provisions of Section 409A of the Code, elect to defer payment of a performance-based award. The maximum amount of performance-based awards that may be granted during a fiscal year to any participant shall be (i) with respect to performance-based awards that are stock options, 700,000 shares, and (ii) with respect to performance-based awards that are not stock options, $10,000,000.

Adjustments upon Certain Events. In the event of any change in the outstanding shares by reason of any share dividend or split, reorganization, recapitalization, merger, consolidation, spin-off, combination, combination or transaction or exchange of shares or other corporate exchange, or any distribution to shareholders of shares other than regular cash dividends, or any transaction similar to the foregoing, the Compensation Committee in its sole discretion and without liability to any person may make such substitution or adjustment, if any, as it deems to be equitable, as to (i) the number or kind of shares or other securities issued or reserved for issuance pursuant to the 2006 Plan or pursuant to outstanding awards, (ii) the maximum number of shares for which stock options or stock appreciation rights may be granted during a fiscal year to any participant, (iii) the maximum amount of a performance-based award that may be granted during a calendar year to any participant, (iv) the option price or exercise price of any stock appreciation right and/or (v) any other affected terms of such awards.

Change in Control. In the event of a change in control of us (as defined in the 2006 Plan), the 2006 Plan provides that (i) if determined by the Compensation Committee in the applicable award agreement or otherwise, any outstanding awards then held by participants which are unexercisable or otherwise unvested or subject to lapse restrictions shall automatically be deemed exercisable or otherwise vested or no longer subject to lapse restrictions, as the case may be, as of immediately prior to such change in control and (ii) the Compensation Committee may, but shall not be obligated to (A) cancel awards for fair value, (B) provide for the issuance of substitute awards that will substantially preserve the otherwise applicable terms of any affected awards previously granted under the 2006 Plan as determined by the Compensation Committee in its sole discretion, or (C) provide that, with respect to any awards that are stock options, for a period of at least 15 days prior to the change in control, such stock options will be exercisable as to all shares subject thereto and that upon the occurrence of the change in control, such stock options will terminate.

Transferability. Unless otherwise determined by our Compensation Committee, no award granted under the plan will be transferable or assignable by a participant in the plan, other than by will or by the laws of descent and distribution.

Amendment and Termination. Our board of directors may amend or terminate the 2006 Plan, but no amendment or termination shall be made, (i) without the approval of our shareholders, if such action would, except as permitted in order to adjust the shares as described above under the section "—Adjustments upon certain events", increase the total number of shares reserved for the purposes of the 2006 Plan or increase the maximum number of shares that may be issued hereunder, or change the maximum number of shares for which awards may be granted to any participant or (ii) without the consent of a participant, if such action would diminish any of the rights of the participant under any award theretofore granted to such participant under the 2006 Plan; provided, however, that the Compensation Committee may amend the 2006 Plan and/or any outstanding awards in such manner as it deems necessary to permit the 2006 Plan and/or any outstanding awards to satisfy applicable requirements of the Code or other applicable laws.

Annual Incentive Plan

The following description of the Evercore Partners Inc. Annual Incentive Plan, which we refer to as our annual incentive plan, is not complete and is qualified by reference to the full text of the annual incentive plan, which has been filed as an exhibit to the registration statement of which this prospectus forms a part. Our board of directors intends to adopt the annual incentive plan, and receive approval of such plan by our stockholders, prior to the effective date of this offering.

Purpose. The annual incentive plan is a bonus plan designed to provide certain of our employees with incentive compensation based upon the achievement of pre-established performance goals. The annual incentive plan is designed to comply with the performance based compensation exemption from Section 162(m) of the Code during any period during which Section 162(m) of the Code is applicable to compensation paid under the plan. The purpose of the annual incentive plan is to attract, retain, motivate and reward participants by providing them with the opportunity to earn competitive compensation directly linked to our performance.

Administration. The annual incentive plan is to be administered by the Compensation Committee of our board of directors. The Compensation Committee may delegate its authority under the annual incentive plan, except in cases where such delegation would disqualify compensation paid under the annual incentive plan intended to be exempt under Section 162(m) of the Code.

Eligibility; Awards. Awards may be grated to our officers and key employees in the sole discretion of the Compensation Committee. The annual incentive plan provides for the payment of incentive bonuses in the form of cash.

Performance Goals. The Compensation Committee will establish the performance periods over which performance objectives will be measured. A performance period may be for a fiscal year or a multi-year cycle, as determined by the Compensation Committee. Within 90 days after each performance period begins (or such other date as may be required by Section 162(m) of the Code), the Compensation Committee will establish (1) the performance objective or objectives that must be satisfied for a participant to receive a bonus for such performance period, and (2) the target incentive bonus for each participant. Performance objectives will be based upon one or more of the following criteria, as determined by the Compensation Committee: (i) consolidated income before or after taxes (including income before interest, taxes, depreciation and amortization); (ii) net income; (iii) operating income; (iv) net income per share; (v) book value per share; (vi) return on shareholders' equity; (vii) expense management; (viii) return on investment; (ix) improvements in capital structure; (x) profitability of an identifiable business unit or product; (xi) maintenance or improvement of profit margins; (xii) stock price; (xiii) market share; (xiv) revenues or sales; (xv) costs; (xvi) cash flow; (xvii) working capital; (xviii) return on assets; (xix) assets under management; and (xx) total return. The foregoing criteria may relate to us, one or more of our subsidiaries or one or more of our divisions or units, or any combination of the foregoing, and may be applied on an absolute basis and/or be relative to one or more peer group companies or indices, or any combination thereof, all as the Compensation Committee shall determine. The performance measures and objectives established by the Compensation Committee may be different for different fiscal years and different objectives may be applicable to different officers and key employees.

As soon as practicable following the applicable performance period, the Compensation Committee will determine (i) whether and to what extent any of the performance objectives established for such performance period have been satisfied, and (ii) for each participant employed as of the last day of the performance period for which the bonus is payable, the actual bonus to which such participant shall be entitled, taking into consideration the extent to which the performance objectives have been met and such other factors as the committee may deem appropriate. The Compensation Committee has absolute discretion to reduce or eliminate the amount otherwise payable to any participant under the annual incentive plan and to establish rules or procedures that have the effect of limiting the amount payable to each participant to an amount that is less than the maximum amount otherwise authorized as that participant's target incentive bonus.

Change in Control. If there is a change in control (as defined in the annual incentive plan), our board of directors, as constituted immediately prior to the change in control, shall determine in its discretion whether the performance criteria have been met in the year in which the change in control occurs.

Termination of Employment. If a participant dies or becomes disabled prior to the last day of a performance period, the participant may receive an annual bonus equal to the maximum bonus payable to the participant, pro-rated for the days of employment during the performance period.

Payment of Awards. Payment of any bonus amount is made to participants as soon as practicable after the Compensation Committee certifies that one or more of the applicable objectives has been attained, or, where the Compensation Committee will reduce, eliminate or limit the bonus, as described above, the Compensation Committee determines the amount of any such reduction, but in no event later than March 15 of the year immediately following the year in respect of which the bonus amount is payable.

Amendment and Termination of Plan. Our board of directors or the Compensation Committee may at any time amend, suspend, discontinue or terminate the annual incentive plan, subject to stockholder approval if such approval is necessary to maintain the annual incentive plan in compliance with Section 162(m) of the Code or any other applicable law or regulation. Unless earlier terminated, the annual incentive plan will expire on the tenth anniversary of the effective date of the plan.

Confidentiality, Non-Solicitation and Proprietary Information Agreements

We are entering into a confidentiality, non-solicitation and proprietary information agreement with each of Roger Altman, Austin Beutner and Pedro Aspe (together, the "Founders"), as well as each of our Senior Managing Directors, managing directors, vice-presidents, associates and analysts. The following are descriptions of the material terms of each such confidentiality, non-solicitation and proprietary information agreement. With the exception of the few differences noted in the description below, the terms of each confidentiality, non-solicitation and proprietary information agreement are in relevant part generally identical.

Each confidentiality, non-solicitation and proprietary information agreement provides as follows:

Confidentiality. Each of our Founders, Senior Managing Directors, managing directors, vice-presidents, associates and analysts is required, whether during or after his or her employment with us, to protect and use "confidential information" in accordance with the restrictions placed by us on its use and disclosure.

Non-Competition. During the term of employment of each Founder, Senior Managing Director and managing director and for a period of time (two years for each Founder, six months for each Senior Managing Director and three months for each managing director) immediately following the earlier of (1) the date of such executive's termination, and (2) the date that such executive delivers a notice of resignation, such executive will not, directly or indirectly:

- engage in any business activity in which we operate, including any competitive business that we or our affiliates are actively considering conducting at the time of termination of employment;

- render any services to any competitive business; and
- acquire a financial interest in or become actively involved with any competitive business.

"Competitive business" means any business that competes, during the term of employment through the date of termination, with our business, including any businesses that we are actively considering conducting at the time of the applicable executive's termination of employment, so long as such executive knows or reasonably should have known about such plan(s) in any geographical area that is within 100 miles of any geographical area where we or our affiliates provide our products or services, including investment banking financial advisory services.

Non-Solicitation. During the term of employment of each Founder, Senior Managing Director, managing director, vice-president, associate and analyst and during the 12 months immediately thereafter, such executive will not, directly or indirectly, in any manner solicit any of our employees to leave their employment with us, or hire any such employee who was employed by us as of the date of such executive's termination or who left employment with us within one year prior to or after the date of such executive's termination. Additionally, each Founder, Senior Managing Director and managing director may not solicit or encourage to cease to work with us any consultant that the executive knows or should know is under contract with us.

During the term of employment of each Founder, Senior Managing Director, managing director and vice-president and during the six months (two years for each of the Founders) immediately following the earlier of (1) the date of such executive's termination, and (2) the date that such executive delivers a notice of resignation, such executive will not, directly or indirectly, in any manner, solicit the business of any client or prospective client of ours with whom the executive, employees reporting to the executive, or anyone whom the executive had direct or indirect responsibility over had personal contact or dealings on our behalf during the two-year period immediately preceding such executive's termination.

Non-interference. During the term of employment and during the six months (two years for each of the Founders) immediately following the earlier of (1) the date of such executive's termination, and (2) the date that such executive delivers a notice of resignation, none of the Founders, Senior Managing Directors, managing directors, vice presidents, associates or analysts may interfere with business relationships between us and any of our clients, customers, suppliers or partners.

Intellectual Property. Each Founder, Senior Managing Director, managing director, vice-president, associate and analyst is subject to customary intellectual property covenants with respect to works created, invented, designed or developed by such executive that are relevant to or implicated by his or her employment with us.

Specific Performance. In the case of any breach of the confidentiality, non-competition, non-solicitation, non-interference or intellectual property provisions by a Founder, Senior Managing Director, managing director, vice-president, associate and analyst, the breaching executive agrees that we shall be entitled to seek equitable relief in the form of specific performance, restraining orders, injunctions or other equitable remedies.

RELATED PARTY TRANSACTIONS

The Formation Transaction

Our business is presently owned by our Senior Managing Directors and conducted by our subsidiaries. Prior to this offering and pursuant to a contribution and sale agreement, dated as of May 12, 2006, our Senior Managing Directors will undertake a number of steps which we refer to collectively as the "Formation Transaction". The Formation Transaction will establish Evercore LP as the owner and operator of the business now conducted by our subsidiaries. As a result of the Formation Transaction and the Protego Combination, Evercore Partners Inc. will, through Evercore LP and its subsidiaries, operate our business and the business of Protego. See "Organizational Structure—Formation Transaction".

Tax Receivable Agreement

As described in "Organizational Structure", partnership units held by our Senior Managing Directors in Evercore LP may be exchanged in the future for shares of our Class A common stock on a one-for-one basis, subject to customary conversion rate adjustments for stock splits, stock dividends and reclassifications. Evercore LP intends to make an election under Section 754 of the Code effective for each taxable year in which an exchange of partnership units for shares occurs, which may result in an adjustment to the tax basis of the assets owned by Evercore LP at the time of an exchange of partnership units. The exchanges may result in increases in the tax basis of the tangible and intangible assets of Evercore LP that otherwise would not have been available. These increases in tax basis would reduce the amount of tax that we would otherwise be required to pay in the future.

We intend to enter into a tax receivable agreement with our Senior Managing Directors that will provide for the payment by us to an exchanging Evercore partner of 85% of the amount of cash savings, if any, in U.S. federal, state and local income tax that we actually realize as a result of these increases in tax basis. We expect to benefit from the remaining 15% of cash savings, if any, in income tax that we realize. For purposes of the tax receivable agreement, cash savings in income tax will be computed by comparing our actual income tax liability to the amount of such taxes that we would have been required to pay had there been no increase to the tax basis of the tangible and intangible assets of Evercore LP as a result of the exchanges and had we not entered into the tax receivable agreement. The term of the tax receivable agreement will commence upon consummation of this offering and will continue until all such tax benefits have been utilized or expired, unless we exercise our right to terminate the tax receivable agreement for an amount based on an agreed payments remaining to be made under the agreement.

Although we are not aware of any issue that would cause the IRS to challenge a tax basis increase, our Senior Managing Directors will not reimburse us for any payments previously made under the tax receivable agreement. As a result, in certain circumstances we could make payments to the Senior Managing Directors under the tax receivable agreement in excess of our cash tax savings. However, our Senior Managing Directors receive 85% of our cash tax savings, leaving us with 15% of the benefits of the tax savings. While the actual amount and timing of any payments under this agreement will vary depending upon a number of factors, including the timing of exchanges, the extent to which such exchanges are taxable and the amount and timing of our income, we expect that, as a result of the size of the increases of the tangible and intangible assets of Evercore LP attributable to our interest in Evercore LP, during the expected term of the tax receivable agreement, the payments that we may make to our Senior Managing Directors could be substantial.

Registration Rights Agreement

We will enter into a registration rights agreement pursuant to which we may be required to register the sale of shares of our Class A common stock held by our Senior Managing Directors upon exchange of partnership units of Evercore LP held by our Senior Managing Directors. Under the registration rights agreement, our Senior Managing Directors have the right to request us to register the sale of their shares and may require us to make available shelf registration statements permitting sales of shares into the market from time to time over an extended period. In addition, our Senior Managing Directors will have the ability to exercise certain piggyback registration rights in connection with registered offerings requested by our other Senior Managing Directors or initiated by us.

Relationship with the Evercore Capital Partners Funds

Evercore GP Holdings L.L.C., which will be contributed to Evercore LP in the Formation Transaction, will become a non-managing member of the general partner of the Evercore Capital Partners II private equity fund and will become entitled to receive 8% to 9% (depending on the particular fund investment) of the carried interest realized from that fund following this offering, which represents 10% of the carried interest currently allocable to our Senior Managing Directors, as well as gains (or losses) on investment based on the amount of capital in that fund which is contributed to, or subsequently funded by, us. The general partner of the Evercore Capital Partners II private equity fund makes investment decisions and is entitled to receive from the fund carried interest, investment income, and gains and losses on investments in the fund. Several of our Senior Managing Directors, including each of our co-Chief Executive Officers, are also members of the general partner of the Evercore Capital Partners II fund. See "Organizational Structure—Formation Transaction" and "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Financial Measures—Revenue". The partnership agreements governing our private equity funds also provide for the payment by the limited partners of each fund of certain expenses incurred by the general partners of the funds and for the indemnification of the general partner, its affiliates and their employees under certain circumstances.

Protego Combination

Our Senior Managing Directors and Protego's Directors entered into a contribution and sale agreement, dated as of May 12, 2006, pursuant to which we and Protego have agreed to combine our businesses in connection with this offering as described under "Organizational Structure—Formation Transaction" and "Organizational Structure—Combination with Protego". The form of the contribution and sale agreement is filed as an exhibit to the registration statement of which this prospectus forms a part, and the following description of the contribution and sale agreement is qualified by reference thereto.

The agreement contains customary representations and warranties regarding our and Protego's businesses and have agreed to operate our respective businesses in the ordinary course of business until the closing of the transaction, which is expected to occur on the closing date of this offering. Each party's obligation to consummate the combination transaction is conditioned on, among other conditions, (i) the accuracy of the other parties' representations and warranties at closing, subject to the materiality standards contained in the contribution and sale agreement, (ii) the other parties' material compliance with covenants, (iii) the absence of any change, effect or circumstance that would have a material adverse effect on the other parties' business, (iv) the absence of governmental litigation seeking to restrain or prohibit the combination transaction, (v) the receipt of certain consents and approvals to the transactions and (vi) the effectiveness of the Registration Statement of which this prospectus forms a part. In addition, each parties' obligation to consummate the combination transaction is conditioned on the receipt of approval of the combination transaction as well as the reorganization of our business prior to the offering described under "Organizational Structure—Formation Transaction" by the National Association of Securities Dealers, which has oversight authority with respect to our registered broker-dealer entity.

The contribution and sale agreement may be terminated at any time prior to the completion of the combination transaction by mutual written consent of Messrs. Altman and Beutner, on behalf of our Senior Managing Directors, and Mr. Aspe, on behalf of Protego's Directors, or by either Messrs. Altman and Beutner, on behalf of our Senior Managing Directors, and Mr. Aspe, on behalf of Protego's Directors, if: (i) any governmental authority issues an order, decree or ruling or takes any other action permanently restraining, enjoining or otherwise prohibiting the combination transaction, (ii) the partners of the other party are in breach of their representations, warranties, covenants or obligations set forth in the contribution and sale agreement and the breach would prevent satisfaction by such partners of the relevant closing condition, (iii) the combination transaction is not completed by December 31, 2006, or (iv) such party has determined that its partners will not proceed with the consummation of this offering.

Subject to certain exceptions and limitations set forth in the contribution and sale agreement, each party generally has agreed to indemnify Evercore LP for losses that result from, relate to or arise out of, breaches of the representations, warranties and covenants contained in the contribution and sale agreement. In addition, our and Protego's partners have agreed to indemnify Evercore LP for certain tax liabilities relating to periods occurring prior to the consummation of the contribution transactions. All indemnity payments arising from breaches of our partners' or the Protego partners, representations, warranties or covenants or from certain tax liabilities will be made by the relevant partners to Evercore LP and all indemnity payments arising from breaches of our or Evercore LP's representations, warranties or covenants will be made by Evercore LP to our partners and Protego's partners, as applicable. Additionally, in the event that our or Protego's working capital on the closing date of the combination transaction is less than the agreed upon minimum working capital set forth in the contribution and sale agreement, our partners and Protego's partners, as applicable, have agreed to pay Evercore LP an amount in cash equal to such shortfall.

In addition, a Protego management trust that owns a portion of Protego Casa de Bolsa, the Protego asset management subsidiary, entered into a contribution and sale agreement pursuant to which the Protego management trust would contribute all of its interests in Protego Casa de Bolsa, which represents 19% of the total outstanding shares of Protego Casa de Bolsa, to Evercore LP. This contribution, in combination with the contribution of 51% of the total outstanding shares of Protego Casa de Bolsa by the Protego partners pursuant to the Contribution and Sale Agreement, will result in Evercore LP owning 70% of the total outstanding shares of Protego Casa de Bolsa.

Evercore LP Partnership Agreement

As a result of the Formation Transaction and the Protego Combination, Evercore Partners Inc. will, through Evercore LP and its subsidiaries, operate our business and the business of Protego. The form of the partnership agreement of Evercore LP is filed as an exhibit to the registration statement of which this prospectus forms a part, and the following description of the partnership agreement of Evercore LP is qualified by reference thereto.

As the general partner of Evercore LP, Evercore Partners Inc. will have unilateral control over all of the affairs and decision making of Evercore LP. As such, Evercore Partners Inc., through our officers and directors, will be responsible for all operational and administrative decisions of Evercore LP and the day-to-day management of Evercore LP's business. Furthermore, Evercore Partners Inc. cannot be removed as the general partner of Evercore LP without its approval.

Pursuant to the partnership agreement of Evercore LP, Evercore Partners Inc. has the right to determine when distributions will be made to the partners of Evercore LP and the amount of any such distributions. If Evercore Partners Inc. authorizes a distribution, such distribution will be made to the partners of Evercore LP (1) in the case of a tax distribution (as described below), to the holders of vested partnership units in proportion to the amount of taxable income of Evercore LP allocated to such holder and (2) in the case of other distributions, pro rata in accordance with the percentages of their respective vested partnership units. Evercore Partners Inc. may, however, authorize a distribution to the partners of Evercore LP who hold vested and unvested units in accordance with the percentages of their respective vested and unvested partnership units in the event of an extraordinary dividend, refinancing, restructuring or similar transaction.

The holders of partnership units in Evercore LP, including Evercore Partners Inc., will incur U.S. federal, state and local income taxes on their proportionate share of any net taxable income of Evercore LP. Net profits and net losses of Evercore LP will generally be allocated to its partners pro rata in accordance with the percentages of their respective partnership units. The partnership agreement will provide for cash distributions to the partners of Evercore LP if Evercore Partners Inc. determines that the taxable income of Evercore LP will give rise to taxable income for its partners. In accordance with the partnership agreement, we intend to cause Evercore LP to make cash distributions to the holders of vested partnership units of Evercore LP for purposes of funding their tax obligations in respect of the income of Evercore LP that is allocated to them. Generally, these tax distributions will be computed based on our estimate of the net taxable income of Evercore LP allocable to such holder of vested partnership units multiplied by an assumed tax rate equal to the highest effective marginal combined U.S. federal, state and local income tax rate prescribed for an individual or corporate resident in New York, New York (taking into account the nondeductibility of certain expenses and the character of our income).

Our Senior Managing Directors will receive Evercore LP partnership units in the Formation Transaction in exchange for the contribution of their equity interests in our operating subsidiaries to Evercore LP. In addition, the current Directors of Protego (who will become our Senior Managing Directors) will subscribe for Evercore LP partnership units in the Protego Combination. The Evercore LP partnership agreement provides that the partnership units shall be initially divided into the following classes: Class A, Class B and Class C. The Class A and Class B partnership units are identical, and the distinction between Class A and Class B partnership units is relevant only for purposes of the formula governing the voting power of the Class B common stock set forth in the certificate of incorporation of Evercore Partners Inc. The Class C partnership units, which will be allocated to more-recently admitted Senior Managing Directors, are similar to the Class A and Class B partnership units except for the right to receive priority capital account allocations until the capital accounts of such partnership units are equal to the accounts of the Class A and Class B partnership units, at which time the Class C partnership units will automatically convert into Class B partnership units. Subject to the transfer restrictions set forth in the Evercore LP partnership agreement, holders of fully vested partnership units in Evercore LP (other than Evercore Partners Inc.) may exchange these partnership units for shares of Class A common stock on a one-for-one basis, subject to customary conversion rate adjustments for stock splits, stock dividends and reclassifications. At any time a share of Class A common stock is redeemed, repurchased, acquired, cancelled or terminated by us, one partnership unit registered in the name of Evercore Partners Inc. will automatically be cancelled by Evercore LP so that the number of partnership units held by Evercore Partners Inc. at all times equals the number of shares of Class A common stock outstanding.

Under the terms of the Evercore LP partnership agreement, 66 $^{2}/_{3}$% of the partnership units to be received by our Senior Managing Directors, other than Mr. Altman and Mr. Beutner, in the Formation Transaction and 66 $^{2}/_{3}$% of the partnership units to be received by the current Directors of Protego (who will become our Senior Managing Directors), other than Mr. Aspe, and certain companies they control, and a trust benefiting Directors and employees of Protego in the Protego Combination will, with specified exceptions, be subject to forfeiture and re-allocation to other Senior Managing Directors (or, in the event that there are no eligible Senior Managing Directors, forfeiture and cancellation) if the Senior Managing Director ceases to be employed by us prior to the occurrence of specified vesting events. 4,853,164, or 50%, of these unvested partnership units will vest if and when Messrs. Altman, Beutner and Aspe, and trusts benefiting their families and permitted transferees, collectively, cease to beneficially own at least 90% of the aggregate Evercore LP partnership units owned by them on the date of the Evercore LP partnership agreement. 9,706,329, or 100% of the unvested Evercore LP partnership units issued will vest upon the earliest to occur of the following events:

- when Messrs. Altman, Beutner and Aspe, and trusts benefiting their families and permitted transferees, collectively, cease to beneficially own at least 50% of the aggregate Evercore LP partnership units owned by them on the date of the partnership agreement;
- a change of control of Evercore; or
- two of Messrs. Altman, Beutner and Aspe are not employed by, or do not serve as a director of, Evercore Partners Inc., Evercore LP or any of its subsidiaries within a 10-year period following this offering.

In addition, 100% of the unvested Evercore LP partnership units held by a Senior Managing Director will vest if such Senior Managing Director dies or becomes disabled while in our employ. Our Equity Committee may also accelerate vesting of unvested partnership units at any time.

Evercore LP partnership units held by Senior Managing Directors, including Messrs. Altman, Beutner and Aspe, and certain trusts benefitting their families and permitted transferees, may not be transferred or exchanged for a period of five years following this offering. In addition, Evercore LP partnership units held by a Senior Managing Director (other than Messrs. Altman, Beutner and Aspe) who is not employed by us on the fifth anniversary of the offering may not be transferred or exchanged until the later of (A) eight years after this offering and (B) five years after such Senior Managing Director ceases to be employed by us.

If a Senior Managing Director who was a Senior Managing Director of Evercore prior to the offering (other than Messrs. Altman and Beutner) ceases to be employed by us, he or she will forfeit his or her unvested Evercore LP partnership units to the other currently employed persons who were Senior Managing Directors of Evercore (other than Messrs. Altman and Beutner) prior to the offering (or, in the event that there are no other eligible Senior Managing Directors, such unvested partnership units will be forfeited and cancelled). If a Senior Managing Director who was a Director of Protego prior to the offering (other than Mr. Aspe) ceases to be employed by us, he or she will forfeit his or her unvested Evercore LP partnership units to the other currently employed persons who were Senior Managing Directors of Protego (other than Mr. Aspe) prior to the offering (or, in the event that there are no other eligible Directors, such unvested partnership units will be forfeited and cancelled). Such forfeited partnership units will be re-allocated on a pro rata basis.

Notwithstanding the restrictions on transfer and exchange of Evercore LP partnership units described above and in addition to any other permitted transfer, following any underwritten public offering of shares of Class A common stock subsequent to this offering, Mr. Altman may transfer to charity, and these charitable transferees may sell, up to an aggregate of $10 million of Evercore LP partnership units or Class A common stock without the approval of the Equity Committee.

Equity Committee

Our Equity Committee will be comprised of Mr. Altman, Mr. Beutner and Mr. Aspe. If any Equity Committee member ceases to be associated with us, he will no longer be a member of the Equity Committee. All decisions made by the Equity Committee must be unanimous.

The Equity Committee may accelerate vesting of unvested Evercore LP partnership units in whole or in part at any time and may permit transfers or exchanges by holders who remain our employees. In addition, the Equity Committee may, from time to time in its sole discretion, permit transfers or exchanges of Evercore LP partnership units held by the Founders. If the Equity Committee permits any employee to transfer or exchange Evercore LP partnership units, each employee will be entitled to participate ratably with one another in any such permitted disposition (i.e., each such holder shall be permitted to dispose of an equal proportion of his or her vested Evercore LP partnership units).

Dissolution

Evercore LP may be dissolved only upon the occurrence of certain unlikely events specified in the partnership agreement. Upon dissolution, Evercore LP will be liquidated and the proceeds from any liquidation shall be applied and distributed in the following order:

- First, to pay the debts, liabilities or expenses of Evercore LP;
- Second, as reserve cash for contingent liabilities of Evercore LP;
- Third, to distribute pro rata to vested Class A and vested Class B partnership units in an amount equal to the value of the businesses contributed to Evercore LP prior to this offering;
- Fourth, to distribute pro rata to vested Class C partnership units so that vested Class C partnership units attain the capital account allocation levels of the vested Class A and vested Class B partnership units; and
- Fifth, to distribute pro rata to all vested Class A, B and C partnership units.

PRINCIPAL STOCKHOLDERS

The following table sets forth information regarding the beneficial ownership of Evercore LP partnership units and Evercore Partners Inc. Class A common stock and Class B common stock by (1) each person known to us to beneficially own more than 5% of any class of the outstanding common stock of Evercore Partners Inc., (2) each of our directors, (3) each of our named executive officers and (4) all directors and executive officers as a group.

The number of shares and Evercore LP partnership units outstanding and percentage of beneficial ownership before the offering of Class A common stock set forth below is based on the number of shares and Evercore LP partnership units to be issued and outstanding prior to the offering of Class A common stock after giving effect to the other elements of the Reorganization. The number of shares and Evercore LP partnership units and percentage of beneficial ownership after the offering set forth below is based on shares and Evercore LP partnership units to be issued and outstanding immediately after the offering of Class A common stock.

Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission.

	Shares of Class A Common Stock Beneficially Owned†				Evercore LP Partnership Units Beneficially Owned†							
Name of Beneficial Owner(1)	Number	Percentage Prior to the Offering of Class A Common Stock	Percentage After the Offering of Class A Common Stock Assuming the Underwriters' Option Is Not Exercised	Percentage After the Offering of Class A Common Stock Assuming the Underwriters' Option Is Exercised in Full	Number	Percentage Prior to the Offering of Class A Common Stock	Percentage After the Offering of Class A Common Stock Assuming the Under-writers' Option is Not Exercised	Percentage After the Offering of Class A Common Stock Assuming the Underwriters' Option Is Exercised in Full	Number of Shares of Class B Common Stock Beneficially Owned††	Percentage of Combined Voting Power of Evercore Partners Inc. prior to the Offering of Class A Common Stock	Percentage of Combined Voting Power after the Offering Assuming the Under-writers' Option is Not Exercised	Percentage of Combined Voting Power after the Offering Assuming the Under-writers' Option Is Exercised in Full
Roger Altman(3)	—	—	—	—	3,475,919	15.02%	12.81%	12.54%	3	39.93%(2)	34.04%(2)	33.32%(2)
Austin Beutner(4)	—	—	—	—	3,475,919	15.02	12.81	12.54	4	39.93 (2)	34.04 (2)	33.32 (2)
Pedro Aspe(5)	—	—	—	—	168,080	*	*	*	2	20.14	17.18	16.80
Eduardo Mestre(6)	—	—	—	—	1,271,644	5.50	4.69	4.59	2	—	—	—
David Wezdenko(7)	—	—	—	—	231,463	1.00	*	*	1	—	—	—
Directors and executive officers as a group (6 persons)	—	—	—	—	8,796,946	38.02	32.42	31.72	12	100.00%	85.26%	83.44%

* Less than 1%.

† The partnership units of Evercore LP are exchangeable for shares of Class A common stock of Evercore Partners Inc. on a one-for-one basis, subject to customary conversion rate adjustments for stock splits, stock dividends and reclassifications. Beneficial ownership of partnership units of Evercore LP reflected in this table has not also been reflected as beneficial ownership of the shares of the Class A common stock of Evercore Partners Inc. for which such units may be exchanged.

†† A holder of Class B common stock is entitled to a number of votes that is equal to the product of (A) the quotient of (x) the number of Class A partnership units in Evercore LP held by such holder divided by (y) the total number of Class A partnership units in Evercore LP outstanding (excluding Class A partnership units in Evercore LP held by Evercore Partners Inc.) multiplied by (B) the total number of partnership units in Evercore LP outstanding (excluding partnership units in Evercore LP held by Evercore Partners Inc.); provided, however, that, from and after the time that Messrs. Altman, Beutner and Aspe, and certain trusts benefiting their families, collectively, cease to beneficially own, in the aggregate, at least 90% of the Class A partnership units in Evercore LP held by them on the date of this offering, each holder of Class B common stock shall be entitled, without regard to the number of shares of Class B common stock held by such holder, to one vote for each partnership unit in Evercore LP held by such holder. Class A partnership units in Evercore LP are partnership units held by Messrs. Altman, Beutner and Aspe, and certain trusts benefiting their families, on the date of this offering.

(1) The address of each beneficial owner is c/o Evercore Partners Inc., 55 East 52nd Street, 43rd floor, New York, NY 10055.

(2) Mr. Altman and Mr. Beutner have agreed to vote together with respect to all matters submitted to stockholders. See "Description of Capital Stock—Common Stock".

(3) Certain of the Evercore LP partnership units and shares of Class B common stock listed as beneficially owned by Mr. Altman are held by trusts benefiting his family. Mr. Altman disclaims beneficial ownership of the Evercore LP partnership units and shares of Class B common stock held by these trusts.

(4) Certain of the Evercore LP partnership units and shares of Class B common stock listed as beneficially owned by Mr. Beutner are held by trusts benefiting his family. Mr. Beutner disclaims beneficial ownership of the Evercore LP partnership units and shares of Class B common stock held by these trusts.

(5) Includes 168,079 Evercore LP partnership units and one share of Class B common stock held by a trust over which Mr. Aspe has voting power and are for the economic benefit of certain Directors and employees of Protego. Mr. Aspe disclaims beneficial ownership of the Evercore LP partnership units and share of Class B common stock held by this trust. Does not include 1,584,506 Evercore LP partnership units and one share of Class B common stock held by a trust over which Mr. Aspe does not have voting or dispositive power, and are for the benefit of Mr. Aspe, members of his family, and certain charitable organizations. The share of Class B common stock held directly by Mr. Aspe affords him the voting power in Evercore Partners Inc. presented in the table above.

(6) Includes 847,763 unvested and 423,881 vested Evercore LP partnership units, which unvested Evercore LP partnership units are subject to forfeiture and re-allocation or cancellation as described in "Related Party Transactions—Evercore LP Partnership Agreement". Certain of the Evercore LP units and one share of Class B common stock listed as beneficially owned by Mr. Mestre are held by a trust benefiting his family. Mr. Mestre disclaims beneficial ownership of the Evercore LP partnership units and share of Class B common stock held by this trust.

(7) Includes 154,309 unvested and 77,154 vested Evercore LP partnership units, which unvested Evercore LP partnership units are subject to forfeiture and re-allocation or cancellation as described in "Related Party Transactions—Evercore LP Partnership Agreement".

DESCRIPTION OF CAPITAL STOCK

The following description of our capital stock as it will be in effect upon the consummation of this offering is a summary and is qualified in its entirety by reference to our certificate of incorporation and bylaws, the forms of which are filed as exhibits to the registration statement of which this prospectus forms a part, and by applicable law.

Upon consummation of this offering, our authorized capital stock will consist of 1,000,000,000 shares of Class A common stock, par value $.01 per share 1,000,000 shares of Class B common stock, par value $.01 per share and 100,000,000 shares of preferred stock. Unless our board of directors determines otherwise, we will issue all shares of our capital stock in uncertificated form.

Common Stock

Class A common stock

Holders of our Class A common stock are entitled to one vote for each share held of record on all matters submitted to a vote of stockholders.

Holders of our Class A common stock are entitled to receive dividends when and if declared by our board of directors out of funds legally available therefor, subject to any statutory or contractual restrictions on the payment of dividends and to any restrictions on the payment of dividends imposed by the terms of any outstanding preferred stock.

Upon our dissolution or liquidation or the sale of all or substantially all of our assets, after payment in full of all amounts required to be paid to creditors and to the holders of preferred stock having liquidation preferences, if any, the holders of our Class A common stock will be entitled to receive pro rata our remaining assets available for distribution.

Holders of our Class A common stock do not have preemptive, subscription, redemption or conversion rights.

Subject to the transfer restrictions set forth in the Evercore LP partnership agreement, holders of fully vested partnership units in Evercore LP (other than Evercore Partners Inc.) may exchange these partnership units for shares of Class A common stock on a one-for-one basis, subject to customary conversion rate adjustments for stock splits, stock dividends and reclassifications.

Class B common stock

Shares of our Class B common stock will entitle the holder (other than Evercore Partners Inc.), without regard to the number of Class B common stock held, to a number of votes that is equal to the product of

- the quotient of (x) the number of Class A partnership units in Evercore LP held by such holder divided by (y) the total number of Class A partnership units in Evercore LP outstanding (excluding Class A partnership units in Evercore LP held by Evercore Partners Inc.) multiplied by
- the total number of partnership units in Evercore LP outstanding (excluding partnership units in Evercore LP held by Evercore Partners Inc.);

provided, however, that, from and after the time that Messrs. Altman, Beutner and Aspe, and certain trusts benefiting their families, collectively, cease to beneficially own, in the aggregate, at least 90% of the Class A partnership units in Evercore LP held by them on the date of this offering, each holder of Class B Common Stock shall be entitled, without regard to the number of shares of Class B Common Stock held by such holder, to one vote for each partnership unit in Evercore LP held by such holder. Class A partnership units in Evercore LP are partnership units held by Messrs. Altman, Beutner and Aspe, and certain trusts benefiting their families, on the date of this offering. As a result of this formula, the limited partners of Evercore LP will collectively have a number of votes in Evercore Partners Inc. that is equal to the aggregate number of vested and unvested partnership units that they hold. However, the formula operates in such a way that, until such time as Messrs. Altman, Beutner and Aspe and certain trusts benefiting their families collectively cease to beneficially own, in the aggregate, at least 90% of the Evercore LP partnership units they hold on the date of this offering, these three individuals will have all of the voting power of the Class B common stock and the other limited partners of Evercore LP will have no voting power. A reduction in the collective beneficial ownership of Evercore LP partnership units by Messrs. Altman, Beutner and Aspe and their family trusts could occur if these persons were to dispose of their Evercore LP partnership units for any reason, subject to the provisions of the Evercore LP partnership agreement and applicable securities laws.

Holders of our Class A common stock and Class B common stock will vote together as a single class on all matters presented to our stockholders for their vote or approval, except as otherwise required by applicable law. Messrs. Altman and Beutner, who through their ownership of our Class B common stock will together hold 68.1% of the voting power in Evercore Partners Inc. (or 66.6% if the underwriters exercise in full their option to acquire additional shares), have agreed to vote together with respect to all matters submitted to stockholders.

Holders of our Class B common stock will not have any right to receive dividends or to receive a distribution upon a liquidation or winding up of Evercore Partners Inc.

Preferred Stock

Our certificate of incorporation authorizes our board of directors to establish one or more series of preferred stock (including convertible preferred stock). Unless required by law or by any stock exchange, the authorized shares of preferred stock will be available for issuance without further action by you. Our board of directors is able to determine, with respect to any series of preferred stock, the terms and rights of that series, including:

- the designation of the series;
- the number of shares of the series, which our board may, except where otherwise provided in the preferred stock designation, increase or decrease, but not below the number of shares then outstanding;
- whether dividends, if any, will be cumulative or non-cumulative and the dividend rate of the series;
- the dates at which dividends, if any, will be payable;
- the redemption rights and price or prices, if any, for shares of the series;
- the terms and amounts of any sinking fund provided for the purchase or redemption of shares of the series;
- the amounts payable on shares of the series in the event of any voluntary or involuntary liquidation, dissolution or winding-up of the affairs of our company;
- whether the shares of the series will be convertible into shares of any other class or series, or any other security, of our company or any other entity, and, if so, the specification of the other class or series or other security, the conversion price or prices or rate or rates, any rate adjustments, the date or dates as of which the shares will be convertible and all other terms and conditions upon which the conversion may be made;
- restrictions on the issuance of shares of the same series or of any other class or series; and
- the voting rights, if any, of the holders of the series.

We could issue a series of preferred stock that could, depending on the terms of the series, impede or discourage an acquisition attempt or other transaction that some, or a majority, of you might believe to be in your best interests or in which you might receive a premium for your Class A common stock over the market price of the Class A common stock.

Authorized but Unissued Capital Stock

Delaware law does not require stockholder approval for any issuance of authorized shares. However, the listing requirements of the New York Stock Exchange, which would apply so long as the Class A common stock remains listed on the New York Stock Exchange, require stockholder approval of certain issuances equal to or exceeding 20% of the then outstanding voting power or then outstanding number of shares of Class A common stock. These additional shares may be used for a variety of corporate purposes, including future public offerings, to raise additional capital or to facilitate acquisitions.

One of the effects of the existence of unissued and unreserved common stock or preferred stock may be to enable our board of directors to issue shares to persons friendly to current management, which issuance could render more difficult or discourage an attempt to obtain control of our company by means of a merger, tender offer, proxy contest or otherwise, and thereby protect the continuity of our management and possibly deprive the stockholders of opportunities to sell their shares of common stock at prices higher than prevailing market prices.

Anti-Takeover Effects of Provisions of Delaware Law

We are a Delaware corporation subject to Section 203 of the Delaware General Corporation Law. Section 203 provides that, subject to certain exceptions specified in the law, a Delaware corporation shall not engage in certain “business combinations” with any “interested stockholder” for a three-year period after the date of the transaction in which the person became an interested stockholder unless:

- prior to such time, our board of directors approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder;
- upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of our voting stock outstanding at the time the transaction commenced, excluding certain shares; or
- at or subsequent to that time, the business combination is approved by our board of directors by the affirmative vote of holders of at least 66 2/3% of the outstanding voting stock that is not owned by the interested stockholder.

Generally, a “business combination” includes a merger, asset or stock sale or other transaction resulting in a financial benefit to the interested stockholder. Subject to certain exceptions, an “interested stockholder” is a person who, together with that person’s affiliates and associates, owns, or within the previous three years did own, 15% or more of our voting stock.

Under certain circumstances, Section 203 makes it more difficult for a person who would be an “interested stockholder” to effect various business combinations with a corporation for a three-year period. The provisions of Section 203 may encourage companies interested in acquiring our company to negotiate in advance with our board of directors because the stockholder approval requirement would be avoided if our board of directors approves either the business combination or the transaction that results in the stockholder becoming an interested stockholder. These provisions also may make it more difficult to accomplish transactions that stockholders may otherwise deem to be in their best interests.

Transfer Agent and Registrar

The transfer agent and registrar for our Class A common stock is The Bank of New York.

Listing

Our Class A common stock has been approved for listing on the New York Stock Exchange under the symbol “EVR”.

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no public market for our Class A common stock. No prediction can be made as to the effect, if any, future sales of shares, or the availability for future sales of shares, will have on the market price of our Class A common stock prevailing from time to time. The sale of substantial amounts of our Class A common stock in the public market, or the perception that such sales could occur, could harm the prevailing market price of our Class A common stock.

Upon completion of this offering we will have a total of 4,000,000 shares of our Class A common stock outstanding, or 4,592,500 shares assuming the underwriters exercise in full their option to purchase additional shares. Assuming an initial public offering price of $19.00 per share, 50,000 of these shares will have been issued in connection with the Protego Combination and will be "restricted securities," as defined in Rule 144. All of the remaining shares will have been sold in this offering and will be freely tradable without restriction or further registration under the Securities Act by persons other than our "affiliates". Under the Securities Act, an "affiliate" of a company is a person that directly or indirectly controls, is controlled by or is under common control with that company.

In addition, upon consummation of this offering, our Senior Managing Directors will beneficially own partnership units in Evercore LP. Pursuant to the terms of our amended and restated certificate of incorporation, our Senior Managing Directors could from time to time exchange their partnership units in Evercore LP for shares of our Class A common stock on a one-for-one basis, subject to customary conversion rate adjustments for stock splits, stock dividends and reclassifications. These shares of Class A common stock would be "restricted securities", as defined in Rule 144. However, we will enter into a registration rights agreement with our Senior Managing Directors that would require us to register under the Securities Act these shares of Class A common stock. See "—Registration Rights Agreement" and "Related Party Transactions—Registration Rights Agreement".

Under the terms of the Evercore LP partnership agreement, all of the partnership units received by our Senior Managing Directors in the Formation Transaction and the Protego Combination will be subject to restrictions on disposition, and 66 $^{2}/_{3}$% of the partnership units received by our Senior Managing Directors other than Mr. Altman, Mr. Beutner and Mr. Aspe in the Formation Transaction and the Protego Combination will be subject to forfeiture and re-allocation to other Senior Managing Directors if the Senior Managing Director ceases to be employed by us prior to the occurrence of specified vesting events. See "Related Party Transactions—Evercore LP Partnership Agreement".

In addition, we expect to grant to certain of our employees an aggregate of 2,300,000 restricted stock units pursuant to the Evercore Partners Inc. 2006 Stock Incentive Plan at the time of this offering. Of these restricted stock units 200,000 will be fully vested and the remaining 2,100,000 restricted stock units will be unvested and will vest only upon the same conditions as the unvested partnership units of Evercore LP issued in connection with the Formation Transaction and the Protego Combination. See "Management's Discussion and Analysis of Financial Condition and Results of Operations–IPO Date Restricted Stock Unit Awards". We intend to file one or more registration statements on Form S-8 under the Securities Act to register Class A common stock issued or reserved for issuance under our Stock Incentive Plan. Any such Form S-8 registration statement will automatically become effective upon filing. Accordingly, shares registered under such registration statement will be available for sale in the open market, unless such shares are subject to vesting restrictions with us or the lock-up restrictions described below. We expect that the registration statement on Form S-8 will cover 20,000,000 shares.

We also expect to issue shares of Class A common stock to the shareholders of Braveheart Financial Services Limited as part of the purchase consideration for our acquisition of Braveheart. These shares would be "restricted securities," as defined in Rule 144 and would also be subject to contractual restrictions on transfer. See "Business—Acquisition of Braveheart Financial Services Limited".

Registration Rights

We will enter into a registration rights agreement with our Senior Managing Directors pursuant to which we will grant them, their affiliates and certain of their transferees the right, under certain circumstances and subject to certain restrictions, to require us to register under the Securities Act shares of our Class A common stock (and other securities convertible into or exchangeable or exercisable for shares of our Class A common stock) held or acquired by them. Such securities registered under any registration statement will be available for sale in the open market unless restrictions apply. We expect to enter into a similar registration rights agreement with the shareholders of Braveheart Financial Services Limited.

Lock-Up Arrangements

We, all of our directors, officers and Senior Managing Directors and other third parties have agreed that, without the prior written consent of Lehman Brothers Inc., we and they will not, subject to some exceptions, directly or indirectly, (1) offer for sale, sell, pledge, or otherwise dispose of (or enter into any transaction or device that is designed to, or could be expected to, result in the disposition by any person at any time in the future of) any shares of our Class A common stock (including, without limitation, shares of our Class A common stock that may be deemed to be beneficially owned in accordance with the rules and regulations of the Securities and Exchange Commission and shares of our Class A common stock that may be issued upon exercise of any options or warrants) or securities convertible into or exercisable or exchangeable for shares of our Class A common stock, (2) enter into any swap or other derivatives transaction that transfers to another, in whole or in part, any of the economic consequences of ownership of shares of our Class A common stock, (3) make any demand for or exercise any right or file or cause to be filed a registration statement, including any amendments thereto, with respect to the registration of any shares of our Class A common stock or securities convertible, exercisable or exchangeable into shares of our Class A common stock or any of our other securities, or (4) publicly disclose the intention to do any of the foregoing for a period of 180 days after the date of this prospectus.

The 180-day restricted period described in the preceding paragraph will be extended if:

- during the last 17 days of the 180-day restricted period we issue an earnings release or material news or a material event relating to us occurs; or
- prior to the expiration of the 180-day restricted period, we announce that we will release earnings results during the 16-day period beginning on the last day of the 180-day period,

in which case the restrictions described in the preceding paragraph will continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the announcement of the material news or occurrence of the material event.

Rule 144

In general, under Rule 144, a person (or persons whose shares are aggregated), including any person who may be deemed our affiliate, is entitled to sell within any three month period, a number of restricted securities that does not exceed the greater of 1% of the then outstanding common stock and the average weekly trading volume during the four calendar weeks preceding each such sale, provided that at least one year has elapsed since such shares were acquired from us or any affiliate of ours and certain manner of sale, notice requirements and requirements as to availability of current public information about us are satisfied. Any person who is deemed to be our affiliate must comply with the provisions of Rule 144 (other than the one year holding period requirement) in order to sell shares of Class A common stock which are not restricted securities (such as shares acquired by affiliates either in this offering or through purchases in the open market following this offering). In addition, under Rule 144(k), a person who is not our affiliate, and who has not been our affiliate at any time during the 90 days preceding any sale, is entitled to sell such shares without regard to the foregoing limitations, provided that at least two years have elapsed since the shares were acquired from us or any affiliate of ours.

MATERIAL U.S. FEDERAL TAX CONSIDERATIONS FOR NON-U.S. HOLDERS OF CLASS A COMMON STOCK

The following is a summary of certain United States federal income and estate tax consequences of the purchase, ownership and disposition of our Class A common stock as of the date hereof. Except where noted, this summary deals only with Class A common stock that is held as a capital asset by a non-U.S. holder.

A "non-U.S. holder" means a person (other than a partnership) that is not for United States federal income tax purposes any of the following:

- an individual citizen or resident of the United States;
- a corporation (or any other entity treated as a corporation for United States federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to United States federal income taxation regardless of its source; or
- a trust if it (1) is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust or (2) has a valid election in effect under applicable United States Treasury regulations to be treated as a United States person.

This summary is based upon provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and regulations, rulings and judicial decisions as of the date hereof. Those authorities may be changed, perhaps retroactively, so as to result in United States federal income and estate tax consequences different from those summarized below. This summary does not address all aspects of United States federal income and estate taxes and does not deal with foreign, state, local or other tax considerations that may be relevant to non-U.S. holders in light of their personal circumstances. In addition, it does not represent a detailed description of the United States federal income and estate tax consequences applicable to you if you are subject to special treatment under the United States federal income tax laws (including if you are a United States expatriate, "controlled foreign corporation", "passive foreign investment company", corporation that accumulates earnings to avoid United States federal income tax or an investor in a pass-through entity). We cannot assure you that a change in law will not alter significantly the tax considerations that we describe in this summary.

If a partnership holds our Class A common stock, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. If you are a partner of a partnership holding our Class A common stock, you should consult your tax advisors.

If you are considering the purchase of our Class A common stock, you should consult your own tax advisors concerning the particular United States federal income and estate tax consequences to you of the ownership of the Class A common stock, as well as the consequences to you arising under the laws of any other taxing jurisdiction.

Dividends

Distributions paid to a non-U.S. holder of our Class A common stock that qualify as dividends generally will be subject to withholding of United States federal income tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty. However, dividends that are effectively connected with the conduct of a trade or business by the non-U.S. holder within the United States are not subject to the withholding tax, provided certain certification and disclosure requirements are satisfied. Instead, such dividends are subject to United States federal income tax on a net income basis in the same manner as if the non-U.S. holder were a United States person as defined under the Code, unless an applicable income tax treaty provides otherwise. Any such effectively connected dividends received by a foreign corporation may be subject to an additional "branch profits tax" at a 30% rate or such lower rate as may be specified by an applicable income tax treaty.

A non-U.S. holder of our Class A common stock who wishes to claim the benefit of an income tax treaty or claim exemption from withholding because the income is effectively connected with the conduct of a trade or business in the United States will be required to (a) complete Internal Revenue Service Form W-8BEN (or other applicable form), for treaty benefits, or W-8ECI (or other applicable form), for effectively connected income, respectively, or (b) if our Class A common stock is held through certain foreign intermediaries, satisfy the relevant certification requirements of applicable United States Treasury regulations. Special certification and other requirements apply to certain non-U.S. holders that are pass-through entities rather than corporations or individuals.

A non-U.S. holder of our Class A common stock eligible for a reduced rate of United States withholding tax pursuant to an income tax treaty may obtain a refund of any excess amounts withheld by filing an appropriate claim for refund with the Internal Revenue Service.

Gain on Disposition of Class A Common Stock

Any gain realized on the disposition of our Class A common stock generally will not be subject to United States federal income tax unless:

- the gain is effectively connected with a trade or business of the non-U.S. holder in the United States (and, if required by an applicable income tax treaty, is attributable to a United States permanent establishment of the non-U.S. holder);
- the non-U.S. holder is an individual who is present in the United States for 183 days or more in the taxable year of that disposition, and certain other conditions are met; or
- we are or have been a "United States real property holding corporation" for United States federal income tax purposes.

An individual non-U.S. holder described in the first bullet point immediately above will be subject to tax on the net gain derived from the sale at regular graduated United States federal income tax rates. An individual non-U.S. holder described in the second bullet point immediately above will be subject to a flat 30% tax on the gain derived from the sale, which may be offset by United States source capital losses, even though the individual is not considered a resident of the United States. If a non-U.S. holder that is a foreign corporation falls under the first bullet point immediately above, it will be subject to tax on its net gain in the same manner as if it were a United States person as defined under the Code and, in addition, may be subject to the branch profits tax equal to 30% of its effectively connected earnings and profits or at such lower rate as may be specified by an applicable income tax treaty.

We believe we are not and do not anticipate becoming a "United States real property holding corporation" for United States federal income tax purposes.

Federal Estate Tax

Common stock held by an individual non-U.S. holder at the time of death will be included in such holder's gross estate for United States federal estate tax purposes, unless an applicable estate tax treaty provides otherwise.

Information Reporting and Backup Withholding

We must report annually to the Internal Revenue Service and to each non-U.S. holder the amount of dividends paid to such holder and the tax withheld with respect to such dividends, regardless of whether withholding was required. Copies of the information returns reporting such dividends and withholding may also be made available to the tax authorities in the country in which the non-U.S. holder resides under the provisions of an applicable income tax treaty.

A non-U.S. holder will be subject to backup withholding for dividends paid to such holder unless such holder certifies under penalty of perjury that it is a non-U.S. holder (and the payor does not have actual knowledge or reason to know that such holder is a United States person as defined under the Code), or such holder otherwise establishes an exemption.

Information reporting and, depending on the circumstances, backup withholding will apply to the proceeds of a sale of our Class A common stock within the United States or conducted through certain United States-related financial intermediaries, unless the beneficial owner certifies under penalty of perjury that it is a non-U.S. holder (and the payor does not have actual knowledge or reason to know that the beneficial owner is a United States person as defined under the Code) or such owner otherwise establishes an exemption.

Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a non-U.S. holder's United States federal income tax liability provided the required information is furnished to the Internal Revenue Service.

UNDERWRITING

Lehman Brothers Inc. is acting as representative of the underwriters and sole book-running manager of this offering. Under the terms of an underwriting agreement, which will be filed as an exhibit to the registration statement of which this prospectus forms a part, each of the underwriters named below has severally agreed to purchase from us the respective number of shares of our Class A common stock shown opposite its name below:

Underwriter	Number of Shares
Lehman Brothers Inc.	
Goldman, Sachs & Co.	
J.P. Morgan Securities Inc.	
Keefe, Bruyette & Woods, Inc.	
Fox-Pitt, Kelton Incorporated	
E*TRADE Securities LLC	
Total	3,950,000

The underwriting agreement provides that the underwriters' obligation to purchase shares of our Class A common stock depends on the satisfaction of the conditions contained in the underwriting agreement, including:

- the obligation to purchase all of the shares of our Class A common stock offered hereby, if any of the shares are purchased;
- the representations and warranties made by us to the underwriters are true;
- there is no material adverse change in the financial markets; and
- we deliver customary closing documents to the underwriters.

Commissions and Expenses

The following table summarizes the underwriting discounts and commissions we will pay to the underwriters. These amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase 592,500 additional shares. The underwriting fee is the difference between the initial price to the public and the amount the underwriters pay to us for the shares.

The representatives of the underwriters have advised us that the underwriters propose to offer shares of our Class A common stock directly to the public at the public offering price on the cover of this prospectus and to selected dealers, which may include the underwriters, at such offering price less a selling concession not in excess of $ per share.

	No Exercise	Full Exercise
Per share		
Total		

We estimate that the expenses of this offering that are payable by us, excluding underwriting discounts and commissions, will be approximately $6.9 million.

Option to Purchase Additional Shares

We have granted the underwriters an option exercisable for 30 days after the date of this prospectus to purchase, from time to time, in whole or in part, up to an aggregate of 592,500 shares of Class A common stock at the initial public offering price less underwriting discounts and commissions. This option may be exercised if the underwriters sell more than 3,950,000 shares of Class A common stock in connection with this offering. To the extent that this option is exercised, each underwriter will be obligated, subject to certain conditions, to purchase its pro rata portion of these additional shares based on the underwriter's percentage underwriting commitment in this offering as indicated in the table at the beginning of this Underwriting section.

Directed Share Program

At our request, the underwriters have reserved for sale at the initial public offering price up to 395,000 shares offered hereby for officers, directors, employees and certain other persons associated with us. The number of shares available for sale to the general public will be reduced to the extent such persons purchase such reserved shares. Any reserved shares not so purchased will be offered by the underwriters to the general public on the same basis as the other shares offered hereby. The directed share program materials will include a lock-up agreement requiring each purchaser in the directed share program to agree that, for a period of 180 days from the date of this prospectus, such purchaser will not, without prior written consent of Lehman Brothers Inc., dispose of or hedge any shares of common stock purchased in the directed share program. The purchasers in the directed share program will be subject to substantially the same form of lock-up agreement as our officers, directors and stockholders described below.

Lock-Up Agreements

We, all of our directors, officers and Senior Managing Directors and other third parties have agreed that, without the prior written consent of Lehman Brothers Inc., we and they will not, subject to some exceptions, directly or indirectly, (1) offer for sale, sell, pledge, or otherwise dispose of (or enter into any transaction or device that is designed to, or could be expected to, result in the disposition by any person at any time in the future of) any shares of our Class A common stock (including, without limitation, shares of our Class A common stock that may be deemed to be beneficially owned in accordance with the rules and regulations of the Securities and Exchange Commission and shares of our Class A common stock that may be issued upon exercise of any options or warrants) or securities convertible into or exercisable or exchangeable for shares of our Class A common stock, (2) enter into any swap or other derivatives transaction that transfers to another, in whole or in part, any of the economic consequences of ownership of shares of our Class A common stock, (3) make any demand for or exercise any right or file or cause to be filed a registration statement, including any amendments thereto, with respect to the registration of any shares of our Class A common stock or securities convertible, exercisable or exchangeable into shares of our Class A common stock or any of our other securities, or (4) publicly disclose the intention to do any of the foregoing for a period of 180 days after the date of this prospectus.

The 180-day restricted period described in the preceding paragraph will be extended if:

- during the last 17 days of the 180-day restricted period we issue an earnings release or material news or a material event relating to us occurs; or
- prior to the expiration of the 180-day restricted period, we announce that we will release earnings results during the 16-day period beginning on the last day of the 180-day period,

in which case the restrictions described in the preceding paragraph will continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the announcement of the material news or occurrence of the material event.

Offering Price Determination

Prior to this offering, there has been no public market for our Class A common stock. The initial public offering price will be negotiated between the representatives and us. In determining the initial public offering price of our Class A common stock, the representatives will consider:

- the history and prospects for the industry in which we compete,
- our financial information,
- the ability of our management and our business potential and earning prospects,
- the prevailing securities markets at the time of this offering, and
- the recent market prices of, and the demand for, publicly traded shares of generally comparable companies.

Indemnification

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act of 1933, and liabilities incurred in connection with the directed share program referred to above, and to contribute to payments that the underwriters may be required to make for these liabilities.

Stabilization, Short Positions and Penalty Bids

The representatives may engage in stabilizing transactions, short sales and purchases to cover positions created by short sales, and penalty bids or purchases for the purpose of pegging, fixing or maintaining the price of our Class A common stock, in accordance with Regulation M under the Securities Exchange Act of 1934:

- Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum.
- A short position involves a sale by the underwriters of shares in excess of the number of shares the underwriters are obligated to purchase in this offering, which creates the syndicate short position. This short position may be either a covered short position or a naked short position. In a covered short position, the number of shares involved in the sales made by the underwriters in excess of the number of shares they are obligated to purchase is not greater than the number of shares that they may purchase by exercising their option to purchase additional shares. In a naked short position, the number of shares involved is greater than the number of shares in their option to purchase additional shares. The underwriters may close out any short position by either exercising their option to purchase additional shares and/or purchasing shares in the open market. In determining the source of shares to close out the short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through their option to purchase additional shares. A naked short position is more likely to be created if the underwriters are concerned that there could be downward pressure on the price of the shares in the open market after pricing that could adversely affect investors who purchase in this offering.
- Syndicate covering transactions involve purchases of our Class A common stock in the open market after the distribution has been completed in order to cover syndicate short positions.
- Penalty bids permit the representatives to reclaim a selling concession from a syndicate member when the Class A common stock originally sold by the syndicate member is purchased in a stabilizing or syndicate covering transaction to cover syndicate short positions.

These stabilizing transactions, syndicate covering transactions and penalty bids, as well as purchases by the underwriters for their own accounts, may have the effect of raising or maintaining the market price of our Class A common stock or preventing or retarding a decline in the market price of our Class A common stock. As a result, the price of the Class A common stock may be higher than the price that might otherwise exist in the open market. These transactions may be effected on the New York Stock Exchange or otherwise and, if commenced, may be discontinued at any time.

Neither we nor any of the underwriters make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of our Class A common stock. In addition, neither we nor any of the underwriters make representation that the representatives will engage in these stabilizing transactions or that any transaction, once commenced, will not be discontinued without notice.

Electronic Distribution

A prospectus in electronic format may be made available on the Internet sites or through other online services maintained by one or more of the underwriters or selling group members participating in this offering, or by their affiliates. In those cases, prospective investors may view offering terms online and, depending upon the particular underwriter or selling group member, prospective investors may be allowed to place orders online. The underwriters may agree with us to allocate a specific number of shares for sale to online brokerage account holders. Any such allocation for online distributions will be made by the representatives on the same basis as other allocations.

Other than the prospectus in electronic format, the information on any underwriter's or selling group member's website and any information contained in any other website maintained by an underwriter or selling group member is not part of the prospectus or the registration statement of which this prospectus forms a part, has not been approved or endorsed by us or any underwriter or selling group member in its capacity as underwriter or selling group member and should not be relied upon by investors.

Listing on New York Stock Exchange

Our Class A common stock has been approved for listing on the New York Stock Exchange under the symbol "EVR". In connection with that listing, the underwriters have undertaken to sell the minimum number of shares to the minimum number of beneficial owners necessary to meet the New York Stock Exchange listing requirements.

Discretionary Sales

The underwriters have informed us that they do not intend to confirm sales to discretionary accounts without prior written approval of the customer.

Stamp Taxes

If you purchase shares of our Class A common stock offered by this prospectus, you may be required to pay stamp taxes and other charges under the laws and practices of the country of purchase, in addition to this offering price listed on the cover page of this prospectus.

Relationships

Certain of the underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for us, for which they have received or will receive customary fees and expenses. The underwriters may, from time to time, engage in transactions with or perform services for us in the ordinary course of their business. Affiliates of Lehman Brothers Inc., J.P. Morgan Securities Inc. and Goldman, Sachs & Co. are the lenders under our credit agreement and will, accordingly, receive the proceeds of the offering used to repay those borrowings. See "Use of Proceeds". In addition, we have received advisory fees from affiliates of E*TRADE Securities LLC for our advice on E*TRADE's acquisitions of Harrisdirect and Brown & Co. In addition, we have received advisory fees from affiliates of Fox-Pitt, Kelton Incorporated, for advice on Swiss Re's acquisition of General Electric's reinsurance business, as well as for advice on the sale of Fox-Pitt, Kelton Incorporated.

Because the shares of Class A common stock are being offered by Evercore Partners Inc., a parent of a member of the NASD, this offering is being made in compliance with the applicable requirements of Rule 2720 of the Conduct Rules of the NASD. This rule provides generally that the initial public offering price of the Class A common stock may not be higher than that recommended by a "qualified independent underwriter" meeting certain standards. Accordingly, Keefe, Bruyette & Woods, Inc. is assuming the responsibilities of acting as the qualified independent underwriter in pricing the offering and conducting due diligence. The initial public offering price of the Class A common stock, when sold to the public at the public offering price set forth on the cover page of this prospectus, is no higher than that recommended by Keefe, Bruyette & Woods, Inc.

Selling Restrictions

United Kingdom

Each of the underwriters has represented and agreed that:

- it has not made or will not make an offer of shares to the public in the United Kingdom within the meaning of section 102B of the Financial Services and Markets Act 2000 (as amended) (FSMA) except to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities or otherwise in circumstances which do not require the publication by the company of a prospectus pursuant to the Prospectus Rules of the Financial Services Authority (FSA);
- it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) to persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or in circumstances in which section 21 of FSMA does not apply to the company; and
- it has complied with, and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to the shares in, from or otherwise involving the United Kingdom.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State), each Underwriter has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the Relevant Implementation Date) it has not made and will not make an offer of shares to the public in that Relevant Member State prior to the publication of a prospectus in relation to the shares which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of shares to the public in that Relevant Member State at any time:

- to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or
- in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of shares to the public” in relation to any shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the shares to be offered so as to enable an investor to decide to purchase or subscribe the shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

Hong Kong

The shares may not be offered or sold by means of any document other than to persons whose ordinary business is to buy or sell shares or debentures, whether as principal or agent, or in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong, and no advertisement, invitation or document relating to the shares may be issued, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made thereunder.

Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the shares are subscribed or purchased under Section 275 by a relevant person which is: (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the shares under Section 275 except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA; (2) where no consideration is given for the transfer; or (3) by operation of law.

Japan

The securities have not been and will not be registered under the Securities and Exchange Law of Japan (the Securities and Exchange Law) and each underwriter has agreed that it will not offer or sell any securities, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

LEGAL MATTERS

The validity of the Class A common stock will be passed upon for us by Simpson Thacher & Bartlett LLP, New York, New York. Certain legal matters in connection with this offering will be passed upon for the underwriters by Wilmer Cutler Pickering Hale and Dorr LLP, New York, New York.

EXPERTS

The statement of financial condition of Evercore Partners Inc. at May 12, 2006, included in this prospectus has been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report appearing herein, and has been so included in reliance upon the report of such firm given upon their authority as experts in accounting and auditing. The combined financial statements of Evercore Holdings at December 31, 2004 and 2005, and for each of the three years in the period ended December 31, 2005, included in this prospectus have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report appearing herein, and have been so included in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

The consolidated financial statements of Protego Asesores, S.A. de C.V., Subsidiaries and Associated Company at December 31, 2004 and 2005, and for each of the three years in the period ended December 31, 2005, included in this prospectus have been audited by PricewaterhouseCoopers, S.C., independent public accountants, as stated in their report appearing herein, and are included in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the Securities and Exchange Commission a registration statement on Form S-1 under the Securities Act with respect to the Class A common stock offered in this prospectus. This prospectus, filed as part of the registration statement, does not contain all of the information set forth in the registration statement and its exhibits and schedules, portions of which have been omitted as permitted by the rules and regulations of the Securities and Exchange Commission. For further information about us and our Class A common stock, we refer you to the registration statement and to its exhibits and schedules. Statements in this prospectus about the contents of any contract, agreement or other document are not necessarily complete and, in each instance, we refer you to the copy of such contract, agreement or document filed as an exhibit to the registration statement, with each such statement being qualified in all respects by reference to the document to which it refers. Anyone may inspect the registration statement and its exhibits and schedules without charge at the public reference facilities the Securities and Exchange Commission maintains at 100 F Street, N.E., Washington, D.C. 20549. You may obtain copies of all or any part of these materials from the Securities and Exchange Commission upon the payment of certain fees prescribed by the Securities and Exchange Commission. You may obtain further information about the operation of the Securities and Exchange Commission's Public Reference Room by calling the Securities and Exchange Commission at 1-800-SEC-0330. You may also inspect these reports and other information without charge at a website maintained by the Securities and Exchange Commission. The address of this site is http://www.sec.gov.

Upon completion of this offering, we will become subject to the informational requirements of the Securities Exchange Act of 1934, as amended, and will be required to file reports, proxy statements and other information with the Securities and Exchange Commission. You will be able to inspect and copy these reports, proxy statements and other information at the public reference facilities maintained by the Securities and Exchange Commission at the address noted above. You also will be able to obtain copies of this material from the Public Reference Room of the Securities and Exchange Commission as described above, or inspect them without charge at the Securities and Exchange Commission's website. We intend to furnish our stockholders with annual reports containing consolidated financial statements audited by an independent registered public accounting firm.

INDEX TO FINANCIAL STATEMENTS

Evercore Partners Inc.:

Evercore Holdings:

Protego Asesores, S.A. de C.V., Subsidiaries and Protego SI, S.C.:

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholder of Evercore Partners Inc.:

We have audited the accompanying statement of financial condition of Evercore Partners Inc. (the "Company"), as of May 12, 2006. This statement of financial condition is the responsibility of the Company's management. Our responsibility is to express an opinion on this statement of financial condition based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of financial condition is free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of financial condition, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement of financial condition presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such statement of financial condition presents fairly, in all material respects, the financial position of Evercore Partners Inc. as of May 12, 2006, in conformity with accounting principles generally accepted in the United States of America.

/s/ Deloitte & Touche LLP
New York, New York
May 12, 2006

EVERCORE PARTNERS INC.

STATEMENT OF FINANCIAL CONDITION

May 12, 2006

Assets—Cash	$1.00
Stockholder's Equity:	
Class B Common Stock, par value $0.01 per share, 100,000 shares authorized, 100 shares issued and outstanding	$1.00

NOTES TO STATEMENT OF FINANCIAL CONDITION

Note 1—Organization

Evercore Partners Inc. (the "Company") was incorporated as a Delaware corporation on July 21, 2005. Pursuant to a reorganization into a holding company structure, the Company will become a holding company and its sole asset will be a controlling equity interest in Evercore LP. As the sole general partner of Evercore LP, the Company will operate and control all of the business and affairs of Evercore LP and, through Evercore LP and its subsidiaries, continue to conduct the business now conducted by these subsidiaries.

Note 2—Significant Accounting Policies

Basis of Presentation. The statement of financial condition has been prepared in accordance with accounting principles generally accepted in the United States. Separate statements of income, changes in stockholders' equity and cash flows have not been presented in the financial statements because there have been no activities of this entity.

Note 3—Stockholder's Equity

The Company is authorized to issue 100,000,000 shares of Class A common stock, par value $0.01 per share ("Class A Common Stock"), and 100,000 shares of Class B common stock, par value $0.01 per share ("Class B Common Stock"). All shares of Class A common stock and Class B common stock are identical. The Company has issued 100 shares of Class B common stock in exchange for $1.00, all of which were held by Evercore LP at May 12, 2006.

Note 4—Significant Events

Contribution and Sale Agreement—On May 12, 2006, the Company entered into a contribution and sale agreement pursuant to which (i) Evercore's Senior Managing Directors will contribute to Evercore LP 100% of the equity interests in Evercore Group Holdings L.P., Evercore Group Holdings L.L.C., Evercore Advisors Inc., Evercore Group L.L.C., Evercore Properties Inc. and Evercore GP Holdings L.L.C. and (ii) Protego's Directors will contribute to Evercore LP 100% of the equity interests in Protego Asesores S.A. de C.V., Protego SI, S.C., Protego Administradores, S.A. de C.V., Protego PE S.A. de C.V., Protego Servicios, S.C., Sedna S. de R.L., BD Protego S.A. de C.V. and Protego CB Servicios S.A. de C.V. and 51% of the equity interests in Protego Casa de Bolsa, S.A. de C.V. Evercore's Senior Managing Directors will not contribute the general partners of the Evercore Capital Partners I and II and Evercore Ventures funds and certain other entities through which two of the founding Evercore Senior Managing Directors have invested capital in the Evercore Capital Partners I fund. In addition, on May 12, 2006, the Company entered into a separate contribution and sale agreement pursuant to which a management trust established for the benefit of certain members of the management of Protego Casa de Bolsa, S.A. de C.V. (the "Management Trust") will contribute to Evercore LP 19% of the equity interests in Protego Casa de Bolsa, S.A. de C.V.

Two of the founding Evercore Senior Managing Directors are the sole managing members of, and are vested with full management power and control over, Evercore Group Holdings L.L.C., which is the sole general partner of, and is vested with full management power and control over, Evercore Group Holdings L.P. These two founding Evercore Senior Managing Directors are also the sole managing members of Evercore Group L.L.C. and Evercore GP Holdings L.L.C and the sole stockholders of Evercore Advisors Inc. and Evercore Properties Inc. Accordingly, these two founding Evercore Senior Managing Directors control each of the entities being contributed to Evercore LP and, through their ownership of the Class B common stock, will hold a majority of our voting power immediately following the Offering and have agreed to vote together with respect to all matters submitted to stockholders.

Upon the consummation of the contemplated initial public offering of shares of the Company's Class A common stock (the "Offering"), the Company will contribute all of the proceeds from the Offering to Evercore LP, and Evercore LP will issue to the Company a number of partnership units equal to the number of shares of Class A common stock that the Company has issued in connection with the Offering and the other transactions contemplated by the contribution and sale agreement. In connection therewith, the Company will become the sole general partner of Evercore LP. The Company's interest in Evercore LP will be within the scope of EITF 04-5. Although the Company will have a minority economic interest in Evercore LP, it will have a majority voting interest and control the management of Evercore LP. Additionally, although the limited partners will have an economic majority of Evercore LP, they will not have the right to dissolve the partnership or substantive kick-out rights or participating rights, and therefore lack the ability to control Evercore LP. Accordingly, Evercore will consolidate Evercore LP and record minority interest for the economic interest in Evercore LP held directly by the Senior Managing Directors.

Amended and Restated Evercore LP Partnership Agreement—It is contemplated that the Evercore LP partnership agreement will be amended and restated prior to the Offering. The amended and restated Evercore LP partnership agreement will provide that the Company has the right to determine when distributions will be made to the partners of Evercore LP and the amount of any such distributions. If the Company authorizes a distribution, such distribution will be made to the partners of Evercore LP (1) in the case of a tax distribution, to the holders of vested partnership units in proportion to the amount of taxable income of Evercore LP allocated to such holder and (2) in the case of other distributions, pro rata in accordance with the percentages of their respective vested partnership interests. The Company may authorize a distribution to the partners of Evercore LP who hold vested and unvested units in accordance with the percentages of their respective vested and unvested partnership interests in the event of an extraordinary dividend, refinancing, restructuring or similar transaction.

The holders of partnership units in Evercore LP, including the Company, will incur U.S. federal, state and local income taxes on their proportionate share of any net taxable income of Evercore LP. Net profits and net losses of Evercore LP will generally be allocated to its partners pro rata in accordance with the percentages of their respective partnership interests. The amended and restated Evercore LP partnership agreement will provide for cash distributions to the holders of vested partnership units of Evercore LP if the Company determines that the taxable income of Evercore LP will give rise to taxable income for its partners. In accordance with the amended and restated Evercore LP partnership agreement, it is contemplated that the Company will cause Evercore LP to make cash distributions to the holders of vested partnership units of Evercore LP for purposes of funding their tax obligations in respect of the income of Evercore LP that is allocated to them. Generally, these tax distributions will be computed based on the Company's estimate of the net taxable income of Evercore LP allocable to such holder of vested partnership units multiplied by an assumed tax rate equal to the highest effective marginal combined U.S. federal, state and local income tax rate prescribed for an individual or corporate resident in New York, New York (taking into account the nondeductibility of certain expenses and the character of our income). After the Offering, it is contemplated that the Company will also cause Evercore LP to make distributions to the Company in order to fund any dividends the Company may declare on the Class A common stock. If the Company declares such dividends, the Company's Senior Managing Directors will be entitled to receive equivalent distributions pro rata based on their partnership interests in Evercore LP, although these individuals will not be entitled to receive any such dividend-related distributions in respect of unvested partnership units.

Amended and Restated Certificate of Incorporation—The Company intends to amend and restate its certificate of incorporation prior to the Offering, which will result in a reclassification of the Company's currently outstanding shares of common stock. The amended and restated certificate of incorporation will authorize shares of Class A common stock, Class B common stock and the Company's board of directors to establish one or more series of preferred stock.

Holders of Class A common stock will be entitled to one vote for each share held of record on all matters submitted to a vote of stockholders and will be entitled to receive dividends when and if declared by the Company's board of directors out of funds legally available therefor, subject to any statutory or contractual restrictions on the payment of dividends and to any restrictions on the payment of dividends imposed by the terms of any outstanding preferred stock. Upon the Company's dissolution or liquidation or the sale of all or substantially all of the Company's assets, after payment in full of all amounts required to be paid to creditors and to the holders of preferred stock having liquidation preferences, if any, the holders of Class A common stock will be entitled to receive pro rata our remaining assets available for distribution. Holders of Class A common stock do not have preemptive, subscription, redemption or conversion rights.

The amended and restated certificate of incorporation will provide that partnership units held by the Company's Senior Managing Directors in Evercore LP may be exchanged for shares of Class A common stock on a one-for-one basis, subject to customary conversion rate adjustments for stock splits, stock dividends and reclassifications.

Holders of Class B common stock will be entitled (other than the Company), without regard to the number of Class B common stock held, to a number of votes that is equal to the product of:

- the quotient of (x) the number of Class A partnership units in Evercore LP held by such holder divided by (y) the total number of Class A partnership units in Evercore LP outstanding (excluding Class A partnership units in Evercore LP held by the Company) multiplied by
- the total number of partnership units in Evercore LP outstanding (excluding partnership units in Evercore LP held by the Company);

provided, however, that, from and after the time that Roger Altman, Austin Beutner and Pedro Aspe and certain trusts benefiting their families collectively cease to beneficially own, in the aggregate, at least 90% of the Class A partnership units in Evercore LP held by them on the date of the Offering, each holder of Class B common stock shall be entitled, without regard to the number of shares of Class B common stock held by such holder, to one vote for each partnership unit in Evercore LP held by such holder. Class A partnership units in Evercore LP are partnership units held by Messrs. Altman, Beutner and Aspe, and certain trusts benefiting their families, on the date of the Offering. As a result of this formula, the limited partners of Evercore LP will collectively have a number of votes in the Company, that is equal to the aggregate number of vested and unvested partnership units that they hold. The formula operates in such a way that, until such time as Messrs. Altman, Beutner and Aspe, and certain trusts benefiting their families, collectively, cease to beneficially own, in the aggregate, at least 90% of the Evercore LP partnership units they hold on the date of the Offering, these three individuals will have all of the voting power of the Class B common stock and the other limited partners of Evercore LP will have no voting power. A reduction in the collective beneficial ownership of Evercore LP partnership units by Messrs. Altman, Beutner and Aspe and their family trusts could occur if these persons were to dispose of their Evercore LP partnership units for any reason, subject to the provisions of the Evercore LP partnership agreement and applicable securities laws.

Holders of Class A common stock and Class B common stock will vote together as a single class on all matters presented to the Company's stockholders for their vote or approval, except as otherwise required by applicable law. Messrs. Altman and Beutner, who through their ownership of our Class B common stock will together hold a majority of the voting power in Evercore Partners Inc. immediately following the Offering, have agreed to vote as a group with respect to all matters submitted to stockholders. Holders of Class B common stock will not have any right to receive dividends or to receive a distribution upon a liquidation or winding up of the Company.

Tax Receivable Agreement—The Company intends to enter into a tax receivable agreement with its Senior Managing Directors prior to the Offering. Evercore LP intends to make an election under Section 754 of the Internal Revenue Code effective for each taxable year in which an exchange of partnership units for shares occurs, which may result in an adjustment to the tax basis of the assets owned by Evercore LP at the time of an exchange of partnership units. The exchanges may result in increases in the tax basis of the tangible and intangible assets of Evercore LP that otherwise would not have been available. These increases in tax basis would reduce the amount of tax that the Company would otherwise be required to pay in the future.

The tax receivable agreement will provide for the payment by the Company to an exchanging Evercore LP partner of 85% of the amount of cash savings, if any, in U.S. federal, state and local income tax that the Company actually realizes as a result of these increases in tax basis. The Company expects to benefit from the remaining 15% of cash savings, if any, in income tax that it realizes. For purposes of the tax receivable agreement, cash savings in income tax will be computed by comparing the Company's actual income tax liability to the amount of such taxes that the Company would have been required to pay had there been no increase to the tax basis of the tangible and intangible assets of Evercore LP as a result of the exchanges and had the Company not entered into the tax receivable agreement. The term of the tax receivable agreement will commence upon consummation of this offering and will continue until all such tax benefits have been utilized or expired, unless the Company exercises its right to terminate the tax receivable agreement for an amount based on an agreed payments remaining to be made under the agreement.

**REPORT OF INDEPENDENT REGISTERED
PUBLIC ACCOUNTING FIRM**

To the Members of Evercore Holdings:

We have audited the accompanying combined statements of financial condition of Evercore Holdings (the "Company"), as of December 31, 2004 and 2005, and the related combined statements of income, changes in members' equity and of cash flows for each of the three years in the period ended December 31, 2005. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such combined financial statements present fairly, in all material respects, the combined financial position of Evercore Holding as of December 31, 2004 and 2005, and the combined results of their operations and their combined cash flows for each of the three years in the period ended December 31, 2005, in conformity with accounting principles generally accepted in the United States of America.

/s/ Deloitte & Touche LLP
New York, New York

April 28, 2006

EVERCORE HOLDINGS

COMBINED STATEMENTS OF FINANCIAL CONDITION
(dollars in thousands)

	December 31, 2004	December 31, 2005
ASSETS		
Current Assets		
Cash and Cash Equivalents	$37,379	$37,855
Restricted Cash	840	1,519
Accounts Receivable (net of allowances of $0 in 2004 and $256 in 2005)	7,653	12,921
Placement Fees Receivable	2,487	—
Receivable from Members and Employees	2,092	1,739
Receivable from Uncombined Affiliates	2,063	1,255
Debt Issuance Costs	—	607
Prepaid Expenses	298	604
Accounts Receivable—Other	18	353
Total Current Assets	52,830	56,853
Investments, at Fair Value	16,925	16,755
Deferred Offering and Acquisition Costs	—	5,138
Furniture, Equipment and Leasehold Improvements, Net	1,893	2,263
Other Assets	33	403
TOTAL ASSETS	$71,681	$81,412
LIABILITIES AND MEMBERS’ EQUITY		
Current Liabilities		
Accrued Compensation and Benefits	$ 8,810	$13,165
Accounts Payable and Accrued Expenses	4,111	11,672
Placement Fees Payable	2,487	—
Deferred Revenue	1,413	935
Payable to Members and Employees	906	659
Payable to Uncombined Affiliates	336	440
Capital Leases Payable—Current	115	193
Taxes Payable	1,423	1,711
Other Current Liabilities	203	626
Total Current Liabilities	19,804	29,401
Capital Leases Payable—Long-term	333	232
TOTAL LIABILITIES	20,137	29,633
Minority Interest	265	274
Members’ Equity		
Members’ Capital	51,116	51,301
Accumulated Other Comprehensive Income	163	204
TOTAL MEMBERS’ EQUITY	51,279	51,505
TOTAL LIABILITIES AND MEMBERS’ EQUITY	$71,681	$81,412

See accompanying notes to combined financial statements

EVERCORE HOLDINGS

COMBINED STATEMENTS OF INCOME
(dollars in thousands)

	Fiscal Year Ended December 31,		
	2003	2004	2005
REVENUES			
Advisory Revenue	$ 26,302	$ 69,205	$ 110,842
Investment Management Revenue	33,568	16,967	14,584
Interest Income and Other Revenue	250	145	209
TOTAL REVENUES	60,120	86,317	125,635
EXPENSES			
Employee Compensation and Benefits	12,448	17,084	24,115
Occupancy and Equipment Rental	2,780	3,090	3,071
Professional Fees	4,406	8,031	23,892
Travel and Related Expenses	3,143	3,352	4,478
Communications and Information Services	841	812	898
Depreciation and Amortization	626	667	778
Other Operating Expenses	636	1,437	1,871
TOTAL EXPENSES	24,880	34,473	59,103
OTHER INCOME	—	76	—
OPERATING INCOME	35,240	51,920	66,532
Minority Interest	(9)	29	8
Provision for Income Taxes	905	2,114	3,372
NET INCOME	$ 34,344	$ 49,777	$ 63,152

See accompanying notes to combined financial statements

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EVERCORE HOLDINGS

COMBINED STATEMENTS OF CHANGES IN MEMBERS' EQUITY
(dollars in thousands)

	Members' Capital	Accumulated Other Comprehensive Income	Total Members' Equity
BALANCE—at January 1, 2003	$ 25,734	$ (26)	$ 25,708
Net Income	34,344	—	34,344
Other Comprehensive Income:			
Unrealized Gains on Available-For-Sale Securities (net of tax of $11)	—	116	116
Total Comprehensive Income			34,460
Members' Contributions	6,264	—	6,264
Members' Distributions	(39,379)	—	(39,379)
BALANCE—at December 31, 2003	26,963	90	27,053
Net Income	49,777	—	49,777
Other Comprehensive Income:			
Unrealized Gains on Available-For-Sale Securities (net of tax of $15)	—	157	157
Less Reclass for Unrealized Gains included in Net Income (net of tax of $8)	—	(84)	(84)
Net Other Comprehensive Income	—	73	73
Total Comprehensive Income			49,850
Members' Contributions	900	—	900
Members' Distributions	(26,524)	—	(26,524)
BALANCE—at December 31, 2004	51,116	163	51,279
Net Income	63,152	—	63,152
Other Comprehensive Income:			
Unrealized Gains on Available-For-Sale Securities (net of tax of $4)	—	41	41
Total Comprehensive Income			63,193
Members' Contributions	2,291	—	2,291
Members' Distributions	(65,258)	—	(65,258)
BALANCE—at December 31, 2005	$ 51,301	$ 204	$ 51,505

See accompanying notes to combined financial statements

EVERCORE HOLDINGS

COMBINED STATEMENTS OF CASH FLOWS
(dollars in thousands)

	Year Ended December 31,		
	2003	2004	2005
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Income	$ 34,344	$ 49,777	$ 63,152
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:			
Depreciation and Amortization	626	667	778
(Gain) Loss on Disposal of Equipment	(5)	69	—
Minority Interest	(9)	29	8
Bad Debt Expense	—	50	330
Securities Received in Lieu of Fees	(369)	—	—
Realized Gain on Investment	—	(76)	—
Net Gains and Losses on Private Equity Investments	(12,708)	(3,122)	998
(Increase) Decrease in Operating Assets:			
Accounts Receivable	1,488	(5,515)	(5,598)
Placement Fees Receivable	(1,596)	2,487	2,487
Receivable from Members and Employees—Current	(156)	(1,138)	353
Receivable from Uncombined Affiliates	740	(1,800)	808
Prepaid Expenses	116	(54)	(306)
Accounts Receivable—Other	141	—	(335)
Deferred Offering and Acquisition Costs	—	—	(5,138)
Receivable from Members and Employees—Long-term	(106)	134	—
Other Assets	88	3	(370)
Increase (Decrease) in Operating Liabilities:			
Accrued Compensation and Benefits	192	3,601	4,355
Accounts Payable and Accrued Expenses	288	2,346	7,561
Placement Fees Payable	1,596	(2,487)	(2,487)
Deferred Revenue	(6,517)	253	(478)
Payable to Members and Employees	(218)	237	(247)
Payable to Uncombined Affiliates	131	141	104
Taxes Payable	(36)	813	288
Other Current Liabilities	(224)	142	419
Net Cash Provided by Operating Activities	17,806	46,557	66,682
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from Investments	9,024	3,056	5,010
Investments Purchased	(3,808)	(545)	(5,793)
Purchase of Furniture, Equipment and Leasehold Improvements	(602)	(1,048)	(1,024)
Restricted Cash Deposits	(116)	(724)	(679)
Net Cash (Used in) Provided By Investment Management Activities	4,498	739	(2,486)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments for Capital Lease Obligations	(62)	(107)	(147)
Contributions from Members	3,788	900	2,291
Net Capital Contributions from Minority Interest Members	42	81	1
Debt Issuance Costs	—	—	(607)
Distributions to Members	(28,075)	(26,524)	(65,258)
Net Cash Used in Financing Activities	(24,307)	(25,650)	(63,720)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,003)	21,646	476
CASH AND CASH EQUIVALENTS—Beginning of period	17,736	15,733	37,379
CASH AND CASH EQUIVALENTS—End of period	$ 15,733	$ 37,379	$ 37,855
SUPPLEMENTAL CASH FLOW DISCLOSURE			
Payments for Interest	$ 90	$ 145	$ 99
Payments for Income Taxes	$ 659	$ 1,284	$ 3,276
Non-Cash Distributions to Members	$ 11,304	$ —	$ —
Non-Cash Contributions From Members	$ 2,476	$ —	$ —
Non-Cash Investment Purchase	$ 2,476	$ —	$ —
Fixed Assets Acquired Under Capital Leases	$ 390	$ 55	$ 124
Non-Cash Proceeds From Investments	$ 11,049	$ —	$ —

See accompanying notes to combined financial statements

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EVERCORE HOLDINGS

NOTES TO COMBINED FINANCIAL STATEMENTS

Years Ended December 31, 2003, 2004 and 2005

Note 1—Organization

Evercore Holdings (the "Company") is an investment banking firm, headquartered in New York, New York, which is comprised of certain consolidated and combined entities under the common ownership of the Evercore Senior Managing Directors (the "Members") and common control of two of the founding Evercore Senior Managing Directors (the "Founding Members"). These entities are as follows:

- Evercore Group Holdings L.P. ("EGH") indirectly owns all interests in each of the following entities:
  - Evercore Financial Advisors L.L.C. and Evercore Restructuring L.L.C. provide financial advisory services to public and private companies and restructuring advisory services to companies in financial transition as well as to their creditors.
  - Evercore Advisors L.L.C. provides investment advisory services to Evercore Capital Partners II L.P. and its affiliated entities (collectively, "ECP II"), a Company sponsored private equity fund.
  - Evercore Venture Advisors L.L.C. provides investment advisory services to Evercore Venture Partners L.P. and its affiliated entities (collectively, "EVP"), a Company sponsored private equity fund.
- Evercore Group Holdings L.L.C. is the general partner of EGH.

  In December 2003, the above entities were reorganized. Prior to the reorganization, these entities were operated as a series of limited partnerships with their own general partner entities. Under the terms of the reorganization, these limited partnerships were converted to limited liability companies. Pursuant to such conversions, the limited partnership interests were cancelled and, in consideration therefore, the holders of such limited partnership interests received limited partnership interest of EGH that corresponded to the respective limited liability companies into which such limited partnership were converted and were equivalent to the respective limited partnership interests held immediately prior to such conversions. The resulting limited liability companies are held by Evercore Partners Services East L.L.C., a wholly owned subsidiary of EGH. Subsequent to the reorganization, the former general partner entities were dissolved. The transaction was accounted for as a reorganization of entities under common control at historical cost.
- Evercore Advisors Inc. provides investment advisory services to Evercore Capital Partners L.P. and its affiliated entities (collectively "ECP I"), a Company sponsored private equity fund.
- Evercore Group Inc. ("EGI") is a registered broker-dealer under the Securities Exchange Act of 1934, as amended, and is registered with the National Association of Securities Dealers, Inc. EGI is a limited service entity, which specializes in rendering selected financial advisory services. See Footnote 17, Subsequent Events.
- Evercore Properties Inc. is a lease holding entity for the Company's New York offices. With respect to the Company's California offices, such leases are held by Evercore Partners Services East L.L.C.
- Evercore Partners L.L.C., Evercore Offshore Partners Ltd., and Evercore Partners Cayman L.P. are the general partners of various ECP I entities.
- Evercore Partners II L.L.C. and Evercore Venture Management L.L.C. ("EVM") are the general partners of ECP II and EVP, respectively.
- Evercore Founders L.L.C. and Evercore Founders Cayman Ltd. are the entities through which the Company funds its additional commitments to ECP I (collectively, the "Founders").

EVERCORE HOLDINGS

NOTES TO COMBINED FINANCIAL STATEMENTS—(Continued)

Years Ended December 31, 2003, 2004 and 2005

The Company's principal activities are divided into two business segments:

- Advisory—includes advice on mergers, acquisitions, divestitures, leveraged buyouts, restructurings and similar corporate finance matters; and
- Investment Management—includes the management of outside capital invested in the Company's sponsored private equity funds: ECP I, ECP II and EVP, (collectively referred to as the "Private Equity Funds"); and the Company's principal investments in such Private Equity Funds. Each of the Private Equity Funds is managed by its own general partners and outside investors participate in the Private Equity Funds as limited partners.

The Combined Financial Statements include the accounts of the following entities, all of which are under the common control and management of the Founding Members:

Entity	Type of Entity	Date of Formation	Percentage Ownership
Evercore Group Holdings L.P. and subsidiaries	Delaware Limited Partnership	12/31/02	100%
Evercore Group Holdings L.L.C.	Delaware Limited Liability Company	12/31/02	100%
Evercore Advisors Inc.	Delaware S-Corporation	06/18/96	100%
Evercore Group Inc.	Delaware S-Corporation	03/21/96	100%
Evercore Properties Inc.	Delaware S-Corporation	04/16/97	100%
Evercore Partners L.L.C.	Delaware Limited Liability Company	11/20/95	100%
Evercore Offshore Partners Ltd.	Cayman Islands Limited Liability Company	03/25/97	100%
Evercore Partners Cayman L.P.	Cayman Islands Limited Partnership	03/28/01	100%
Evercore Partners II L.L.C.	Delaware Limited Liability Company	10/24/01	100%
Evercore Venture Management L.L.C.(1)	Delaware Limited Liability Company	10/12/00	47%
Evercore Founders L.L.C.	Delaware Limited Liability Company	03/25/97	100%
Evercore Founders Cayman Ltd.	Cayman Islands Limited Liability Company	03/27/01	100%

(1) EVM is combined at 100% with a 53% minority interest recorded.

Note 2—Significant Accounting Policies

Basis of Presentation—The Combined Financial Statements of the Company comprise the consolidation of EGH and its wholly owned subsidiaries with Evercore Group Holdings L.L.C., Evercore Advisors Inc., Evercore Properties Inc. and Evercore Group Inc., and the general partners of the Private Equity Funds and Founders entities that are wholly owned or controlled by the Company.

EGH has consolidated all operating companies in which it has a controlling financial interest, in accordance with Statement of Financial Accounting Standards ("SFAS") No. 94, "*Consolidation of All Majority-Owned Subsidiaries*," ("SFAS 94") which requires the consolidation of all majority-owned subsidiaries.

Investments in non-majority-owned companies in which the Company does not have a controlling financial interest are accounted for by the Company using the equity method.

These financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

EVERCORE HOLDINGS

NOTES TO COMBINED FINANCIAL STATEMENTS—(Continued)

Years Ended December 31, 2003, 2004 and 2005

All material intercompany transactions and balances have been eliminated.

Minority Interest—Minority interest recorded on the Combined Financial Statements relates to the minority interest of an unrelated third party in EVM, the general partner of EVP. EVM is owned by two members, an unrelated third-party, which owns approximately 53%, and Evercore Venture Partners LLC, which owns approximately 47%. Evercore Venture Partners LLC is under common ownership of the Members of the Company and is the managing member of EVM. As a result, the Company consolidates, including in its Combined Statements of Income all of the net income of EVM with an appropriate minority interest of approximately 53%.

Use of Estimates—The preparation of the Combined Financial Statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the combined financial statements and the reported amounts of revenues and expenses during the reporting period. Such estimates relate to the valuation of portfolio investments in companies owned by the Private Equity Funds (the "Portfolio Companies"), the allowance for doubtful accounts for accounts receivables, compensation liabilities, tax liabilities and other matters that affect reported amounts of assets and liabilities. Actual amounts could differ from those estimates and such differences could be material to the Combined Financial Statements.

Cash and Cash Equivalents—Cash and cash equivalents consist of short-term highly liquid investments with original maturities of three months or less.

Restricted Cash—At December 31, 2004 and 2005, the Company was required to maintain compensating balances of $840 and $1,519, respectively, as collateral for letters of credit issued, by a third party, in lieu of a cash security deposit, as required by the Company's lease for New York office space.

Accounts Receivable—Accounts receivable consists primarily of advisory fees and expense reimbursements charged to the Company's clients, and transaction and monitoring fees charged to Portfolio Companies. Accounts receivable as of December 31, 2004 and 2005 include unbilled client expense receivables in the amount of $616 and $1,451, respectively.

Accounts Receivable are reported net of any allowance for doubtful accounts. Management of the Company derives the estimate for the allowance for doubtful accounts by utilizing past client transaction history and an assessment of the client's creditworthiness, and has determined that an allowance for doubtful accounts was not required as of December 31, 2004 and was $256 as of December 31, 2005. The Company recorded bad debt expense of $0, $50 and $330 for the years ended December 31, 2003, 2004 and 2005, respectively.

Fair Value of Financial Instruments—The fair value of financial assets and liabilities, consisting of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities are considered to approximate their recorded value, as they are short-term in nature.

Investments—The Company's investments consist primarily of investments in the Private Equity Funds that are carried at fair value on the Combined Statements of Financial Condition, with realized and unrealized gains and losses included in Investment Management Revenue on the Combined Statements of Income.

The Private Equity Funds consist primarily of investments in marketable and non-marketable securities of the Portfolio Companies. The underlying investments held by the Private Equity Funds are valued based on quoted market prices or estimated fair value if there is no public market. The fair value of the Private Equity

EVERCORE HOLDINGS

NOTES TO COMBINED FINANCIAL STATEMENTS—(Continued)

Years Ended December 31, 2003, 2004 and 2005

Funds' investments in non-marketable securities are ultimately determined by the Company in its capacity as general partner. The Company determines fair value of non-marketable securities by giving consideration to a range of factors, including but not limited to market conditions, operating performance (current and projected) and subsequent financing transactions. Due to the inherent uncertainty in the valuation of these non-marketable securities, estimated values may materially differ from the values that would have been used had a ready market existed for these investments.

Investments in publicly traded securities are valued using quoted market prices.

Available-For-Sale Securities are valued using quoted market prices for publicly traded securities or estimated fair value if there is no public market.

Furniture, Equipment and Leasehold Improvements—Fixed assets, including office equipment, hardware and software and leasehold improvements, are stated at cost, net of accumulated depreciation and amortization. Furniture, equipment and computer hardware and software are depreciated using the straight-line method over the estimated useful lives of the assets, ranging from three to seven years. Leasehold improvements are amortized over the shorter of the term of the lease or the useful life of the asset.

The Company capitalizes certain costs of computer software obtained for internal use and amortizes the amounts over the estimated useful life of the software, generally not exceeding three years. Capitalized internal-use software costs include only external direct costs of materials and services consumed in developing or obtaining the software. Capitalization of these costs ceases no later than the point at which software development projects are substantially complete and ready for their intended purposes.

Upon retirement or disposition of assets, the cost and related accumulated depreciation or amortization is removed from the accounts and the resulting gain or loss, if any, is recognized as a gain or loss on disposition of assets in other operating income or expense. Expenditures for maintenance and repairs are expensed as incurred.

Leases—Leases are accounted for in accordance with SFAS No. 13, "*Accounting for Leases*." Leases are classified as either capital or operating as appropriate. For capital leases, the present value of the future minimum lease payments is recorded as a liability. Amortization of capitalized leased assets is computed on the straight-line method over the lesser of the lease term or useful life of the asset.

Advisory Revenue—The Company earns advisory revenue through a) retainer arrangements, b) success fees based on the occurrence of certain events which may include announcements or completion of various types of financial transactions and c) fairness opinions.

The Company recognizes advisory revenue when the services related to the underlying transactions such as mergers, acquisitions, restructurings and divestitures are completed in accordance with the terms of its engagement agreements.

Fees that are paid in advance are initially recorded as deferred revenue and recognized as advisory revenue ratably over the period in which the related service is rendered.

Investment Management Revenue—Investment Management revenue consists of a) management fees from the Private Equity Funds, b) portfolio company fees, c) gains (losses) on investments in the Private Equity Funds and d) Carried Interest.

EVERCORE HOLDINGS

NOTES TO COMBINED FINANCIAL STATEMENTS—(Continued)

Years Ended December 31, 2003, 2004 and 2005

Management Fees—Management fees are contractually based and are derived from investment management services provided in originating, recommending and consummating investment opportunities to the Private Equity Funds. Management fees are payable semi-annually in advance on committed capital during the Private Equity Funds' investment period, and on invested capital, thereafter. Management fees are initially recorded as deferred revenue and revenue is recognized ratably, thereafter, over the period for which services are provided.

The Private Equity Funds partnership agreements provide for a reduction of management fees for certain portfolio company fees earned by the Company. Portfolio company fees are recorded as revenue when earned and are offset, in whole or in part, against future management fees. Such offsets amounted to $8,624, $742 and $2,004 for the years ended December 31, 2003, 2004 and 2005, respectively.

The ECP II partnership agreement also provides that placement fees paid by its limited partners are offset against future management fees. Such offsets amounted to $1,268, $2,487 and $2,487 for the years ended December 31, 2003, 2004 and 2005, respectively.

Portfolio Company Fees—Portfolio company fees include monitoring, director and transaction fees associated with services provided to the Portfolio Companies of the Private Equity Funds the Company manages.

Monitoring fees are earned by the Company for services provided to the portfolio companies with respect to the development and implementation of strategies for improving operating, marketing and financial performance. Monitoring fee revenue is recognized ratably over the period for which services are provided.

Director fees are earned by the Company for the services provided by Members who serve on the Board of Directors of portfolio companies. Director fees are recorded as revenue when payment is received.

Transaction fees are earned by the Company for providing advisory services to Portfolio Companies. These fees are earned and recognized on the same basis as advisory revenue.

Gains (Losses) on Investments in the Private Equity Funds—Investments in the Private Equity Funds consist of the Company's general partnership interest and related commitments in investment partnerships that it manages. These investments are accounted for on the fair value method based on the Company's percentage interest in the underlying partnerships. The Company recognizes revenue on investments in the Private Equity Funds based on its allocable share of realized and unrealized gains (or losses). See Footnote 7, Investments.

Carried Interest—The Company records incentive fee revenue from the Private Equity Funds when the returns on the Private Equity Funds' investments exceed certain threshold minimums. These incentive fees (or "Carried Interest") are computed in accordance with the underlying Private Equity Funds' partnership agreements and are based on investment performance over the life of each investment partnership. Future investment underperformance may require amounts previously distributed to the Company to be returned to the respective investment partnerships. As required by the Private Equity Funds' partnership agreements, the general partners of each Private Equity Fund maintain a defined amount in escrow in the event that distributions received by such general partner must be returned due to investment underperformance. These escrow funds are not included in the accounts of the Company. The Members, in their capacity as members of the general partners of the Private Equity Funds, have guaranteed the general partners' obligation (which may arise due to investment underperformance) to repay or refund to outside investors in the Private Equity Funds interim amounts previously distributed to the Company.

Client Expense Reimbursement—In the conduct of its financial advisory service engagements and in the pursuit of successful Portfolio Company investments for the Private Equity Funds, the Company receives reimbursement for certain transaction-related expenses incurred by the Company on behalf of its clients. Such reimbursements are classified as either Advisory or Investment Management Revenues, as applicable.

Transaction related expenses, which are billable to clients, are recognized as revenue in accordance with EITF 01-14, “Income Statement Characterization of Reimbursement Received for Out of Pocket Expenses Incurred”, and recorded in accounts receivable on the later of a) the date of an executed engagement letter or b) the date the expense is incurred. The Company reported such expense reimbursement as revenue on the Combined Statements of Income in the amount of $2,481, $2,355 and $3,374 for the years ended December 31, 2003, 2004 and 2005, respectively.

Compensation and Benefits—Compensation includes salaries, bonuses (discretionary awards and guaranteed amounts) and severance and excludes any compensatory payments made to Members. Bonuses are accrued over the service period to which they relate. Benefits includes both Member and employee benefit expense.

Income Taxes—The Company accounts for income taxes in accordance with SFAS No. 109, “Accounting for Income Taxes,” which requires the recognition of tax benefits or expenses on the temporary differences between the financial reporting and tax bases of assets and liabilities. The Company’s operations are organized as a series of partnerships, limited liability companies and sub-chapter S corporations. Accordingly, the Company’s income is not subject to U.S. federal income taxes. Taxes related to income earned by these entities represent obligations of the individual members, partners or shareholders and have not been reflected in the accompanying Combined Financial Statements. Income taxes shown on the Company’s Combined Statements of Income are attributable to the New York City Unincorporated Business Tax and the New York City general corporate tax.

Earnings Per Share—The Company operates as a series of related partnerships, limited liability companies and sub-chapter S corporations under the common control of the Founding Members. There is no single capital structure upon which to calculate historical earnings per share information. Accordingly, historical earnings per share information has not been presented.

Comprehensive Income—Comprehensive income consists of net income and other comprehensive income. Other comprehensive income refers to revenue, expenses, gains and losses that are included in Accumulated Other Comprehensive Income as a separate component of Members’ Equity but are excluded from net income. The Company’s other comprehensive income is comprised of unrealized gains on Available-For-Sale Securities.

Net Income—As a result of the Company operating as a series of partnerships, limited liability companies and sub-chapter S corporations, payment for services rendered by the Members has historically been accounted for as a distribution from Members’ capital rather than as compensation and benefits expense. As a result, the Company’s operating income historically has not reflected payments for services rendered by its Members.

The Members receive periodic distributions of operating proceeds which are reported in the Statements of Changes in Members’ Equity as distributions. The amount of cash and non-cash distributions received by the Members was $39,379, $26,524 and $65,258 for the years ended December 31, 2003, 2004 and 2005, respectively. Non-cash distributions included marketable securities, warrants and other financial instruments.

Note 3—Recently Issued Accounting Pronouncements

SFAS 123(R)—On December 16, 2004, the Financial Accounting Standards Board (“FASB”) issued SFAS No. 123 (revised 2004), “*Share-Based Payment*,” or SFAS 123(R), which is a revision of SFAS No. 123

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NOTES TO COMBINED FINANCIAL STATEMENTS—(Continued)

Years Ended December 31, 2003, 2004 and 2005

"*Accounting for Stock Based Compensation*." SFAS 123(R) supersedes Accounting Principles Board Opinion ("APB") No. 25, "*Accounting for Stock Issued to Employees*," and amends SFAS No. 95, "*Statement of Cash Flows*." Generally, the approach in SFAS 123(R) is similar to the approach described in SFAS 123. However, SFAS 123(R) requires all share-based payments to employees, including grants of employee stock options, to be recognized in the Combined Statements of Income based on their fair values. Pro forma disclosure is no longer an alternative. The Company has operated as a series of partnerships, limited liability companies and sub-chapter S corporations and has not historically issued stock-based compensation awards. The impact of adopting SFAS 123(R) cannot be predicted at this time because it will depend on the level of share-based awards granted in the future.

FIN 47—In March 2005, the FASB issued Financial Interpretation No. 47, Accounting for Conditional Asset Retirement Obligations ("FIN 47"). FIN 47 clarifies guidance provided in SFAS No. 143, "Accounting for Asset Retirement Obligations." The term, asset retirement obligation, refers to a legal obligation to perform an asset retirement activity in which the timing and/or method of settlement are conditional on a future event that may or may not be within the control of the entity. Entities are required to recognize a liability for the fair value of a conditional asset retirement obligation when incurred if the liability's fair value can be reasonably estimated. FIN 47 was effective for fiscal years ending after December 15, 2005. The adoption of FIN 47 did not have a material effect on the Company's combined financial condition or results of operations.

SFAS 154—In May 2005, the FASB issued SFAS No. 154 "Accounting Changes and Error Corrections", which replaces APB Opinion No. 20 and SFAS No. 3, and changes the requirements for the accounting for and reporting of a change in accounting principle. This statement is effective for accounting changes and corrections of errors made in fiscal years beginning after December 15, 2005, although early adoption is permitted for accounting changes and corrections of errors made in fiscal years beginning after the date SFAS 154 was issued. The Company does not anticipate that the adoption of SFAS 154 will have a material effect on the Company's combined financial condition or results of operations.

Emerging Issues Task Force Issue No. 04-5—In June 2005 the Emerging Issues Task Force reached a consensus on Issue No. 04-5, "*Determining Whether a General Partner, or the General Partners as a Group, Controls a Limited Partnership or Similar Entity When the Limited Partners Have Certain Rights*." Under Issue 04-5, the general partners in a limited partnership or similar entity are presumed to control that limited partnership regardless of the extent of the general partners' ownership interest in the limited partnership. A general partner should assess the limited partners' rights and their impact on the presumption of control. If the limited partners have either a) the substantive ability to dissolve the limited partnership or otherwise remove the general partners without cause or b) substantive participating rights, the general partners do not control the limited partnership. For general partners of all new limited partnerships formed and for existing limited partnerships for which the partnership agreement is modified, Issue 04-5 is effective after June 29, 2005. For general partners in all other limited partnerships, Issue 04-5 is effective for the first reporting period in fiscal years beginning after December 15, 2005, and allows either of two transition methods. As of December 31, 2005 the Company has determined that consolidation of the Private Equity Funds will not be required pursuant to Issue 04-5.

Note 4—Related Parties

The Company remits payment for expenses on behalf of the Private Equity Funds and is reimbursed accordingly. During the years ended December 31, 2003, 2004 and 2005, the Company disbursed $692, $744 and $794, respectively, on behalf of these entities. Included in Receivable from Uncombined Affiliates on the Statements of Financial Condition as of December 31, 2004 and 2005 are accrued and unpaid management fees,

EVERCORE HOLDINGS

NOTES TO COMBINED FINANCIAL STATEMENTS—(Continued)

Years Ended December 31, 2003, 2004 and 2005

reimbursable expenses relating to the Private Equity Funds and other uncombined affiliates and investment advances made to an affiliate in the amounts of $2,063 and $1,255, respectively. Payables to Uncombined Affiliates amounted to $336 and $440 as of December 31, 2004 and 2005, respectively. These payables represent obligations of the general partner pursuant to the respective partnership agreements of the Private Equity Funds and are payable to the Private Equity Funds.

Included in Receivable from Members and Employees on the Statements of Financial Condition are loans to Members, employees and former employees of the Company. These loans are collateralized by the Members, employees, or former employees respective investments in the Private Equity Funds, are carried at face value and bear interest at the prime rate. The amount of such loans outstanding as of December 31, 2004 and 2005 were $149 and $83, respectively. Interest on these loans was $7, $12 and $4, for the years 2003, 2004 and 2005, respectively, and is included in Interest Income and Other Revenue on the Combined Statements of Income. Advances in the amount of $61, made to individuals who have accepted employment offers with the Company, are also included in Receivable from Members and Employees on the Statements of Financial Condition as of December 31, 2005.

Also, included in Receivable from Members and Employees are advances made by the Company on behalf of such individuals in connection with their general partner obligation to the Private Equity Funds. These advances are non-interest bearing and the amounts outstanding as of December 31, 2004 and 2005 were $903 and $1,540, respectively. Payable to Members and Employees for Private Equity distributions amounted to $906 and $659 as of December 31, 2004 and 2005.

Amounts due in connection with personal expenses paid by the Company on behalf of Members and employees totaled $1,040 and $51 as of December 31, 2004 and 2005, respectively, and are included in Receivable from Members and Employees. These receivables are non-interest bearing and are repaid to the Company on a periodic basis.

The general partner investment interests of one of the Members and the general partner and Founder interests of one of the founding members serve to collateralized their personal loans with a third party financial institution.

During the years ended December 31, 2003, 2004 and 2005, the Company paid commissions in the amount of $157, $61 and $1,710, respectively, to a former employee and Senior Advisor or an affiliate of such, for services provided in connection with obtaining an Advisory engagement. This commission is included in Professional Fees on the Combined Statements of Income.

Effective October 28, 2005, EGH acquired (indirectly through a wholly owned subsidiary) the right to invest in Evercore Asset Management, L.L.C. (“EAM”), a newly formed entity, engaged primarily in the asset management business. This investment is accounted for under the equity method and although a variable interest entity, the Company is not the primary beneficiary and thus not required to consolidate the entity. As of December 31, 2005, the Company is due $321 from the majority member of EAM, for expenditures remitted by the Company in connection with the formation of EAM. This amount is included on the Combined Statements of Financial Condition in Accounts Receivable – Other. This entity has not entered into substantive operations for the period ended December 31, 2005. See Footnote 17, Subsequent Events.

Note 5—Placement Fees

Placement fees are earned by and payable to a placement agent for services rendered in connection with the successful solicitation of certain limited partners in ECP II.

EVERCORE HOLDINGS

NOTES TO COMBINED FINANCIAL STATEMENTS—(Continued)

Years Ended December 31, 2003, 2004 and 2005

Pursuant to the terms of the ECP II partnership agreement, the limited partners are responsible for reimbursing the Company for the placement fees the Company remits on their behalf. The limited partners of ECP II receive a reduction against future management fees payable to the Company equal to the amount of such placement fees.

Placement fees are payable and receivable in equal semi-annual installments. Interest accrues to the placement agent at the three-month LIBOR rate plus 1%. At December 31, 2004 and December 31, 2005, accrued interest payable relating to Placement fees was $26 and $0, respectively. Placement fees receivable from the limited partners of ECP II and payable to the placement agent are as follows:

	As of December 31,	
	2004	2005
Placement Fees Receivable	$ 2,487	—
Less Current Portion	(2,487)	—
Long-term Portion	$ —	—
Placement Fees Payable	$ 2,487	—
Less Current Portion	(2,487)	—
Long-term Portion	$ —	—

As of December 31, 2005, all amounts due from limited partners in connection with placement fees were received by the Company and all obligations due to the placement agent in connection with ECP II were satisfied.

Note 6—Deferred Offering and Acquisition Costs

The Company is contemplating an initial public offering of common equity. If an initial public offering by the Company does occur, the Company plans to consummate a number of internal reorganization transactions to transition the Company to a corporate structure form. Costs directly attributable to the Company's proposed initial public offering of its equity securities have been deferred and capitalized. These costs will be charged against the proceeds of the offering once completed. In the event the proposed initial offering of the Company's securities is not consummated, the deferred offering costs will be expensed.

The Company also plans to execute a definitive agreement to acquire all the outstanding capital stock of a foreign investment bank in exchange for total consideration that is still under negotiation. The transaction would be consummated immediately prior to the potential initial public offering referred to above. The direct costs incurred in connection with the proposed acquisition have been deferred and capitalized. These costs will be allocated to the purchase price upon the completion of the acquisition. Costs related to an unsuccessful acquisition will be charged to operations at the termination date.

As of December 31, 2005, $5,138 of costs incurred in connection with the potential initial public offering and the potential acquisition were capitalized and are shown on the Combined Statements of Financial Condition in Deferred Offering and Acquisition Costs.

EVERCORE HOLDINGS

NOTES TO COMBINED FINANCIAL STATEMENTS—(Continued)

Years Ended December 31, 2003, 2004 and 2005

Note 7—Investments

The fair value of the Company's investments reported in the Combined Statements of Financial Condition are as follows:

	December 31, 2004	December 31, 2005
Investment in ECP I	$ 10,033	$ 3,717
Investment in ECP II	5,981	11,997
Investment in EVP	540	625
Total Private Equity Funds	16,554	16,339
Investments Available-For–Sale	371	416
Total Investments	$ 16,925	$ 16,755

Investments in the Private Equity Funds—Investments in the Private Equity Funds primarily include the general partner and Founders' entities investments in the Private Equity Funds.

As of December 31, 2004 and 2005, the Company's investment in ECP I represented 5.8% and 3.8%, respectively of the Private Equity Funds' capital. The Company's investments in ECP II and EVP were less than 5% of the respective Private Equity Funds' capital as of December 31, 2004 and 2005.

Net realized and unrealized gains and losses on Private Equity Fund investments, including Carried Interest and gains (losses) on investments, were $12,708, $3,122 and $(998) for the years ended December 31, 2003, 2004 and 2005, respectively, and are included on the Combined Statements of Income in Investment Management Revenue.

In 2003, an affiliated entity of the Company, EMP Group L.L.C. ("EMP") was recapitalized. EMP held the interests of a portfolio company's existing investors, which included among others ECP I and the associated general partner entities. Pursuant to the recapitalization, the general partners of ECP I received an $11,049 in-kind distribution of portfolio company shares, with $2,476 of the distribution reinvested as a general partner non-cash contribution of ECP II.

See Footnote 11, Commitments and Contingencies, for commitments of future capital contributions to the Private Equity Funds.

The portfolio of investments in the Private Equity Funds at fair value by industry was as follows:

	December 31, 2004	December 31, 2005
Energy	31%	24%
Media	26%	20%
Healthcare Services	—	17%
Financial Services	—	9%
Telecommunications	29%	6%
Industrials	—	6%
Consumer Distributions	—	5%
Other	14%	13%
Total	100%	100%

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Investments in Available-For-Sale Securities—Investments in Available-For-Sale securities reflects the Company's investment in options for the purchase of additional shares of common stock of a Portfolio Company. The options were received at various dates, in lieu of cash payment for services rendered. Using the Black-Scholes Option Pricing Model, the options as of December 31, 2004 and 2005, were valued at $371 and $416, respectively.

Proceeds from sales of Available-For-Sale Securities during the year ended December 31, 2004 amounted to $293 with a realized gain recognized (based on average cost per share) of $76 for the year ended December 31, 2004. This gain is reflected in Other Income on the Combined Statements of Income. There were no sales of Available-For-Sale Securities during the year ended December 31, 2005.

See Footnote 16, Comprehensive Income (Loss), for unrealized gains on valuation of Available-For-Sale Securities reported in Members' Equity as Other Comprehensive Income.

Note 8—Furniture, Equipment and Leasehold Improvements, Net

Furniture, equipment and leasehold improvements, net, consisted of the following:

	As of December 31,	
	2004	2005
Furniture and Office Equipment	$ 857	$ 1,138
Leasehold Improvements	642	878
Computer and Computer-related Equipment	646	1,093
Capitalized Leases	605	729
Software	346	406
Total	3,096	4,244
Less: Accumulated Depreciation and Amortization	(1,203)	(1,981)
Furniture, Equipment and Leasehold Improvements, Net	$ 1,893	$ 2,263

Depreciation and amortization expense totaled $626, $667 and $778 for the years ended December 31, 2003, 2004 and 2005, respectively.

Purchases of furniture, equipment and leasehold improvements totaled $992, $1,103 and $1,148, which includes assets acquired via capital leases in the amounts of $390, $55 and $124, for the years ended December 31, 2003, 2004 and 2005, respectively.

Note 9—Employee Benefit Plans

Defined Contribution Retirement Plan—The Company, through a subsidiary, provides certain retirement benefits to employees through a qualified retirement plan. The Evercore Partners Services East L.L.C. Retirement Plan (the "Plan") is a discretionary profit sharing plan with a salary deferral feature under Section 401(k) of the Internal Revenue Code. The Plan was formed on February 1, 1996 and amended February 1, 1999, February 1, 2000, February 1, 2001, January 1, 2002 and June 1, 2002. The plan year ends on January 31 of each year. The Company, at its sole discretion, determines the amount, if any, of profit to be contributed to the Plan.

EVERCORE HOLDINGS

NOTES TO COMBINED FINANCIAL STATEMENTS—(Continued)

Years Ended December 31, 2003, 2004 and 2005

The retirement and profit sharing plan costs for the years ended December 31, 2003, 2004 and 2005 totaled $455, $501 and $603, respectively. Plan administration expenses incurred related to the retirement and profit sharing plans totaled $36, $100 and $97 for the years ended December 31, 2003, 2004 and 2005, respectively.

Note 10—Line of Credit

On December 30, 2005, the Company executed a $30,000 Credit Agreement with a syndicated group of lenders that matures on the earlier of the consummation of the proposed initial public offering or December 30, 2006 (the “Line of Credit”). The Line of Credit is a 364-day revolving facility that bears interest at a rate of either (i) Libor plus 200 basis points (the “Eurodollar Loan”) or (ii) the greater of (a) the Prime Rate or (b) Federal Funds Effective Rate plus 100 basis points (the “Base Rate Loan”) for any amount drawn. The Company may elect either the Eurodollar Loan or the Base Rate Loan and either election includes a commitment fee of $^1/_2$ of 1% per annum for any unused portion. The Company is required to maintain collateral as a percentage of any amounts drawn on the facility based on the following schedule: From March 30, 2006 through June 30, 2006: 30%; From July 1, 2006 through September 30, 2006: 50% and; From October 1, 2006 through the termination date: 75%. In addition to the liquid collateral requirements, the Members have pledged their beneficial interests in the Company as collateral for the Line of Credit. At December 31, 2005, the Company was in compliance with all covenants under the Credit Agreement.

The Line of Credit will be used for additional working capital purposes including, but not limited to, funding of the Company’s ongoing investment programs. Costs incurred in connection with obtaining this credit facility totaled $607, and such costs are included in Debt Issuance Costs on the Combined Statements of Financial Condition. See Footnote 17, Subsequent Events.

Note 11—Commitments and Contingencies

Operating Leases—The Company leases office space under non-cancelable lease agreements, which expire on various dates through 2013.

Occupancy lease agreements, in addition to base rentals, generally are subject to escalation provisions based on certain costs incurred by the landlord. Occupancy and Equipment Rental on the Combined Statements of Income for the years ended December 31, 2003, 2004 and 2005 includes $1,944, $2,315 and $2,151, respectively, of rental expense relating to operating leases. As of December 31, 2003, the Company obtained, as part of the lease for office space in New York, an irrevocable standby letter of credit as security in the amount of $110 that expired October 30, 2004. As of December 31, 2004 and 2005, the Company obtained, as part of the leases for office space in New York, irrevocable standby letters of credit as security in the amount of $819 and $1,446, respectively. With respect to such letters of credit, $627 expires in 2007 and $819 expires each December 31, resetting annually through 2012. The Company maintained compensating balances of $840 and $1,519 as of December 31, 2004 and 2005, respectively. No amounts have been drawn down under the respective letters of credit.

The Company has entered into various operating leases for the use of certain office equipment and furniture. For the years ended December 31, 2003, 2004 and 2005, rental expense for office equipment and furniture is included in Occupancy and Equipment Rental on the Combined Statements of Income and totaled $80, $102 and $165, respectively.

The Company has entered into an operating lease for a fractional interest of a private corporate aircraft. For the years ended December 31, 2003, 2004 and 2005, rental expense for the fractional lease of the aircraft is included in Travel and Related Expenses on the Combined Statements of Income and totaled $114, $105 and $105, respectively.

EVERCORE HOLDINGS

NOTES TO COMBINED FINANCIAL STATEMENTS—(Continued)

Years Ended December 31, 2003, 2004 and 2005

As of December 31, 2005, the approximate aggregate minimum future payments required on the operating leases are as follows:

2006	$ 2,824
2007	2,229
2008	2,060
2009	2,164
2010	2,176
Thereafter	4,244
Total	$15,697

Capital Leases—The Company has entered into various capital leases for office equipment. As of December 31, 2005, the leases had an aggregate outstanding balance of $425 with $193 classified as current. Interest expense on capital leases for the years ended December 31, 2003, 2004 and 2005 was $19, $30 and $29, respectively.

The Company's net investment in these leases, which is included in Furniture, Equipment and Leasehold Improvements as of December 31, 2004 and 2005, was $431 and $393, respectively.

	December 31,	
	2004	2005
Capitalized Office Equipment Leases	$ 605	$ 729
Accumulated Depreciation	(174)	(336)
Net Investment	$ 431	$ 393

As of December 31, 2005, the approximate aggregate minimum future payments required on the capital leases are as follows:

2006	$ 214
2007	146
2008	95
2009	2
2010	—
Total Future Minimum Lease Payments	457
Less Interest Discount	(32)
Total Present Value of Future Minimum Lease Payments	425
Less Current Portion	(193)
Long-term Portion	$ 232

Other Commitments—At December 31, 2005, the Company has commitments for capital contributions of $13,458 to the Private Equity Funds. These commitments primarily will be funded as required through the end of each Private Equity Funds' investment period, subject to certain conditions. Such commitments are satisfied in cash and are generally required to be made as investment opportunities are consummated by the Private Equity Funds.

Legal—From time to time, the Company may be involved in judicial, regulatory and arbitration proceedings concerning matters arising in connection with the conduct of its businesses.

In the past, the Company or its present personnel have been named as a defendant in civil litigation matters involving present or former clients. The Company received an informal request in 2004 for information related to a 2003 client engagement. Management believes that the ultimate resolution of these proceedings would not likely have a material effect on the results of operations, the financial position or cash flows of the Company.

Note 12—Regulatory Authorities

EGI is a U.S. registered broker-dealer and is subject to the net capital requirements of Rule 15c3-1 under the Securities Exchange Act of 1934. Rule 15c3-1 requires the maintenance of net capital, as defined, which shall be the greater of $5 or 6 2/3% of aggregate indebtedness, as defined. EGI's regulatory net capital at December 31, 2004 and 2005 was $851 and $6,773, respectively, which exceeded the minimum net capital requirement by $637 and $6,603, respectively.

Note 13—Income Taxes

The Company is not subject to U.S. Federal income tax. However, the Company is subject to the New York City Unincorporated Business tax on its U.S. earnings and certain taxes in other jurisdictions where the Company had registered offices and sourced income in those jurisdictions.

Taxes payable as of December 31, 2004 and 2005 in the amount of $1,423 and $1,711, respectively, include a reserve for taxes payable in the amount of $857 and $964, respectively, for any future tax liability related to these periods.

The components of the provision for income taxes reflected on the Combined Statements of Income for the years ended December 31, 2003, 2004 and 2005 consist of:

	Year ended December 31,		
	2003	2004	2005
Current			
State and Local Tax Expense	$905	$2,114	$ 3,372
Provision for Taxes	$905	$2,114	$ 3,372

A reconciliation of the statutory U.S. Federal income tax rate of 35% to the Company's effective tax rate is set forth below:

	Year ended December 31,		
	2003	2004	2005
U.S. Statutory Tax Rate	35.0%	35.0%	35.0%
Increase Related to State and Local Taxes	2.6%	4.1%	5.1%
Rate before One-time Events	37.6%	39.1%	40.1%
Rate Benefit as a Limited Liability Company	(35.0%)	(35.0%)	(35.0%)
Provision for Taxes	2.6%	4.1%	5.1%

Note 14—Concentrations of Credit Risk

Financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents and receivables from clients. The Company has placed its cash and cash equivalents in interest-bearing deposits in U.S. banks and U.S. branches of Cayman banks that meet certain rating and capital requirements. Concentrations of credit risk are limited due to the quality of the Company's clients.

Revenues: For the year ended December 31, 2005, three separate clients each individually accounted for 16.5%, 12.2% and 10.2%, respectively, of the Company's combined revenues. For the year ended December 31, 2004, one client accounted for 26.6% of the Company's combined revenues. For the year ended December 31, 2003, no client individually constituted more than 10.0% of the Company's combined revenues.

Accounts Receivable: As of December 31, 2004 and 2005, one different client each year accounted for 70.1% and 37.4%, respectively, of the Company's combined Accounts Receivable balance.

Note 15—Segment Operating Results

Business Segments – The Company's business results are categorized into the following two segments: Advisory and Investment Management. Advisory includes providing advice on mergers, acquisitions, divestitures, leveraged buyouts, restructurings, and similar corporate finance matters. Investment Management includes the management of outside capital invested in the Private Equity Funds and the Company's principal investments in the Private Equity Funds.

The accounting policies of the segments are consistent with those described in the Significant Accounting Policies in Footnote 2 .

The Company's segment information for the years ended December 31, 2003, 2004 and 2005 is prepared using the following methodology:

- Revenue and expenses directly associated with each segment are included in determining operating income.
- Expenses not directly associated with specific segments are allocated based on the most relevant measures applicable, including headcount and other factors.
- Segment assets are based on those directly associated with each segment, or for certain assets shared across segments, these assets are allocated based on the most relevant measures applicable, including headcount and other factors.
- Investment gains and losses, interest income, and interest expense are allocated between the segments based on the segment in which the underlying asset or liability is held.
- Each segment's operating expenses include: a) employee compensation and benefits expenses that are incurred directly in support of the segments and b) other operating expenses, which include expenses for premises and occupancy, professional fees, travel and entertainment, communications and information services, equipment and indirect support costs (including compensation and other operating expenses related thereto) for administrative services. Such administrative services include, but are not limited to, accounting, tax, legal, facilities management and senior management activities.

The Company evaluates segment results based on net revenue and operating income.

EVERCORE HOLDINGS

NOTES TO COMBINED FINANCIAL STATEMENTS—(Continued)

Years Ended December 31, 2003, 2004 and 2005

Corporate-level activity represents operating expenses not specifically attributable to a segment. These expenses primarily include professional fees relating to the preparation of the Company's historical financial statements that are not directly attributable to the potential initial public offering.

Management believes that the following information provides a reasonable representation of each segment's contribution to net revenue, operating expenses, operating income, and total assets.

		Year Ended December 31,		
		2003	2004	2005
Advisory	Net Revenue(1)	$26,333	$69,315	$ 111,012
	Operating Expenses(2)	15,992	24,502	36,605
	Segment Operating Income	$10,341	$44,813	$ 74,407
	Identifiable Segment Assets		$45,350	$ 61,137
Investment Management	Net Revenue(1)	$33,787	$17,078	$ 14,623
	Operating Expenses(2)	8,888	9,971	12,165
	Segment Operating Income	$24,899	$ 7,107	$ 2,458
	Identifiable Segment Assets		$26,331	$ 20,275
Corporate	Operating Expenses	$ —	$ —	$ 10,333
Total	Net Revenue(1)	$60,120	$86,393	$ 125,635
	Operating Expenses(2)	24,880	34,473	59,103
	Operating Income	$35,240	$51,920	$ 66,532
	Identifiable Segment Assets		$71,681	$ 81,412

(1) Net revenue includes Interest and Other Revenue, and Other Income as set forth in the table below:

	Year Ended December 31,		
	2003	2004	2005
Advisory	$ 31	$110	$170
Investment Management	219	111	39
Total Interest and Other Income	$250	$221	$209

(2) Operating expenses include Depreciation and Amortization as set forth in the table below:

	Year Ended December 31,		
	2003	2004	2005
Advisory	$424	$504	$615
Investment Management	202	163	163
Total Depreciation and Amortization	$626	$667	$778

EVERCORE HOLDINGS

NOTES TO COMBINED FINANCIAL STATEMENTS—(Continued)

Years Ended December 31, 2003, 2004 and 2005

Geographic Information—The Company manages its business based on the profitability of the enterprise as a whole. The Company's revenue was derived from clients and Private Equity Funds located in the following geographical areas:

	Year Ended December 31,		
	2003	2004	2005
Revenue:(1)			
United States	$ 54,487	$ 80,019	$ 127,513
Cayman Islands	4,347	4,147	(6,300)
Switzerland	75	—	1,500
Netherlands	—	—	1,400
Mexico	—	1,142	968
Other—Foreign	961	864	345
Total	$ 59,870	$ 86,172	$ 125,426

(1) Excludes interest and other income.

All Company assets relate to U.S. operations.

Note 16—Comprehensive Income (Loss)

The Company's Other Comprehensive Income (Loss) is comprised of unrealized gains and losses on Available-For-Sale-Securities. Unrealized gains were $116, $73 and $41 net of tax expense of $11, $7 and $4, for the years ended December 31, 2003, 2004 and 2005, respectively.

Note 17—Subsequent Events

Line of Credit—On January 12, 2006, the Company drew down $25,000 on the Line of Credit for additional working capital purposes. As of April 28, 2006, the Company had collateral in excess of the $7,500 required in connection with this draw. See Footnote 10, Line of Credit.

Distributions—During the period from January 1, 2006 through April 14, 2006, the Company made distributions to Members totaling $59,694.

Evercore Asset Management—On January 5, 2006, the Company invested $1,137 in EAM. The Company holds a 41.7% interest in EAM. On March 20, 2006, the Company invested $2,000 in an investment portfolio to be managed by EAM.

Investments—Through April 30, 2006, the Company made investments in the Private Equity funds totaling $6,778.

Evercore Group L.L.C.—EGI reorganized from an S corporation to a limited liability company, Evercore Group L.L.C.

Alliance with Mizuho Securities—On February 2, 2006, the Company entered into an alliance agreement with Mizuho Securities of Japan and its U.S. advisory subsidiary, The Bridgeford Group. The alliance calls for the Company, Mizuho, and Bridgeford to provide U.S.—Japan and Japan—U.S. cross-border M&A advisory services on a joint basis to U.S. clients of the Company and Japanese clients of Mizuho.

Potential Initial Public Offering—The Company is contemplating an initial public offering of common equity. If an initial public offering by the Company does occur, the Company also plans to consummate a number of internal reorganization transactions to transition the Company to a corporate structure form.

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EVERCORE HOLDINGS

COMBINED STATEMENT OF FINANCIAL CONDITION
(dollars in thousands)

	March 31, 2006 (unaudited)	Pro Forma March 31, 2006 (unaudited)
ASSETS		
Current Assets		
Cash and Cash Equivalents	$ 12,285	$ 1,452
Restricted Cash	1,519	1,519
Accounts Receivable (net of allowance of $256 for 2006)	16,531	9,341
Receivable from Members and Employees	1,235	1,235
Receivable from Uncombined Affiliates	2,448	2,448
Debt Issuance Costs	404	404
Prepaid Expenses	997	997
Accounts Receivable—Other	83	83
Total Current Assets	35,502	17,479
Investments, at Fair Value	28,191	28,191
Investments, Equity Method	1,031	1,031
Deferred Offering and Acquisition Costs	6,196	6,196
Furniture, Equipment and Leasehold Improvements, Net	2,153	2,153
Other Assets	403	403
TOTAL ASSETS	$ 73,476	$ 55,453
LIABILITIES AND MEMBERS' EQUITY		
Current Liabilities		
Short-Term Borrowings	$ 25,000	$ 25,000
Accrued Compensation and Benefits	5,549	5,549
Accounts Payable and Accrued Expenses	8,312	8,312
Deferred Revenue	3,374	3,374
Payable to Members and Employees	657	657
Payable to Uncombined Affiliates	293	293
Capital Leases Payable—Current	184	184
Taxes Payable	1,191	1,191
Other Current Liabilities	25	25
Total Current Liabilities	44,585	44,585
Capital Leases Payable—Long-term	187	187
TOTAL LIABILITIES	44,772	44,772
Minority Interest	267	267
Members' Equity		
Members' Capital	28,233	10,210
Accumulated Other Comprehensive Income	204	204
TOTAL MEMBERS' EQUITY	28,437	10,414
TOTAL LIABILITIES AND MEMBERS' EQUITY	$ 73,476	$ 55,453

See accompanying notes to combined financial statements

EVERCORE HOLDINGS

COMBINED STATEMENTS OF INCOME
(dollars in thousands)

	Three Months Ended March 31, 2005	Three Months Ended March 31, 2006
	(unaudited)	
REVENUES		
Advisory Revenue	$18,270	$32,397
Investment Management Revenue	4,120	13,108
Interest Income and Other Revenue	44	121
TOTAL REVENUES	22,434	45,626
EXPENSES		
Employee Compensation and Benefits	5,410	8,759
Occupancy and Equipment Rental	682	838
Professional Fees	2,596	5,668
Travel and Related Expenses	1,314	1,851
Communications and Information Services	177	416
Depreciation and Amortization	151	262
Other Operating Expenses	256	912
TOTAL EXPENSES	10,586	18,706
OTHER INCOME	—	—
OPERATING INCOME	11,848	26,920
Minority Interest	2	(7)
Provision for Income Taxes	670	979
NET INCOME	$11,176	$25,948

See accompanying notes to combined financial statements

EVERCORE HOLDINGS

COMBINED STATEMENTS OF CHANGES IN MEMBERS' EQUITY
(dollars in thousands)

	Members' Capital	Accumulated Other Comprehensive Income	Total Members' Equity
BALANCE—at January 1, 2006	$ 51,301	$ 204	$ 51,505
Net Income (unaudited)	25,948	—	25,948
Other Comprehensive Income (unaudited)	—	—	—
Net Other Comprehensive Income (unaudited)	—	—	—
Total Comprehensive Income (unaudited)			25,948
Members' Contributions (unaudited)	—	—	—
Members' Distributions (unaudited)	(49,016)	—	(49,016)
BALANCE—at March 31, 2006 (unaudited)	$ 28,233	$ 204	$ 28,437

See accompanying notes to combined financial statements

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EVERCORE HOLDINGS

COMBINED STATEMENTS OF CASH FLOWS
(dollars in thousands)

	Three Months Ended March 31, 2005	Three Months Ended March 31, 2006
	(unaudited)	(unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	$ 11,176	$ 25,948
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	151	465
Minority Interest	2	(7)
Net Gains and Losses on Investments	1,138	(5,012)
(Increase) Decrease in Operating Assets:		
Accounts Receivable	219	(3,610)
Placement Fees Receivable	1,244	—
Receivable from Members and Employees—Current	626	504
Receivable from Uncombined Affiliates	1,074	(1,193)
Prepaid Expenses	(366)	(393)
Accounts Receivable—Other	(28)	270
Deferred Offering and Acquisition Costs	(344)	(1,058)
Other Assets	(200)	—
Increase (Decrease) in Operating Liabilities:		
Accrued Compensation and Benefits	(4,945)	(7,616)
Accounts Payable and Accrued Expenses	486	(3,360)
Deferred Revenue	1,470	2,439
Payable to Members and Employees	(238)	(2)
Payable to Uncombined Affiliates	43	(147)
Taxes Payable	432	(520)
Other Current Liabilities	(215)	(601)
Net Cash Provided by Operating Activities	11,725	6,107
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Investments	—	206
Investments Purchased	(970)	(7,661)
Purchase of Furniture, Equipment and Leasehold Improvements	(257)	(152)
Restricted Cash Deposits	21	—
Net Cash (Used in) Provided By Investment Management Activities	(1,206)	(7,607)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments for Capital Lease Obligations	(28)	(54)
Contributions from Members	971	—
Distributions to Members	(34,251)	(49,016)
Short-Term Borrowings	—	25,000
Net Cash Used in Financing Activities	(33,308)	(24,070)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(22,789)	(25,570)
CASH AND CASH EQUIVALENTS—Beginning of period	37,379	37,855
CASH AND CASH EQUIVALENTS—End of period	$ 14,590	$ 12,285
SUPPLEMENTAL CASH FLOW DISCLOSURE		
Payments for Interest	$ 32	—
Payments for Income Taxes	$ 807	$ 1,737

See accompanying notes to combined financial statements

EVERCORE HOLDINGS

NOTES TO COMBINED FINANCIAL STATEMENTS

Three Months Ended March 31, 2005 and 2006
(Unaudited)
(dollars in thousands unless otherwise noted)

Note 1—Organization

Evercore Holdings (the “Company”) is an investment banking firm, headquartered in New York, New York, which is comprised of certain consolidated and combined entities under the common ownership of the Evercore Senior Managing Directors (the “Members”) and common control of two of the founding Evercore Senior Managing Directors (the “Founding Members”). These entities are as follows:

- Evercore Group Holdings L.P. (“EGH”) indirectly owns all interests in each of the following entities:
  - Evercore Financial Advisors L.L.C. and Evercore Restructuring L.L.C. provide financial advisory services to public and private companies and restructuring advisory services to companies in financial transition as well as to their creditors.
  - Evercore Advisors L.L.C. provides investment advisory services to Evercore Capital Partners II L.P. and its affiliated entities (collectively, “ECP II”), a Company sponsored private equity fund.
  - Evercore Venture Advisors L.L.C. provides investment advisory services to Evercore Venture Partners L.P. and its affiliated entities (collectively, “EVP”), a Company sponsored private equity fund.
- Evercore Group Holdings L.L.C. is the general partner of EGH

  In December 2003, the above entities were reorganized. Prior to the reorganization, these entities were operated as a series of limited partnerships with their own general partner entities. Under the terms of the reorganization, these limited partnerships were converted to limited liability companies. Pursuant to such conversions, the limited partnership interests were cancelled and, in consideration therefore, the holders of such limited partnership interests received limited partnership interest of EGH that corresponded to the respective limited liability companies into which such limited partnership were converted and were equivalent to the respective limited partnership interests held immediately prior to such conversions. The resulting limited liability companies are held by Evercore Partners Services East L.L.C., a wholly owned subsidiary of EGH. Subsequent to the reorganization, the former general partner entities were dissolved. The transaction was accounted for as a reorganization of entities under common control at historical cost.
- Evercore Advisors Inc. provides investment advisory services to Evercore Capital Partners L.P. and its affiliated entities (collectively “ECP I”), a Company sponsored private equity fund.
- Evercore Group Inc. (“EGI”) is a registered broker-dealer under the Securities Exchange Act of 1934, as amended, and is registered with the National Association of Securities Dealers, Inc. EGI is a limited service entity, which specializes in rendering selected financial advisory services. See Footnote 16— Subsequent Events.
- Evercore Properties Inc. is a lease holding entity for the Company’s New York offices. With respect to the Company’s California offices, such leases are held by Evercore Partners Services East L.L.C.
- Evercore Partners L.L.C., Evercore Offshore Partners Ltd., and Evercore Partners Cayman L.P. are the general partners of various ECP I entities.
- Evercore Partners II L.L.C. and Evercore Venture Management L.L.C. (“EVM”) are the general partners of ECP II and EVP, respectively.
- Evercore Founders L.L.C. and Evercore Founders Cayman Ltd. are the entities through which the Company funds its additional commitments to ECP I (collectively, the “Founders”).

EVERCORE HOLDINGS

NOTES TO COMBINED FINANCIAL STATEMENTS—(Continued)

Three Months Ended March 31, 2005 and 2006
(Unaudited)
(dollars in thousands unless otherwise noted)

The Company's principal activities are divided into two business segments:

- Advisory—includes advice on mergers, acquisitions, divestitures, leveraged buyouts, restructurings and similar corporate finance matters; and
- Investment Management—includes the management of outside capital invested in the Company's sponsored private equity funds: ECP I, ECP II and EVP, (collectively referred to as the "Private Equity Funds"); and the Company's principal investments in such Private Equity Funds. Each of the Private Equity Funds is managed by its own general partners and outside investors participate in the Private Equity Funds as limited partners.

The Combined Financial Statements include the accounts of the following entities, all of which are under the common control and management of the Founding Members:

Entity	Type of Entity	Date of Formation	Percentage Ownership
Evercore Group Holdings L.P. and subsidiaries	Delaware Limited Partnership	12/31/02	100%
Evercore Group Holdings L.L.C.	Delaware Limited Liability Company	12/31/02	100%
Evercore Advisors Inc.	Delaware S-Corporation	06/18/96	100%
Evercore Group Inc.	Delaware S-Corporation	03/21/96	100%
Evercore Properties Inc.	Delaware S-Corporation	04/16/97	100%
Evercore Partners L.L.C.	Delaware Limited Liability Company	11/20/95	100%
Evercore Offshore Partners Ltd.	Cayman Islands Limited Liability Company	03/25/97	100%
Evercore Partners Cayman L.P.	Cayman Islands Limited Partnership	03/28/01	100%
Evercore Partners II L.L.C.	Delaware Limited Liability Company	10/24/01	100%
Evercore Venture Management L.L.C.(1)	Delaware Limited Liability Company	10/12/00	47%
Evercore Founders L.L.C.	Delaware Limited Liability Company	03/25/97	100%
Evercore Founders Cayman Ltd.	Cayman Islands Limited Liability Company	03/27/01	100%

(1) EVM is combined at 100% with a 53% minority interest recorded.

Note 2—Significant Accounting Policies

Basis of Presentation—The Combined Financial Statements of the Company comprise the consolidation of EGH and its wholly owned subsidiaries with Evercore Group Holdings L.L.C., Evercore Advisors Inc., Evercore Properties Inc. and Evercore Group Inc., and the general partners of the Private Equity Funds and Founders, entities that are wholly owned or controlled by the Company.

EGH has consolidated all operating companies in which it has a controlling financial interest, in accordance with Statement of Financial Accounting Standards ("SFAS") No.94, "*Consolidation of All Majority-Owned Subsidiaries*," ("SFAS 94") which requires the consolidation of all majority-owned subsidiaries.

Investments in non-majority-owned companies in which the Company does not have a controlling financial interest are accounted for by the Company using the equity method.

These financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

EVERCORE HOLDINGS

NOTES TO COMBINED FINANCIAL STATEMENTS—(Continued)

Three Months Ended March 31, 2005 and 2006
(Unaudited)
(dollars in thousands unless otherwise noted)

All material intercompany transactions and balances have been eliminated.

Minority Interest—Minority interest recorded on the Combined Financial Statements relates to the minority interest of an unrelated third party in EVM, the general partner of EVP. EVM is owned by two members, an unrelated third-party, which owns approximately 53%, and Evercore Venture Partners LLC, which owns approximately 47%. Evercore Venture Partners LLC is under common ownership of the Members of the Company and is the managing member of EVM. As a result, the Company consolidates, including in its Combined Statements of Income all of the net income of EVM with an appropriate minority interest of approximately 53%.

Use of Estimates—The preparation of the Combined Financial Statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the combined financial statements and the reported amounts of revenues and expenses during the reporting period. Such estimates relate to the valuation of portfolio investments in companies owned by the Private Equity Funds (the "Portfolio Companies"), the allowance for doubtful accounts for accounts receivables, compensation liabilities, tax liabilities and other matters that affect reported amounts of assets and liabilities. Actual amounts could differ from those estimates and such differences could be material to the Combined Financial Statements.

Cash and Cash Equivalents—Cash and cash equivalents consist of short-term highly liquid investments with original maturities of three months or less.

Restricted Cash—At March 31, 2006, the Company was required to maintain compensating balances of $1,519, as collateral for letters of credit issued, by a third party, in lieu of a cash security deposit, as required by the Company's lease for New York office space.

Accounts Receivable—Accounts receivable consists primarily of advisory fees and expense reimbursements charged to the Company's clients, and transaction and monitoring fees charged to Portfolio Companies. Accounts receivable as of March 31, 2006 include unbilled client expense receivables in the amount of $1,101.

Accounts Receivable are reported net of any allowance for doubtful accounts. Management of the Company derives the estimate for the allowance for doubtful accounts by utilizing past client transaction history and an assessment of the client's creditworthiness, and has determined that an allowance for doubtful accounts was $256 as of March 31, 2006.

Fair Value of Financial Instruments—The fair value of financial assets and liabilities, consisting of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities are considered to approximate their recorded value, as they are short-term in nature.

Investments—The Company's investments consist primarily of investments in the Private Equity Funds that are carried at fair value on the Combined Statements of Financial Condition, with realized and unrealized gains and losses included in Investment Management Revenue on the Combined Statements of Income.

The Private Equity Funds consist primarily of investments in marketable and non-marketable securities of the Portfolio Companies. The underlying investments held by the Private Equity Funds are valued based on

EVERCORE HOLDINGS

NOTES TO COMBINED FINANCIAL STATEMENTS—(Continued)

Three Months Ended March 31, 2005 and 2006
(Unaudited)
(dollars in thousands unless otherwise noted)

quoted market prices or estimated fair value if there is no public market. The fair value of the Private Equity Funds' investments in non-marketable securities are ultimately determined by the Company in its capacity as general partner. The Company determines fair value of non-marketable securities by giving consideration to a range of factors, including but not limited to market conditions, operating performance (current and projected) and subsequent financing transactions. Due to the inherent uncertainty in the valuation of these non-marketable securities, estimated values may materially differ from the values that would have been used had a ready market existed for these investments.

Investments in publicly traded securities are valued using quoted market prices.

Available-For-Sale Securities are valued using quoted market prices for publicly traded securities or estimated fair value if there is no public market.

Furniture, Equipment and Leasehold Improvements—Fixed assets, including office equipment, hardware and software and leasehold improvements, are stated at cost, net of accumulated depreciation and amortization. Furniture, equipment and computer hardware and software are depreciated using the straight-line method over the estimated useful lives of the assets, ranging from three to seven years. Leasehold improvements are amortized over the shorter of the term of the lease or the useful life of the asset.

The Company capitalizes certain costs of computer software obtained for internal use and amortizes the amounts over the estimated useful life of the software, generally not exceeding three years. Capitalized internal-use software costs include only external direct costs of materials and services consumed in developing or obtaining the software. Capitalization of these costs ceases no later than the point at which software development projects are substantially complete and ready for their intended purposes.

Upon retirement or disposition of assets, the cost and related accumulated depreciation or amortization is removed from the accounts and the resulting gain or loss, if any, is recognized as a gain or loss on disposition of assets in other operating income or expense. Expenditures for maintenance and repairs are expensed as incurred.

Leases—Leases are accounted for in accordance with SFAS No. 13, "*Accounting for Leases.*" Leases are classified as either capital or operating as appropriate. For capital leases, the present value of the future minimum lease payments is recorded as a liability. Amortization of capitalized leased assets is computed on the straight-line method over the lesser of the lease term or useful life of the asset.

Advisory Revenue—The Company earns advisory revenue through a) retainer arrangements, b) success fees based on the occurrence of certain events which may include announcements or completion of various types of financial transactions and c) fairness opinions.

The Company recognizes advisory revenue when the services related to the underlying transactions such as mergers, acquisitions, restructurings and divestitures are completed in accordance with the terms of its engagement agreements.

Fees that are paid in advance are initially recorded as deferred revenue and recognized as advisory revenue ratably over the period in which the related service is rendered.

EVERCORE HOLDINGS

NOTES TO COMBINED FINANCIAL STATEMENTS—(Continued)

Three Months Ended March 31, 2005 and 2006
(Unaudited)
(dollars in thousands unless otherwise noted)

Investment Management Revenue—Investment Management revenue consists of a) management fees from the Private Equity Funds, b) portfolio company fees, c) gains (losses) on investments in the Private Equity Funds and d) Carried Interest.

Management Fees—Management fees are contractually based and are derived from investment management services provided in originating, recommending and consummating investment opportunities to the Private Equity Funds. Management fees are payable semi-annually in advance on committed capital during the Private Equity Funds' investment period, and on invested capital, thereafter. Management fees are initially recorded as deferred revenue and revenue is recognized ratably, thereafter, over the period for which services are provided.

The Private Equity Funds partnership agreements provide for a reduction of management fees for certain portfolio company fees earned by the Company. Portfolio company fees are recorded as revenue when earned and are offset, in whole or in part, against future management fees. Such offsets amounted to $0 and $260 for the three months ended March 31, 2005, and 2006, respectively.

The ECP II partnership agreement also provides that placement fees paid by its limited partners are offset against future management fees. Such offsets amounted to $622 and $0 for the three months ended March 31, 2005, and 2006.

Portfolio Company Fees—Portfolio company fees include monitoring, director and transaction fees associated with services provided the Portfolio Companies of the Private Equity Funds the Company manages.

Monitoring fees are earned by the Company for services provided to the Portfolio Companies with respect to the development and implementation of strategies for improving operating, marketing and financial performance. Monitoring fee revenue is recognized ratably over the period for which services are provided.

Director fees are earned by the Company for the services provided by Members who serve on the Board of Directors of Portfolio Companies. Director fees are recorded as revenue when payment is received.

Transaction fees are earned by the Company for providing advisory services to Portfolio Companies. These fees are earned and recognized on the same basis as advisory revenue.

Gains (Losses) on Investments in the Private Equity Funds—Investments in the Private Equity Funds consist of the Company's general partnership interest and related commitments in investment partnerships that it manages. These investments are accounted for on the fair value method based on the Company's percentage interest in the underlying partnerships. The Company recognizes revenue on investments in the Private Equity Funds based on its allocable share of realized and unrealized gains (or losses). See Footnote 7, Investments.

Carried Interest—The Company records incentive fee revenue from the Private Equity Funds when the returns on the Private Equity Funds' investments exceed certain threshold minimums. These incentive fees (or "Carried Interest") are computed in accordance with the underlying Private Equity Funds' partnership agreements and are based on investment performance over the life of each investment partnership. Future investment underperformance may require amounts previously distributed to the Company to be returned to the respective investment partnerships. As required by the Private Equity Funds' partnership agreements,

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the general partners of each Private Equity Fund maintain a defined amount in escrow in the event that distributions received by such general partner must be returned due to investment underperformance. These escrow funds are not included in the accounts of the Company. The Members, in their capacity as members of the general partners of the Private Equity Funds, have guaranteed the general partners' obligation (which may arise due to investment underperformance) to repay or refund to outside investors in the Private Equity Funds interim amounts previously distributed to the Company.

Client Expense Reimbursement—In the conduct of its financial advisory service engagements and in the pursuit of successful Portfolio Company investments for the Private Equity Funds, the Company receives reimbursement for certain transaction-related expenses incurred by the Company on behalf of its clients. Such reimbursements are classified as either Advisory or Investment Management Revenues, as applicable.

Transaction-related expenses, which are billable to clients, are recognized as revenue in accordance with EITF 01-14, "Income Statement Characterization of Reimbursement Received for Out of Pocket Expenses Incurred", and recorded in accounts receivable on the later of a) the date of an executed engagement letter or b) the date the expense is incurred. The Company reported such expense reimbursement as revenue on the Combined Statements of Income in the amount of $731 and $1,916 for the three months ended March 31, 2005, and 2006, respectively.

Compensation and Benefits—Compensation includes salaries, bonuses (discretionary awards and guaranteed amounts) and severance and excludes any compensatory payments made to Members. Bonuses are accrued over the service period to which they relate. Benefits includes both Member and employee benefit expense.

Income Taxes—The Company accounts for income taxes in accordance with SFAS No. 109, "*Accounting for Income Taxes*," which requires the recognition of tax benefits or expenses on the temporary differences between the financial reporting and tax bases of assets and liabilities. The Company's operations are organized as a series of partnerships, limited liability companies and sub-chapter S corporations. Accordingly, the Company's income is not subject to U.S. federal income taxes. Taxes related to income earned by these entities represent obligations of the individual members, partners or shareholders and have not been reflected in the accompanying Combined Financial Statements. Income taxes shown on the Company's Combined Statements of Income are attributable to the New York City Unincorporated Business Tax and the New York City general corporate tax.

Earnings Per Share—The Company operates as a series of related partnerships, limited liability companies and sub-chapter S corporations under the common control of the Founding Members. There is no single capital structure upon which to calculate historical earnings per share information. Accordingly, historical earnings per share information has not been presented.

Comprehensive Income—Comprehensive income consists of net income and other comprehensive income. Other comprehensive income refers to revenue, expenses, gains and losses that are included in Accumulated Other Comprehensive Income as a separate component of Members' Equity but are excluded from net income. The Company's other comprehensive income is comprised of unrealized gains on Available-For-Sale Securities.

Net Income—As a result of the Company operating as a series of partnerships, limited liability companies and sub-chapter S corporations, payment for services rendered by the Members has historically been accounted

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for as a distribution from Members' capital rather than as compensation and benefits expense. As a result, the Company's operating income historically has not reflected payments for services rendered by its Members.

The Members receive periodic distributions of operating proceeds which are reported in the Statements of Changes in Members' Equity as distributions. The amount of cash and non-cash distributions received by the Members was $49,016 for the three months ended March 31, 2006.

Note 3—Unaudited Pro Forma Combined Statement of Financial Condition

The Company is contemplating an initial public offering of common equity. If an initial public offering by the Company does occur, the Company also plans to consummate a number of internal reorganization transactions to transition the Company to a corporate structure form. Prior to the initial public offering the Company intends to distribute to the Members an amount equal to the Company's net income (less net income derived from certain entities that will not be contributed by the Members to the new public company) for the period from January 1, 2006 through the date of the reorganization. The pro forma consolidated statement of financial condition as of March 31, 2006 gives pro forma effect to this distribution of pre-offering profits in the amount of $18,023, payable $10,833 in cash and $7,190 through the assignment of accounts receivable, as if the distribution had been effected as of March 31, 2006.

The unaudited pro forma combined statement of financial condition is presented for illustrative purposes only and does not purport to represent the Company's combined financial condition had the distribution of pre-offering profits been effected on March 31, 2006 or to project the Company's combined financial condition for any future date.

Note 4—Recently Issued Accounting Pronouncements

SFAS 123(R)—On December 16, 2004, the Financial Accounting Standards Board, ("FASB"), issued SFAS No. 123 (revised 2004), "*Share-Based Payment*," or SFAS 123(R), which is a revision of SFAS No. 123 "*Accounting for Stock Based Compensation*." SFAS 123(R) supersedes Accounting Principles Board Opinion ("APB") No. 25, "*Accounting for Stock Issued to Employees*," and amends SFAS No. 95, "*Statement of Cash Flows*." Generally, the approach in SFAS 123(R) is similar to the approach described in SFAS 123. However, SFAS 123(R) requires all share-based payments to employees, including grants of employee stock options, to be recognized in the Combined Statements of Income based on their fair values. Pro forma disclosure is no longer an alternative. The Company has operated as a series of partnerships, limited liability companies and sub-chapter S corporations and has not historically issued stock-based compensation awards. The impact of adopting SFAS 123(R) cannot be predicted at this time because it will depend on the level of share-based awards granted in the future.

FIN 47—In March 2005, the FASB issued Financial Interpretation No. 47, "*Accounting for Conditional Asset Retirement Obligations*" ("FIN 47"). FIN 47 clarifies guidance provided in SFAS No. 143, "*Accounting for Asset Retirement Obligations*." The term, asset retirement obligation, refers to a legal obligation to perform an asset retirement activity in which the timing and/or method of settlement are conditional on a future event that may or may not be within the control of the entity. Entities are required to recognize a liability for the fair value of a conditional asset retirement obligation when incurred if the liability's fair value can be reasonably estimated. FIN 47 was effective for fiscal years ending after December 15, 2005. The adoption of FIN 47 did not have a material effect on the Company's combined financial condition or results of operations.

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SFAS 154—In May 2005, the FASB issued SFAS No. 154 "*Accounting Changes and Error Corrections*", which replaces APB Opinion No. 20 and SFAS No. 3, and changes the requirements for the accounting for and reporting of a change in accounting principle. This statement is effective for accounting changes and corrections of errors made in fiscal years beginning after December 15, 2005, although early adoption is permitted for accounting changes and corrections of errors made in fiscal years beginning after the date SFAS 154 was issued. The adoption of SFAS 154 did not have a material effect on the Company's combined financial condition or results of operations.

Emerging Issues Task Force Issue No. 04-5—In June 2005 the Emerging Issues Task Force reached a consensus on Issue No. 04-5, *"Determining Whether a General Partner, or the General Partners as a Group, Controls a Limited Partnership or Similar Entity When the Limited Partners Have Certain Rights."* Under Issue 04-5, the general partners in a limited partnership or similar entity are presumed to control that limited partnership regardless of the extent of the general partners' ownership interest in the limited partnership. A general partner should assess the limited partners' rights and their impact on the presumption of control. If the limited partners have either a) the substantive ability to dissolve the limited partnership or otherwise remove the general partners without cause or b) substantive participating rights, the general partners do not control the limited partnership. For general partners of all new limited partnerships formed and for existing limited partnerships for which the partnership agreement is modified, Issue 04-5 is effective after June 29, 2005. For general partners in all other limited partnerships, Issue 04-5 is effective for the first reporting period in fiscal years beginning after December 15, 2005, and allows either of two transition methods. As of March 31, 2006 the Company has determined that consolidation of the Private Equity Funds will not be required pursuant to Issue 04-5.

Note 5—Related Parties

The Company remits payment for expenses on behalf of the Private Equity Funds and is reimbursed accordingly. During the three months ended March 31, 2005 and 2006, the Company disbursed $101, and $46, respectively, on behalf of these entities. Included in Receivable from Uncombined Affiliates on the Statements of Financial Condition as of March 31, 2006 are accrued and unpaid management fees, reimbursable expenses relating to the Private Equity Funds and other uncombined affiliates and investment advances made to an affiliate in the amount of $2,448. Payables to Uncombined Affiliates amounted to $293 as of March 31, 2006. These payables represent obligations of the general partner pursuant to the respective partnership agreements of the Private Equity Funds and are payable to the Private Equity Funds.

Included in Receivable from Members and Employees on the Statements of Financial Condition are loans to Members, employees and former employees of the Company. These loans are collateralized by the Members, employees, or former employees respective investments in the Private Equity Funds, are carried at face value and bear interest at the prime rate. The amount of such loans outstanding as of March 31, 2006 were $84. Interest on these loans was $1 and $1, for the quarters ended March 31, 2005, and 2006, respectively, and is included in Interest Income and Other Revenue on the Combined Statements of Income. Advances in the amount of $61 made to individuals who have accepted employment offers with the Company, are also included in Receivable from Members and Employees on the Statement of Financial Condition as of March 31, 2006.

Also, included in Receivable from Members and Employees are advances made by the Company on behalf of such individuals in connection with their general partner obligation to the Private Equity Funds. These

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advances are non-interest bearing and the amounts outstanding as of March 31, 2006 were $1,021. Payable to Members and Employees for Private Equity distributions amounted to $657 as of March 31, 2006.

Amounts due in connection with personal expenses paid by the Company on behalf of Members and employees totaled $65 as of March 31, 2006, respectively, and are included in Receivable from Members and Employees. These receivables are non-interest bearing and are repaid to the Company on a periodic basis.

The general partner investment interests of one of the Members and the general partner and Founder interests of one of the founding members serve to collateralized their personal loans with a third party financial institution.

During the three months ended March 31, 2005 and 2006, the Company incurred commissions in the amount of $1,184 and $350, respectively, to former employees and Senior Advisor or affiliate of such, for services provided in connection with obtaining an Advisory engagement. This commission is included in Professional Fees on the Combined Statements of Income.

Effective October 28, 2005, EGH acquired (indirectly through a wholly owned subsidiary) the right to invest in Evercore Asset Management, L.L.C. (“EAM”), a newly formed entity, engaged primarily in the asset management business. This investment is accounted for under the equity method and although a variable interest entity, the Company is not the primary beneficiary and thus not required to consolidate the entity. For the three month period ended March 31, 2006, there was a loss of $255 of which 41.7%, or $106, will be attributed to the minority partner, EGH, and is included in Investment Management Revenue on the Combined Statements of Income.

Note 6—Deferred Offering and Acquisition Costs

The Company is contemplating an initial public offering of common equity. If an initial public offering by the Company does occur, the Company plans to consummate a number of internal reorganization transactions to transition the Company to a corporate structure form. Costs directly attributable to the Company’s proposed initial public offering of its equity securities have been deferred and capitalized. These costs will be charged against the proceeds of the offering once completed. In the event the proposed initial offering of the Company’s securities is not consummated, the deferred offering costs will be expensed.

The Company also plans to execute a definitive agreement to acquire all the outstanding capital stock of a foreign investment bank in exchange for total consideration that is still under negotiation. The transaction would be consummated prior to the potential initial public offering referred to above. The direct costs incurred in connection with the proposed acquisition have been deferred and capitalized. These costs will be allocated to the purchase price upon the completion of the acquisition. Costs related to an unsuccessful acquisition will be charged to operations at the termination date. See Footnote 16, Subsequent Events.

As of March 31, 2006, $6,196 of costs incurred in connection with the potential initial public offering and the potential acquisition were capitalized and are shown on the Combined Statements of Financial Condition in Deferred Offering and Acquisition Costs.

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Note 7—Investments

The fair value of the Company's investments reported in the Combined Statements of Financial Condition are as follows:

	March 31, 2006
Investment in ECP I	$ 8,381
Investment in ECP II	16,616
Investment in EVP	621
Total Private Equity Funds	25,618
Investments Available-For-Sale	2,573
Total Investments	$ 28,191

Investments in the Private Equity Funds—Investments in the Private Equity Funds primarily include the general partner and Founders' entities investments in the Private Equity Funds.

As of March 31, 2006, the Company's investment in ECP I represented 7.08% of the Private Equity Funds' capital. The Company's investments in ECP II and EVP were less than 5% of the respective Private Equity Funds' capital as of March 31, 2006.

Net realized and unrealized gains and losses on investments, including Carried Interest and gains (losses) on investments, were $(1,138), and $5,116 for the three months ended March 31, 2005, and 2006, respectively, and are included on the Combined Statements of Income in Investment Management Revenue.

See Footnote 11, Commitments and Contingencies, for commitments of future capital contributions to the Private Equity Funds.

The portfolio of investments in the Private Equity Funds at fair value by industry was as follows:

	March 31, 2006
Energy	33%
Media	11%
Healthcare Services	12%
Financial Services	19%
Telecommunications	6%
Industrials	4%
Consumer Distributions	4%
Other	11%
Total	100%

Investments in Available-For-Sale Securities—Investments in Available-For-Sale securities reflects the Company's investment in options for the purchase of additional shares of common stock of a former Portfolio

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Company. The options were received at various dates, in lieu of cash payment for services rendered. Using the Black-Scholes Option Pricing Model, the options as of March 31, 2006, were valued at $416.

Investment in EAM—On January 5, 2006, the Company invested $1,137 in EAM. The Company holds a 41.7% interest in EAM. On March 20, 2006, the Company invested $2,000 in an investment portfolio managed by EAM. For the three months ended March 31, 2006, the investment resulted in an unrealized gain of $7, and is included on the Combined Statements of Income in Investment Management Revenue.

Note 8—Furniture, Equipment and Leasehold Improvements, Net

Furniture, equipment and leasehold improvements, net, consisted of the following:

	March 31, 2006
Furniture and Office Equipment	$ 1,141
Leasehold Improvements	881
Computer and Computer-related Equipment	1,137
Capitalized Leases	729
Software	508
Total	4,396
Less: Accumulated Depreciation and Amortization	(2,243)
Furniture, Equipment and Leasehold Improvements, Net	$ 2,153

Depreciation and amortization expense totaled $151, and $262 for the three months ended March 31, 2005 and 2006.

Purchases of furniture, equipment and leasehold improvements totaled $257, and $152, for the three months ended March 31, 2005 and 2006, respectively.

Note 9—Employee Benefit Plans

Defined Contribution Retirement Plan—The Company, through a subsidiary, provides certain retirement benefits to employees through a qualified retirement plan. The Evercore Partners Services East L.L.C. Retirement Plan (the “Plan”) is a discretionary profit sharing plan with a salary deferral feature under Section 401(k) of the Internal Revenue Code. The Plan was formed on February 1, 1996 and amended February 1, 1999, February 1, 2000, February 1, 2001, January 1, 2002 and June 1, 2002. The plan year ends on January 31 of each year. The Company, at its sole discretion, determines the amount, if any, of profit to be contributed to the Plan.

The retirement and profit sharing plan costs for the three months ended March 31, 2005 and 2006 totaled $181, and $150, respectively. Plan administration expenses incurred related to the retirement and profit sharing plans totaled $8 and $1 for the three months ended March 31, 2005, and 2006, respectively.

Note 10—Line of Credit

On December 30, 2005, the Company executed a $30,000 Credit Agreement with a syndicated group of lenders that matures on the earlier of the consummation of the proposed initial public offering or December 30,

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2006 (the "Line of Credit"). The Line of Credit is a 364-day revolving facility that bears interest at a rate of either (i) Libor plus 200 basis points (the "Eurodollar Loan") or (ii) the greater of (a) the Prime Rate or (b) Federal Funds Effective Rate plus 100 basis points (the "Base Rate Loan") for any amount drawn. The Company may elect either the Eurodollar Loan or the Base Rate Loan and either election includes a commitment fee of 1/2 of 1% per annum for any unused portion. The Company is required to maintain collateral as a percentage of any amounts drawn on the facility based on the following schedule: From March 30, 2006 through June 30, 2006: 30%; From July 1, 2006 through September 30, 2006: 50% and; From October 1, 2006 through the termination date: 75%. In addition to the liquid collateral requirements, the Members have pledged their beneficial interests in the Company as collateral for the Line of Credit. At March 31, 2006, the Company was in compliance with all covenants under the Credit Agreement.

The Line of Credit will be used for additional working capital purposes including, but not limited to, funding of the Company's ongoing investment programs. Costs incurred in connection with obtaining this credit facility are included in Debt Issuance Costs on the Combined Statements of Financial Condition. The costs are being amortized over the expected life of the draw down. The Company amortized $203 of these costs for the three months ended March 31, 2006.

On January 12, 2006, the Company drew down $25,000 on the Line of Credit for additional working capital purposes at an interest rate of 6.6%. For the three months ended March 31, 2006, the company accrued $37 for the commitment fee and $354 for the interest payable on the outstanding balance.

Note 11—Commitments and Contingencies

Operating Leases—The Company leases office space under non-cancelable lease agreements, which expire on various dates through 2013.

Occupancy lease agreements, in addition to base rentals, generally are subject to escalation provisions based on certain costs incurred by the landlord. Occupancy and Equipment Rental on the Combined Statements of Income for the three months ended March 31, 2005, and 2006 includes $505, and $613, respectively, of rental expense relating to operating leases. As of March 31, 2006, the Company maintains, as part of the leases for office space in New York, irrevocable standby letters of credit as security in the amount of $1,446. With respect to such letters of credit, $627 expires in 2007 and $819 expires each December 31, resetting annually through 2012. The Company maintained compensating balances of $1,519 as of March 31, 2006. No amounts have been drawn down under the respective letters of credit.

As of March 31, 2006, the approximate aggregate minimum future payments required on the operating leases are as follows:

2006	$ 2,174
2007	2,229
2008	2,060
2009	2,164
2010	2,176
Thereafter	4,244
Total	$ 15,047

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Capital Leases—The Company has entered into various capital leases for office equipment. As of March 31, 2006, the leases had an aggregate outstanding balance of $371 with $184 classified as current. Interest expense on capital leases for the three months ended March 31, 2005, and 2006 was $7 and $6, respectively.

The Company's net investment in these leases, which is included in Furniture, Equipment and Leasehold Improvements as of March 31, 2006, was $347.

	March 31, 2006
Capitalized Office Equipment Leases	$ 729
Accumulated Depreciation	(382)
Net Investment	$ 347

As of March 31, 2006, the approximate aggregate minimum future payments required on the capital leases are as follows:

2006	$ 154
2007	146
2008	95
2009	2
2010	—
Total Future Minimum Lease Payments	397
Less Interest Discount	(26)
Total Present Value of Future Minimum Lease Payments	371
Less Current Portion	(184)
Long-term Portion	$ 187

Other Commitments—At March 31, 2006, the Company has commitments for capital contributions of $9,346 to the Private Equity Funds. These commitments primarily will be funded as required through the end of each Private Equity Funds' investment period, subject to certain conditions. Such commitments are satisfied in cash and are generally required to be made as investment opportunities are consummated by the Private Equity Funds.

Legal—From time to time, the Company may be involved in judicial, regulatory and arbitration proceedings concerning matters arising in connection with the conduct of its businesses.

In the past, the Company or its present personnel have been named as a defendant in civil litigation matters involving present or former clients. The Company received an informal request in 2004 for information related to a 2003 client engagement. Management believes that the ultimate resolution of these proceedings would not likely have a material effect on the results of operations, the financial position or cash flows of the Company.

Note 12—Regulatory Authorities

EGI is a U.S. registered broker-dealer and is subject to the net capital requirements of Rule 15c3-1 under the Securities Exchange Act of 1934. Rule 15c3-1 requires the maintenance of net capital, as defined, which shall be

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the greater of $5 or 6 2/3% of aggregate indebtedness, as defined. EGI's regulatory net capital at March 31, 2006 was $5,037, which exceeded the minimum net capital requirement by $4,888.

Note 13—Income Taxes

The Company is not subject to U.S. Federal income tax. However, the Company is subject to the New York City Unincorporated Business tax on its U.S. earnings and certain taxes in other jurisdictions where the Company had registered offices and sourced income in those jurisdictions.

Taxes payable as of March 31, 2006 in the amount of $1,191, include a reserve for taxes payable in the amount of $964 for any future tax liability related to these periods.

The components of the provision for income taxes reflected on the Combined Statements of Income for the three months ended March 31, 2005, and 2006 consist of:

	Three Months Ended March 31, 2005	Three Months Ended March 31, 2006
Current		
State and Local Tax Expense	$ 670	$ 979
Provision for Taxes	$ 670	$ 979

A reconciliation of the statutory U.S. Federal income tax rate of 35% to the Company's effective tax rate is set forth below:

	March 31, 2005	March 31, 2006
U.S. Statutory Tax Rate	35.0%	35.0%
Increase Related to State and Local Taxes	5.2%	4.6%
Rate before Benefits and Other Adjustments	40.2%	39.6%
Rate Benefit as a Limited Liability Company	(34.5%)	(36.0%)
Provision for Taxes	5.7%	3.6%

Note 14—Concentrations of Credit Risk

Financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents and receivables from clients. The Company has placed its cash and cash equivalents in interest-bearing deposits in U.S. banks and U.S. branches of Cayman banks that meet certain rating and capital requirements. Concentrations of credit risk are limited due to the quality of the Company's clients.

Revenues: For the three months ended March 31, 2006, three separate clients each individually accounted for 14.6%, 14.5% and 8.9%, respectively, of the Company's combined revenues.

Accounts Receivable: As of March 31, 2006, three separate clients each individually accounted for 42.3%, 14.1% and 13.3%, respectively of the Company's combined Accounts Receivable balance.

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Note 15—Segment Operating Results

Business Segments—The Company's business results are categorized into the following two segments: Advisory and Investment Management. Advisory includes providing advice on mergers, acquisitions, divestitures, leveraged buyouts, restructurings, and similar corporate finance matters. Investment Management includes the management of outside capital invested in the Private Equity Funds and the Company's principal investments in the Private Equity Funds.

The accounting policies of the segments are consistent with those described in the Significant Accounting Policies in Footnote 2.

The Company's segment information for the three months ended March 31, 2005 and 2006 is prepared using the following methodology:

- Revenue and expenses directly associated with each segment are included in determining operating income.
- Expenses not directly associated with specific segments are allocated based on the most relevant measures applicable, including headcount and other factors.
- Segment assets are based on those directly associated with each segment, or for certain assets shared across segments, these assets are allocated based on the most relevant measures applicable, including headcount and other factors.
- Investment gains and losses, interest income, and interest expense are allocated between the segments based on the segment in which the underlying asset or liability is held.

Each segment's operating expenses include: a) employee compensation and benefits expenses that are incurred directly in support of the segments and b) other operating expenses, which include expenses for premises and occupancy, professional fees, travel and entertainment, communications and information services, equipment and indirect support costs (including compensation and other operating expenses related thereto) for administrative services. Such administrative services include, but are not limited to, accounting, tax, legal, facilities management and senior management activities.

The Company evaluates segment results based on net revenue and operating income.

Corporate-level activity represents operating expenses not specifically attributable to a segment. These expenses primarily include professional fees relating to the preparation of the Company's historical financial statements that are not directly attributable to the potential initial public offering.

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Management believes that the following information provides a reasonable representation of each segment’s contribution to net revenue, operating expenses, operating income, and total assets.

		Three Months Ended March 31,	
		2005	2006
Advisory	Net Revenue(1)	$18,304	$32,498
	Operating Expenses(2)	7,466	11,215
	Segment Operating Income	$10,838	$21,283
	Identifiable Segment Assets	$ —	$48,126
Investment Management	Net Revenue(1)	$ 4,130	$13,128
	Operating Expenses(2)	3,120	5,641
	Segment Operating Income	$ 1,010	$ 7,487
	Identifiable Segment Assets	$ —	$25,350
Corporate	Operating Expenses	$ —	$ 1,850
Total	Net Revenue(1)	$22,434	$45,626
	Operating Expenses(2)	10,586	18,706
	Segment Operating Income	$11,848	$26,920
	Identifiable Segment Assets	$ —	$73,476

(1) Net revenue includes Interest and Other Revenue, and Other Income as set forth in the table below:

	Three Months Ended March 31,	
	2005	2006
Advisory	$ 34	$ 101
Investment Management	10	20
Total Interest and Other Income	$ 44	$ 121

(2) Operating expenses include Depreciation and Amortization as set forth in the table below:

	Three Months Ended March 31,	
	2005	2006
Advisory	$ 120	$ 209
Investment Management	31	53
Total Depreciation and Amortization	$ 151	$ 262

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Geographic Information—The Company manages its business based on the profitability of the enterprise as a whole. The Company's revenue was derived from clients and Private Equity Funds located in the following geographical areas:

	Three Months Ended March 31,	
Revenue:(1)	**2005**	**2006**
United States	$23,174	$43,308
Cayman Islands	(1,168)	2,178
Switzerland	0	0
Netherlands	0	0
Mexico	309	0
Other—Foreign	75	19
Total	$22,390	$45,505

(1) Excludes interest and other income.

Note 16—Subsequent Events

Evercore Group L.L.C.—In preparation of an initial public offering by the company, EGI reorganized from an S corporation to a limited liability company, Evercore Group L.L.C. ("EGL"), effective April 19, 2006.

Co-Operation Agreement with Braveheart Financial Services Limited—On April 19, 2006, EGL entered into a Co-Operation Agreement with Braveheart Financial Services Limited, a private company limited by shares incorporated in England, which provides for a business referral arrangement. Braveheart was organized to provide corporate finance and private equity advisory services, and has applied for applicable regulatory approvals. The arrangement under the Co-Operation Agreement is intended to generate incremental fee income for each of Evercore and Braveheart through mutual business referrals for financial advisory work and the sourcing and execution of private equity fundraising and investment opportunities. Pursuant to the Co-Operation Agreement, Braveheart will refer matters in North America to Evercore and Evercore will refer matters in Europe, the Middle East or Africa to Braveheart. Each of the parties is obligated to pay fees to the other party for services provided under the Co-Operation Agreement. On July 20, 2006, EGL paid Braveheart a retainer fee in the amount of $900,000. The Co-Operation Agreement may be terminated by either party at any time on or after December 31, 2007 and will also terminate upon consummation of our pending acquisition of Braveheart as described below.

Sale and Purchase Agreement with Braveheart Financial Services—On July 31, 2006, the Company entered into a sale and purchase agreement to acquire Braveheart Financial Services Limited, an English company which provides corporate finance and private equity advisory services in Europe with whom the Company already has a Cooperation Agreement. The acquisition will help the Company to expand its business into Europe. In exchange for 100% of the outstanding share capital stock of Braveheart, the Company would pay, subject to the terms and conditions of the sale and purchase agreement, initial consideration, deferred consideration and earn-out consideration, each of which is subject to reduction in the event that the value of Braveheart on the date of the sale and purchase agreement declines prior to the date on which such consideration is payable. Initial consideration will be comprised of 1,181,213 shares of Class A common stock. Deferred consideration, payable not later than the seventh anniversary of the closing, will be comprised of additional

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NOTES TO COMBINED FINANCIAL STATEMENTS—(Continued)

Three Months Ended March 31, 2005 and 2006
(Unaudited)
(dollars in thousands unless otherwise noted)

shares of Class A common stock of not less than 50% and not more than 100% of the number of shares of Class A common stock issued as initial consideration, which percentage shall be determined by the Company based on the success of Braveheart's business over the period from the consummation of the acquisition to the date of issuance of these shares. The Braveheart shareholders are also eligible to receive earn-out consideration based on gross revenues generated by the financial advisory business carried on by the Company and Braveheart in Europe. The maximum aggregate amount of earn-out consideration issuable to the Braveheart shareholders, collectively, is $3,000,000. Any earn-out consideration payable to the Braveheart shareholders will be paid in the form of loan notes due 2010 which bear interest at LIBOR plus 1% per annum and which are redeemable by the holder at any time after the date which is six months after the date of issuance. The Braveheart acquisition is subject to a number of conditions, including the closing of this offering, the absence of any breach of law and the receipt of the approval of the change of control of Braveheart from the U.K. Financial Services Authority. If the relevant U.K. tax authority determines that any portion of the consideration to be issued to the Braveheart shareholders under the sale and purchase agreement is taxable as employment income, we may be required to pay to the U.K. tax authority certain employer-related taxes, which under current U.K. tax laws would equal 12.8% of the value of any such consideration deemed to be taxable as employment income.

Potential Initial Public Offering—The Company is contemplating an initial public offering of common equity. If an initial public offering by the Company does occur, the Company also plans to consummate a number of internal reorganization transactions to transition the Company to a corporate structure form.

Potential Acquisition—On May 12, 2006, the Company executed an agreement to acquire all of the outstanding capital stock of Protego Asesores S.A. de C.V., a foreign investment bank based in Mexico, in exchange for total consideration that is still under negotiation. The transaction would be consummated prior to the potential initial public offering referred to above.

Line of Credit—On June 22, 2006, the Company drew down an additional $5.0 million at an effective interest rate of 7.48% under its Line of Credit described above in Note 9.

Operating Lease—The Company expects to enter into a lease for an additional nine thousand square feet of office space at 237 Park Avenue in New York City. The term of the lease expires on June 30, 2007. The Company expects to sublease an additional 124,000 square feet of office space at our principal executive offices at 55 East 52nd Street, New York, New York. The Company's rental payment obligations under the sublease are as follows: $9.5 million per year for years one through five of the sublease term; $10.2 million per year for years six through ten of the sublease term; $10.8 million per year for years 11 through 15 of the sublease term; and $11.4 million per year for year 16 through the expiration of the sublease term. The Company intends, however, to sublease a portion of this additional space for a term of only three to five years. In connection with the execution of the sublease, the Company expects to deliver a security deposit in the form of a letter of credit in the amount of $4.8 million. The Company intends to take possession of this additional space between February 1, 2007 and April 30, 2007. The term of the sublease expires on April 29, 2023.

Tax Distribution—The Company made a tax distribution to its partners on June 13, 2006 totaling $10,389.

Evercore Asset Management—On June 8, 2006, the Company invested an additional $1,000 in an investment portfolio managed by EAM and $1,000 in a separate fund product also managed by EAM.

Investments—Through July 31, 2006, the Company made investments in the Private Equity funds totaling $3,189.

INDEPENDENT AUDITORS' REPORT

Mexico City, March 31, 2006

To the Stockholders of
Protego Asesores, S. A. de C. V.

We have audited the accompanying combined and consolidated balance sheets of Protego Asesores, S. A. de C. V., its subsidiaries and Protego SI, S.C. as of December 31, 2004 and 2005, and the related combined and consolidated statements of income, of changes in stockholders' equity, and of cash flows for each of the three years ended December 31, 2005. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the combined and consolidated financial statements referred to above present fairly, in all material respects, the financial position of Protego Asesores, S. A. de C. V., subsidiaries and Protego SI, S.C. as of December 31, 2004 and 2005, and the results of their operations, the changes in their stockholders' equity and their cash flows for the three years ended December 31, 2005, in conformity with accounting principles generally accepted in the United States of America.

/s/ PricewaterhouseCoopers
PricewaterhouseCoopers

PROTEGO ASESORES, S.A. DE C.V., SUBSIDIARIES AND PROTEGO SI, S.C.

COMBINED AND CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

($ in thousands)

	December 31, 2004	December 31, 2005
ASSETS		
CURRENT ASSETS:		
Cash and Cash Equivalents	$ 492	$4,247
Clients Accounts Receivable	814	1,147
Other Receivables	136	128
Recoverable Taxes	623	500
Reimbursable Deposit	222	—
Total Current Assets	2,287	6,022
Furniture, Equipment and Leasehold Improvements	903	1,053
Long-Term Investment	738	1,350
Guaranty Deposits	48	49
Other Long-Term Assets	—	635
TOTAL ASSETS	$3,976	$9,109
LIABILITIES, MINORITY INTEREST AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts Payable and Accrued Liabilities	$ 392	$ 638
Bonus Payable	261	273
Income Tax Payable	764	837
Value Added Tax	198	92
Taxes Payable (withholding taxes)	216	299
Other Taxes	49	71
Total Current Liabilities	1,880	2,210
TOTAL LIABILITIES	1,880	2,210
Minority Interest	—	1,279
Commitment and Contingencies	—	—
STOCKHOLDERS' EQUITY:		
Capital Stock (fixed)	8	8
Retained Earnings	1,917	5,299
Accumulated Other Comprehensive Income—Currency translation adjustment	171	313
TOTAL STOCKHOLDERS' EQUITY	2,096	5,620
TOTAL LIABILITIES, MINORITY INTEREST AND STOCKHOLDERS' EQUITY	$3,976	$9,109

See accompanying notes to combined and consolidated financial statements.

PROTEGO ASESORES, S.A. DE C.V., SUBSIDIARIES AND PROTEGO SI, S.C.

COMBINED AND CONSOLIDATED STATEMENTS OF INCOME
($ in thousands)

	Year ended December 31,		
	2003	2004	2005
REVENUES			
Advisory	$9,083	$12,229	$16,388
Investment Management	—	670	2,855
Net Financial Gain (Loss)	68	(50)	278
Total Revenues	9,151	12,849	19,521
EXPENSES			
Compensation and Benefits	5,161	5,700	8,347
Occupancy and Equipment Rental	751	519	571
Professional Fees	1,063	2,400	3,742
Travel and Related Expenses	417	475	578
Communications and Information Services	216	212	400
Depreciation and Amortization	295	272	360
Other Operating Expenses	172	178	1,371
Total Operating Expenses	8,075	9,756	15,369
OPERATING INCOME	1,076	3,093	4,152
INCOME TAX			
Current	47	1,025	1,969
Deferred	49	9	—
TOTAL INCOME TAX	96	1,034	1,969
Minority Interest	—	—	(1,199)
NET INCOME	$ 980	$ 2,059	$ 3,382

See accompanying notes to combined and consolidated financial statements.

PROTEGO ASESORES, S.A. DE C.V., SUBSIDIARIES AND PROTEGO SI, S.C.

COMBINED AND CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
($ in thousands)

	Capital stock	Accumulated other comprehensive income (loss)	(Deficit) retained earnings	Total
Balances as of January 1, 2003	$ 3,642	$ (158)	$(1,122)	$ 2,362
Capital Stock Reduction	(1,687)	—	—	(1,687)
Currency Translation Adjustment	—	54	—	54
Net Income for the Year	—	—	980	980
Balances at December 31, 2003	1,955	(104)	(142)	1,709
Capital Stock Reduction	(1,947)	—	—	(1,947)
Currency Translation Adjustment	—	275	—	275
Net Income for the Year	—	—	2,059	2,059
Balances at December 31, 2004	8	171	1,917	2,096
Currency Translation Adjustment	—	142	—	142
Net Income for the Year	—	—	3,382	3,382
Balances at December 31, 2005	$ 8	$ 313	$ 5,299	$ 5,620

See accompanying notes to combined and consolidated financial statements.

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PROTEGO ASESORES, S.A. DE C.V., SUBSIDIARIES AND PROTEGO SI, S.C.

COMBINED AND CONSOLIDATED STATEMENTS OF CASH FLOWS
($ in thousands)

	Year ended December 31,		
	2003	2004	2005
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Income for the Year	$ 980	$ 2,059	$ 3,382
Adjustments to Reconcile, Net Income to Net Cash From Operating Activities:			
Depreciation and Amortization	295	272	361
Deferred Income Tax	49	9	
Minority Interest	—	—	1,279
Net Change in Working Capital, Excluding Cash and Cash Equivalent	209	52	(295)
Net Cash Provided by Operating Activities	1,533	2,392	4,727
INVESTING ACTIVITIES			
Long-Term Investments	(112)	(627)	(612)
Purchase of Furniture and Equipment	(263)	(592)	(433)
Net Cash Used in Investing Activities	(375)	(1,219)	(1,045)
FINANCING ACTIVITIES			
Capital Stock Reduction	(1,379)	(1,640)	—
Net Cash Used in Financing Activities	(1,379)	(1,640)	—
EFFECT OF EXCHANGE RATE ON CASH	(91)	72	73
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(312)	(395)	3,755
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,199	887	492
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 887	$ 492	$ 4,247
ADDITIONAL DISCLOSURE OF CASH FLOWS INFORMATION:			
Taxes Paid:	$ 196	$ 391	$ 1,922

See accompanying notes to combined and consolidated financial statements.

PROTEGO ASESORES, S.A. DE C.V., SUBSIDIARIES AND PROTEGO SI, S.C.

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2003, 2004 AND 2005
($ in thousands)

NOTE 1—HISTORY AND OPERATIONS OF THE COMPANY:

Protego Asesores, S. A. de C. V. (Asesores) was incorporated on April 2, 2001 under Mexican laws.

The accompanying combined and consolidated financial statements include those of Asesores, its subsidiaries and Protego SI, S. C. ("PSI") an associated Company. PSI'S financial statements are combined because it is under common control of the shareholders of Asesores.

As of December 31, 2005, the Company's main activities are divided as follows:

a. Financial Advisory, which includes mergers, acquisitions, energy project finance, sub-national public finance and infrastructure, real estate financial advisory and restructurings.

b. Private equity investment management which includes a joint venture with Discovery Capital Partners LLC in a private equity funds denominated Discovery Americas I (DAI).

c. On January 6, 2005 the Company contributed $2,619 (representing 51% of the capital stock) to a newly formed Company named Protego Casa de Bolsa, S. A. de C. V. that focuses on investing for institutional investors and high net worth individuals. Protego Casa de Bolsa's main activities include, among others, to provide clients with investment and risk management advice, trade execution and custody services for client assets. On March 3, 2005 the National Banking and Securities Commission in Mexico authorized the commencement of operations of the new Brokerage House effective March 14, 2005.

Following are Asesores' principal subsidiaries, which Asesores effectively controls and substantially wholly owns:

Company	Shares (%)	Main activities	Date of incorporation
Protego Administradores, S. A. de C. V.	99.97	Administrative Services	April 2001
Sedna, S. de R. L.	99.99	Advisory Services	August 2003
BD Protego, S. A. de C. V.	99.80	Advisory Services	May 2003
Protego PE, S. A. de C. V.	99.98	Investment Company	November 2003
Protego Servicios, S. C.	99.98	Advisory Services	October 2003
Protego Casa de Bolsa, S. A. de C. V.	51.00	Brokerage House	January 2005
Protego CB Servicios, S. C.	51.00	Advisory Services	June 2005

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The accompanying financial statements have been prepared in accordance with United States generally accepted accounting principles (U.S. GAAP), as follows:

a. The combined and consolidated financial statements include the accounts of Asesores, its subsidiaries and PSI. All significant inter-company balances and transactions between the consolidated companies have been eliminated in consolidation. The consolidation was carried out on the basis of audited financial statements of all subsidiaries. The combination was carried out in a similar way, eliminating balances and transactions between Asesores, its subsidiaries and PSI.

b. The Company is incorporated and operates in Mexico, and therefore keeps its accounts and records and prepares its statutory financial statements in Spanish and in Mexican pesos. The accompanying financial statements, as well as these notes, have been translated into English and U.S. dollars and adjusted to conform to U.S. GAAP. For the purpose of translation, and in accordance with U.S. GAAP, the Mexican peso is considered the functional currency and this translation to US Dollar is accounted for as disclosed in Note 2q.

c. Preparation of the financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. These estimates include but are not limited to the useful lives for depreciation and amortization, allowances for doubtful accounts receivable, estimates of future cash flows associated with asset impairments or investments and loss contingencies. The estimates and assumptions used are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results could differ materially from those estimates.

d. The carrying amount of cash and equivalents approximates fair value. The Company considers all highly-liquid securities, including certificates of deposit with maturities of three months or less to be cash equivalents.

e. Accounts receivable comprise uncollected amounts for financial advisory services, merger and acquisition and consulting services arising from projects for different clients and are presented net from the allowance for doubtful accounts. Management of the Company derives the estimate for the allowance for doubtful accounts by utilizing past client transaction history and the assessment of the client's creditworthiness, and has determined that an allowance for doubtful accounts was required as of December 31, 2004 and 2005.

The Company has main contracts with state and local governments. Advising state and local governments represents the 30% (13% in 2003, 15% in 2004 and 48% in 2005) of Asesores's advisory revenue of the last three years.

f. The fair value of financial assets and liabilities, consisting of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities are considered to approximate their recorded values and they are short-term in nature.

g. The Company has earned certain value added tax (VAT) credits that are expected to be recovered within one year. These credits arise from goods and services acquired by the Company and are recovered by allocating them against VAT payable on services provided by the Company.

h. The accompanying balance sheet for 2004 includes the reimbursable deposit paid to Nacional Financiera S.N.C. (a government-owned bank) as a guarantee for the grant of the Brokerage House license. This deposit was reimbursed on June 27, 2005.

i. Furniture equipment and leasehold improvements are stated at cost, net of accumulated depreciation and amortization. Furniture and equipment are depreciated using the straight-line method over the estimated useful lives of the assets, ranging from three to ten years. Leasehold improvements are amortized over the shorter of the term of the lease or the useful life of the asset.

Upon retirement or disposition of assets, the cost and related accumulated depreciation or amortization are removed from the accounts and the resulting gain or loss, if any, is recognized as a gain or loss on disposition of assets in other operating income or expense. Expenditures for maintenance and repairs are expensed as incurred.

PROTEGO ASESORES, S.A. DE C.V., SUBSIDIARIES AND PROTEGO SI, S.C.

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

DECEMBER 31, 2003, 2004 AND 2005
($ in thousands)

j. The Company's long-term investment consists of an investment in a private equity fund (Discovery Americas I) ("Private Equity Fund") that is carried at cost. The Private Equity Fund consists primary of investments in non-marketable securities of portfolio companies. Since there is no quoted market prices, the underlying investments held by the Private Equity Fund are valued based on estimated fair value. The fair value of the Private Equity Fund's investment in non-marketable securities is ultimately determined by the Private Equity Fund general partner. The determination of fair value of non-marketable securities considers a range of factors, included but not limited to market conditions, operating performance (current and projected) and subsequent financing transactions. Due to the inherent uncertainty in the valuation of these non-marketable securities, estimated fair values may materially differ from the values that would have been used had market already existed for these investments. Fair value of this investment as of December 31, 2005 represents the cost.

k. Compensation and benefits include salaries, bonuses, severance, and employee benefits and excludes any payments made to stockholders. Bonuses are accrued over the service period to which they relate.

l. Income taxes are accounted for under the asset-liability method as prescribed by SFAS No. 109, "Accounting for Income Taxes." Deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases as well as any net operating loss or credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

m. Minority interest recorded on the combined and consolidated financial statements relates to the minority interest of an unrelated third party (see Note 6) in Protego Casa de Bolsa S. A. de C. V. As a result, the Company includes in its financial statements minority interest of approximately 49%.

n. The Company currently manages and evaluates its operation as one operating segment.

o. The Company currently recognizes revenue when it has: (i) an arrangement; (ii) services have been provided to clients, and (iii) collectibility is reasonably assured. In addition to the aforementioned general policy, the following are the specific revenue recognition policies for each major category of revenue:

Advisory revenues are derived from financial advisory services and are recorded when services are rendered considering the terms and conditions of agreements with clients. There are three sources of Advisory revenue: (i) advisory fees; (ii) retainer fees, and (iii) success fees.

Advisory fees are charged for consulting and research services that are not related to a specific transaction. Both retainer fees and success fees are related to a specific transaction. Retainer fees, which are not subject to refund, are recognized as earned and success fees are recognized only after the transaction giving rise to the success has occurred and collection is reasonably assured.

The Company's private equity investing business manages and invests capital on behalf of third parties. Revenues are generated from: (i) fees earned for the management of the funds; (ii) incentive fees earned when certain financial returns are achieved, and (iii) gains or losses on investments of the Company's own capital in the fund. Management fees earned from Company's investing activities are recognized ratably over the period of related service. Incentive fees are recognized at the time the fund sells an investment, or when there is any dividend on the fund's investments. Revenues on investments in investing funds are recognized based on the allocable share of realized and unrealized gains (or losses) reported by such investments.

p. Comprehensive income consists of net income and other comprehensive income. Other comprehensive income refers to revenues, expenses, gains and losses that are included in accumulated other comprehensive income as a separate component of stockholders' equity but are excluded from net income. The Company's other comprehensive income is comprised of a currency translation adjustment.

q. Transactions in foreign currency (e.g. U.S. dollars) are recorded in local currency (Mexican pesos) at the rates of exchange in effect on the dates transactions are entered into. Assets and liabilities in foreign currency are recorded in local currency at the exchange rates in effect at the date of the financial statements and average exchange rates during the corresponding periods for revenues, expenses and cash flows. Differences due to fluctuations in exchange rates between the dates on which transactions are entered into and those on which they are settled, or the balance sheet date, are applied to income.

r. Recent Accounting Pronouncements

In December 2004, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 153, "Exchanges of Nonmonetary Assets" (An amendment to APB Opinion No. 29) (SFAS 153). This statement addresses the measurement of nonmonetary exchanges of similar productive assets in paragraph 21(b) of APB Opinion No. 29, "Accounting for Nonmonetary Transactions," and replaces it with an exception for exchanges that do not have commercial substance. This statement specifies that a monetary exchange has commercial substance if the future cash flows of the entity are expected to change significantly as a result of the exchange. The provisions of this statement shall be effective for nonmonetary asset exchanges occurring in fiscal periods beginning after June 15, 2005. Earlier application is permitted. We are currently evaluating the potential impact of this statement.

In May 2005, the FASB issued SFAS No. 154, "Accounting Changes and Error Corrections, a replacement of APB 20 and FASB Statement No. 3" ("SFAS 154"). Previously, APB 20, "Accounting Changes" and SFAS No. 3, "Reporting Accounting Changes in Interim Financial Statements" required the inclusion of the cumulative effect of changes in accounting principle in net income of the period of the change. SFAS 154 requires companies to recognize changes in accounting principle, including changes required by a new accounting pronouncement when the pronouncement does not include specific transition provisions, retroactively to prior period financial statements. SFAS 154 will be effective for accounting changes and corrections of errors made in fiscal years beginning after December 15, 2005. SFAS 154 does not change the transition provisions of any existing accounting pronouncements, including those that are in a transition phase as of the effective date of SFAS 154. The Company will assess the impact of a retroactive application of a change in accounting principle in accordance with SFAS 154 if the need for such a change arises after the effective date of January 1, 2006.

In November 2005, the FASB issued Staff Position No. 115-1, "The Meaning of Other Than Temporary Impairment and its Application to Certain Investments" ("FSP 115-1"). FSP 115-1 provides accounting guidance for determining and measuring other-than-temporary impairments of debt and equity securities, and confirms the disclosure for investments in unrealized loss positions as outlined in EITF 03-01, "The Meaning of Other-Than-Temporary Impairments and its Application to Certain Investments". The accounting requirements are effective for us on January 1, 2006. We are currently evaluating the potential impact of this statement.

PROTEGO ASESORES, S.A. DE C.V., SUBSIDIARIES AND PROTEGO SI, S.C.

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

DECEMBER 31, 2003, 2004 AND 2005
($ in thousands)

NOTE 3—ANALYSIS OF ACCOUNTS RECEIVABLE FROM CLIENTS:

The Company had the following balances with clients:

	December 31,	
	2004	2005
Accounts Receivable with Clients	$840	$1,238
Allowance for Doubtful Accounts	(26)	(91)
Clients—Net of Allowance for Doubtful Accounts	$814	$1,147

All the above-mentioned accounts receivable are current and were generated in the ordinary course of business.

NOTE 4—FURNITURE, EQUIPMENT AND LEASEHOLD IMPROVEMENTS:

These assets comprise the following:

	December 31,		Annual depreciation rate (%)
	2004	2005	
Office Furniture and Equipment	$ 222	$ 248	10
Computer Equipment	722	1,106	30
Transportation Equipment	209	182	25
Leasehold Improvements	375	379	33
	1,528	1,915	
Accumulated Depreciation and Amortization	(625)	(862)	
Total	$ 903	$1,053	

The depreciation and amortization for the year were as follows:

	Year ended December 31,		
	2003	2004	2005
Depreciation Expenses	$ 155	$ 165	$ 233
Amortization Expenses	$ 140	$ 107	$ 128

NOTE 5—LONG-TERM INVESTMENT AND COMMITMENT:

In 2003, Asesores launched a private equity fund jointly with Discovery Capital Management, L.P. The fund, called Discovery Americas I, L.P. (DAI), has $65,325 in capital commitments, and seeks investment opportunities in Mexico in several sectors, including housing, healthcare, retail, consumer finance, and transportation.

Protego PE, S. A. de C. V. is the vehicle used to fund the capital commitment of Asesores in DAI. Protego PE’s total capital commitment is $2,250, equivalent to 3.44% of the total capital committed to DAI from all sources. As of December 31, 2004 and 2005, the funded portion of this commitment amounted to $738 and $1,337 respectively.

PROTEGO ASESORES, S.A. DE C.V., SUBSIDIARIES AND PROTEGO SI, S.C.

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

DECEMBER 31, 2003, 2004 AND 2005
($ in thousands)

In addition, Protego PE has a capital commitment in a parallel fund called Discovery Americas Parallel Fund I, L.P. ("DAPFI") equivalent to 1.0% of the total capital committed to DAPFI. The parallel fund has $3,030 in capital commitments and seeks investment opportunities exclusively in the housing sector. As of December 31, 2005, the funded portion of PE's commitment amounted to $13.

As of December 31, 2005, the portfolio of investments in the Private Equity Fund were comprised of holdings in the real estate and transportation sectors.

NOTE 6—OTHER LONG-TERM ASSETS:

The caption of other long-term assets represents the interest of the Company in the Protego Casa de Bolsa, S. A. de C. V. trust ("PCB Trust") a stock-based incentive program for some PCG executives. The PCB Trust is an agreement among the founder of the trust (Asesores), the trustee (a bank) and the beneficiaries of the trust (executives).

The trust establishes that executives will pay for this stock-based incentive plan once certain conditions of profitability are obtained.

NOTE 7—STOCKHOLDERS' EQUITY:

The Company has issued two series of shares: A and B shares. Both series have the same voting and economic rights. The difference between them is that Series A shares are not redeemable, whereas Series B shares are.

At the Ordinary Meeting of General Stockholders held on January 12, and July 17, 2003, stockholders agreed to reduce the value of Series B shares and to redeem 165,933 Series B Shares. After the above-mentioned events, the capital stock of Asesores at December 31, 2003 was composed as follows:

Description	Shares	Amount
Series "A"	700	$ 7
Series "B"	184,067	1,947
	184,767	$ 1,954

As of December 31, 2003, the capital stock of PSI was $0.5.

At the Ordinary Meeting of General Stockholders held on March 26, 2005 and June 15, 2004, stockholders agreed to reduce the value of Series B shares and later to cancel all series B shares.

After the above-mentioned events, the capital stock of Asesores as of December 31, 2005 was composed as follows:

Description	Shares	Amount
Series "A"	700	$ 7

PROTEGO ASESORES, S.A. DE C.V., SUBSIDIARIES AND PROTEGO SI, S.C.

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

DECEMBER 31, 2003, 2004 AND 2005
($ in thousands)

As of December 31, 2005, the capital stock of PSI was $0.9.

Asesores net income for the period is subject to the legal provision requiring at least 5% of the profit for each year to be set aside to increase the legal reserve until it reaches an amount equivalent to 20% of the paid-in capital stock. At December 31, 2005 no reserve was segregated.

Dividends paid are not subject to income tax if paid from the Net Tax Profit Account. Any dividends paid in excess of this account are subject to a tax equivalent to 40.84% or 38.91% depending on whether to be paid in 2006 or 2007, respectively. The tax is payable by the Company and may be credited against its income tax in the same year or in the following two years. Dividends paid by the Company from previously taxed profits are not subject to tax withholding or additional tax payment. The Company did not pay dividends in the last five years.

In the event of a capital reduction, the excess of stockholders' equity over capital contributions, the latter restated in accordance with the provisions of the Income Tax Law, is accorded the same tax treatment as dividends.

NOTE 8—INCOME TAX AND ASSET TAX:

Asesores and its subsidiaries do not consolidate for tax purposes. In 2003, 2004 and 2005 Asesores determined tax profits of $150, $2,890 and $6,223, respectively. Tax profits differ from accounting profits due to temporary and permanent differences, the latter mainly arising from recognition of the effects of inflation on different bases, and to non-deductible expenses.

The income tax provision was composed as follows:

	Year ended December 31, 2004	Year ended December 31, 2005
Current	$1,025	$1,969
Deferred	9	—
Total Provision (Benefit)	$1,034	$1,969

As a result of the changes to the Income Tax Law approved on November 13, 2004, the income tax rates will be of 29% and 28% in 2006 and 2007, respectively.

For the year 2004, there were no temporary differences on which deferred tax should be recognized. For the year 2005, the Company generated a tax loss carryforward due to losses at its Brokerage House subsidiary. The resulting asset has been fully off-set by a valuation allowance:

	December 31, 2005
Tax Losses from Operations of the Brokerage House	$ 2,150
Applicable Income Tax Rate	29%
Deferred Income Tax Asset	623
Allowance for Valuation of Tax Losses	(623)
	$ —

PROTEGO ASESORES, S.A. DE C.V., SUBSIDIARIES AND PROTEGO SI, S.C.

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

DECEMBER 31, 2003, 2004 AND 2005
($ in thousands)

The reconciliation between the statutory and effective tax rate is shown below:

	Year ended December 31, 2004	Year ended December 31, 2005
Statutory Federal Tax Rate	33.0%	30.0%
Plus (less) effect of the following permanent differences:		
Taxable Income	0.6%	5.6%
Inflation Adjustments	(2.9%)	(3.0%)
Nondeductible Expenses	2.7%	14.8%
Effective Tax Rate	33.4%	47.4%

Asset tax is calculated at 1.8% of the net value of certain assets and liabilities, and is payable only when it exceeds the income tax payable. The asset tax does not apply to a new business in the first two years of its operations.

NOTE 9—COMMITMENTS:

The Company leases certain office space. Future annual minimum lease payments under all non-cancelable operating leases are $185 and $58 in 2006 and 2007, respectively.

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PROTEGO ASESORES, S. A. DE C. V. SUBSIDIARIES AND PROTEGO SI, S. C.

COMBINED AND CONSOLIDATED STATEMENT OF FINANCIAL CONDITION
($ in thousands)

	March 31, 2006 (unaudited)	Pro Forma March 31, 2006 (unaudited)
ASSETS		
CURRENT ASSETS:		
Cash and Cash Equivalents	$ 4,082	$ 454
Clients Accounts Receivable	1,327	1,327
Other Receivables	318	318
Receivable from Uncombined Affiliates	3	3
Recoverable Taxes	394	394
Total Current Assets	6,124	2,496
Furniture, Equipment and Leasehold Improvements	1,080	1,080
Long-Term Investment	1,322	1,322
Guaranty Deposits	23	23
Other Long-Term Assets	623	623
TOTAL ASSETS	$ 9,172	$ 5,544
LIABILITIES, MINORITY INTEREST AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts Payable and Accrued Liabilities	$ 626	$ 626
Bonus Payable	529	529
Income Tax Payable	129	129
Value Added Tax	218	218
Taxes Payable (withholding taxes)	153	153
Other Taxes	112	112
Total Current Liabilities	1,767	1,767
TOTAL LIABILITIES	1,767	1,767
Minority Interest	1,633	1,633
Commitment and Contingencies	—	—
STOCKHOLDERS' EQUITY:		
Capital Stock (fixed)	8	8
Retained Earnings	5,545	1,917
Currency Translation Adjustment	219	219
TOTAL STOCKHOLDERS' EQUITY	5,772	2,144
TOTAL LIABILITIES, MINORITY INTEREST AND STOCKHOLDERS' EQUITY	$ 9,172	$ 5,544

See accompanying condensed notes to combined and consolidated financial data.

PROTEGO ASESORES, S. A. DE C. V. SUBSIDIARIES AND PROTEGO SI, S. C.

COMBINED AND CONSOLIDATED STATEMENTS OF INCOME

($ in thousands)

	Three Months Ended March 31, 2005	Three Months Ended March 31, 2006
	(unaudited)	
REVENUES		
Advisory	$ 8,318	$ 2,289
Investment Management	562	789
Net Financial Gain	20	163
Total Revenues	8,900	3,241
EXPENSES		
Compensation and Benefits	3,323	1,579
Occupancy and Equipment Rental	109	134
Professional Fees	402	622
Travel and Related Expenses	102	142
Communications and Information Services	63	112
Depreciation and Amortization	51	118
Other Operating Expenses	508	244
Total Operating Expenses	4,558	2,951
OPERATING INCOME	4,342	290
INCOME TAX		
Current	1,787	236
Deferred		
TOTAL INCOME TAX	1,787	236
Minority Interest	(442)	(192)
NET INCOME	$ 2,997	$ 246

See accompanying condensed notes to combined and consolidated financial data.

PROTEGO ASESORES, S. A. DE C. V. SUBSIDIARIES AND PROTEGO SI, S. C.

COMBINED AND CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
($ in thousands)

	Capital stock	Retained earnings	Currency translation adjustment	Total
Balances at January 1, 2006 (unaudited)	$ 8	$ 5,299	$ 313	$5,620
Currency Translation Adjustment (unaudited)			(94)	(94)
Net Income for the Period of Three Months (unaudited)		246		246
Balances at March 31, 2006 (unaudited)	$ 8	$ 5,545	$ 219	$5,772

See accompanying condensed notes to combined and consolidated financial data.

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PROTEGO ASESORES, S. A. DE C. V. SUBSIDIARIES AND PROTEGO SI, S. C.

COMBINED AND CONSOLIDATED STATEMENTS OF CASH FLOWS

($ in thousands)

	Three Months Ended March 31, 2005	2006
	(unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income for the Period	$ 2,997	$ 246
Adjustments to Reconcile, Net Income to Net Cash from Operating Activities:		
Depreciation and Amortization	51	118
Minority Interest	1,959	391
Net Change in Working Capital, Excluding Cash and Cash Equivalent	2,122	(698)
Net Cash Provided by Operating Activities	7,129	57
INVESTING ACTIVITIES		
Long-Term Investments	19	2
Purchase of Furniture and Equipment	(125)	(148)
Net Cash Used in Investing Activities	(106)	(146)
EFFECT OF EXCHANGE RATE ON CASH	(36)	(76)
DECREASE IN CASH AND CASH EQUIVALENTS	6,987	(165)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	492	4,247
CASH AND CASH EQUIVALENTS AT END OF PERIOD	7,479	4,082
ADDITIONAL DISCLOSURE OF CASH FLOWS INFORMATION:		
Taxes Paid:	$ 852	$ 1,042

See accompanying condensed notes to combined and consolidated financial data.

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PROTEGO ASESORES, S. A. DE C. V. SUBSIDIARIES AND PROTEGO SI, S. C.

NOTES TO THE UNAUDITED COMBINED AND CONSOLIDATED DATA

THREE MONTHS ENDED MARCH 31, 2005 AND 2006
($ in thousands)

NOTE 1—PURPOSE AND BASIS OF PREPARATION OF THESE FINANCIAL DATA:

The accompanying unaudited interim financial data have been prepared by Protego Asesores, S. A. de C. V., subsidiaries and Protego SI, S. C. ("the Company" or "Asesores") without audit. In the opinion of the management of the Company, they contain all adjustments (consisting of normal recurring accruals) necessary to present fairly the financial position as of March 31, 2006 and 2005, and the results of operations for the three-month periods ended March 31, 2006 and 2005. The results of operations for the three-month period ended March 31, 2006 are not necessarily indicative of the results to be expected for the full year.

The unaudited financial statements do not include all disclosures required for our annual accounts: reference should be made and the unaudited financial statements should be read in conjunction with the audited financial statements for the years ended December 31, 2005 and 2004.

NOTE 2—PRO FORMA COMBINED AND CONSOLIDATED STATEMENT OF FINANCIAL CONDITION:

On May 12, 2006, Asesores agreed to combine its business with that of Evercore Partners Inc. Prior to the combination with Evercore Partners Inc., Asesores intends to distribute to the shareholders of Asesores an amount equal to Asesores' net income for the period from January 1, 2005 through the date of the combination. The pro forma combined and consolidated statement of financial condition as of March 31, 2006 gives pro forma effect to this distribution of pre-combination profits in the amount of $3,628, payable in cash, as if the distribution had been effected as of March 31, 2006.

The unaudited pro forma combined and consolidated statement of financial condition is presented for illustrative purposes only and does not purport to represent Asesores' combined and consolidated financial condition had the distribution of pre-combination profits been effected on March 31, 2006 or to project Asesores' combined and consolidated financial condition for any future date.

NOTE 3—OPERATIONS OF THE COMPANY:

The accompanying combined and consolidated financial data include those of Asesores, its subsidiaries and Protego SI, S. C. ("PSI") an associated Company. PSI'S financial statements are combined because it is under common control of the shareholders of Asesores.

As of March 31, 2006, the Company's main activities are divided as follows:

a. Financial Advisory, which includes mergers, acquisitions, energy project finance, sub-national public finance and infrastructure, real estate financial advisory and restructurings.

b. Private equity investment management which includes a joint venture with Discovery Capital Partners LLC in a private equity funds denominated Discovery Americas I (DAI).

c. Investments for institutional investors and high net worth individuals through Protego Casa de Bolsa whose main activities include, among others, to provide clients with investment and risk management advice, trade execution and custody services for client assets.

PROTEGO ASESORES, S. A. DE C. V. SUBSIDIARIES AND PROTEGO SI, S. C.

NOTES TO THE UNAUDITED COMBINED AND CONSOLIDATED DATA—(continued)

THREE MONTHS ENDED MARCH 31, 2005 AND 2006
($ in thousands)

Following are Asesores' principal subsidiaries, which Asesores effectively controls and substantially wholly owns:

Company	Shares (%)	Main Activities
ProtegoAdministradores, S. A. de C. V.	99.97	Administrative Services
Sedna,S. de R. L.	99.99	Advisory Services
BD Protego, S. A. de C. V.	99.80	Advisory Services
Protego PE, S. A. de C. V.	99.98	Investment Company
Protego Servicios, S. C.	99.98	Advisory Services
Protego Casa de Bolsa, S. A. de C. V.	50.70	Brokerage House
Protego CB Servicios, S. C.	51.00	Advisory Services

NOTE 4—COMMITMENTS:

The Company leases certain office space. Future annual minimum lease payments under all non-cancelable operating leases are $174 and $32 in 2006 and 2007, respectively.

NOTE 5—SUBSEQUENT EVENTS:

On May 12, 2006 Asesores agreed to combine its business with that of Evercore Partners, Inc., the leading investment banking in US. Evercore Partners, Inc. provide advisory services to prominent multinational corporations on significant mergers, acquisitions, divestitures, restructurings and other strategic corporate transactions. Evercore Partners, Inc. approaches its advisory business in much the same way as Asesores, by building long-standing relationships and acting as a trusted advisor to company management free from the conflicts that larger institutions may encounter.

Derived from this agreement Asesores has incurred in certain expenses that should be reimbursed once the purpose of the combination is achieved. As of May 31, 2006 these expenses are estimated at $1,036.

Asesores has signed a service agreement with a Senior Managing Director who is leaving the company by the end of June 2006. Once certain conditions are met, this agreement could represent an expense for Protego of up to $2,590 within the next months.

3,950,000 Shares

Class A Common Stock

PROSPECTUS

, 2006

Sole Book-Running Manager

LEHMAN BROTHERS

GOLDMAN, SACHS & CO.

JPMORGAN

KEEFE, BRUYETTE & WOODS

FOX-PITT, KELTON

E*TRADE FINANCIAL

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 13. OTHEREXPENSES OF ISSUANCE AND DISTRIBUTION.

The following table sets forth the expenses payable by the Registrant in connection with the issuance and distribution of the common stock being registered hereby. All of such expenses are estimates, other than the filing and listing fees payable to the Securities and Exchange Commission, the New York Stock Exchange and the National Association of Securities Dealers, Inc.

Filing Fee—Securities and Exchange Commission	$ 9,229
Listing Fee—New York Stock Exchange	150,000
Fee—National Association of Securities Dealers	9,585
Fees and Expenses of Counsel	3,600,000
Printing Expenses	525,000
Fees and Expenses of Accountants	1,700,000
Blue Sky Fees and Expenses	20,000
Transfer Agent Fees and Expenses	30,000
Miscellaneous Expenses	874,540
Total	$ 6,918,354

* To be provided by amendment.

ITEM 14. INDEMNIFICATIONOF DIRECTORS AND OFFICERS.

Section 145 of the General Corporation Law of the State of Delaware (the "DGCL") grants each corporation organized thereunder the power to indemnify any person who is or was a director, officer, employee or agent of a corporation or enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of being or having been in any such capacity, if he acted in good faith in a manner reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action, or proceeding, had no reasonable cause to believe his conduct was unlawful, except that with respect to an action brought by or in the right of the corporation such indemnification is limited to expenses (including attorneys fees). Our amended and restated certificate of incorporation provides that we must indemnify our directors and officers to the fullest extent permitted by Delaware law. We have also entered into indemnification agreements with our director nominees that provide for us to indemnify them to the fullest extent permitted by Delaware law.

Section 102(b)(7) of the DGCL enables a corporation, in its certificate of incorporation or an amendment thereto, to eliminate or limit the personal liability of a director to the corporation or its stockholders for monetary damages for violations of the directors' fiduciary duty, except (i) for any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) pursuant to Section 174 of the DGCL (providing for liability of directors for unlawful payment of dividends or unlawful stock purchases or redemptions) or (iv) for any transaction from which a director derived an improper personal benefit. Our certificate of incorporation provides for such limitations on liability for our directors.

We currently maintain liability insurance for our directors and officers. In connection with this offering, we will obtain additional liability insurance for our directors and officers. Such insurance would be available to our directors and officers in accordance with its terms.

Reference is made to the form of underwriting agreement filed as Exhibit 1.1 hereto for provisions providing that the underwriters are obligated under certain circumstances, to indemnify our directors, officers and controlling persons against certain liabilities under the Securities Act of 1933, as amended.

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ITEM 15. RECENTSALES OF UNREGISTERED SECURITIES.

On May 12, 2006, the Registrant issued 100 shares of the Registrant's Class B common stock, par value $0.01 per share, to Evercore LP for $1.00. The issuance of such shares of Class B common stock to Evercore LP was not registered under the Securities Act of 1933, as amended (the "Securities Act"), because the shares were offered and sold in a transaction exempt from registration under Section 4(2) of the Securities Act.

ITEM 16. EXHIBITSAND FINANCIAL STATEMENT SCHEDULES.

Exhibit Index

1.1	Underwriting Agreement
3.1	Form of Amended and Restated Certificate of Incorporation of the Registrant
3.2	Form of Amended and Restated Bylaws of the Registrant*
5.1	Opinion of Simpson Thacher & Bartlett LLP
10.1	Form of Evercore LP Partnership Agreement*
10.1.1	Supplement to Evercore LP Partnership Agreement
10.2	Form of Tax Receivable Agreement*
10.3	Form of Registration Rights Agreement*
10.4	Contribution and Sale Agreement, dated as of May 12, 2006, among Evercore LP, Evercore Partners Inc., Roger C. Altman, Austin M. Beutner, Pedro Aspe and the Other Parties Named Therein*
10.5	Contribution and Sale Agreement, dated as of May 12, 2006, among Evercore LP, Evercore Partners Inc. and Banco Inbursa, S.A., Institucion de Banca Multiple, Grupo Financiero Inbursa, as Trustee of Inbursa Trust F1338*
10.6	Form of Employment Agreement between the Registrant and Roger C. Altman
10.7	Form of Employment Agreement between the Registrant and Austin M. Beutner
10.8	Form of Employment Agreement between the Registrant and Pedro Aspe
10.9	Employment Agreement between the Registrant and David E. Wezdenko
10.10	Evercore Partners Inc. 2006 Stock Incentive Plan
10.11	Evercore Partners Inc. 2006 Annual Incentive Plan
10.12	Employment Agreement between the Registrant and Adam B. Frankel
10.13	Form of Indemnification Agreement between the Registrant and each of its director nominees
10.14	Evercore Partners II L.L.C. Limited Liability Company Agreement
10.15	Sale and Purchase Agreement among the Shareholders of Braveheart Financial Services Limited and Evercore Partners Inc.
21.1	Subsidiaries of the Registrant
23.1	Consent of Deloitte & Touche LLP
23.2	Consent of PricewaterhouseCoopers, S.C.
23.3	Consent of Simpson Thacher & Bartlett LLP (included as part of Exhibit 5.1)
23.4	Consent of Francois de St. Phalle to be named as a director nominee
23.5	Consent of Gail Block Harris to be named as a director nominee
23.6	Consent of Curt Hessler to be named as a director nominee
23.7	Consent of Anthony N. Pritzker to be named as a director nominee
24.1	Power of Attorney (included on signature pages to this Registration Statement)*
99.1	Form of Voting Agreement between Roger C. Altman and Austin M. Beutner*

* Previously filed.

ITEM 17. UNDERTAKINGS

(a) The undersigned Registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriter to permit prompt delivery to each purchaser.

(b) The undersigned Registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in New York, New York, on the 31st day of July, 2006.

EVERCORE PARTNERS INC.

By: /S/ DAVID E. WEZDENKO
Name: David E. Wezdenko
Title: Chief Financial Officer

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed by the following persons in the capacities indicated on the 31st day of July, 2006.

Signature	Title
* **Roger C. Altman**	Chairman and Co-Chief Executive Officer (principal executive officer)
* **Austin M. Beutner**	Director, President, Co-Chief Executive Officer and Chief Investment Officer (principal executive officer)
/S/ DAVID E. WEZDENKO **David E. Wezdenko**	Chief Financial Officer (principal financial officer)
* **Thomas J. Gavenda**	Controller (principal accounting officer)

*By: /S/ DAVID E. WEZDENKO
Name: David E. Wezdenko
Title: Attorney-in-fact

EXHIBIT 1.1

[______] Shares

EVERCORE PARTNERS INC.

Class A Common Stock

UNDERWRITING AGREEMENT

[______], 2006

LEHMAN BROTHERS INC.
GOLDMAN, SACHS & CO.
J.P. MORGAN SECURITIES INC.
KEEFE, BRUYETTE & WOODS, INC.
FOX-PITT, KELTON INCORPORATED
E*TRADE SECURITIES LLC,

As Representatives of the several
Underwriters named in Schedule 1 attached hereto,
c/o Lehman Brothers Inc.
745 Seventh Avenue
New York, New York 10019

Ladies and Gentlemen:

Evercore Partners Inc., a Delaware corporation (the "**Company**"), proposes to sell [______] shares (the "**Firm Stock**") of the Company's Class A Common Stock, par value $0.01 per share (the "**Class A Common Stock**"). In addition, the Company proposes to grant to the underwriters (the "**Underwriters**") named in Schedule 1 attached to this agreement (this "**Agreement**") an option to purchase up to [______] additional shares of the Class A Common Stock on the terms set forth in Section 2 (the "**Option Stock**"). The Firm Stock and the Option Stock, if purchased, are hereinafter collectively called the "**Stock**." This is to confirm the agreement concerning the purchase of the Stock from the Company by the Underwriters.

Prior to the execution of this Agreement and pursuant to the Contribution and Sale Agreement and the PCB Contribution and Sale Agreement (each, as defined below), (1) the Senior Managing Directors of the Evercore Group (as defined below) have contributed their respective equity interests in certain entities included in the Evercore Group to Evercore LP, a Delaware limited partnership and direct subsidiary of the Company ("**Evercore LP**"), in exchange for [______] of the partnership units (the "**Partnership Units**") of Evercore LP (such contribution of equity interests and issuance of Partnership Units, the "**Formation Transaction**"); and (2) Evercore LP, through one or more wholly owned subsidiaries, has acquired the businesses of Protego Asesores, including Protego Asesores S.A. de C.V. and its subsidiaries, Protego SI, S.C. and a 70% interest in Protego Casa de Bolsa (collectively, the "**Protego Group**"), with the Directors of the Protego Group receiving as aggregate consideration therefor [______] Partnership Units and $7.0 million aggregate principal amount of non-interest bearing notes issued by Evercore LP (such acquisition, the “**Protego Combination**”). Immediately following the consummation of the offering contemplated by this Agreement (the “**Offering Transaction**”), the Company will contribute its net proceeds from this offering to Evercore LP, and Evercore LP will issue to the Company a number of Partnership Units equal to the aggregate number of shares of Class A Common Stock that the Company will issue in connection with the Protego Combination and in the Offering Transaction. In connection with the Offering Transaction, the Company will become the sole general partner of Evercore LP. As used in this Agreement, “**Contribution and Sale Agreement**” means the Contribution and Sale Agreement, dated as of May 12, 2006, among the Company, Evercore LP, Roger C. Altman, Austin M. Beutner, Pedro Aspe and the other parties named therein. As used in this Agreement, “**PCB Contribution and Sale Agreement**” means the Contribution and Sale Agreement, dated as of May 12, 2006, among the Company, Evercore LP and Banco Inbursa, S.A., Institucion de Banca Multiple, Grupo Financiero Inbursa, as Trustee of Inbursa Trust F1338. As used in this Agreement, “**Evercore Group**” means, collectively, the entities that carried out the business of the Company prior to the consummation of the Offering Transaction as described in the Prospectus (as defined below), including, without limitation, Evercore Group Holdings L.P., Evercore Group Holdings L.L.C., Evercore Properties Inc., Evercore Partners Services East, L.L.C., Evercore Group L.L.C., Evercore Advisors Inc. and Evercore GP Holdings L.L.C. and their respective affiliates. As used in this Agreement, the phrase “**Reorganization Transactions**” means, collectively, the Formation Transaction, the Protego Combination and the Offering Transaction.

1. *Representations, Warranties and Agreements of the Company and Evercore LP.* The Company and Evercore LP jointly and severally represent, warrant and agree that:

(a) A registration statement on Form S-1 relating to the Stock has (i) been prepared by the Company in conformity in all material respects with the requirements of the Securities Act of 1933, as amended (the “**Securities Act**”), and the rules and regulations (the “**Rules and Regulations**”) of the Securities and Exchange Commission (the “**Commission**”) thereunder; (ii) been filed with the Commission under the Securities Act; and (iii) become effective under the Securities Act. Copies of such registration statement and any amendment thereto have been delivered by the Company to you as the representatives (the “**Representatives**”) of the Underwriters. As used in this Agreement:

(i) “**Applicable Time**” means [   ] P.M. (New York City time) on the date of this Agreement;

(ii) “**Effective Date**” means the date and time as of which such registration statement, or the most recent post-effective amendment thereto, if any, was declared effective by the Commission;

(iii) “**Issuer Free Writing Prospectus**” means each “free writing prospectus” (as defined in Rule 405 of the Rules and Regulations) prepared by or on behalf of the Company or used or referred to by the Company in connection with the offering of the Stock;

(iv) “**Preliminary Prospectus**” means any preliminary prospectus relating to the Stock included in such registration statement or filed with the Commission pursuant to Rule 424(b) of the Rules and Regulations;

(v) “**Pricing Disclosure Package**” means, as of the Applicable Time, the most recent Preliminary Prospectus, together with each Issuer Free Writing Prospectus filed or used by the Company on or before the Applicable Time, other than a road show that is an Issuer Free Writing Prospectus but is not required to be filed under Rule 433 of the Rules and Regulations;

(vi) “**Prospectus**” means the final prospectus relating to the Stock, as filed with the Commission pursuant to Rule 424(b) of the Rules and Regulations; and

(vii) “**Registration Statement**” means such registration statement, as amended as of the Effective Date, including any Preliminary Prospectus or the Prospectus and all exhibits to such registration statement.

Any reference to the “**most recent Preliminary Prospectus**” shall be deemed to refer to the latest Preliminary Prospectus included in the Registration Statement or filed pursuant to Rule 424(b) prior to or on the date hereof. Any reference herein to the term “**Registration Statement**” shall be deemed to include any abbreviated registration statement to register additional shares of Class A Common Stock under Rule 462(b) of the Rules and Regulations (a “**Rule 462(b) Registration Statement**”). Any reference herein to the “**Company**” shall be deemed to refer (i) with respect to any period prior to the effectiveness of the Formation Transaction, collectively to the Company and each entity included in the Evercore Group, and (ii) with respect to any period following the effectiveness of the Formation Transaction, to the Company and each of its subsidiaries (as defined in Section 17). The Commission has not issued any order preventing or suspending the use of any Preliminary Prospectus or the Prospectus or suspending the effectiveness of the Registration Statement, and no proceeding or examination for such purpose has been instituted or, to the Company’s knowledge, threatened by the Commission.

(b) The Company was not at the time of initial filing of the Registration Statement and at the earliest time thereafter that the Company or another offering participant made a *bona fide* offer (within the meaning of Rule 164(h)(2) of the Rules and Regulations) of the Stock, is not on the date hereof and will not be on the applicable Delivery Date an “ineligible issuer” (as defined in Rule 405).

(c) The Registration Statement conformed in all material respects on the Effective Date, and any amendment to the Registration Statement filed after the date hereof will conform in all material respects when filed, to the requirements of the Securities Act and the Rules and Regulations. The Preliminary Prospectus conformed, and the Prospectus will conform, in all material respects when filed with the Commission pursuant to Rule 424(b) to the requirements of the Securities Act and the Rules and Regulations.

(d) The Registration Statement did not, as of the Effective Date, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; *provided* that no representation or warranty is made as to information contained in or omitted from the Registration Statement in reliance upon and in conformity with written information furnished to the Company through the Representatives by or on behalf of any Underwriter specifically for inclusion therein, which information is specified in Section 8(e).

(e) The Prospectus will not, as of its date and on the applicable Delivery Date, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided* that no representation or warranty is made as to information contained in or omitted from the Prospectus in reliance upon and in conformity with written information furnished to the Company through the Representatives by or on behalf of any Underwriter specifically for inclusion therein, which information is specified in Section 8(e).

(f) The Pricing Disclosure Package, when considered together with the price of the Stock and disclosures directly related thereto included on the cover page of the Prospectus, did not, as of the Applicable Time, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that no representation or warranty is made as to information contained in or omitted from the Pricing Disclosure Package in reliance upon and in conformity with written information furnished to the Company through the Representatives by or on behalf of any Underwriter specifically for inclusion therein, which information is specified in Section 8(e).

(g) Each Issuer Free Writing Prospectus (including, without limitation, any road show that is a free writing prospectus under Rule 433), when considered together with the Pricing Disclosure Package and the price of the Stock and disclosures directly relating thereto included on the cover page of the Prospectus, did not, as of the Applicable Time, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(h) Each Issuer Free Writing Prospectus conformed or will conform in all material respects to the requirements of the Securities Act and the Rules and Regulations on the date of first use, and the Company has complied with all prospectus delivery and any filing requirements applicable to such Issuer Free Writing Prospectus pursuant to the Rules and Regulations. The Company has not made any offer relating to the Stock that would constitute an Issuer Free Writing Prospectus without the prior written consent of the Representatives[, except for [   ]]. The Company has retained in accordance with the Rules and Regulations all Issuer Free Writing Prospectuses that were not required to be filed pursuant to the Rules and Regulations. The Company has taken all action within its power necessary so that any "road show" (as defined in Rule 433 of the Rules and Regulations) in connection with the offering of the Stock will not be required to be filed pursuant to the Rules and Regulations.

(i) Each of the Company and each of its subsidiaries that is a "significant subsidiary" (as defined in Rule 405) (collectively, the "**Significant Subsidiaries**") has been duly organized and is validly existing and in good standing (to the extent such concept exists) as a corporation or other entity under the laws of its jurisdiction of organization and is duly qualified to do business and in good standing as a foreign corporation or other entity (to the extent such concepts exist) in each jurisdiction in which its ownership or lease of property or the conduct of its businesses requires such qualification, except where the failure to be so qualified or in good standing could not, in the aggregate, reasonably be expected to have a material adverse effect on the financial condition, results of operations, stockholders' equity, properties, business or prospects of the Company and its subsidiaries taken as a whole (a "**Material Adverse Effect**"); each of the Company and its subsidiaries has all power and authority necessary to own or hold its properties and to conduct the businesses in which it is engaged. Immediately following the Reorganization Transactions, the Company will not own or control, directly or indirectly, any corporation, association or other entity that is not listed in Exhibit 21 to the Registration Statement other than subsidiaries that in the aggregate would not be considered a Significant Subsidiary.

(j) Following the filing of the Company's amended and restated certificate of incorporation, the form of which has been filed as an exhibit to the Registration Statement (the "**Amended and Restated Certificate of Incorporation**"), with the Secretary of State of the State of Delaware, Evercore Partners Inc. will have an authorized capitalization as set forth in each of the most recent Preliminary Prospectus and the Prospectus, and all of the issued shares of capital stock of Evercore Partners Inc. will have been duly authorized and validly issued, be fully paid and non-assessable, conform to the description thereof contained in each of the most recent Preliminary Prospectus and the Prospectus and be issued in compliance with federal and state securities laws and not in violation of any preemptive right, resale right, right of first refusal or similar right. Except as described in or contemplated by the most recent Preliminary Prospectus, no options, warrants or other rights to purchase or exchange any securities for shares of the Company's capital stock are outstanding. The partnership interests of Evercore LP to be issued to Evercore Partners Inc. in connection with the Offering Transaction will be duly authorized and validly issued and will be owned by Evercore Partners Inc. free and clear of all liens, encumbrances, equities and claims except for such liens, encumbrances, equities or claims as could not, in the aggregate, reasonably be expected to have a Material Adverse Effect. All of the issued shares of capital stock or other equity interests of each subsidiary of Evercore LP owned directly or indirectly by Evercore LP have been duly authorized and validly issued, and, to the extent such concept is applicable, are fully paid and non-assessable and, except as set forth in each of the most recent Preliminary Prospectus and the Prospectus, are owned directly or indirectly by Evercore LP free and clear of all liens, encumbrances, equities or claims, except for [pledges in favor of the lenders under the credit agreement, dated December 30, 2005, among the Company and the several lenders party thereto and] such liens, encumbrances, equities or claims as could not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

(k) Following the filing of the Amended and Restated Certificate of Incorporation with the Secretary of State of the State of Delaware, the shares of the Stock to be issued and sold by the Company to the Underwriters hereunder will have been duly authorized and, upon payment and delivery in accordance with this Agreement, will be validly issued, fully paid and non-assessable, will conform to the description thereof contained in each of the most recent Preliminary Prospectus and the Prospectus, will be issued in compliance with federal and state securities laws and will be free of statutory and contractual preemptive rights, rights of first refusal and similar rights.

(l) The Company has all requisite corporate power and authority to execute, deliver and perform its obligations under this Agreement. Evercore LP has all requisite limited partnership power and authority to execute, deliver and perform its obligations under this Agreement. This Agreement has been duly and validly authorized, executed and delivered by the Company and Evercore LP.

(m) The execution, delivery and performance of this Agreement by the Company and Evercore LP, the consummation of the transactions contemplated hereby and the application of the proceeds from the sale of the Stock as described under “Use of Proceeds” in each of the most recent Preliminary Prospectus and the Prospectus, and the consummation of the Formation Transaction and the Protego Combination, will not (i) conflict with or result in a breach or violation of any of the terms or provisions of, impose any lien, charge or encumbrance upon any property or assets of the Company, Evercore LP and their subsidiaries, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement, license or other agreement or instrument to which the Company, Evercore LP or any of their subsidiaries is a party or by which the Company, Evercore LP or any of their subsidiaries is bound or to which any of the property or assets of the Company, Evercore LP or any of their subsidiaries is subject, except for any such conflict, breach, violation, lien, charge, encumbrance or default that could not, in the aggregate, reasonably be expected to have a Material Adverse Effect; (ii) result in any violation of the provisions of the charter or by-laws (or similar organizational documents) of the Company, Evercore LP or any of their subsidiaries; or (iii) result in any violation of any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company, Evercore LP or any of their subsidiaries or any of their properties or assets.

(n) No consent, approval, authorization or order of, or filing or registration with, any court or governmental agency or body having jurisdiction over the Company, Evercore LP or any of their subsidiaries or any of their properties or assets is required for the execution, delivery and performance of this Agreement by the Company and Evercore LP, the consummation of the transactions contemplated hereby, the application of the proceeds from the sale of the Stock as described under “Use of Proceeds” in each of the most recent Preliminary Prospectus and the Prospectus, and the consummation of the Formation Transaction and the Protego Combination, except for (i) the registration of the Stock under the Securities Act, (ii) such consents, approvals, authorizations, registrations or qualifications as have been obtained and (iii) such consents, approvals, authorizations, registrations or qualifications as may be required under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), and applicable state or foreign securities laws in connection with the purchase and sale of the Stock by the Underwriters.

(o) Except as disclosed in the most recent Preliminary Prospectus, there are no contracts, agreements or understandings between the Company and any person granting such person the right to require the Company to file a registration statement under the Securities Act with respect to any securities of the Company owned or to be owned by such person or to require the Company to include such securities in the securities registered pursuant to the Registration Statement.

(p) The Company has not sold or issued any securities that would be integrated with the offering of the Stock contemplated by this Agreement pursuant to the Securities Act, the Rules and Regulations or the interpretations thereof by the Commission.

(q) Except as disclosed in the most recent Preliminary Prospectus, neither the Company nor any of its subsidiaries has sustained, since the date of the latest audited financial statements included in the most recent Preliminary Prospectus, any loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, and since such date, there has not been any change in the capital stock or long-term debt of the Company or any of its subsidiaries or any adverse change, or any development involving a prospective adverse change, in or affecting the financial condition, results of operations, stockholders' equity, properties, management or business of the Company and its subsidiaries taken as a whole, in each case except as could not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

(r) Since the date as of which information is given in the most recent Preliminary Prospectus, the Company has not (i) incurred any material liability or obligation, direct or contingent, other than liabilities and obligations that were incurred in the ordinary course of business, (ii) except as may otherwise be described in the most recent Preliminary Prospectus, entered into any material transaction not in the ordinary course of business or (iii) declared or paid any dividend on its capital stock.

(s) The historical financial statements (including the related notes) included in the most recent Preliminary Prospectus comply as to form in all material respects with the requirements of Regulation S-X under the Securities Act and present fairly, in all material respects, (i) the financial position of Evercore Partners Inc. as of the date indicated, (ii) the combined financial position and combined results of operations and cash flows of Evercore Holdings (as defined in such financial statements) as of the dates and for the periods indicated and (iii) the financial position of Protego Asesores S.A. de C.V., its subsidiaries and Protego SI, S.C., and the results of operations, the changes in their stockholders' equity and their cash flows as of the dates and for the periods indicated, in each case in conformity with accounting principles generally accepted in the United States.

(t) The pro forma financial statements included in the most recent Preliminary Prospectus include assumptions that provide a reasonable basis for presenting the significant effects directly attributable to the transactions and events described therein, the related pro forma adjustments give appropriate effect to those assumptions, and the pro forma adjustments reflect the proper application of those adjustments to the historical financial statement amounts in the pro forma financial statements included in the most recent Preliminary Prospectus. The pro forma financial statements included in the most recent Preliminary Prospectus comply as to form in all material respects with the applicable requirements of Regulation S-X under the Act.

(u) Deloitte & Touche LLP, who have certified certain financial statements of Evercore Holdings (as defined in such financial statements), whose report appears in the most recent Preliminary Prospectus and who have delivered the initial Deloitte & Touche LLP letter referred to in Section 7(g) hereof, are an independent registered public accounting firm as required by the Securities Act and the Rules and Regulations; and PricewaterhouseCoopers, S.C., who have certified certain financial statements of Protego Asesores, S.A. de C.V., its subsidiaries and Protego SI, S.C., whose report appears in the most recent Preliminary Prospectus and who have delivered the initial PwC letter referred to in Section 7(i) hereof, were independent public accountants as required by the Securities Act and the Rules and Regulations during the periods covered by the financial statements on which they reported contained in the most recent Preliminary Prospectus.

(v) Neither the Company nor any of its subsidiaries own any real property.

(w) The Company and each of its subsidiaries carry, or are covered by, insurance from insurers of recognized financial responsibility in such amounts and covering such risks as the Company believes to be adequate for the conduct of their respective businesses and the value of their respective properties and as is customary for companies engaged in similar businesses in similar industries.

(x) The statistical and market-related data included under the captions “Summary,” “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and “Business” in the most recent Preliminary Prospectus are based on or derived from sources that the Company believes to be reliable and accurate in all material respects.

(y) Except as disclosed in the most recent Preliminary Prospectus, there are no legal, governmental or regulatory proceedings pending to which the Company or any of its subsidiaries is a party or of which any property or assets of the Company or any of its subsidiaries is the subject that could, in the aggregate, reasonably be expected to have a Material Adverse Effect or could, in the aggregate, reasonably be expected to have a material adverse effect on the performance of this Agreement or the consummation of the transactions contemplated hereby; and to the Company’s knowledge, no such proceedings are threatened or contemplated by governmental authorities or others.

(z) There are no legal, governmental or regulatory proceedings or contracts or other documents of a character required to be described in the Registration Statement or the most recent Preliminary Prospectus or, in the case of documents, to be filed as exhibits to the Registration Statement, that are not described and filed as required. Statements made in the most recent Preliminary Prospectus under the captions “Organizational Structure,” “Business,” “Related Party Transactions,” “Shares Eligible for Future Sale,” and “Material U.S. Federal Tax Considerations For Non-U.S. Holders of Class A Common Stock”, insofar as they purport to constitute summaries of the terms of statutes, rules or regulations, legal or governmental proceedings or contracts and other documents, constitute accurate summaries of the terms of such statutes, rules and regulations, legal and governmental proceedings and contracts and other documents in all material respects.

(aa) No relationship, direct or indirect, exists between or among the Company, on the one hand, and the directors, officers, stockholders, customers or suppliers of the Company, on the other hand, that is required to be described in the most recent Preliminary Prospectus or the Prospectus which is not so described.

(bb) Except as described in or contemplated by the most recent Preliminary Prospectus, no labor disturbance by the employees of the Company or its subsidiaries exists or, to the knowledge of the Company, is imminent that could reasonably be expected to have a Material Adverse Effect.

(cc) (i) Each employee benefit plan, within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”), that is maintained, administered or contributed to by the Company or any of its affiliates for employees or former employees of the Company and its affiliates (a “**Plan**”) has been maintained in compliance with its terms and the requirements of any applicable statutes, orders, rules and regulations, including but not limited to ERISA and the Internal Revenue Code of 1986, as amended (the “**Code**”); (ii) with respect to each Plan subject to Title IV of ERISA (a) no “reportable event” (within the meaning of Section 4043(c) of ERISA) has occurred or is reasonably expected to occur, (b) no “accumulated funding deficiency” (within the meaning of Section 302 of ERISA or Section 412 of the Code), whether or not waived, has occurred or is reasonably expected to occur, and (c) the fair market value of the assets under each Plan exceeds the present value of all benefits accrued under such Plan (determined based on those assumptions used to fund such Plan); (iii) neither the Company or any member of its “Controlled Group” (defined as any organization which is a member of a controlled group of corporations within the meaning of Section 414 has incurred, or reasonably expects to incur, any liability under Title IV of ERISA (other than contributions to a plan or premiums to the PBGC in the ordinary course and without default) in respect of a plan (including a “multiemployer plan”, within the meaning of Section 4001(c)(3) of ERISA); and (iv) each Plan that is intended to be qualified under Section 401(a) of the Code has received a favorable determination letter from the Internal Revenue Service regarding its tax-qualification, and nothing has occurred, whether by action or by failure to act, which would reasonably be expected to cause the loss of such qualification; except, in the cases of (i), (ii) and (iii), as would not reasonably be expected to have a Material Adverse Effect.

(dd) The Company and each of its subsidiaries have filed all federal, state, local and foreign income and franchise tax returns required to be filed through the date hereof, subject to permitted extensions, and have paid all taxes due thereon, and no tax deficiency has been determined adversely to the Company or any of its subsidiaries, nor does the Company have any knowledge of any tax deficiencies that could, in the aggregate, reasonably be expected to have a Material Adverse Effect.

(ee) There are no transfer taxes or other similar fees or charges under Federal law or the laws of any state, or any political subdivision thereof, required to be paid in connection with the execution and delivery of this Agreement or the issuance by the Company or sale by the Company of the Stock.

(ff) Neither the Company nor any of its Significant Subsidiaries (i) is in violation of its charter or by-laws (or similar organizational documents), (ii) is in default, and no event has occurred that, with notice or lapse of time or both, would constitute such a default, in the due performance or observance of any term, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement, license or other agreement or instrument to which it is a party or by which it is bound or to which any of its properties or assets is subject or (iii) is in violation of any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over it or its property or assets or has failed to obtain any license, permit, certificate, franchise or other governmental authorization or permit necessary to the ownership of its property or to the conduct of its business, except in the case of clauses (ii) and (iii), to the extent any such conflict, breach, violation or default could not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

(gg) Except as disclosed in the most recent Preliminary Prospectus or as otherwise could not, in the aggregate, reasonably be expected to have a Material Adverse Effect, the Company and each of its subsidiaries (i) make and keep accurate books and records and (ii) maintain and have maintained effective internal control over financial reporting as defined in Rule 13a-15 under the Exchange Act and a system of internal accounting controls sufficient to provide reasonable assurance that (A) transactions are executed in accordance with management’s general or specific authorization, (B) transactions are recorded as necessary to permit preparation of the Company’s financial statements in conformity with accounting principles generally accepted in the United States and to maintain accountability for its assets, (C) access to the Company’s assets is permitted only in accordance with management’s general or specific authorization and (D) the recorded accountability for the Company’s assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(hh) (i) The Company and each of its subsidiaries have established and maintain disclosure controls and procedures (as such term is defined in Rule 13a-15 under the Exchange Act), (ii) such disclosure controls and procedures are designed to ensure that the information required to be disclosed by the Company and its subsidiaries in the reports they will file or submit under the Exchange Act is accumulated and communicated to management of the Company and its subsidiaries, including their respective principal executive officers and principal financial officers, as appropriate, to allow timely decisions regarding required disclosure to be made and (iii) such disclosure controls and procedures are effective in all material respects to perform the functions for which they were established.

(ii) Since the date of the most recent balance sheet of the Company and its consolidated subsidiaries reviewed or audited by Deloitte & Touche LLP and the audit committee of the board of directors of the Company, (i) the Company has not been advised of (A) any significant deficiencies in the design or operation of internal controls that could adversely affect the ability of the Company and each of its subsidiaries to record, process, summarize and report financial data, or any material weaknesses in internal controls, except as disclosed in the most recent Preliminary Prospectus or as otherwise could not, in the aggregate, reasonably be expected to have a Material Adverse Effect, and (B) any fraud, whether or not material, that involves management or other employees who have a significant role in the internal controls of the Company and each of its subsidiaries, and (ii) since that date, except as disclosed in the most recent Preliminary Prospectus or as otherwise could not, in the aggregate, reasonably be expected to have a Material Adverse Effect, there have been no significant changes in internal controls or in other factors that could significantly affect internal controls, including any corrective actions with regard to significant deficiencies and material weaknesses.

(jj) The Company and each of its subsidiaries, and each of their respective officers, partners and employees, have such permits, licenses, patents, franchises, certificates of need and other approvals or authorizations of governmental or regulatory authorities ("**Permits**") as are necessary under applicable law to own the properties and conduct the businesses of the Company and each of its subsidiaries in the manner described in the most recent Preliminary Prospectus, except for any of the foregoing that could not, in the aggregate, reasonably be expected to have a Material Adverse Effect; each of the Company and its subsidiaries, and each of their respective officers, partners and employees, has fulfilled and performed all of its obligations with respect to the Permits, and no event has occurred that allows, or after notice or lapse of time would allow, revocation or termination thereof or results in any other impairment of the rights of the holder or any such Permits, except for any of the foregoing that could not reasonably be expected to have a Material Adverse Effect; each of the Company and its subsidiaries, and each of their respective officers, partners and employees, is a member in good standing of each federal, state or foreign exchange, board of trade, clearing house, association, self-regulatory or similar organization, in each case as are necessary to own the properties and conduct the businesses of the Company and each of its subsidiaries in the manner described in the most recent Preliminary Prospectus, except for any of the foregoing that could not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

(kk) The Company and each of its subsidiaries own or possess adequate rights to use all material patents, patent applications, trademarks, service marks, trade names, trademark registrations, service mark registrations, copyrights, licenses, know-how, software, systems and technology (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures) necessary for the conduct of their respective businesses and have no reason to believe that the conduct of their respective businesses will conflict with, and have not received any notice infringement of or conflict with asserted rights of others with respect to, any of such intellectual property that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

(ll) Neither the Company nor any of its subsidiaries, nor, to the knowledge of the Company, any director, officer, agent, employee or other person associated with or acting on behalf of the Company or any of its subsidiaries, has (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; (ii) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; (iii) violated or is in violation of any provision of the U.S. Foreign Corrupt Practices Act of 1977; or (iv) made any unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment.

(mm) The operations of the Company and its subsidiaries are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the money laundering statutes of all jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the "**Money Laundering Laws**") and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any of its subsidiaries with respect to the Money Laundering Laws is pending or, to the knowledge of the Company, threatened, except, in each case, as would not reasonably be expected to have a Material Adverse Effect.

(nn) Neither the Company nor any of its subsidiaries nor, to the knowledge of the Company, any director, officer, agent, employee or affiliate of the Company or any of its subsidiaries is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department ("**OFAC**"); and the Company will not directly or indirectly use the proceeds of the offering, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person or entity, for the purpose of financing the activities of any person currently subject to any U.S. sanctions administered by OFAC.

(oo) Each Preliminary Prospectus, the Prospectus and each Issuer Free Writing Prospectus comply, and any further amendments or supplements thereto will comply, with any applicable laws or regulations of foreign jurisdictions in which such Preliminary Prospectus, Prospectus or such Issuer Free Writing Prospectus, as amended or supplemented, if applicable, are distributed at the request of the Company in connection with the Directed Share Program. No consent, approval, authorization or order of, or filing or registration with, any court or governmental agency or body, other than such as have been obtained, is required under the securities laws and regulations of any foreign jurisdiction in which the Directed Shares are offered or sold outside the United States.

(pp) The Company has not offered, or caused Lehman Brothers Inc. to offer, Stock to any person pursuant to the Directed Share Program with the specific intent to unlawfully influence (i) a customer or supplier of the Company to alter the customer's or supplier's level or type of business with the Company or (ii) a trade journalist or publication to write or publish favorable information about the Company, its business or its products.

(qq) The Company has not distributed and, prior to the later to occur of any Delivery Date and completion of the distribution of the Stock, will not distribute any offering material in connection with the offering and sale of the Stock other than any Preliminary Prospectus, the Prospectus, any Issuer Free Writing Prospectus to which the Representatives have consented in accordance with Section 1(h) and, in connection with the Directed Share Program described in Section 3, the enrollment materials prepared by Lehman Brothers Inc.

(rr) The Company has not taken and will not take, directly or indirectly, any action designed to or that has constituted or that could reasonably be expected to cause or result in the unlawful stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the shares of the Stock.

(ss) The Stock has been approved for listing, subject to official notice of issuance and evidence of satisfactory distribution, on the New York Stock Exchange.

(tt) None of the Company or any of its subsidiaries (other than Evercore Group L.L.C.) is, or will as a result of the Reorganization Transactions be, required to register as a broker-dealer under the Exchange Act and the rules and regulations of the Commission thereunder or the securities laws of any state. No officer, partner or employee of the Company or any of its subsidiaries is, or will as a result of the Reorganization Transactions be, required to register as a broker-dealer under the Exchange Act and the rules and regulations of the Commission thereunder or the securities laws of any state, other than such officers, partners and employees of the Company or any of its subsidiaries who are so registered under the Exchange Act and in such jurisdictions as of the date hereof, except where the failure to be so registered could not, in the aggregate, reasonably be expected to have a Material Adverse Effect. Evercore Group L.L.C. is duly registered, licensed and qualified as a broker-dealer under the Exchange Act and the rules and regulations of the Commission thereunder and the securities laws of each state where the conduct of its business requires such registration, except where the failure to be so registered, licensed and qualified could not, in the aggregate, reasonably be expected to have a Material Adverse Effect, and is duly registered and is in good standing with the National Association of Securities Dealers, Inc (the "**NASD**"). No entity included in the Protego Group other than Protego Casa de Bolsa S.A. de C.V. is, or will as a result of the Reorganization Transactions be, required to register as a broker-dealer under the Securities Markets Law (*Ley del Mercado de Valores*) and the rules and regulations thereunder or the securities laws of Mexico. No officer, partner or employee of any entity included in the Protego Group is, or will as a result of the Reorganization Transactions be, required to register as a broker-dealer under the Securities Markets Law (*Ley del Mercado de Valores*) and the rules and regulations thereunder or the securities laws of Mexico, other than such officers, partners and employees of the Protego Group who are so registered under the Securities Markets Law (*Ley del Mercado de Valores*) and in such jurisdiction as of the date hereof. Protego Casa de Bolsa S.A. de C.V. is duly registered, licensed and qualified as a broker-dealer under the Securities Markets Law (*Ley del Mercado de Valores*) and the rules and regulations thereunder and the securities laws of Mexico where the conduct of its business requires such registration, and is duly registered and in good standing with the *Comisión Nacional Bancaria y de Valores*.

(uu) Neither the Company nor any subsidiary is, and as of the applicable Delivery Date and, after giving effect to the offer and sale of the Stock and the application of the proceeds therefrom as described under "Use of Proceeds" in the most recent Preliminary Prospectus and the Prospectus, none of them will be, required to register as an "investment company" within the meaning of such term under the Investment Company Act of 1940, as amended (the "**Investment Company Act**"), and the rules and regulations of the Commission thereunder.

(vv) Each of Evercore Advisors Inc., Evercore Advisors, LLC, Evercore Asset Management LLC and Evercore Venture Advisors L.L.C. (the "**Investment Advisor Subsidiaries**") is currently registered as an investment adviser under the Investment Advisers Act of 1940, as amended (the "**Advisers Act**"). None of the Company or any of its subsidiaries, other than the Investment Advisor Subsidiaries, is, or will as a result of the Reorganization Transactions be, required to register as an investment adviser under the Advisers Act, or be registered, licensed or qualified as an investment adviser under the laws requiring any such registration, licensing or qualification in any state in which it conducts business.

Any certificate signed by any officer of the Company and delivered to the Representatives or counsel for the Underwriters in connection with the offering of the Stock shall be deemed a representation and warranty by the Company, as to matters covered thereby, to each Underwriter.

2. *Purchase of the Stock by the Underwriters.* On the basis of the representations and warranties contained in, and subject to the terms and conditions of, this Agreement, the Company agrees to sell [______] shares of the Firm Stock to the several Underwriters, and each of the Underwriters, severally and not jointly, agrees to purchase the number of shares of the Firm Stock set forth opposite that Underwriter's name in Schedule 1 hereto. The respective purchase obligations of the Underwriters with respect to the Firm Stock shall be rounded among the Underwriters to avoid fractional shares, as the Representatives may determine.

In addition, the Company grants to the Underwriters an option to purchase up to [______] additional shares of Option Stock. Such option is exercisable in the event that the Underwriters sell more shares of Class A Common Stock than the number of shares of Firm Stock in the offering and as set forth in Section 4 hereof. Each Underwriter agrees, severally and not jointly, to purchase the number of shares of Option Stock (subject to such adjustments to eliminate fractional shares as the Representatives may determine) that bears the same proportion to the total number of shares of Option Stock to be sold on such Delivery Date as the number of shares of Firm Stock set forth in Schedule 1 hereto opposite the name of such Underwriter bears to the total number of shares of Firm Stock.

The price of both the Firm Stock and any Option Stock purchased by the Underwriters shall be $[______] per share.

The Company shall not be obligated to deliver any of the Firm Stock or Option Stock to be delivered on the applicable Delivery Date, except upon payment for all such Stock to be purchased on such Delivery Date as provided herein.

3. *Offering of Stock by the Underwriters*. Upon authorization by the Representatives of the release of the Firm Stock, the several Underwriters propose to offer the Firm Stock for sale upon the terms and conditions to be set forth in the Prospectus.

It is understood that approximately [______] shares of the Firm Stock (the "**Directed Shares**") will initially be reserved by the several Underwriters for offer and sale upon the terms and conditions to be set forth in the Prospectus and in accordance with the rules and regulations of the NASD to employees of the Company and its subsidiaries and persons having business relationships with the Company and its subsidiaries who have heretofore delivered to Lehman Brothers Inc. offers or indications of interest to purchase shares of Firm Stock in form satisfactory to Lehman Brothers Inc. (such program, the "**Directed Share Program**") and that any allocation of such Firm Stock among such persons will be made in accordance with timely directions received by Lehman Brothers Inc. from the Company; *provided* that under no circumstances will Lehman Brothers Inc. or any Underwriter be liable to the Company or to any such person for any action taken or omitted in good faith in connection with such Directed Share Program. It is further understood that any Directed Shares not affirmatively reconfirmed for purchase by any participant in the Directed Share Program by [______]:00 A.M., New York City time, on the [date hereof / first business day following the date hereof] or otherwise are not purchased by such persons will be offered by the Underwriters to the public upon the terms and conditions set forth in the Prospectus.

The Company agrees to pay all fees and disbursements incurred by the Underwriters in connection with the Directed Share Program and any stamp duties or other taxes incurred by the Underwriters in connection with the Directed Share Program.

4. *Delivery of and Payment for the Stock.* Delivery of and payment for the Firm Stock shall be made at 10:00 A.M., New York City time, on the fourth full business day following the date of this Agreement or at such other date or place as shall be determined by agreement between the Representatives and the Company. This date and time are sometimes referred to as the "**Initial Delivery Date.**" Delivery of the Firm Stock shall be made to the Representatives for the account of each Underwriter against payment by the several Underwriters through the Representatives and of the respective aggregate purchase prices of the Firm Stock being sold by the Company to or upon the order of the Company of the purchase price by wire transfer in immediately available funds to the accounts specified by the Company. Time shall be of the essence, and delivery at the time and place specified pursuant to this Agreement is a further condition of the obligation of each Underwriter hereunder. The Company shall deliver the Firm Stock through the facilities of The Depository Trust Company ("**DTC**") unless the Representatives shall otherwise instruct.

The option granted in Section 2 will expire 30 days after the date of this Agreement and may be exercised in whole or from time to time in part by written notice being given to the Company by the Representatives; *provided* that if such date falls on a day that is not a business day, the option granted in Section 2 will expire on the next succeeding business day. Such notice shall set forth the aggregate number of shares of Option Stock as to which the option is being exercised, the names in which the shares of Option Stock are to be registered, the denominations in which the shares of Option Stock are to be issued and the date and time, as determined by the Representatives, when the shares of Option Stock are to be delivered; *provided*, *however*, that this date and time shall not be earlier than the Initial Delivery Date nor earlier than the second business day after the date on which the option shall have been exercised nor later than the fifth business day after the date on which the option shall have been exercised. Each date and time the shares of Option Stock are delivered is sometimes referred to as an "**Option Stock Delivery Date**," and the Initial Delivery Date and any Option Stock Delivery Date are sometimes each referred to as a "**Delivery Date**."

Delivery of the Option Stock by the Company and payment for the Option Stock by the several Underwriters through the Representatives shall be made at 10:00 A.M., New York City time, on the date specified in the corresponding notice described in the preceding paragraph or at such other date or place as shall be determined by agreement between the Representatives and the Company. On the Option Stock Delivery Date, the Company shall deliver or cause to be delivered the Option Stock to the Representatives for the account of each Underwriter against payment by the several Underwriters through the Representatives and of the respective aggregate purchase prices of the Option Stock being sold by the Company to or upon the order of the Company of the purchase price by wire transfer in immediately available funds to the accounts specified by the Company. Time shall be of the essence, and delivery at the time and place specified pursuant to this Agreement is a further condition of the obligation of each Underwriter hereunder. The Company shall deliver the Option Stock through the facilities of DTC unless the Representatives shall otherwise instruct.

5. *Further Agreements of the Company and the Underwriters*. (a) The Company agrees:

(i) To prepare the Prospectus in a form approved by Lehman Brothers Inc. and to file such Prospectus pursuant to Rule 424(b) under the Securities Act not later than the Commission's close of business on the second business day following the execution and delivery of this Agreement; to make no further amendment or any supplement to the Registration Statement or the Prospectus prior to the last Delivery Date that is reasonably disapproved by Lehman Brothers Inc.; to advise the Representatives, promptly after it receives notice thereof, of the time when any amendment or supplement to the Registration Statement or the Prospectus has been filed and to furnish the Representatives with copies thereof; to advise the Representatives, promptly after it receives notice thereof, of the issuance by the Commission of any stop order or of any order preventing or suspending the use of the Prospectus or any Issuer Free Writing Prospectus, of the suspension of the qualification of the Stock for offering or sale in any jurisdiction, of the initiation or threatening of any proceeding or examination for any such purpose or of any request by the Commission for the amending or supplementing of the Registration Statement, the Prospectus or any Issuer Free Writing Prospectus or for additional information; and, in the event of the issuance of any stop order or of any order preventing or suspending the use of the Prospectus or any Issuer Free Writing Prospectus or suspending any such qualification, to use promptly its best efforts to obtain its withdrawal;

(ii) To furnish promptly to each of the Representatives and to counsel for the Underwriters a signed copy of the Registration Statement as originally filed with the Commission, and each amendment thereto filed with the Commission, including all consents and exhibits filed therewith;

(iii) To deliver promptly to the Representatives such number of the following documents as the Representatives shall reasonably request: (A) conformed copies of the Registration Statement as originally filed with the Commission and each amendment thereto (in each case excluding exhibits other than this Agreement and the computation of per share earnings), (B) each Preliminary Prospectus, the Prospectus and any amended or supplemented Prospectus, and (C) each Issuer Free Writing Prospectus; and, if the delivery of a prospectus is legally required at any time after the date hereof in connection with the offering or sale of the Stock and if at such time any events shall have occurred as a result of which the Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made when such Prospectus is delivered, not misleading, or, if for any other reason it shall be necessary to amend or supplement the Prospectus in order to comply with the Securities Act, to notify the Representatives and, upon their request, to file such document and to prepare and furnish to each Underwriter and to any dealer in securities as many copies as the Representatives may from time to time reasonably request of an amended or supplemented Prospectus that will correct such statement or omission or effect such compliance, which preparation and furnishing shall be without charge at any time prior to the expiration of nine months after the date hereof and at the expense of the Underwriters at any time thereafter;

(iv) Not to make any offer relating to the Stock that would constitute an Issuer Free Writing Prospectus without the prior written consent of Lehman Brothers Inc.

(v) To retain in accordance with the Rules and Regulations all Issuer Free Writing Prospectuses not required to be filed pursuant to the Rules and Regulations; and if at any time after the date hereof and prior to the completion of the distribution of the Stock any events shall have occurred as a result of which any Issuer Free Writing Prospectus, as then amended or supplemented, would conflict with the information in the Registration Statement, the most recent Preliminary Prospectus or the Prospectus or would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, to notify the Representatives and, upon their request, to prepare and furnish without charge to each Underwriter as many copies as the

Representatives may from time to time reasonably request of an amended or supplemented Issuer Free Writing Prospectus that will correct such conflict, statement or omission or effect such compliance and, if requested, to file such documents;

(vi) As soon as practicable after the Effective Date (it being understood that the Company shall have until at least 410 or, if the fourth quarter following the fiscal quarter that includes the Effective Date is the last fiscal quarter of the Company's fiscal year, 455 days after the end of the Company's current fiscal quarter), to make generally available to the Company's security holders and to deliver to the Representatives an earnings statement of the Company and its subsidiaries (which need not be audited) complying with Section 11(a) of the Securities Act and the Rules and Regulations (including, at the option of the Company, Rule 158);

(vii) Promptly from time to time to take such action as the Representatives may reasonably request to qualify the Stock for offering and sale under the securities laws of such jurisdictions as the Representatives may request and to comply with such laws so as to permit the continuance of sales and dealings therein in such jurisdictions for as long as may be necessary to complete the distribution of the Stock; *provided* that in connection therewith the Company shall not be required to (i) qualify as a foreign corporation in any jurisdiction in which it would not otherwise be required to so qualify, (ii) file a general consent to service of process in any such jurisdiction or (iii) subject itself to taxation in any jurisdiction in which it would not otherwise be subject;

(viii) For a period commencing on the date hereof and ending on the 180th day after the date of the Prospectus (the "**Lock-Up Period**"), not to, directly or indirectly, (1) offer for sale, sell, pledge or otherwise dispose of (or enter into any transaction or device that is designed to, or could be expected to, result in the disposition by any person at any time in the future of) any shares of Class A Common Stock or securities convertible into or exchangeable for Class A Common Stock, or sell or grant options, rights or warrants with respect to any shares of Class A Common Stock or securities convertible into or exchangeable for Class A Common Stock, (2) enter into any swap or other derivatives transaction that transfers to another, in whole or in part, any of the economic benefits or risks of ownership of such shares of Class A Common Stock, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of Class A Common Stock or other securities, in cash or otherwise, (3) file or cause to be filed a registration statement, including any amendments, with respect to the registration of any shares of Class A Common Stock or securities convertible, exercisable or exchangeable into Class A Common Stock or any other securities of the Company (other than any registration statement on Form S-8) or (4) publicly disclose the intention to do any of the foregoing, in each case without the prior written consent of Lehman Brothers Inc., on behalf of the Underwriters, and to cause each executive officer, director and stockholder of the Company set forth on Schedule 2 hereto to furnish to the Representatives, prior to the Initial Delivery Date, a letter or letters, substantially in the form of Exhibit A hereto (the "**Lock-Up Agreements**"); *provided* that, the foregoing restrictions shall not apply to (i) the Stock to be sold by the Company hereunder, (ii) shares or other securities issuable pursuant to employee benefit plans, qualified stock option plans or other employee compensation plans existing on the date hereof or as described or contemplated in the

Prospectus and (iii) the issuance of shares in connection with the acquisition of, or a joint venture with, another company if both (A) each recipient of such securities shall have executed and delivered to Lehman Brothers Inc. an agreement substantially in the form of Exhibit A hereto and (B) the aggregate number of shares issued in such transactions, taken together, does not exceed 15% of the aggregate number of shares of Class A Common Stock of the Company outstanding immediately following the offering contemplated hereby (assuming all Evercore LP partnership units then outstanding are redeemed or exchanged for newly issued shares of Class A Common Stock of the Company on a one-for-one basis); *provided further*, that, notwithstanding the foregoing, if (1) during the last 17 days of the Lock-Up Period, the Company issues an earnings release or announces material news or a material event relating to the Company or (2) prior to the expiration of the Lock-Up Period, the Company announces that it will release earnings results during the 16-day period beginning on the last day of the Lock-Up Period, then the restrictions imposed in the preceding paragraph shall continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the announcement of the material news or the material event, unless Lehman Brothers Inc., on behalf of the Underwriters, waive such extension in writing;

(ix) To apply the net proceeds from the sale of the Stock being sold by the Company as set forth in the Prospectus;

(x) In connection with the Directed Share Program, to use reasonable efforts to ensure that the Directed Shares will be restricted from sale, transfer, assignment, pledge or hypothecation to the same extent as sales and dispositions of Class A Common Stock by the Company are restricted pursuant to Section 5(a)(viii), and Lehman Brothers Inc. will notify the Company as to which participants in the Directed Share Program ("**Directed Share Participants**") will need to be so restricted. At the request of Lehman Brothers Inc., the Company will direct the transfer agent to place stop transfer restrictions upon such securities for such period of time as is consistent with Section 5(a)(viii);

(xi) To comply with all applicable securities and other applicable laws, rules and regulations in each foreign jurisdiction in which the Directed Shares are offered in connection with the Directed Share Program; and

(xii) If the Company elects to rely upon Rule 462(b) under the Securities Act, the Company shall file a Rule 462(b) Registration Statement with the Commission in compliance with Rule 462(b) under the Securities Act by 10:00 P.M., Washington D.C. time, on the date of this Agreement, and the Company shall at the time of filing either pay to the Commission the filing fee for the Rule 462(b) Registration Statement or give irrevocable instructions for the payment of such fee pursuant to Rule 111(b) under the Securities Act.

(b) Each Underwriter severally agrees that such Underwriter shall not include any "issuer information" (as defined in Rule 433) in any "free writing prospectus" (as defined in Rule 405) used or referred to by such Underwriter without the prior written consent of the Company (any such issuer information with respect to whose use the Company has given its prior written consent, "**Permitted Issuer Information**"); *provided* that (i) no such consent shall be required with respect to any such issuer information contained in any document filed by the Company with the Commission prior to the use of such free writing prospectus and (ii) "issuer information," as used in this Section 5(b), shall not be deemed to include information prepared by or on behalf of such Underwriter on the basis of or derived from issuer information. For the avoidance of doubt, issuer information described in the proviso to the preceding sentence as to which the Company has not given its prior written consent is not Permitted Issuer Information.

6. *Expenses.* The Company agrees, whether or not the transactions contemplated by this Agreement are consummated or this Agreement is terminated, to pay all costs, expenses, fees and taxes incident to and in connection with (a) the authorization, issuance, sale and delivery of the Stock and any stamp duties or other taxes payable in that connection, and the preparation and printing of certificates for the Stock; (b) the preparation, printing and filing under the Securities Act of the Registration Statement (including any exhibits thereto), any Preliminary Prospectus, the Prospectus, any Issuer Free Writing Prospectus and any amendment or supplement thereto; (c) the distribution of the Registration Statement (including any exhibits thereto), any Preliminary Prospectus, the Prospectus, any Issuer Free Writing Prospectus and any amendment or supplement thereto, all as provided in this Agreement; (d) the duplication and distribution of this Agreement, any supplemental agreement among Underwriters, and any other related documents in connection with the offering, purchase, sale and delivery of the Stock; (e) any required review by the NASD of the terms of sale of the Stock (including reasonable related fees and expenses of counsel to the Underwriters); (f) the listing of the Stock on the New York Stock Exchange and/or any other exchange; (g) the qualification of the Stock under the securities laws of the several jurisdictions as provided in Section 5(a)(vii) and the preparation, printing and distribution of a Blue Sky Memorandum (including reasonable related fees and expenses of counsel to the Underwriters); (h) any Independent Underwriter (as defined in Section 8(g)); (i) the offer and sale of shares of the Stock by the Underwriters in connection with the Directed Share Program, including the reasonable fees and disbursements of counsel to the Underwriters related thereto, the costs and expenses of preparation, printing and distribution of the Directed Share Program material and all stamp duties or other taxes incurred by the Underwriters in connection with the Directed Share Program; (j) the investor presentations on any "road show" undertaken in connection with the marketing of the Stock, including, without limitation, expenses associated with any electronic roadshow, travel and lodging expenses of the representatives and officers of the Company and 50% of the cost of any aircraft chartered in connection with the road show; and (k) all other costs and expenses incident to the performance of the obligations of the Company under this Agreement; *provided* that, (A) the fees and expenses of counsel for the Underwriters that the Company shall pay pursuant to Sections 6(e), (g) and (i) above shall not exceed [$______] in the aggregate and (B) except as provided in this Section 6 and in Section 11, the Underwriters shall pay their own costs and expenses, including the costs and expenses of their counsel, any transfer taxes on the Stock which they may sell and the expenses of advertising any offering of the Stock made by the Underwriters.

7. *Conditions of Underwriters' Obligations*. The respective obligations of the Underwriters hereunder are subject to the accuracy, when made and on each Delivery Date, of the representations and warranties contained herein given by the Company and Evercore LP, to the performance by the Company of its obligations hereunder, and to each of the following additional terms and conditions:

(a) The Prospectus shall have been timely filed with the Commission in accordance with Section 5(a)(i); the Company shall have complied with all filing requirements applicable to any Issuer Free Writing Prospectus used or referred to after the date hereof; no stop order suspending the effectiveness of the Registration Statement or preventing or suspending the use of the Prospectus or any Issuer Free Writing Prospectus shall have been issued and no proceeding or examination for such purpose shall have been initiated or threatened by the Commission; and any request of the Commission for inclusion of additional information in the Registration Statement or the Prospectus or otherwise shall have been complied with or otherwise resolved to the Representatives' reasonable satisfaction.

(b) No Underwriter shall have discovered and disclosed to the Company on or prior to such Delivery Date that the Registration Statement, the Prospectus or the Pricing Disclosure Package, or any amendment or supplement thereto, contains an untrue statement of a fact which, in the opinion of Wilmer Cutler Pickering Hale and Dorr LLP, counsel for the Underwriters, is material or omits to state a fact which, in the opinion of such counsel, is material and is required to be stated therein or is necessary to make the statements therein not misleading.

(c) All corporate proceedings and other legal matters incident to the authorization, form and validity of this Agreement, the Stock, the Registration Statement, the Prospectus and any Issuer Free Writing Prospectus, and all other legal matters relating to this Agreement and the transactions contemplated hereby shall be reasonably satisfactory in all material respects to counsel for the Underwriters, and the Company shall have furnished to such counsel all documents and information that they may reasonably request to enable them to pass upon such matters.

(d) Simpson Thacher & Bartlett LLP, as counsel to the Company, shall have furnished to the Representatives its written opinion and letter addressed to the Underwriters and dated such Delivery Date substantially in the forms attached hereto as Exhibits B-1A and B-1B.

(e) Foley & Lardner LLP, as counsel to the Company, shall have furnished to the Representatives its written opinion addressed to the Underwriters and dated such Delivery Date substantially in the form attached hereto as Exhibit B-2.

(f) The Representatives shall have received from Wilmer Cutler Pickering Hale and Dorr LLP, counsel for the Underwriters, such opinion or opinions, dated such Delivery Date, with respect to the issuance and sale of the Stock, the Registration Statement, the Prospectus and the Pricing Disclosure Package and other related matters as the Representatives may reasonably require, and the Company shall have furnished to such counsel such documents as they reasonably request for the purpose of enabling them to pass upon such matters.

(g) At the time of execution of this Agreement, the Representatives shall have received from Deloitte & Touche LLP a letter, in form and substance satisfactory to the Representatives, addressed to the Underwriters and dated the date hereof (i) confirming that they are an independent registered public accounting firm within the meaning of the Securities Act and are in compliance with the applicable requirements relating to the qualification of accountants under Rule 2-01 of Regulation S-X of the Commission, and (ii) stating, as of the date hereof (or, with respect to matters involving changes or developments since the respective dates as of which specified financial information is given in the most recent Preliminary Prospectus, as of a date not more than three days prior to the date hereof), the conclusions and findings of such firm with respect to the financial information and other matters ordinarily covered by accountants' "comfort letters" to underwriters in connection with registered public offerings.

(h) With respect to the letter of Deloitte & Touche LLP referred to in the preceding paragraph and delivered to the Representatives concurrently with the execution of this Agreement (the "**initial D&T letter**"), the Company shall have furnished to the Representatives a letter (the "**bring-down D&T letter**") of such accountants, addressed to the Underwriters and dated such Delivery Date (i) confirming that they are an independent registered public accounting firm within the meaning of the Securities Act and are in compliance with the applicable requirements relating to the qualification of accountants under Rule 2-01 of Regulation S-X of the Commission, (ii) stating, as of the date of the bring-down D&T letter (or, with respect to matters involving changes or developments since the respective dates as of which specified financial information is given in the Prospectus, as of a date not more than three days prior to the date of the bring-down D&T letter), the conclusions and findings of such firm with respect to the financial information and other matters covered by the initial D&T letter and (iii) confirming in all material respects the conclusions and findings set forth in the initial D&T letter.

(i) At the time of execution of this Agreement, the Representatives shall have received from PricewaterhouseCoopers, S.C. a letter, in form and substance satisfactory to the Representatives, addressed to the Underwriters and dated the date hereof (i) confirming that they are independent public accountants within the meaning of the Securities Act and are in compliance with the applicable requirements relating to the qualification of accountants under Rule 2-01 of Regulation S-X of the Commission, and (ii) stating, as of the date hereof (or, with respect to matters involving changes or developments since the respective dates as of which specified financial information is given in the most recent Preliminary Prospectus, as of a date not more than three days prior to the date hereof), the conclusions and findings of such firm with respect to the financial information and other matters ordinarily covered by accountants' "comfort letters" to underwriters in connection with registered public offerings.

(j) With respect to the letter of PricewaterhouseCoopers, S.C. referred to in the preceding paragraph and delivered to the Representatives concurrently with the execution of this Agreement (the "**initial PwC letter**"), the Company shall have furnished to the Representatives a letter (the "**bring-down PwC letter**") of such accountants, addressed to the Underwriters and dated such Delivery Date (i) confirming that they are independent public accountants within the meaning of the Securities Act and are in compliance with the applicable requirements relating to the qualification of accountants under Rule 2-01 of Regulation S-X of the Commission, (ii) stating, as of the date of the bring-down PwC letter (or, with respect to matters involving changes or developments since the respective dates as of which specified financial information is given in the Prospectus, as of a date not more than three days prior to the date of the bring-down PwC letter), the conclusions and findings of such firm with respect to the financial information and other matters covered by the initial PwC letter and (iii) confirming in all material respects the conclusions and findings set forth in the initial PwC letter.

(k) The Company shall have furnished to the Representatives a certificate, dated such Delivery Date, of one of its Co-Chief Executive Officers and its Chief Financial Officer stating that:

(i) The representations, warranties and agreements in Section 1 are true and correct on and as of such Delivery Date, and the Company has complied with all its agreements contained herein and satisfied all the conditions on its part to be performed or satisfied hereunder at or prior to such Delivery Date;

(ii) No stop order suspending the effectiveness of the Registration Statement has been issued; and no proceedings or examination for that purpose have been instituted or, to the knowledge of such officers, threatened; and

(iii) They have carefully examined the Registration Statement, the Prospectus and the Pricing Disclosure Package, and, in their opinion, (A) (1) the Registration Statement did not, as of the Effective Date, (2) the Prospectus did not, as of its date and on the applicable Delivery Date, or (3) the Pricing Disclosure Package, when considered together with the price of the Stock and any disclosures directly relating thereto included on the cover page of the Prospectus, did not, as of the Applicable Time, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein (in the case of the Prospectus and the Pricing Disclosure Package, in the light of the circumstances under which they were made) not misleading and (B) since the Effective Date, no event has occurred that should have been set forth in a supplement or amendment to the Registration Statement, the Prospectus or any Issuer Free Writing Prospectus that has not been so set forth;

(l) (i) Neither the Company nor any of its subsidiaries shall have sustained, since the date of the latest audited financial statements included in the most recent Preliminary Prospectus, any loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree or (ii) since such date there shall not have been any change in the capital stock or long-term debt of the Company or any of its subsidiaries or any change, or any development involving a prospective change, in or affecting the condition (financial or otherwise), results of operations, stockholders' equity, properties, management, business or prospects of the Company and its subsidiaries taken as a whole, other than as set forth or contemplated in the most recent Preliminary Prospectus, the effect of which, in any such case described in clause (i) or (ii), is, in the judgment of Lehman Brothers Inc., so material and adverse as to make it impracticable or inadvisable to proceed with the public offering or the delivery of the Stock being delivered on such Delivery Date on the terms and in the manner contemplated in the Prospectus.

(m) Subsequent to the execution and delivery of this Agreement there shall not have occurred any of the following: (i) trading in securities generally on the New York Stock Exchange or trading in any securities of the Company on any exchange or in the over-the-counter market, shall have been suspended or materially limited or the settlement of such trading generally shall have been materially disrupted or minimum prices shall have been established on any such exchange or such market by the Commission, by such exchange or by any other regulatory body or governmental authority having jurisdiction, (ii) a banking moratorium shall have been declared by federal or state authorities, (iii) the United States shall have become engaged in hostilities, there shall have been an escalation in hostilities involving the United States or there shall have been a declaration of a national emergency or war by the United States or (iv) there shall have occurred such a material adverse change in general economic, political or financial conditions, including, without limitation, as a result of terrorist activities after the date hereof (or the effect of international conditions on the financial markets in the United States shall be such), as to make it, in the judgment of Lehman Brothers Inc., impracticable or inadvisable to proceed with the public offering or delivery of the Stock being delivered on such Delivery Date on the terms and in the manner contemplated in the Prospectus.

(n) The New York Stock Exchange shall have approved the Stock for listing, subject only to official notice of issuance and evidence of satisfactory distribution.

(o) The Lock-Up Agreements between the Representatives and the officers, directors and stockholders of the Company set forth on Schedule 2, delivered to the Representatives on or before the date of this Agreement, shall be in full force and effect on such Delivery Date.

(p) The Formation Transaction and the Protego Combination shall have been consummated and the Amended and Restated Certificate of Incorporation shall have been filed with the Secretary of State of the State of Delaware.

All opinions, letters, evidence and certificates mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof only if they are in form and substance reasonably satisfactory to counsel for the Underwriters.

8. *Indemnification and Contribution.*

(a) Evercore Partners Inc. and Evercore LP shall jointly and severally indemnify and hold harmless each Underwriter, its directors, officers and employees and each person, if any, who controls any Underwriter within the meaning of Section 15 of the Securities Act, from and against any loss, claim, damage or liability, joint or several, or any action in respect thereof (including, but not limited to, any loss, claim, damage, liability or action relating to purchases and sales of Stock), to which that Underwriter, director, officer, employee or controlling person may become subject, under the Securities Act or otherwise, insofar as such loss, claim, damage, liability or action arises out of, or is based upon, (i) any untrue statement or alleged untrue statement of a material fact contained in (A) any Preliminary Prospectus, the Registration Statement, the Prospectus or in any amendment or supplement thereto, (B) any Issuer Free Writing Prospectus or in any amendment or supplement thereto, (C) any Permitted Issuer Information used or referred to in any "free writing prospectus" (as defined in Rule 405) used or referred to by any Underwriter or (D) any "road show" (as defined in Rule 433) not constituting an Issuer Free Writing Prospectus presented by the Company in connection with the offering contemplated hereby (a "**Non-Prospectus Road Show**") or (E) any Blue Sky application or other document prepared or executed by the Company (or based upon any written information furnished by the Company for use therein) specifically for the purpose of qualifying any or all of the Stock under the securities laws of any state or other jurisdiction (any such application, document or information being hereinafter called a "**Blue Sky Application**"), (ii) the omission or alleged omission to state in any Preliminary Prospectus, the Registration Statement, the Prospectus, any Issuer Free Writing Prospectus or in any amendment or supplement thereto or in any Permitted Issuer Information, any Non-Prospectus Road Show or any Blue Sky Application, any material fact required to be stated therein or necessary to make the statements therein not misleading or (iii) any act or failure to act or any alleged act or failure to act by any Underwriter in connection with, or relating in any manner to, the Stock or the offering contemplated hereby, and which is included as part of or referred to in any loss, claim, damage, liability or action arising out of or based upon matters covered by clause (i) or (ii) above (*provided* that the Company shall not be liable under this clause (iii) to the extent that it is determined in a final judgment by a court of competent jurisdiction that such loss, claim, damage, liability or action resulted directly from any such acts or failures to act undertaken or omitted to be taken by such Underwriter through its gross negligence or willful misconduct), and shall reimburse each Underwriter and each such director, officer, employee or controlling person promptly upon demand for any legal or other expenses reasonably incurred by that Underwriter, director, officer, employee or controlling person in connection with investigating or defending or preparing to defend against any such loss, claim, damage, liability or action as such expenses are incurred; *provided*, *however*, that the Company shall not be liable in any such case to the extent that any such loss, claim, damage, liability or action arises out of, or is based upon, any untrue statement or alleged untrue statement or omission or alleged omission made in any Preliminary Prospectus, the Registration Statement, the Prospectus, any Issuer Free Writing Prospectus or in any such amendment or supplement thereto or in any Permitted Issuer Information, any Non-Prospectus Road Show or any Blue Sky Application, in reliance upon and in conformity with written information concerning such Underwriter furnished to the Company through the Representatives by or on behalf of any Underwriter specifically for inclusion therein, which information consists solely of the information specified in Section 8(e). The foregoing indemnity agreement is in addition to any liability which the Company may otherwise have to any Underwriter or to any director, officer, employee or controlling person of that Underwriter.

(b) Each Underwriter, severally and not jointly, shall indemnify and hold harmless the Company, its directors (including any person who, with his or her consent, is named in the Registration Statement as about to become a director of the Company), officers and employees, and each person, if any, who controls the Company within the meaning of Section 15 of the Securities Act, from and against any loss, claim, damage or liability, joint or several, or any action in respect thereof, to which the Company or any such director, officer, employee or controlling person may become subject, under the Securities Act or otherwise, insofar as such loss, claim, damage, liability or action arises out of, or is based upon, (i) any untrue statement or alleged untrue statement of a material fact contained in any Preliminary Prospectus, the Registration Statement, the Prospectus, any Issuer Free Writing Prospectus or in any amendment or supplement thereto or in any Non-Prospectus Road Show or Blue Sky Application, or (ii) the omission or alleged omission to state in any Preliminary Prospectus, the Registration Statement, the Prospectus, any Issuer Free Writing Prospectus or in any amendment or supplement thereto or in any Non-Prospectus Road Show or Blue Sky Application, any material fact required to be stated therein or necessary to make the statements therein not misleading, but in each case only to the extent that the untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information concerning such Underwriter furnished to the Company through the Representatives by or on behalf of that Underwriter specifically for inclusion therein, which information is limited to the information set forth in Section 8(e), and shall reimburse the Company and any such director, officer, employee or controlling person for any legal or other expenses reasonably incurred by the Company or any such director, officer, employee or controlling person in connection with investigating or defending or preparing to defend against any such loss, claim, damage, liability or action as such expenses are incurred. The foregoing indemnity agreement is in addition to any liability that any Underwriter may otherwise have to the Company or any such director, officer, employee or controlling person.

(c) Promptly after receipt by an indemnified party under this Section 8 of notice of any claim or the commencement of any action, the indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under this Section 8, notify the indemnifying party in writing of the claim or the commencement of that action; *provided*, *however*, that the failure to notify the indemnifying party shall not relieve it from any liability which it may have under this Section 8 except to the extent it has been materially prejudiced by such failure and, *provided*, *further*, that the failure to notify the indemnifying party shall not relieve it from any liability which it may have to an indemnified party otherwise than under this Section 8. If any such claim or action shall be brought against an indemnified party, and it shall notify the indemnifying party thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it wishes, jointly with any other similarly notified indemnifying party, to assume the defense thereof with counsel reasonably satisfactory to the indemnified party. After notice from the indemnifying party to the indemnified party of its election to assume the defense of such claim or action, the indemnifying party shall not be liable to the indemnified party under this Section 8 for any legal or other expenses subsequently incurred by the indemnified party in connection with the defense thereof other than reasonable costs of investigation; *provided*, *however*, that the Representatives shall have the right to employ counsel to represent jointly the Representatives and those other Underwriters and their respective directors, officers, employees and controlling persons who may be subject to liability arising out of any claim in respect of which indemnity may be sought by the Underwriters against the Company under this Section 8 if (i) the Company and the Underwriters shall have so mutually agreed; (ii) the Company has failed within a reasonable time to retain counsel reasonably satisfactory to the Underwriters; (iii) the Underwriters and their respective directors, officers, employees and controlling persons shall have reasonably concluded that there may be legal defenses available to them that are different from or in addition to those available to the Company; or (iv) the named parties in any such proceeding (including any impleaded parties) include both the Underwriters or their respective directors, officers, employees or controlling persons, on the one hand, and the Company, on the other hand, and representation of both sets of parties by the same counsel would be inappropriate due to actual or potential differing interests between them, and in any such event the fees and expenses of such separate counsel shall be paid by the Company. If the indemnifying party does not assume the defense of such action, it is understood that the indemnifying party shall not, in connection with any one such action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the fees and expenses of more than one separate firm of attorneys (in addition to one separate firm of local attorneys in each such jurisdiction) at any time for all such indemnified parties, which firms shall be designated in writing by Lehman Brothers Inc., if the indemnified parties under this Section consist of any Underwriter, or by the Company, if the indemnified party under this Section consists of the Company or any of its directors, officers, employees or controlling persons. No indemnifying party shall (i) without the prior written consent of the indemnified parties (which consent shall not be unreasonably withheld), settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim, action, suit or proceeding in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified parties are actual or potential parties to such claim or action) unless such settlement, compromise or consent includes an unconditional release of each indemnified party from all liability arising out of such claim, action, suit or proceeding and does not include any findings of fact or admissions of fault or culpability as to the indemnified party, or (ii) be liable for any settlement of any such action effected without its written consent (which consent shall not be unreasonably withheld), but if settled with the consent of the indemnifying party or if there be a final judgment for the plaintiff in any such action, the indemnifying party agrees to indemnify and hold harmless any indemnified party from and against any loss or liability by reason of such settlement or judgment.

(d) If the indemnification provided for in this Section 8 shall for any reason be unavailable to or insufficient to hold harmless an indemnified party under Section 8(a), 8(b), 8(c) or 8(f) in respect of any loss, claim, damage or liability, or any action in respect thereof, referred to therein, then each indemnifying party shall, in lieu of indemnifying such indemnified party, contribute to the amount paid or payable by such indemnified party as a result of such loss, claim, damage or liability, or action in respect thereof, (i) in such proportion as shall be appropriate to reflect the relative benefits received by the Company, on the one hand, and the Underwriters, on the other, from the offering of the

Stock or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company, on the one hand, and the Underwriters, on the other, with respect to the statements or omissions that resulted in such loss, claim, damage or liability, or action in respect thereof, as well as any other relevant equitable considerations. The relative benefits received by the Company, on the one hand, and the Underwriters, on the other, with respect to such offering shall be deemed to be in the same proportion as the total net proceeds from the offering of the Stock purchased under this Agreement (before deducting expenses) received by the Company, as set forth in the table on the cover page of the Prospectus, on the one hand, and the total underwriting discounts and commissions received by the Underwriters with respect to the shares of the Stock purchased under this Agreement, as set forth in the table on the cover page of the Prospectus, on the other hand. The relative fault shall be determined by reference to whether the untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the Company or the Underwriters, the intent of the parties and their relative knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company and the Underwriters agree that it would not be just and equitable if contributions pursuant to this Section 8(d) were to be determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation that does not take into account the equitable considerations referred to herein. The amount paid or payable by an indemnified party as a result of the loss, claim, damage or liability, or action in respect thereof, referred to above in this Section 8(d) shall be deemed to include, for purposes of this Section 8(d), any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 8(d), no Underwriter shall be required to contribute any amount in excess of the amount by which the net proceeds from the sale of the Stock underwritten by it exceeds the amount of any damages that such Underwriter has otherwise paid or become liable to pay by reason of any untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations to contribute as provided in this Section 8(d) are several in proportion to their respective underwriting obligations and not joint.

(e) The Underwriters severally confirm and the Company acknowledges and agrees that the statements regarding delivery of shares by the Underwriters set forth on the cover page of, and the second paragraph under the heading "Commissions and Expenses" and the paragraphs under the headings "Stabilization, Short Positions and Penalty Bids", "Electronic Distribution" and "Selling Restrictions" appearing under the caption "Underwriting" in, the most recent Preliminary Prospectus and the Prospectus are correct and constitute the only information concerning such Underwriters furnished in writing to the Company by or on behalf of the Underwriters specifically for inclusion in any Preliminary Prospectus, the Registration Statement, the Prospectus, any Issuer Free Writing Prospectus or in any amendment or supplement thereto or in any Non-Prospectus Road Show.

(f) The Company shall indemnify and hold harmless Lehman Brothers Inc. (including its directors, officers and employees) and each person, if any, who controls Lehman Brothers Inc. within the meaning of Section 15 of the Securities Act ("**Lehman Brothers Entities**"), from and against any loss, claim, damage or liability or any action in respect thereof to which any of the Lehman Brothers Entities may become subject, under the Securities Act or otherwise, insofar as such loss, claim, damage, liability or action (i) arises out of, or is based upon, any untrue statement or alleged untrue statement of a material fact contained in any material prepared by or with the approval of the Company for distribution to Directed Share Participants in connection with the Directed Share Program or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, (ii) arises out of, or is based upon, the failure of the Directed Share Participant to pay for and accept delivery of Directed Shares that the Directed Share Participant agreed to purchase or (iii) is otherwise directly related to the Directed Share Program; *provided* that the Company shall not be liable under this clause (iii) for any loss, claim, damage, liability or action that is determined in a final judgment by a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of the Lehman Brothers Entities. The Company shall reimburse the Lehman Brothers Entities promptly upon demand for any legal or other expenses reasonably incurred by them in connection with investigating or defending or preparing to defend against any such loss, claim, damage, liability or action as such expenses are incurred.

(g) Without limitation of and in addition to its obligations under the other paragraphs of this Section 8, the Company agrees to indemnify and hold harmless Keefe, Bruyette & Woods, Inc. (in the capacity described in this paragraph, the "**Independent Underwriter**"), its directors, officers and employees and each person who controls Independent Underwriter within the meaning of Section 15 of the Securities Act from and against any and all loss, claim, damage or liability, joint or several, or any action in respect thereof (including, but not limited to, any loss, claim, damage, liability or action relating to purchases and sales of Stock) to which the Independent Underwriter, director, officer, employee or controlling person may become subject, under the Securities Act or otherwise, insofar as such loss, claim, damage, liability or action arises out of, or is based upon, the Independent Underwriter's acting as a "qualified independent underwriter" (within the meaning of NASD Conduct Rule 2720) in connection with the offering contemplated by this Agreement, and agrees to reimburse each such indemnified party promptly upon demand for any legal or other expenses reasonably incurred by them in connection with investigating or defending or preparing to defend any such loss, claim, damage, liability or action; *provided*, *however*, that the Company shall not be liable in any such case to the extent that it is determined in a final judgment by a court of competent jurisdiction that such loss, claim, damage, liability or action resulted directly from the gross negligence or willful misconduct of the Independent Underwriter. The relative benefits received by the Independent Underwriter with respect to the offering contemplated by this Agreement shall, for purposes of Section 8(d), be deemed to be equal to the compensation received by the Independent Underwriter for acting in such capacity. In addition, notwithstanding the provisions of Section 8(d), the Independent Underwriter shall not be required to contribute any amount in excess of the compensation received by the Independent Underwriter for acting in such capacity.

9. *Defaulting Underwriters*. If, on any Delivery Date, any Underwriter defaults in the performance of its obligations under this Agreement, the remaining non-defaulting Underwriters shall be obligated to purchase the Stock that the defaulting Underwriter agreed but failed to purchase on such Delivery Date in the respective proportions which the number of shares of the Firm Stock set forth opposite the name of each remaining non-defaulting Underwriter in Schedule 1 hereto bears to the total number of shares of the Firm Stock set forth opposite the names of all the remaining non-defaulting Underwriters in Schedule 1 hereto; *provided, however*, that the remaining non-defaulting Underwriters shall not be obligated to purchase any of the Stock on such Delivery Date if the total number of shares of the Stock that the defaulting Underwriter or Underwriters agreed but failed to purchase on such date exceeds 9.09% of the total number of shares of the Stock to be purchased on such Delivery Date, and any remaining non-defaulting Underwriter shall not be obligated to purchase more than 110% of the number of shares of the Stock that it agreed to purchase on such Delivery Date pursuant to the terms of Section 2. If the foregoing maximums are exceeded, the remaining non-defaulting Underwriters, or those other underwriters satisfactory to the Representatives who so agree, shall have the right, but shall not be obligated, to purchase, in such proportion as may be agreed upon among them, all the Stock to be purchased on such Delivery Date. If the remaining Underwriters or other underwriters satisfactory to the Representatives do not elect to purchase the shares that the defaulting Underwriter or Underwriters agreed but failed to purchase on such Delivery Date, this Agreement (or, with respect to any Option Stock Delivery Date, the obligation of the Underwriters to purchase, and of the Company to sell, the Option Stock) shall terminate without liability on the part of any non-defaulting Underwriter or the Company, except that the Company will continue to be liable for the payment of expenses to the extent set forth in Sections 6 and 11. As used in this Agreement, the term "**Underwriter**" includes, for all purposes of this Agreement unless the context requires otherwise, any party not listed in Schedule 1 hereto that, pursuant to this Section 9, purchases Stock that a defaulting Underwriter agreed but failed to purchase.

Nothing contained herein shall relieve a defaulting Underwriter of any liability it may have to the Company for damages caused by its default. If other Underwriters are obligated or agree to purchase the Stock of a defaulting or withdrawing Underwriter, either the Representatives or the Company may postpone the Delivery Date for up to seven full business days in order to effect any changes that in the opinion of counsel for the Company or counsel for the Underwriters may be necessary in the Registration Statement, the Prospectus or in any other document or arrangement.

10. *Termination.* The obligations of the Underwriters hereunder may be terminated by the Representatives by written notice given to and received by the Company prior to delivery of and payment for the Firm Stock if, prior to that time, any of the events described in Sections 7(l) and 7(m) shall have occurred or if the Underwriters shall decline to purchase the Stock for any reason permitted under this Agreement.

11. *Reimbursement of Underwriters' Expenses.* If the Company shall fail to tender the Stock for delivery to the Underwriters by reason of any failure, refusal or inability on the part of the Company to perform any agreement on its part to be performed, or because any other condition to the Underwriters' obligations hereunder required to be fulfilled by the Company is not fulfilled for any reason or (b) the Underwriters shall decline to purchase the Stock for any reason permitted under this Agreement, the Company will reimburse the

Underwriters for all reasonable out-of-pocket expenses (including fees and disbursements of counsel) incurred by the Underwriters in connection with this Agreement and the proposed purchase of the Stock, and upon demand the Company shall pay the full amount thereof to the Representatives. Notwithstanding the foregoing, if this Agreement is terminated pursuant to Section 10 by reason of the default of one or more Underwriters, the Company shall not be obligated to reimburse any Underwriter for its expenses.

12. *Research Analyst Independence.* The Company acknowledges that the Underwriters' research analysts and research departments are required to be independent from their respective investment banking divisions and are subject to certain regulations and internal policies, and that such Underwriters' research analysts may hold views and make statements or investment recommendations and/or publish research reports with respect to the Company and/or the offering that differ from the views of their respective investment banking divisions. The Company hereby waives and releases, to the fullest extent permitted by law, any claims that the Company may have against the Underwriters with respect to any conflict of interest that may arise from the fact that the views expressed by their independent research analysts and research departments may be different from or inconsistent with the views or advice communicated to the Company by such Underwriters' investment banking divisions. The Company acknowledges that each of the Underwriters is a full service securities firm and as such from time to time, subject to applicable securities laws, may effect transactions for its own account or the account of its customers and hold long or short positions in debt or equity securities of the companies that may be the subject of the transactions contemplated by this Agreement.

13. *No Fiduciary Duty*. The Company acknowledges and agrees that in connection with this offering, sale of the Stock or any other services the Underwriters may be deemed to be providing hereunder, notwithstanding any preexisting relationship, advisory or otherwise, between the parties or any oral representations or assurances previously or subsequently made by the Underwriters: (i) no fiduciary or agency relationship between the Company and any other person, on the one hand, and the Underwriters, on the other, exists; (ii) the Underwriters are not acting as advisors, expert or otherwise, to the Company, including, without limitation, with respect to the determination of the public offering price of the Stock, and such relationship between the Company, on the one hand, and the Underwriters, on the other, is entirely and solely commercial, based on arms-length negotiations; (iii) any duties and obligations that the Underwriters may have to the Company in connection with the offering of the Stock shall be limited to those duties and obligations specifically stated herein; and (iv) the Underwriters and their respective affiliates may have interests that differ from those of the Company. The Company hereby waives any claims that the Company may have against the Underwriters with respect to any breach of fiduciary duty in connection with this offering.

14. *Notices, Etc.* All statements, requests, notices and agreements hereunder shall be in writing, and:

(a) if to the Underwriters, shall be delivered or sent by mail or facsimile transmission to Lehman Brothers Inc., 745 Seventh Avenue, New York, New York 10019, Attention: Syndicate Registration (Fax: 646-834-8133), with a copy, in the case of any notice pursuant to Section 8(c), to the Director of Litigation, Office of the General Counsel, Lehman Brothers Inc., 399 Park Avenue, 10th Floor, New York, New York 10022 (Fax: 212-520-0421); and

(b) if to the Company, shall be delivered or sent by mail or facsimile transmission to the address of the Company set forth in the Registration Statement, Attention: David E. Wezdenko, Chief Financial Officer, Evercore Partners Inc., 55 East 52nd Street, New York, New York 10055 (Fax: 212-857-3101).

Any such statements, requests, notices or agreements shall take effect at the time of receipt thereof. The Company shall be entitled to act and rely upon any request, consent, notice or agreement given or made on behalf of the Underwriters by Lehman Brothers Inc. on behalf of the Representatives.

15. *Persons Entitled to Benefit of Agreement*. This Agreement shall inure to the benefit of and be binding upon the Underwriters and the other parties listed on the signature pages hereto, and their respective successors. This Agreement and the terms and provisions hereof are for the sole benefit of only those persons, except that (A) the representations, warranties, indemnities and agreements contained herein given by the entities listed in the introduction to Section 1 shall also be deemed to be for the benefit of the directors, officers and employees of the Underwriters and each person or persons, if any, who control any Underwriter within the meaning of Section 15 of the Securities Act and (B) the indemnity agreement of the Underwriters contained in Section 8(b) of this Agreement shall be deemed to be for the benefit of the directors of the Company, the officers of the Company who have signed the Registration Statement and any person controlling the Company within the meaning of Section 15 of the Securities Act. Nothing in this Agreement is intended or shall be construed to give any person, other than the persons referred to in this Section 15, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein.

16. *Survival.* The respective indemnities, representations, warranties and agreements of the Company and the Underwriters contained in this Agreement or made by or on behalf of them, respectively, pursuant to this Agreement, shall survive the delivery of and payment for the Stock and shall remain in full force and effect, regardless of any investigation made by or on behalf of any of them or any person controlling any of them.

17. *Definition of the Terms "Business Day" and "Subsidiary"*. For purposes of this Agreement, (a) "**business day**" means each Monday, Tuesday, Wednesday, Thursday or Friday that is not a day on which banking institutions in New York are generally authorized or obligated by law or executive order to close and (b) "**subsidiary**" has the meaning set forth in Rule 405.

18. *Governing Law*. **This Agreement shall be governed by and construed in accordance with the laws of the State of New York.**

19. *Counterparts.* This Agreement may be executed in one or more counterparts and, if executed in more than one counterpart, the executed counterparts shall each be deemed to be an original but all such counterparts shall together constitute one and the same instrument.

20. *Headings.* The headings herein are inserted for convenience of reference only and are not intended to be part of, or to affect the meaning or interpretation of, this Agreement.

[Signature pages follow]

If the foregoing correctly sets forth the agreement among the Company, the Underwriters and the other entities listed below, please indicate your acceptance in the space provided for that purpose below.

Very truly yours,

EVERCORE PARTNERS INC.

By: ______________________________
Name:
Title:

EVERCORE LP

By: EVERCORE PARTNERS INC.,
its General Partner

By: ______________________________
Name:
Title:

Accepted:

LEHMAN BROTHERS INC.
GOLDMAN, SACHS & CO.
J.P. MORGAN SECURITIES INC.
KEEFE, BRUYETTE & WOODS, INC.
FOX-PITT, KELTON INCORPORATED
E*TRADE SECURITIES LLC

For themselves and as Representatives
of the several Underwriters named
in Schedule 1 hereto

By: LEHMAN BROTHERS INC.

By: ______________________________
Authorized Representative

SCHEDULE 1

Underwriters	Number of Shares of Firm Stock
Lehman Brothers Inc.	
Goldman, Sachs & Co.	
J.P. Morgan Securities, Inc.	
Keefe, Bruyette & Woods, Inc.	
Fox-Pitt, Kelton Incorporated	
E*TRADE Securities LLC	
Total	

Exhibit A

LOCK-UP LETTER AGREEMENT

LEHMAN BROTHERS INC.
GOLDMAN, SACHS & CO.
J.P. MORGAN SECURITIES INC.
KEEFE, BRUYETTE & WOODS, INC.
FOX-PITT, KELTON INCORPORATED
E*TRADE SECURITIES LLC,

c/o Lehman Brothers Inc.
745 Seventh Avenue
New York, New York 10019

Ladies and Gentlemen:

The undersigned understands that you and certain other firms (the "**Underwriters**") propose to enter into an Underwriting Agreement (the "**Underwriting Agreement**") providing for the purchase by the Underwriters of shares (the "**Stock**") of Class A Common Stock, par value $0.01 per share (the "**Class A Common Stock**"), of Evercore Partners Inc., a Delaware corporation (the "**Company**"), and that the Underwriters propose to reoffer the Stock to the public (the "**Offering**").

In consideration of the execution of the Underwriting Agreement by the Underwriters, and for other good and valuable consideration, the undersigned hereby irrevocably agrees that, without the prior written consent of Lehman Brothers Inc., on behalf of the Underwriters, the undersigned will not, directly or indirectly, (1) offer for sale, sell, pledge, or otherwise dispose of (or enter into any transaction or device that is designed to, or could be expected to, result in the disposition by any person at any time in the future of) any shares of Class A Common Stock (including, without limitation, shares of Class A Common Stock that may be deemed to be beneficially owned by the undersigned in accordance with the rules and regulations of the Securities and Exchange Commission and shares of Class A Common Stock that may be issued upon exercise of any options or warrants) or securities convertible into or exercisable or exchangeable for Class A Common Stock (other than the Stock), (2) enter into any swap or other derivatives transaction that transfers to another, in whole or in part, any of the economic benefits or risks of ownership of shares of Class A Common Stock, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of Class A Common Stock or other securities, in cash or otherwise, (3) make any demand for or exercise any right or cause to be filed a registration statement, including any amendments thereto, with respect to the registration of any shares of Class A Common Stock or securities convertible into or exercisable or exchangeable for Class A Common Stock or any other securities of the Company or (4) publicly disclose the intention to do any of the foregoing, for a period commencing on the date hereof and ending on the 180th day after the date of the Prospectus relating to the Offering (such 180-day period, the "**Lock-Up Period**").

Notwithstanding the foregoing, if (1) during the last 17 days of the Lock-Up Period, the Company issues an earnings release or material news or a material event relating to the Company occurs or (2) prior to the expiration of the Lock-Up Period, the Company announces that it will release earnings results during the 16-day period beginning on the last day of the Lock-Up Period, then the restrictions imposed by this Lock-Up Letter Agreement shall continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the announcement of the material news or the occurrence of the material event, unless waive such extension in writing. The undersigned hereby further agrees that, prior to engaging in any transaction or taking any other action that is subject to the terms of this Lock-Up Letter Agreement during the period from the date of this Lock-Up Letter Agreement to and including the 34^{th} day following the expiration of the Lock-Up Period, it will give notice thereof to the Company and will not consummate such transaction or take any such action unless it has received written confirmation from the Company that the Lock-Up Period (as such may have been extended pursuant to this paragraph) has expired.

The restrictions in the foregoing two paragraphs shall not apply to (a) transfers by testate or intestate succession, (b) *bona fide* gifts to charity or (c) sales or other dispositions of shares of any class of the Company's capital stock, in each case that are made exclusively between and among the undersigned or members of the undersigned's family, or affiliates of the undersigned, including its partners (if a partnership) or members (if a limited liability company); provided that it shall be a condition to any such transfer in clause (c) that (i) the transferee/donee agrees to be bound by the terms of the lock-up letter agreement (including, without limitation, the restrictions set forth in the preceding sentence) to the same extent as if the transferee/donee were a party hereto, (ii) no filing by any party (donor, donee, transferor or transferee) under the Exchange Act, shall be required or shall be voluntarily made in connection with such transfer or distribution (other than a filing on a Form 5, Schedule 13D or Schedule 13G (or 13D-A or 13G-A)), (iii) each party (donor, donee, transferor or transferee) shall not be required by law (including without limitation the disclosure requirements of the Securities Act of 1933, as amended, and the Exchange Act) to make, and shall agree to not voluntarily make, any public announcement of the transfer or disposition, and (iv) the undersigned notifies Lehman Brothers Inc. at least two business days prior to the proposed transfer or disposition.

In furtherance of the foregoing, the Company and its transfer agent are hereby authorized to decline to make any transfer of securities if such transfer would constitute a violation or breach of this Lock-Up Letter Agreement.

It is understood that, if the Company notifies the Underwriters that it does not intend to proceed with the Offering, if the Underwriting Agreement does not become effective, or if the Underwriting Agreement (other than the provisions thereof which survive termination) shall terminate or be terminated prior to payment for and delivery of the Stock, the undersigned will be released from its obligations under this Lock-Up Letter Agreement.

The undersigned understands that the Company and the Underwriters will proceed with the Offering in reliance on this Lock-Up Letter Agreement.

Whether or not the Offering actually occurs depends on a number of factors, including market conditions. Any Offering will only be made pursuant to an Underwriting Agreement, the terms of which are subject to negotiation between the Company and the Underwriters.

[Signature page follows]

The undersigned hereby represents and warrants that the undersigned has full power and authority to enter into this Lock-Up Letter Agreement and that, upon request, the undersigned will execute any additional documents necessary in connection with the enforcement hereof. Any obligations of the undersigned shall be binding upon the heirs, personal representatives, successors and assigns of the undersigned.

Very truly yours,

By: ____________________________________
Name:
Title:

Dated: __________

Exhibit 3.1

AMENDED AND RESTATED CERTIFICATE OF INCORPORATION

OF

EVERCORE PARTNERS INC.

The present name of the corporation is Evercore Partners Inc. (the "Corporation"). The Corporation was incorporated under the name "Evercore Partners Inc." by the filing of its original certificate of incorporation (the "Original Certificate of Incorporation") with the Secretary of State of the State of Delaware on July 21, 2005. This Amended and Restated Certificate of Incorporation of the Corporation, which both restates and further amends the provisions of the Original Certificate of Incorporation, was duly adopted in accordance with the provisions of Sections 228, 242 and 245 of the General Corporation Law of the State of Delaware. The Original Certificate of Incorporation of the Corporation is hereby amended and restated to read in its entirety as follows:

ARTICLE I

Section 1.1. Name. The name of the Corporation is Evercore Partners Inc. (the "Corporation").

ARTICLE II

Section 2.1. Address. The registered office of the Corporation in the State of Delaware is 1209 Orange Street, Wilmington, New Castle County, Delaware 19801; and the name of the Corporation's registered agent at such address is The Corporation Trust Company.

ARTICLE III

Section 3.1. Purpose. The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware (the "DGCL").

ARTICLE IV

Section 4.1. Capitalization. The total number of shares of all classes of stock that the Corporation is authorized to issue is 1,101,000,000 shares, consisting of (i) 100,000,000 shares of Preferred Stock, par value $.01 per share ("Preferred Stock"), (ii) 1,000,000,000 shares of Class A Common Stock, par value $.01 per share ("Class A Common Stock"), and (iii) 1,000,000 shares of Class B Common Stock, par value $.01 per share ("Class B Common Stock" and, together with the Class A Common Stock, the "Common Stock"). The number of authorized shares of any of the Class A Common Stock, Class B Common Stock or Preferred Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority in voting power of the stock of the Corporation entitled to vote thereon irrespective of the provisions of Section 242(b)(2) of the DGCL (or any successor provision thereto), and no vote of the holders of any of the Class A

Common Stock, Class B Common Stock or Preferred Stock voting separately as a class shall be required therefor.

Section 4.2. Preferred Stock.

(A) The Board of Directors of the Corporation (the "Board") is hereby expressly authorized, by resolution or resolutions, to provide, out of the unissued shares of Preferred Stock, for series of Preferred Stock and, with respect to each such series, to fix the number of shares constituting such series and the designation of such series, the voting powers (if any) of the shares of such series, and the powers, preferences and relative, participating, optional or other special rights, if any, and any qualifications, limitations or restrictions thereof, of the shares of such series. The powers, preferences and relative, participating, optional and other special rights of each series of Preferred Stock, and the qualifications, limitations or restrictions thereof, if any, may differ from those of any and all other series at any time outstanding.

(B) Except as otherwise required by law, holders of a series of Preferred Stock, as such, shall be entitled only to such voting rights, if any, as shall expressly be granted thereto by this Amended and Restated Certificate of Incorporation (including any certificate of designations relating to such series).

Section 4.3. Common Stock.

(A) Voting Rights.

(1) Each holder of Class A Common Stock, as such, shall be entitled to one vote for each share of Class A Common Stock held of record by such holder on all matters on which stockholders generally are entitled to vote; provided, however, that to the fullest extent permitted by law, holders of Class A Common Stock, as such, shall have no voting power with respect to, and shall not be entitled to vote on, any amendment to this Amended and Restated Certificate of Incorporation (including any certificate of designations relating to any series of Preferred Stock) that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together with the holders of one or more other such series, to vote thereon pursuant to this Amended and Restated Certificate of Incorporation (including any certificate of designations relating to any series of Preferred Stock) or pursuant to the DGCL.

(2) Each holder of Class B Common Stock shall be entitled, as such, without regard to the number of shares of Class B Common Stock (or fraction thereof) held by such holder, to a number of votes that is equal to the product of (A) the quotient of (x) the number of Class A Units (defined below) held of record by such holder divided by (y) the total number of Class A Units outstanding (excluding Class A Units held by the Corporation) multiplied by (B) the product of (x) the total number of Partnership Units (defined below) outstanding (excluding Partnership Units held by the Corporation) multiplied by (y) the Exchange Rate (defined below) on all matters on which stockholders are generally entitled to vote; provided, however, that, from and after the

time that the Founding Limited Partners (defined below), collectively, cease to beneficially own, in the aggregate, at least 90% of the Class A Units held by such Founding Limited Partners on the date of the Partnership Agreement (defined below), each holder of Class B Common Stock shall be entitled, as such, without regard to the number of shares of Class B Common Stock (or fraction thereof) held by such holder, to a number of votes that is equal to the product of (x) the total number of Partnership Units held of record by such holder multiplied by (y) the Exchange Rate, on all matters on which stockholders generally are entitled to vote; provided, further, that, to the fullest extent permitted by law, holders of Class B Common Stock, as such, shall have no voting power with respect to, and shall not be entitled to vote on, any amendment to this Amended and Restated Certificate of Incorporation (including any certificate of designations relating to any series of Preferred Stock) that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together with the holders of one or more other such series, to vote thereon pursuant to this Amended and Restated Certificate of Incorporation (including any certificate of designations relating to any series of Preferred Stock) or pursuant to the DGCL. For purposes of calculating the quotient in clause (A) of the immediately preceding sentence only, a holder of Class A-1 Units (defined below) shall also be deemed to hold the Class A-2 Units (defined below) held by a Related Partner (defined below) of such person, and such Related Partner shall be deemed not to hold such Class A-2 Units for the purpose of this calculation. "Partnership Unit" means a partnership unit in Evercore LP, a Delaware limited partnership, or any successor entity thereto, issued under its partnership agreement, as amended ("Partnership Agreement"). "Class A Unit", "Class A-1 Unit", "Class A-2 Unit", "Founding Limited Partner" and "Related Partner", each has the meaning set forth in the Partnership Agreement.

(3) Except as otherwise required in this Amended and Restated Certificate of Incorporation or by applicable law, the holders of Common Stock shall vote together as a single class on all matters (or, if any holders of Preferred Stock are entitled to vote together with the holders of Common Stock, as a single class with such holders of Preferred Stock).

(B) Dividends. Subject to applicable law and the rights, if any, of the holders of any outstanding series of Preferred Stock or any class or series of stock having a preference over or the right to participate with the Class A Common Stock with respect to the payment of dividends, dividends may be declared and paid on the Class A Common Stock out of the assets of the Corporation that are by law available therefor at such times and in such amounts as the Board in its discretion shall determine. Dividends shall not be declared or paid on the Class B Common Stock.

(C) Liquidation, Dissolution or Winding Up. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation, after payment or provision for payment of the debts and other liabilities of the Corporation and of the preferential and other amounts, if any, to which the holders of Preferred Stock shall be entitled, the holders of all outstanding shares of Class A Common Stock shall be entitled to receive the remaining assets of the Corporation available for distribution ratably in proportion to the number of shares held by each such stockholder. The holders of shares of Class B Common Stock, as such, shall not be entitled to receive any assets of the Corporation in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

(D) Retirement of Class B Common Stock. In the event that any outstanding share of Class B Common Stock shall cease to be held by a holder of Partnership Units, such share shall automatically and without further action on the part of the Corporation or any holder of Class B Common Stock be transferred to the Corporation and thereupon shall be retired.

ARTICLE V

Section 5.1. Partnership Units.

(A) Exchange of Partnership Units.

(1) Subject to adjustment as provided in this Article V and subject to the provisions of the Partnership Agreement, each holder of a Partnership Unit (other than the Corporation) shall be entitled to exchange, at any time and from time to time, any or all of such holder's Partnership Units, on a one-for-one basis, for the same number of shares of Class A Common Stock (the number of shares of Class A Common Stock for which a Partnership Unit is entitled to be exchanged referred to herein as the "Exchange Rate"). Such right shall be exercised by a written notice to the Corporation from the holder of such Partnership Units stating that such holder desires to exchange a stated number of Partnership Units into an equal number of shares of Class A Common Stock, accompanied by instruments of transfer to the Corporation, in form satisfactory to the Corporation and to the Corporation's transfer agent (the "Transfer Agent"), duly executed by such holder or such holder's duly authorized attorney, and transfer tax stamps or funds therefor, if required pursuant to this Article V, in respect of the Partnership Units to be exchanged, in each case delivered during normal business hours at the principal executive offices of the Corporation or at the office of the Transfer Agent. Notwithstanding the foregoing, no holder of a Partnership Unit shall be entitled to exchange such Partnership Unit for a share of Class A Common Stock if such exchange would be prohibited under applicable federal or state securities laws or regulations.

(2) As promptly as practicable following the surrender for exchange of Partnership Units in the manner provided in this Article V and the payment in cash of any amount required by the provisions of this Article V, the Corporation shall deliver or cause to be delivered at the principal executive offices of the Corporation or at the office of the Transfer Agent the number of shares of Class A Common Stock issuable upon such exchange, issued in such name or names as such holder may direct. Upon the date any such Partnership Units are surrendered for exchange, all rights of the holder of such Partnership Units as such holder shall cease, and the person or persons in whose name or names the shares of Class A Common Stock are to be issued shall be treated for all purposes as having become the record holder or holders of such shares of Class A Common Stock.

(B) Stock Splits, Stock Dividends and Reclassifications. The Exchange Rate shall be adjusted accordingly if there is: (1) any subdivision (by any unit split, unit distribution, reclassification, recapitalization or otherwise) or combination (by reverse unit split, reclassification, recapitalization or otherwise) of the Partnership Units that is not accompanied by an identical subdivision or combination of the Class A Common Stock; or (2) any subdivision (by any stock split, stock dividend, reclassification, recapitalization or otherwise) or combination (by reverse stock split, reclassification, recapitalization or otherwise) of the Class A Common Stock that is not accompanied by an identical subdivision or combination of the Partnership Units. In the event of a reclassification or other similar transaction as a result of which the shares of Class A Common Stock are converted into another security, then a holder of Partnership Units shall be entitled to receive upon exchange the amount of such security that such holder would have received if such exchange had occurred immediately prior to the effective date of such reclassification or other similar transaction. Except as may be required in the immediately preceding sentence, no adjustments in respect of dividends shall be made upon the exchange of any Partnership Unit; provided, however, that if a Partnership Unit shall be exchanged subsequent to the record date for the payment of a dividend or other distribution on Partnership Units but prior to the date of such payment, then the registered holder of such Partnership Unit at the close of business on such record date shall be entitled to receive the dividend or other distribution payable on such Partnership Unit on such payment date notwithstanding the exchange thereof or the default in payment of the dividend or distribution due on such payment date.

(C) Shares Reserved for Issuance. The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Class A Common Stock, solely for the purpose of issuance upon exchange of the Partnership Units, such number of shares of Class A Common Stock that shall be issuable upon the exchange of all such outstanding Partnership Units; provided, that nothing contained herein shall be construed to preclude the Corporation from satisfying its obligations in respect of the exchange of the Partnership Units by delivery of purchased shares of Class A Common Stock which are held in the treasury of the Corporation. The Corporation covenants that if any shares of Class A Common Stock require registration with or approval of any governmental authority under any federal or state law before such shares of Class A Common Stock may be issued upon exchange, the Corporation shall use commercially reasonable efforts to cause such shares to be duly registered or approved, as the case may be. The Corporation shall use commercially reasonable efforts to list the shares of Class A Common Stock required to be delivered upon exchange prior to such delivery upon each national securities exchange or inter-dealer quotation system upon which the outstanding Class A Common Stock may be listed or traded at the time of such delivery. The Corporation covenants that all shares of Class A Common Stock that shall be issued upon exchange of the Partnership Units will, upon issue, be validly issued, fully paid and non-assessable.

(D) Taxes. The issuance of shares of Class A Common Stock upon exchange of Partnership Units shall be made without charge to the holders of such Partnership Units for any stamp or other similar tax in respect of such issuance; provided, however, that if any such shares to be issued in a name other than that of the holder of the Partnership Units exchanged, then the person or persons requesting the issuance thereof shall pay to the Corporation the amount of any tax that may be payable in respect of any transfer involved in such issuance or shall establish to the satisfaction of the Corporation that such tax has been paid or is not payable.

Section 5.2. Amendment of Article V. Notwithstanding anything to the contrary contained in this Amended and Restated Certificate of Incorporation, and in addition to any other vote required by the DGCL or this Amended and Restated Certificate of Incorporation, the affirmative vote of the holders of at least a majority in voting power of the Class B Common Stock, voting separately as a class, shall be required to alter, amend or repeal this Article V or to adopt any provision inconsistent therewith.

ARTICLE VI

Section 6.1. By-Laws. In furtherance and not in limitation of the powers conferred by the DGCL, the Board is expressly authorized to make, amend, alter, change, add to or repeal the by-laws of the Corporation without the assent or vote of the stockholders in any manner not inconsistent with the law of the State of Delaware or this Amended and Restated Certificate of Incorporation. Notwithstanding anything to the contrary contained in this Amended and Restated Certificate of Incorporation, the affirmative vote of the holders of at least 80% of the voting power of all the then outstanding shares of stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class, shall be required for the stockholders to make, amend, alter, change, add to or repeal any provision of the by-laws of the Corporation.

ARTICLE VII

Section 7.1. Board of Directors.

(A) The business and affairs of the Corporation shall be managed by or under the direction of the Board, with the exact number of directors to be determined from time to time by resolution adopted by affirmative vote of a majority of the Board.

(B) Notwithstanding the foregoing, whenever the holders of any one or more series of Preferred Stock issued by the Corporation shall have the right, voting separately as a series or separately as a class with one or more such other series, to elect directors at an annual or special meeting of stockholders, the election, term of office, removal and other features of such directorships shall be governed by the terms of this Amended and Restated Certificate of Incorporation (including any certificate of designations relating to any series of Preferred Stock) applicable thereto. The number of directors that may be elected by the holders of any such series of Preferred Stock shall be in addition to the number fixed pursuant to Section 7.1(A) hereof.

(C) Directors of the Corporation need not be elected by written ballot unless the by-laws of the Corporation shall so provide.

ARTICLE VIII

Section 8.1. Meetings of Stockholders. Any action required or permitted to be taken by the holders of stock of the Corporation must be effected at a duly called annual or special meeting of such holders and may not be effected by any consent in writing by such holders; provided, however, that any action required or permitted to be taken by the holders of Class B Common Stock, voting separately as a class, or, to the extent expressly permitted by the certificate of designation relating to one or more series of Preferred Stock, by the holders of such series of Preferred Stock, voting separately as a series or separately as a class with one or more other such series, may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding shares of the relevant class or series having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the Corporation by delivery to its registered office in Delaware, its principal place of business, or to an officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Except as otherwise required by law and subject to the rights of the holders of any series of Preferred Stock, special meetings of the stockholders of the Corporation may be called only by or at the direction of the Board, the Chairman of the Board or the Chief Executive Officer of the Corporation.

ARTICLE IX

Section 9.1. Limited Liability of Directors. No director of the Corporation will have any personal liability to the Corporation or its stockholders for monetary damages for any breach of fiduciary duty as a director, except to the extent such exemption from liability or limitation thereof is not permitted under the DGCL as the same exists or hereafter may be amended. Neither the amendment nor the repeal of this Article IX shall eliminate or reduce the effect thereof in respect of any matter occurring, or any cause of action, suit or claim that, but for this Article IX, would accrue or arise, prior to such amendment or repeal.

ARTICLE X

Section 10.1. Indemnification. To the fullest extent permitted by the law of the State of Delaware as it presently exists or may hereafter be amended, the Corporation shall indemnify any person (and such person’s heirs, executors or administrators) who was or is made or is threatened to be made a party to or is otherwise involved in any threatened, pending or completed action, suit or proceeding (brought in the right of the Corporation or otherwise), whether civil, criminal, administrative or investigative, and whether formal or informal, including appeals, by reason of the fact that such person, or a person for whom such person was the legal representative, is or was a director or officer of the Corporation or, while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, partner, trustee, employee or agent of another corporation, partnership, joint venture, trust, limited liability company, nonprofit entity or other enterprise, for and against all loss and liability suffered and expenses (including attorneys’ fees), judgments, fines and amounts paid in settlement reasonably incurred by such person or such heirs, executors or administrators in connection with such action, suit or proceeding, including appeals. Notwithstanding the preceding sentence, except as otherwise provided in Section 10.3 hereof, the Corporation shall be required to indemnify a person described in such sentence in connection with any action, suit or proceeding (or part thereof) commenced by such person only if the commencement of such action, suit or proceeding (or part thereof) by such person was authorized by the Board.

Section 10.2. Advance of Expenses. To the fullest extent permitted by the laws of the State of Delaware, the Corporation shall promptly pay expenses (including attorneys’ fees) incurred by any person described in Section 10.1 hereof in appearing at, participating in or defending any action, suit or proceeding in advance of the final disposition of such action, suit or proceeding, including appeals, upon presentation of an undertaking on behalf of such person to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified under this Article X or otherwise. Notwithstanding the preceding sentence, except as otherwise provided in Section 10.3 hereof, the Corporation shall be required to pay expenses of a person described in such sentence in connection with any action, suit or proceeding (or part thereof) commenced by such person only if the commencement of such action, suit or proceeding (or part thereof) by such person was authorized by the Board.

Section 10.3. Unpaid Claims. If a claim for indemnification (following the final disposition of such action, suit or proceeding) or advancement of expenses under this Article X is not paid in full within thirty (30) days after a written claim therefor by any person described in Section 10.1 has been received by the Corporation, such person may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim. In any such action the Corporation shall have the burden of proving that such person is not entitled to the requested indemnification or advancement of expenses under applicable law.

Section 10.4. Insurance. To the fullest extent permitted by the law of the State of Delaware, the Corporation may purchase and maintain insurance on behalf of any person described in Section 10.1 against any liability asserted against such person, whether or not the Corporation would have the power to indemnify such person against such liability under the provisions of this Article X or otherwise.

Section 10.5. Non-Exclusivity of Rights. The provisions of this Article X shall be applicable to all actions, claims, suits or proceedings made or commenced after the adoption hereof, whether arising from acts or omissions to act occurring before or after its adoption. The provisions of this Article X shall be deemed to be a contract between the Corporation and each director or officer (or legal representative thereof) who serves in such capacity at any time while this Article X and the relevant provisions of the law of the State of Delaware and other applicable law, if any, are in effect, and any alteration, amendment or repeal hereof shall not affect any rights or obligations then existing with respect to any state of facts or any action, suit or proceeding then or theretofore existing, or any action, suit or proceeding thereafter brought or threatened based in whole or in part on any such state of facts. If any provision of this Article X shall be found to be invalid or limited in application by reason of any law or regulation, it shall not affect the validity of the remaining provisions hereof. The rights of indemnification provided in this Article X shall neither be exclusive of, nor be deemed in limitation of, any rights to which any person may otherwise be or become entitled or permitted by contract, this Amended and Restated Certificate of Incorporation, the by-laws of the Corporation, vote of stockholders or directors or otherwise, or as a matter of law, both as to actions in such person’s official capacity and actions in any other capacity, it being the policy of the Corporation that indemnification of any person whom the Corporation is obligated to indemnify pursuant to Section 10.1 hereof shall be made to the fullest extent permitted by law.

For purposes of this Article X, references to “other enterprises” shall include employee benefit plans; references to “fines” shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to “serving at the request of the

Corporation" shall include any service as a director, officer, employee or agent of the Corporation which imposes duties on, or involves services by, such director, officer, employee, or agent with respect to an employee benefit plan, its participants, or beneficiaries.

This Article X shall not limit the right of the Corporation, to the extent and in the manner permitted by law, to indemnify and to advance expenses to, and purchase and maintain insurance on behalf of, persons other than persons described in Section 10.1 hereof.

ARTICLE XI

Section 11.1. Severability. If any provision or provisions of this Amended and Restated Certificate of Incorporation shall be held to be invalid, illegal or unenforceable as applied to any circumstance for any reason whatsoever: (i) the validity, legality and enforceability of such provisions in any other circumstance and of the remaining provisions of this Amended and Restated Certificate of Incorporation (including, without limitation, each portion of any paragraph of this Amended and Restated Certificate of Incorporation containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and (ii) to the fullest extent possible, the provisions of this Amended and Restated Certificate of Incorporation (including, without limitation, each such portion of any paragraph of this Amended and Restated Certificate of Incorporation containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to permit the Corporation to protect its directors, officers, employees and agents from personal liability in respect of their good faith service to or for the benefit of the Corporation to the fullest extent permitted by law.

* * *

IN WITNESS WHEREOF, the Corporation has caused this Amended and Restated Certificate of Incorporation to be signed by __________, its __________ this ____ day of ______ 200__.

EVERCORE PARTNERS INC.

By: ______________________________

Name:

Title:

July 31, 2006

Evercore Partners Inc.
55 East 52nd Street
43rd Floor
New York, New York 10055

Ladies and Gentlemen:

We have acted as counsel to Evercore Partners Inc., a Delaware corporation (the “Company”), in connection with the Registration Statement on Form S-1 (the “Registration Statement”) filed by the Company with the Securities and Exchange Commission (the “Commission”) under the Securities Act of 1933, as amended (the “Act”), relating to the issuance by the Company of up to 4,542,500 shares of Class A Common Stock, par value $0.01 per share (together with any additional shares of such stock that may be issued by the Company pursuant to Rule 462(b) (as prescribed by the Commission pursuant to the Act) in connection with the offering described in the Registration Statement, the “Shares”).

We have examined the Registration Statement and a form of the Amended and Restated Certificate of Incorporation of the Company (the “Amended Certificate”), which has been filed with the Commission as an exhibit to the Registration Statement. We also have examined the originals, or duplicates or certified or conformed copies, of such corporate and other records, agreements, documents and other instruments and have made such other investigations as we have deemed relevant and necessary in connection with the opinions hereinafter set forth. As to questions of fact material to this opinion, we have relied upon certificates or comparable documents of public officials and of officers and representatives of the Company.

In rendering the opinion set forth below, we have assumed the genuineness of all signatures, the legal capacity of natural persons, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as duplicates or certified or conformed copies and the authenticity of the originals of such latter documents.

Based upon the foregoing, and subject to the qualifications, assumptions and limitations stated herein, we are of the opinion that (1) when the Amended Certificate has been duly filed with the Secretary of State of the State of Delaware, (2) when the Pricing Committee of the Board of Directors of the Company (the "Pricing Committee") has authorized and approved the issuance of the Shares and (3) upon payment and delivery in accordance with the applicable definitive underwriting agreement approved by the Pricing Committee, the Shares will be validly issued, fully paid and nonassessable.

We do not express any opinion herein concerning any law other than the Delaware General Corporation Law (including the statutory provisions, all applicable provisions of the Delaware Constitution and reported judicial decisions interpreting the foregoing).

We hereby consent to the filing of this opinion letter as Exhibit 5.1 to the Registration Statement and to the use of our name under the caption "Legal Matters" in the Prospectus included in the Registration Statement.

Very truly yours,

/s/ Simpson Thacher & Bartlett LLP

SIMPSON THACHER & BARTLETT LLP

SUPPLEMENT
TO
AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT
OF
EVERCORE LP

This Supplement (this "Supplement") to the Amended and Restated Limited Partnership Agreement, dated as of [ ], 2006 (the "Agreement"), of Evercore LP, a Delaware limited partnership (the "Partnership") by and among Evercore Partners Inc., a Delaware corporation, as general partner of the Partnership (the "General Partner"), and the Limited Partners (as defined therein) of the Partnership, is made as of the [ ] day of [ ], 2006.

W I T N E S S E T H

WHEREAS, the General Partner has determined to supplement the Agreement as set forth herein; and

WHEREAS, this Supplement does not adversely affect any Limited Partner's Units in any material respect.

NOW THEREFORE:

(1) Capitalized Terms. Capitalized terms used herein without definition shall have the meanings assigned to them in the Agreement.

(2) Supplement to Agreement. The Agreement is hereby supplemented as follows:

(a) Notwithstanding anything to the contrary set forth in the Agreement (with the exception of Section 8.07 thereof, which shall apply in each case) and in addition to any other Transfers that may be permitted therein, at any time following the first underwritten public offering of shares of Class A Common Stock, if any, consummated subsequent to the IPO (such subsequent underwritten public offering, the "Subsequent Offering") (i) Roger C. Altman or his Related Partner may, without the authorization of or notice to the Equity Committee, Transfer Vested Initial Units having an aggregate value of $10 million (such value determined based on the market price of the Class A Common Stock at the time of Transfer) to one or more Charities (such Charities, "Altman Charitable Donees") or exchange such Vested Initial Units for shares of Class A Common Stock for onward Transfer to such Altman Charitable Donees and (ii) such Altman Charitable Donees may, without the authorization of or notice to the Equity Committee, freely Transfer such Vested Initial Units or such shares of Class A Common Stock to any other Person; provided, that Roger C. Altman shall not have at the time of any such Transfer ceased to be employed by, or to serve as a director of, the General Partner, the Partnership or any of its subsidiaries other than as a result of death, disability or retirement in the ordinary course.

(b) Transfers of shares of Class A Common Stock by Altman Charitable Donees pursuant to clause (a) above shall be subject to (i) reasonable periodic volume limitations that may be imposed by the Equity Committee to minimize disruption in the trading of the Class A Common Stock and (ii) lock-up periods, if any, imposed by the underwriters of any underwritten public offering of shares of Class A Common Stock.

(c) Should the Equity Committee offer Roger C. Altman, his Related Partner and/or the Altman Donees the opportunity to participate in one or more public offerings of shares of Class A Common Stock subsequent to the Subsequent Offering ("Additional Subsequent Offerings"), the aggregate value of the Vested Initial Units and shares of Class A Common Stock that may be Transferred by Roger C. Altman, his Related Partner and/or the Altman Donees pursuant to clause (a) above shall thereafter be reduced by the aggregate value of the Vested Initial Units and shares of Class A Common Stock as to which such participation was offered (such value determined based on the initial public offering price per share of the Class A Common Stock in each such Additional Subsequent Offering); provided that no such offer of participation shall in any way affect any Transfer effected prior to such offer.

(3) Governing Law. This Supplement shall be governed by, and construed in accordance with, the law of the State of Delaware.

IN WITNESS WHEREOF, the parties hereto have caused this Supplement to be duly executed and attested, all as of the date first above written.

EVERCORE PARTNERS INC.

By: ______________________________
Name:
Title:

Acknowledged:

EVERCORE LP

By: Evercore Partners Inc., its General Partner

By: ______________________________
Name:
Title:

Exhibit 10.6

FORM OF
EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT (the “Agreement”) dated as of [ ], 2006 (the “Effective Date”) by and between Evercore Partners Inc. (the “Company”), Evercore, L.P. (the “Partnership”) (Company and Partnership, each and collectively, “Employer”) and Roger C. Altman (the “Executive”).

The Employer desires to employ Executive in the positions set forth below and to enter into an agreement embodying the terms of such employment; and

Executive desires to continue such employment and enter into such an agreement.

In consideration of the promises and mutual covenants set forth herein and for other good and valuable consideration, the parties agree as follows:

1. Term of Employment. Subject to the provisions of Section 7 of this Agreement, Executive shall be employed by the Employer for a period commencing on the Effective Date and ending on the third anniversary of the Effective Date (the “Term”) on the terms and subject to the conditions set forth in this Agreement; provided, however, that commencing with the third anniversary of the Effective Date and on each anniversary thereof (each an “Extension Date”), the Term shall be automatically extended for an additional one-year period, unless the Employer or Executive provides the other party hereto 60 days prior written notice before the next Extension Date that the Term shall not be so extended. For purposes of this Agreement, “Employment Term” shall mean the period of time that Executive is employed hereunder during the Term.

2. Position.

a. During the Employment Term, Executive shall serve as Chairman, Co-Chief Executive Officer of the Company and, to the extent elected, as Co-Chairman of the Board of Directors of the Company (the “Board”) and shall serve as officer of the Partnership. In such positions, Executive shall have the authority commensurate with such positions and such duties, commensurate with such positions, as shall be determined from time to time by the Partnership and the Board and Executive shall report directly to the Board.

b. During the Employment Term, Executive will devote Executive’s full business time and best efforts to the performance of Executive’s duties hereunder and will not engage in any other business, profession or occupation for compensation or otherwise which would conflict or materially interfere with the rendition of such services either directly or indirectly, without the prior written consent of the Board; provided that nothing herein shall preclude Executive (x) from managing Executive’s personal investments, (y) from continuing to serve on any board of directors, or as trustee, of any business corporation or any charitable organization on which Executive serves as of the Effective Date and which have been previously disclosed to the Employer and serving on the boards of directors of any portfolio companies of investment funds managed by the Partnership or its affiliates; and (z) subject to the prior approval of the Board (which shall not be unreasonably withheld), from accepting appointment to or continuing to serve on any board of directors or trustees of any business corporation or any charitable organization; provided in each case, and in the aggregate, that such activities do not conflict or materially interfere with the performance of Executive's duties hereunder or conflict with Section 8 of this Agreement.

c. The parties hereby acknowledge that, while Executive is employed hereunder by both the Partnership and the Company, it is anticipated that all of Executive's business time and effort will be devoted to services for the Partnership. Consequently, subject to future adjustment as necessary from time to time to reflect the accurate allocation of time and effort expended by the Executive for the Company and Partnership, respectively, all of Executive's compensation hereunder shall be allocated as compensation for work performed on behalf of the Partnership.

3. Base Salary. During the Employment Term, the Employer shall pay Executive a base salary at the annual rate of $500,000, payable in regular installments in accordance with the Employer's usual payment practices. Executive shall be entitled to such increases in Executive's base salary, if any, as may be determined from time to time in the sole discretion of the Board. Executive's annual base salary, as in effect from time to time, is hereinafter referred to as the "Base Salary." Executive's Base Salary may not, in any event, be decreased below $500,000.

4. Annual Bonus.

a. Guaranteed Annual Bonus. With respect to each fiscal year of the Company (a "Fiscal Year") occurring during the Employment Term, the Employer shall pay Executive a guaranteed annual bonus award equal to $500,000 (the "Guaranteed Annual Bonus") on March 1 of each calendar year immediately following the calendar year in which the Fiscal Year in respect of which the Guaranteed Annual Bonus is payable ends, so long as Executive remains employed with the Employer on such date.

b. Profit Annual Bonus.

(i) In addition to the Guaranteed Annual Bonus, with respect to each Fiscal Year occurring during the Term, Executive shall receive a bonus based on the profits of the Company (a "Profit Annual Bonus"); provided, however, that the Profit Annual Bonus payable in respect of the 2006 Fiscal Year (which is defined as the period beginning on the Effective Date and ending on December 31, 2006) shall be equal to $1.25 million. For the 2007 Fiscal Year and each subsequent Fiscal Year occurring during the Term, the Profit Annual Bonus for each such year shall be equal to the sum of (A) $2.5 million, plus (B) the product of (x) the percentage, if any, by which the Company's "Adjusted Net Income Per Share" for such Fiscal Year exceeds the Company's "Base Net Income Per Share" (as such terms are hereinafter defined), and (y) $2.5 million; provided, however, that, except with respect to the 2006 Fiscal Year, in no event shall any Profit Annual Bonus be payable in respect of any Fiscal Year if the Adjusted Net Income Per Share for such Fiscal Year does not exceed the Adjusted Net Income Per Share for the prior Fiscal Year by at least five percent (5%).

(ii) It is anticipated that (A) "Adjusted Net Income Per Share" will be defined as the diluted net income per share earned by the Company as set forth on the Company's audited statement of income for the applicable Fiscal Year, excluding, for purposes of this calculation (1) any compensation and benefits expense incurred due to any vesting of the partnership units granted to employees of the Company or its Affiliates and employees of Protego Asesores S.A. de C.V. or any of its Affiliates (collectively, "Protego")) prior to or in connection with the reorganization of the Company and its Affiliates (including Protego) and the initial public offering of Class A common stock by the Company (the "IPO") and the restricted stock units granted to employees of the Company or its Affiliates and Protego at the time of the IPO, (2) any shares of Class A Common Stock of the Company issued in connection with the acquisition by the Company of Braveheart Financial Services Limited, and (3) any revenue and benefits expense incurred due to a significant expansion of the Company's business during the "start-up" phase of such expansion as may be determined in the sole discretion of the Compensation Committee of the Company; and (B) "Base Net Income Per Share" shall mean the diluted net income per share earned by the Company as set forth on the Company's audited statement of income for the 2006 Fiscal Year, as adjusted to give pro forma effect, on a consistent basis, to the adjustments reflected in the unaudited pro forma statements of income included in the Company's final prospectus for the IPO. Notwithstanding the foregoing, the Base Net Income Per Share will be adjusted to reflect any subsequent equity events such as (I) the vesting of Evercore LP units granted to employees of the Company, its Affiliates or employees of Protego prior to or in connection with the reorganization of the Company and its Affiliates (including Protego) and the IPO, (II) the vesting of any restricted stock units issued at the IPO date (including any restricted stock units held employees of Affiliates of the Company and Protego), (III) stock splits, reclassifications, and other equity adjustments, and (IV) to the extent the acquisition by the Company of Braveheart Financial Services Limited occurs during the 2006 Fiscal Year, the effect of such acquisition on the Company**.** The Profit Annual Bonus for each such Fiscal Year shall be paid to Executive on March 1 of each calendar year immediately following the calendar year in which the Fiscal Year in respect of which the Profit Annual Bonus is payable ends, so long as Executive remains employed with the Employer through such March 1; provided that the Employer will delay the payment of the Profit Annual Bonus in respect of any Fiscal Year with respect to which the Employer reasonably anticipates that the Employer's deduction with respect to such payment otherwise would be limited or eliminated by application of Section 162(m) of the Internal Revenue Code of 1986, as amended in which case such unpaid Profit Annual Bonus amounts (the "Deferred Amounts") will be made upon the earlier of (x) the earliest date at which the Employer reasonably anticipates that the deduction of the payment of such Deferred Amounts will not be limited or eliminated by application of Section 162(m) of the Internal Revenue Code or (y) the calendar year in which the Executive's employment with the Employer is terminated. Deferred Amounts shall accrue interest at the prime rate, plus 1%.

5. Benefits.

a. Employee Benefits. During the Employment Term, Executive shall be entitled to participate in all employee benefit programs of the Employer and its affiliates maintained for the benefit of employees of the Employer on a basis which is no less favorable than is provided to any other executives of the Employer (collectively, the "Employee Benefits").

b. Tax Gross-Up Payment. If it shall be determined that any payment to Executive pursuant to this Agreement or any other payment or benefit from the Employer or its affiliates would be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code"), then Executive shall receive a gross-up payment pursuant to Exhibit A attached hereto.

6. Business Expenses. During the Employment Term, (i) reasonable business expenses incurred by Executive in the performance of Executive's duties hereunder shall be reimbursed by the Employer in accordance with Employer policies, provided claims for such reimbursement (accompanied by appropriate supporting documentation) are submitted to the Company within 90 days following the date such expenses are incurred and (ii) Executive shall

be entitled to receive such perquisites as are generally provided to other senior officers of the Employer in accordance with the then current policies and practices of the Employer. Without limiting the generality of the foregoing, (I) Executive will be entitled to reimbursement for the use of a leased luxury car, including a driver; (II) Executive will be reimbursed for reasonable tax and investment management services up to an annual maximum of $50,000 for such services; and (III) the Employer shall procure, for Executive's use for business related matters, as reasonably determined by the Executive, at the Employer's expense, 110 air hours per year on a private, non-commercial, jet (which may either be owned by the Employer, leased by the Employer, or a fractional ownership interest with NetJet or other comparable non-commercial airline); provided that, if Executive travels on his own aircraft, then Executive shall be entitled to reimbursement by the Employer for any air hours used by Executive on such aircraft (up to 110) for business related travel (as reasonably determined by the Executive) at a rate equal to the Market Rate; and (IV) the Employer will provide Executive with a tax gross-up payment to the extent necessary to offset any income taxes incurred by Executive with respect to such items, no later than March 15th of the calendar year following the calendar year in which the expenses were incurred and subject to the Executive making a claim for such reimbursement prior to March 1st of such calendar year, with respect to items (I), (II) and (III) above. As used herein, "Market Rate" shall mean the cost that would have been incurred by the Employer to procure the same number of hours through NetJet or other comparable non-commercial airline.

7. Termination. The Employment Term and Executive's employment hereunder may be terminated by either party at any time and for any reason; provided that Executive will be required to give the Employer at least 60 days advance written notice of any resignation of Executive's employment. Notwithstanding any other provision of this Agreement, the provisions of this Section 7 shall exclusively govern Executive's rights upon termination of employment with the Employer and its affiliates.

a. By the Employer For Cause or By Executive Resignation Without Good Reason.

(i) The Employment Term and Executive's employment hereunder may be terminated by the Employer for Cause (as defined below) and shall terminate automatically upon Executive's resignation without Good Reason (as defined in Section 7(c)).

For purposes of this Agreement, "Cause" shall have the same meaning as such term is defined in the Evercore Limited Partnership Agreement (the "LP Agreement"), which as of the date hereof means the occurrence or existence of any of the following:

(A) a breach of any of Executive's material obligations under the governing agreements of any of the entities which comprise the Employer and its affiliates of which Executive is a partner, member or stockholder;

(B) the conviction of, or plea of guilty or nolo contendere by, Executive in respect of any felony;

(C) the perpetration by Executive of fraud against the Employer;

(D) the willful and continued failure by Executive to substantially perform Executive's duties with the Employer in Executive's position on a full-time basis (other than any such failure resulting from Executive's death or permanent disability (as such term is defined under any long-term disability plan maintained for Executive's benefit by the Employer), provided that an act, or a failure to act, on Executive's part shall be deemed "willful" only if done, or omitted to be done, by Executive not in good faith or without a reasonable belief that Executive's action or omission was in or not opposed to the best interests of the Employer; or

(E) any willful misconduct which could have, or could reasonably be expected to have, an adverse effect in any material respect on (i) Executive's ability to function as an employee of the Employer, taking into account the services required of Executive or (ii) the business and/or reputation of the Employer.

Notwithstanding the foregoing, in the event that the definition of "Cause" as set forth in the L.P. Agreement is modified at any time after the date of this Agreement with respect to substantially all partners thereof, the definition of "Cause" as defined herein shall be deemed modified to the same extent, and effective as of the same date, as such definition of "Cause" as set forth in either such applicable partnership agreement.

Notwithstanding the foregoing, for purposes of this Agreement, in the case of clauses (A), (D) and (E), Cause shall not exist if, such breach or misconduct, if capable of being cured, shall have been cured by Executive within 10 business days after receipt of written notice thereof from the Employer. Any termination for Cause shall be effected by a resolution of the majority of the members of the Board. Prior to the effectiveness of any such termination, Executive shall be afforded an opportunity to meet with the Board, upon reasonable notice under the circumstances, and explain and defend any action or omission alleged to constitute grounds for a termination for Cause, provided that the Board may suspend Executive from his duties hereunder prior to such opportunity and such suspension shall not constitute a breach of this Agreement by the Employer or otherwise form the basis for a termination for Good Reason. If Executive has, and utilizes, such opportunity to be heard, the Board shall promptly reaffirm that grounds for a termination for Cause exist or reinstate Executive to his position hereunder.

(ii) If Executive's employment is terminated by the Employer for Cause or if Executive resigns without Good Reason (which shall not include a termination of employment due to Executive's death or Disability (as such term is defined in Section 7(b)(i) below)), Executive shall be entitled to receive:

(A) any Base Salary earned but unpaid through the date of termination;

(B) reimbursement, within 60 days following submission by Executive to the Company of appropriate supporting documentation, for any unreimbursed business expenses properly incurred by Executive in accordance with Company policy prior to the date of Executive's termination; provided claims for such reimbursement (accompanied by appropriate supporting documentation) are submitted to the Company within 90 days following the date of Executive's termination of employment;

(C) any unpaid Deferred Amounts; and

(D) such Employee Benefits, if any, as to which Executive may be entitled under the employee benefit plans of the Employer and its affiliates (the payments and benefits described in clauses (A), (B), (C) and (D) hereof being referred to as the "Accrued Rights").

Following the termination of Executive's employment by the Employer for Cause or resignation by Executive without Good Reason, except as set forth in Section 5(b), this Section 7(a)(ii) and Section 9(a)(ii), Executive shall have no further rights to any compensation or any other benefits under this Agreement.

b. Disability or Death.

(i) The Employment Term and Executive's employment hereunder shall terminate upon Executive's death and may be terminated by the Employer if Executive becomes physically or mentally incapacitated and is therefore unable for a period of six consecutive months or for an aggregate of nine months in any 24 consecutive month period to perform Executive's duties (such incapacity is hereinafter referred to as "Disability"). Any question as to the existence of the Disability of Executive as to which Executive and the Employer cannot agree shall be determined in writing by a qualified independent physician mutually acceptable to Executive and the Employer. If Executive and the Employer cannot agree as to a qualified independent physician, each shall appoint such a physician and those two physicians shall select a third who shall make such determination in writing. The determination of Disability made in writing to the Employer and Executive shall be final and conclusive for all purposes of the Agreement.

(ii) Upon termination of Executive's employment hereunder due to either death or Disability, Executive or Executive's estate (as the case may be) shall be entitled to receive:

(A) the Accrued Rights;

(B) a lump sum payment equal to Executive's earned but unpaid Guaranteed Annual Bonus, if any, payable in respect of the Fiscal Year immediately preceding the Fiscal Year in which the termination occurs, payable when the Guaranteed Annual Bonus would have otherwise been payable had Executive's employment not terminated;

(C) a lump sum payment equal to a pro-rated portion of the Guaranteed Annual Bonus, calculated based on the number of months (and any fraction thereof) Executive is employed during the Fiscal Year in which a termination of employment occurs and in respect of which the Guaranteed Annual Bonus is payable, relative to 12 months;

(D) a lump sum payment equal to Executive's earned but unpaid Profit Annual Bonus, if any, in respect of the Fiscal Year immediately preceding the Fiscal Year in which the termination occurs, payable when the Profit Annual Bonus would have otherwise been payable had Executive's employment not terminated; and

(E) a lump sum payment equal to a pro-rated portion of the Executive's Profit Annual Bonus, calculated based on the number of months (and any fraction thereof) Executive is employed during the Fiscal Year in which a termination of employment occurs and in respect of which the Profit Annual Bonus is payable, relative to 12 months.

Following Executive's termination of employment due to death or Disability, except as set forth in Section 5(b), this Section 7(b)(ii) and Section 9(a)(ii), Executive shall have no further rights to any compensation or any other benefits under this Agreement.

c. <u>By the Employer Without Cause or Resignation by Executive for Good Reason</u>.

(i) The Employment Term and Executive's employment hereunder may be terminated by the Employer without Cause (which (x) shall include the Employer's election not to extend the Employment Term pursuant to Section 1 of this Agreement and (y) shall not include a termination of employment due to Executive's death or Disability) or by Executive's resignation for Good Reason (each, a "Qualifying Termination").

(ii) For purposes of this Agreement, "Good Reason" shall mean (A) the failure of the Employer to pay or cause to be paid Executive's Base Salary, Guaranteed Annual Bonus or Profit Annual Bonus (to the extent earned in accordance with the terms of any applicable annual bonus or annual incentive arrangement), if any, when due, (B) the failure to elect or re-elect Executive as a member of the Board, (C) any diminution in Executive's title or any material diminution in Executive's authority or responsibilities as in effect from time to time, or (D) the Employer's failure to provide Executive with any of the employee benefits or perquisites set forth in Sections 5 or 6 of this Agreement; <u>provided</u> that any of the events described in clauses (A), (B), (C) and (D) of this Section 7(c)(ii) shall constitute Good Reason only if the Employer fails to cure such event within 30 days after receipt from Executive of written notice of the event which constitutes Good Reason; <u>provided</u>, <u>further</u>, that "Good Reason" shall cease to exist for an event on the 60th day following the later of its occurrence or Executive's knowledge thereof, unless Executive has given the Employer written notice thereof prior to such date.

(iii) If Executive's employment terminates due to a Qualifying Termination, Executive shall be entitled to receive:

(A) the Accrued Rights;

(B) a lump sum payment equal to Executive's earned but unpaid Guaranteed Annual Bonus, if any, payable in respect of the Fiscal Year immediately preceding the Fiscal Year in which the termination occurs, payable when the Guaranteed Annual Bonus would have otherwise been payable had Executive's employment not terminated;

(C) a lump sum payment equal to a pro-rated portion of the Guaranteed Annual Bonus, calculated based on the number of months (and any fraction thereof) Executive is employed during the Fiscal Year in which a termination of employment occurs and in respect of which the Guaranteed Annual Bonus is payable, relative to 12 months;

(D) a lump sum payment equal to Executive's earned but unpaid, if any, Profit Annual Bonus in respect of the Fiscal Year immediately preceding the Fiscal Year in which the termination occurs, payable when the Profit Annual Bonus would have otherwise been payable had Executive's employment not terminated;

(E) a lump sum payment equal to a pro-rated portion of the Executive's Profit Annual Bonus, calculated based on the number of months (and any fraction thereof) Executive is employed during the Fiscal Year in which a termination of employment occurs and in respect of which the Profit Annual Bonus is payable, relative to 12 months; and

(F) subject to Executive's continued compliance with the provisions of the Employee Agreement (as defined in Section 8 of this Agreement), a lump sum payment equal to:

(I) if the Qualifying Termination occurs prior to a Change in Control (as defined in the Evercore Partners Inc. 2005 Stock Incentive Plan or any successor plan thereto), a cash lump sum within 15 days of such termination in an amount equal to two times the greater of: (x) the sum of (1) Executive's then Base Salary, (2) the Guaranteed Annual Bonus and (3) the average Profit Annual Bonus earned by Executive for the three most recently completed Fiscal Years (or, if less, the number of completed Fiscal Years since the Effective Date) (the "Average Profit Annual Bonus") and (y) the average of the aggregate amount of cash compensation payable to the three most highly paid executives of the Employer in the most recently completed Fiscal Year (the "Average Cash Compensation"); <u>provided</u> that the aggregate amount described in this clause (I) shall be reduced by the present value of any other cash severance or termination benefits payable to Executive under any other plans, programs or arrangements of the Employer or its affiliates; or

(II) if the Qualifying Termination occurs on the date of, or following, a Change in Control, a cash lump sum within 15 days of such termination in an amount equal to three times the greater of (x) the sum of (1) Executive's then Base Salary, (2) the Guaranteed Annual Bonus and (3) the Average Profit Annual Bonus and (y) the Average Cash Compensation; <u>provided</u> that (A) any termination of employment by the Employer without Cause within six months prior to the occurrence of a Change in Control shall be deemed to be a termination of employment on the date of such Change in Control and (B) the aggregate amount described in this clause (II) shall be reduced by the present value of any other cash severance or termination benefits payable to Executive under any other plans, programs or arrangements of the Employer or its affiliates; <u>and</u>

(G) continued coverage for Executive and Executive's spouse and dependents under the group health insurance plans of the Employer and its affiliates in which Executive was participating at the time of such termination for two years following such termination (three years if such termination occurs within six months prior to, on the date of, or following, a Change in Control), subject to payment by Executive of the same premiums Executive would have paid during such period of coverage if Executive were an active employee of the Employer and its affiliates; provided that if the Employer is unable to provide such coverage to Executive under the terms of its group health insurance plans for any portion of such period or the provision of such benefits would otherwise violate any law or regulation or result in unfavorable tax treatment, the Employer may in lieu of providing such coverage pay to Executive an amount equal to the premium (on a fully grossed up basis) that would otherwise be paid by active employees for such coverage during such period (without giving effect to any Employer subsidy thereof).

Following Executive's termination of employment by the Employer due to a Qualifying Termination, except as set forth in Section 5(b), this Section 7(c)(iii) and Section 9(a)(ii), Executive shall have no further rights to any compensation or any other benefits under this Agreement.

d. Expiration of Employment Term.

(i) Election Not to Extend the Employment Term. In the event either party elects not to extend the Employment Term pursuant to Section 1 of this Agreement, unless Executive's employment is earlier terminated pursuant to paragraphs (a), (b) or (c) of this Section 7, Executive's termination of employment hereunder (whether or not Executive continues as an employee of the Employer thereafter) shall be deemed to occur on the close of business on the day immediately preceding the next scheduled Extension Date. In the event Executive elects not to extend the Term, Executive shall only be entitled to receive the Accrued Rights. In the event the Employer elects not to extend the Term, such election shall be treated as a termination by the Employer without Cause and Executive shall be entitled to receive payments and benefits pursuant to Section 7(c)(iii) of this Agreement.

Following such termination of Executive's employment hereunder as a result of either party's election not to extend the Term, except as set forth in Section 5(b), this Section 7(d)(i) and Section 9(a)(ii), Executive shall have no further rights to any compensation or any other benefits under this Agreement.

(ii) Continued Employment Beyond the Expiration of the Employment Term. Unless the parties otherwise agree in writing, continuation of Executive's employment with the Employer beyond the expiration of the Term shall be deemed an employment at-will and shall not be deemed to extend any of the provisions of this Agreement and Executive's employment may thereafter be terminated at will by either Executive or the Employer; provided that the provisions of Sections 8, 9 and 10 of this Agreement shall survive any termination of this Agreement or Executive's termination of employment hereunder.

e. Notice of Termination. Any purported termination of employment by the Employer or by Executive (other than due to Executive's death) shall be communicated by written Notice of Termination to the other party hereto in accordance with Section 9(h) hereof. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of employment under the provision so indicated.

8. Restrictive Covenants.

Executive acknowledges and recognizes the highly competitive nature of the business of the Employer and its affiliates and accordingly agrees that Executive shall execute, and hereby agrees to be bound by, the Employer's Confidentiality, Non-Solicitation and Proprietary Information Agreement in the form attached hereto as Exhibit B (the "Employee Agreement").

9. Miscellaneous.

a. Governing Law; Arbitration.

(i) This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to conflicts of laws principles thereof.

(ii) Any disputes arising under or in connection with this Agreement shall be resolved by binding arbitration, to be held in New York, New York, in accordance with the rules and procedures of the American Arbitration Association. Judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. Each party shall bear his or its own costs of the arbitration or litigation. In the event that the arbitrator determines that Executive has prevailed on substantially all issues in dispute in the arbitration, the Employer shall bear all costs and expenses of Executive with respect to the arbitration (including reasonable attorneys' fees and disbursements of Executive's counsel); provided, however, that Executive shall bear all costs and expenses of the Employer or any of its affiliates with respect to the arbitration (including reasonable attorneys' fees and disbursements of the Employer's counsel) in the event that the arbitrator determines that Executive's claims in the dispute were, in the aggregate, frivolous or otherwise taken in bad faith.

b. Entire Agreement; Amendments. Except as set forth in the Employee Agreement, this Agreement contains the entire understanding of the parties with respect to the employment (or any termination thereof) of Executive by the Employer, and supersedes, and Executive shall no longer be legally bound by, any post-employment restrictive covenants and conditions to the receipt of post-employment payments contained in (i) any terms letter between Executive and the Employer or any of its affiliates entered into prior to the date of this Agreement, (ii) any letter agreement relating to the offer of employment between Executive and the Employer or any of its affiliates entered into prior to the date of this Agreement and (iii) any partnership agreement, limited liability Employer agreement, stockholders agreement or similar arrangement or understanding between Executive and the Employer or any of its affiliates entered into prior to the date of this Agreement. There are no restrictions, agreements, promises, warranties, covenants or undertakings between the parties with respect to the subject matter herein other than those expressly set forth herein. This Agreement may not be altered, modified, or amended except by written instrument signed by the parties hereto.

c. No Waiver. The failure of a party to insist upon strict adherence to any term of this Agreement on any occasion shall not be considered a waiver of such party's rights or deprive such party of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement.

d. Severability. In the event that any one or more of the provisions of this Agreement shall be or become invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions of this Agreement shall not be affected thereby.

e. Assignment. This Agreement, and all of Executive's rights and duties hereunder, shall not be assignable or delegable by Executive. Any purported assignment or delegation by Executive in violation of the foregoing shall be null and void *ab initio* and of no force and effect. This Agreement may be assigned by the Employer to a person or entity which is an affiliate or a successor in interest to substantially all of the business operations of the Employer. Upon such assignment, the rights and obligations of the Employer hereunder shall become the rights and obligations of such affiliate or successor person or entity.

f. Set Off/No Mitigation. The Employer's obligation to pay Executive the amounts provided and to make the arrangements provided hereunder shall be subject to set-off, counterclaim or recoupment of amounts owed by Executive to the Employer or its affiliates. Executive shall not be required to mitigate the amount of any payment provided for pursuant to this Agreement by seeking other employment and no amounts payable hereunder shall be reduced or offset due to any employment of the Executive.

g. Successors; Binding Agreement. This Agreement shall inure to the benefit of and be binding upon personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

h. Notice. For the purpose of this Agreement, notices and all other communications provided for in the Agreement shall be in writing and shall be deemed to have been duly given when delivered by hand or overnight courier or three days after it has been mailed by United States registered mail, return receipt requested, postage prepaid, addressed to the respective addresses set forth below in this Agreement, or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notice of change of address shall be effective only upon receipt.

If to the Employer:

55 East 52nd Street, 43rd Floor
New York, New York 10055
Attention: General Counsel

If to Executive:

To the most recent address of Executive set forth in the personnel records of the Employer.

i. Prior Agreements. This Agreement supersedes all prior agreements and understandings (including verbal agreements) between Executive and the Employer and/or its affiliates regarding the terms and conditions of Executive's employment with the Employer and/or its affiliates.

j. Cooperation. Executive shall provide Executive's reasonable cooperation in connection with any action or proceeding (or any appeal from any action or proceeding) which relates to events occurring during Executive's employment hereunder. This provision shall survive any termination of this Agreement.

k. Withholding Taxes. The Employer may withhold from any amounts payable under this Agreement such Federal, state and local taxes as may be required to be withheld pursuant to any applicable law or regulation.

l. Section 409A. Notwithstanding any other provision of this Agreement or certain compensation and benefit plans of the Employer or its affiliates, any payments or benefits due under this Agreement or such plans upon or in connection with a termination of Executive's employment shall be deferred and paid no earlier than 6 months following such termination of Executive's employment, if, and only to the extent, required to comply with Section 409A of the Internal Revenue Code; and shall further be payable at such time or times as may otherwise be required in order to avoid any imposition of tax under Section 409A of the Internal Revenue Code.

m. Counterparts. This Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

[Remainder of Page Intentionally Left Blank]

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

EVERCORE PARTNERS INC.

By: ______________________
Title: ______________________

EVERCORE L.P.

By: ______________________
Title: ______________________

____
Roger C. Altman

EXHIBIT A

Gross-Up Payment

In the event the provisions of Section 5(b) of the Agreement to which this Exhibit A is a part shall become applicable, then the following provisions shall apply:

(a) If it shall be determined that any amount, right or benefit paid, distributed or treated as paid or distributed by the Employer or any of its affiliates to or for Executive's benefit (other than any amounts payable pursuant to this Exhibit A) (a "Payment") would be subject to the excise tax imposed by Section 4999 of the Code, or any interest or penalties are incurred by Executive with respect to such excise tax (such excise tax, together with any such interest and penalties, collectively, the "Excise Tax"), then Executive shall be entitled to receive an additional payment (a "Gross-Up Payment") equal to the amount necessary such that after payment by Executive of all federal, state and local taxes (including any interest or penalties imposed with respect to such taxes), including, without limitation, any income taxes (and any interest and penalties imposed with respect thereto) and the Excise Tax imposed upon the Gross-Up Payment, Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments.

(b) All determinations required to be made under this Exhibit A, including whether and when a Gross-Up Payment is required, the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by the Employer's independent auditors (the "Auditor"). The Auditor shall provide detailed supporting calculations to both the Employer and Executive within 15 business days of the receipt of notice from Executive or the Employer that there has been a Payment, or such earlier time as is requested by the Employer. All fees and expenses of the Auditor shall be paid by the Employer. Any Gross-Up Payment, as determined pursuant to this Exhibit A, shall be paid by the Employer to Executive (or to the Internal Revenue Service or other applicable taxing authority on Executive's behalf) within five days of the receipt of the Auditor's determination. All determinations made by the Auditor shall be binding upon the Employer and Executive; provided that following any payment of a Gross-Up Payment to Executive (or to the Internal Revenue Service or other applicable taxing authority on Executive's behalf), the Employer may require Executive to sue for a refund of all or any portion of the Excise Taxes paid on Executive's behalf, in which event the provisions of paragraph (c) below shall apply. As a result of uncertainty regarding the application of Section 4999 of the Code hereunder, it is possible that the Internal Revenue Service may assert that Excise Taxes are due that were not included in the Auditor's calculation of the Gross-Up Payments (an "Underpayment"). In the event that the Employer exhausts its remedies pursuant to this Exhibit A and Executive thereafter is required to make a payment of any Excise Tax, the Auditor shall determine the amount of the Underpayment that has occurred and any additional Gross-Up Payments that are due as a result thereof shall be promptly paid by the Employer to Executive (or to the Internal Revenue Service or other applicable taxing authority on Executive's behalf).

(c) Executive shall notify the Employer in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Employer of the Gross-Up Payment. Such notification shall be given as soon as practicable but no later than ten business days after Executive receives written notification of such claim and shall apprise the Employer of the nature of such claim and the date on which such claim is requested to be paid. Executive shall not pay such claim prior to the expiration of the 30-day period following the date on which Executive gives such notice to the Employer (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Employer notifies Executive in writing prior to the expiration of such period that it desires to contest such claim, Executive shall: (i) give the Employer all information reasonably requested by the Employer relating to such claim; (ii) take such action in connection with contesting such claim as the Employer shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Employer and ceasing all efforts to contest such claim; (iii) cooperate with the Employer in good faith in order to effectively contest such claim; and (iv) permit the Employer to participate in any proceeding relating to such claim; provided, however, that the Employer shall bear and pay directly all reasonable costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold Executive harmless, on an after-tax basis, from any Excise Tax or income tax (including interest and penalties with respect thereto) imposed as a result of such representation and payment of costs and expense. Without limiting the foregoing provisions of this Exhibit A, the Employer shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forego any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct Executive to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and Executive agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Employer shall determine and direct; provided, however, that if the Employer directs Executive to pay such claim and sue for a refund, the Employer shall advance the amount of such payment to Executive, on an interest-free basis, and shall indemnify and hold Executive harmless, on an after-tax basis, from any Excise Tax or income tax (including interest or penalties with respect thereto) imposed with respect to such advance or with respect to any imputed income with respect to such advance; and further provided that any extension of the statute of limitations relating to payment of taxes for Executive's taxable year with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Employer's control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and Executive shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

(d) If, after Executive's receipt of an amount advanced by the Employer pursuant to this Exhibit A, Executive becomes entitled to receive any refund with respect to such claim, Executive shall promptly pay to the Employer the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after Executive's receipt of an amount advanced by the Employer pursuant to this Exhibit A, a determination is made that Executive shall not be entitled to any refund with respect to such claim and the Employer does not notify Executive in writing of its intent to contest such denial of refund prior to the expiration of 30 days after the Employer's receipt of notice of such determination, then such advance shall be forgiven and shall not be required to be repaid and the amount of such advance shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.

Exhibit 10.7

FORM OF
EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT (the "Agreement") dated as of [ ], 2006 (the "Effective Date") by and between Evercore Partners Inc. (the "Company"), Evercore, L.P. (the "Partnership") (Company and Partnership, each and collectively, "Employer") and Austin M. Beutner (the "Executive").

The Employer desires to employ Executive in the positions set forth below and to enter into an agreement embodying the terms of such employment; and

Executive desires to continue such employment and enter into such an agreement.

In consideration of the promises and mutual covenants set forth herein and for other good and valuable consideration, the parties agree as follows:

1. Term of Employment. Subject to the provisions of Section 7 of this Agreement, Executive shall be employed by the Employer for a period commencing on the Effective Date and ending on the third anniversary of the Effective Date (the "Term") on the terms and subject to the conditions set forth in this Agreement; provided, however, that commencing with the third anniversary of the Effective Date and on each anniversary thereof (each an "Extension Date"), the Term shall be automatically extended for an additional one-year period, unless the Employer or Executive provides the other party hereto 60 days prior written notice before the next Extension Date that the Term shall not be so extended. For purposes of this Agreement, "Employment Term" shall mean the period of time that Executive is employed hereunder during the Term.

2. Position.

a. During the Employment Term, Executive shall serve as President, Co-Chief Executive Officer, Chief Investment Officer and Director and shall serve as officer of the Partnership. In such positions, Executive shall have the authority commensurate with such positions and such duties, commensurate with such positions, as shall be determined from time to time by the Partnership and the Board and Executive shall report directly to the Board.

b. During the Employment Term, Executive will devote Executive's full business time and best efforts to the performance of Executive's duties hereunder and will not engage in any other business, profession or occupation for compensation or otherwise which would conflict or materially interfere with the rendition of such services either directly or indirectly, without the prior written consent of the Board; provided that nothing herein shall preclude Executive (x) from managing Executive's personal investments, (y) from continuing to serve on any board of directors, or as trustee, of any business corporation or any charitable organization on which Executive serves as of the Effective Date and which have been previously disclosed to the Employer and serving on the boards of directors of any portfolio companies of investment funds managed by the Partnership or its affiliates; and (z) subject to the prior approval of the Board (which shall not be unreasonably withheld), from accepting appointment to or continuing to serve on any board of directors or trustees of any business corporation or any charitable organization; provided in each case, and in the aggregate, that such activities do not conflict or materially interfere with the performance of Executive's duties hereunder or conflict with Section 8 of this Agreement.

c. The parties hereby acknowledge that, while Executive is employed hereunder by both the Partnership and the Company, it is anticipated that all of Executive's business time and effort will be devoted to services for the Partnership. Consequently, subject to future adjustment as necessary from time to time to reflect the accurate allocation of time and effort expended by the Executive for the Company and Partnership, respectively, all of Executive's compensation hereunder shall be allocated as compensation for work performed on behalf of the Partnership.

3. Base Salary. During the Employment Term, the Employer shall pay Executive a base salary at the annual rate of $500,000, payable in regular installments in accordance with the Employer's usual payment practices. Executive shall be entitled to such increases in Executive's base salary, if any, as may be determined from time to time in the sole discretion of the Board. Executive's annual base salary, as in effect from time to time, is hereinafter referred to as the "Base Salary." Executive's Base Salary may not, in any event, be decreased below $500,000.

4. Annual Bonus.

a. Guaranteed Annual Bonus. With respect to each fiscal year of the Company (a "Fiscal Year") occurring during the Employment Term, the Employer shall pay Executive a guaranteed annual bonus award equal to $500,000 (the "Guaranteed Annual Bonus") on March 1 of each calendar year immediately following the calendar year in which the Fiscal Year in respect of which the Guaranteed Annual Bonus is payable ends, so long as Executive remains employed with the Employer on such date.

b. Profit Annual Bonus.

(i) In addition to the Guaranteed Annual Bonus, with respect to each Fiscal Year occurring during the Term, Executive shall receive a bonus based on the profits of the Company (a "Profit Annual Bonus"); provided, however, that the Profit Annual Bonus payable in respect of the 2006 Fiscal Year (which is defined as the period beginning on the Effective Date and ending on December 31, 2006) shall be equal to $1.25 million. For the 2007 Fiscal Year and each subsequent Fiscal Year occurring during the Term, the Profit Annual Bonus for each such year shall be equal to the sum of (A) $2.5 million, plus (B) the product of (x) the percentage, if any, by which the Company's "Adjusted Net Income Per Share" for such Fiscal Year exceeds the Company's "Base Net Income Per Share" (as such terms are hereinafter defined), and (y) $2.5 million; provided, however, that, except with respect to the 2006 Fiscal Year, in no event shall any Profit Annual Bonus be payable in respect of any Fiscal Year if the Adjusted Net Income Per Share for such Fiscal Year does not exceed the Adjusted Net Income Per Share for the prior Fiscal Year by at least five percent (5%).

(ii) It is anticipated that (A) "Adjusted Net Income Per Share" will be defined as the diluted net income per share earned by the Company as set forth on the Company's audited statement of income for the applicable Fiscal Year, excluding, for purposes of this calculation (1) any compensation and benefits expense incurred due to any vesting of the partnership units granted to employees of the Company or its Affiliates and employees of Protego Asesores S.A. de C.V. or any of its Affiliates (collectively, "Protego")) prior to or in connection with the reorganization of the Company and its Affiliates (including Protego) and the initial public offering of Class A common stock by the Company (the "IPO") and the restricted stock units granted to employees of the Company or its Affiliates and Protego at the time of the IPO, (2) any shares of Class A Common Stock of the Company issued in connection with the acquisition by the Company of Braveheart Financial Services Limited, and (3) any revenue and benefits expense incurred due to a significant expansion of the Company's business during the "start-up" phase of such expansion as may be determined in the sole discretion of the Compensation Committee of the Company; and (B) "Base Net Income Per Share" shall mean the diluted net income per share earned by the Company as set forth on the Company's audited statement of income for the 2006 Fiscal Year, as adjusted to give pro forma effect, on a consistent basis, to the adjustments reflected in the unaudited pro forma statements of income included in the Company's final prospectus for the IPO. Notwithstanding the foregoing, the Base Net Income Per Share will be adjusted to reflect any subsequent equity events such as (I) the vesting of Evercore LP units granted to employees of the Company, its Affiliates or employees of Protego prior to or in connection with the reorganization of the Company and its Affiliates (including Protego) and the IPO, (II) the vesting of any restricted stock units issued at the IPO date (including any restricted stock units held employees of Affiliates of the Company and Protego), (III) stock splits, reclassifications, and other equity adjustments, and (IV) to the extent the acquisition by the Company of Braveheart Financial Services Limited occurs during the 2006 Fiscal Year, the effect of such acquisition on the Company**.** The Profit Annual Bonus for each such Fiscal Year shall be paid to Executive on March 1 of each calendar year immediately following the calendar year in which the Fiscal Year in respect of which the Profit Annual Bonus is payable ends, so long as Executive remains employed with the Employer through such March 1; provided that the Employer will delay the payment of the Profit Annual Bonus in respect of any Fiscal Year with respect to which the Employer reasonably anticipates that the Employer's deduction with respect to such payment otherwise would be limited or eliminated by application of Section 162(m) of the Internal Revenue Code of 1986, as amended in which case such unpaid Profit Annual Bonus amounts (the "Deferred Amounts") will be made upon the earlier of (x) the earliest date at which the Employer reasonably anticipates that the deduction of the payment of such Deferred Amounts will not be limited or eliminated by application of Section 162(m) of the Internal Revenue Code or (y) the calendar year in which the Executive's employment with the Employer is terminated. Deferred Amounts shall accrue interest at the prime rate, plus 1%.

5. Benefits.

a. Employee Benefits. During the Employment Term, Executive shall be entitled to participate in all employee benefit programs of the Employer and its affiliates maintained for the benefit of employees of the Employer on a basis which is no less favorable than is provided to any other executives of the Employer (collectively, the "Employee Benefits").

b. Tax Gross-Up Payment. If it shall be determined that any payment to Executive pursuant to this Agreement or any other payment or benefit from the Employer or its affiliates would be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code"), then Executive shall receive a gross-up payment pursuant to Exhibit A attached hereto.

6. Business Expenses. During the Employment Term, (i) reasonable business expenses incurred by Executive in the performance of Executive's duties hereunder shall be reimbursed by the Employer in accordance with Employer policies, provided claims for such reimbursement (accompanied by appropriate supporting documentation) are submitted to the Company within 90 days following the date such expenses are incurred and (ii) Executive shall be entitled to receive such perquisites as are generally provided to other senior officers of the

Employer in accordance with the then current policies and practices of the Employer. Without limiting the generality of the foregoing, (I) Executive will be entitled to reimbursement for the use of a leased luxury car, including a driver; (II) Executive will be reimbursed for reasonable tax and investment management services up to an annual maximum of $50,000 for such services; and (III) the Employer shall procure, for Executive's use for business related matters, as reasonably determined by the Executive, at the Employer's expense, 110 air hours per year on a private, non-commercial, jet (which may either be owned by the Employer, leased by the Employer, or a fractional ownership interest with NetJet or other comparable non-commercial airline); provided that, if Executive travels on his own aircraft, then Executive shall be entitled to reimbursement by the Employer for any air hours used by Executive on such aircraft (up to 110) for business related travel (as reasonably determined by the Executive) at a rate equal to the Market Rate; and (IV) the Employer will provide Executive with a tax gross-up payment to the extent necessary to offset any income taxes incurred by Executive with respect to such items, no later than March 15th of the calendar year following the calendar year in which the expenses were incurred and subject to the Executive making a claim for such reimbursement prior to March 1st of such calendar year, with respect to items (I), (II) and (III) above. As used herein, "Market Rate" shall mean the cost that would have been incurred by the Employer to procure the same number of hours through NetJet or other comparable non-commercial airline.

7. Termination. The Employment Term and Executive's employment hereunder may be terminated by either party at any time and for any reason; provided that Executive will be required to give the Employer at least 60 days advance written notice of any resignation of Executive's employment. Notwithstanding any other provision of this Agreement, the provisions of this Section 7 shall exclusively govern Executive's rights upon termination of employment with the Employer and its affiliates.

a. By the Employer For Cause or By Executive Resignation Without Good Reason.

(i) The Employment Term and Executive's employment hereunder may be terminated by the Employer for Cause (as defined below) and shall terminate automatically upon Executive's resignation without Good Reason (as defined in Section 7(c)).

For purposes of this Agreement, "Cause" shall have the same meaning as such term is defined in the Evercore Limited Partnership Agreement (the "LP Agreement"), which as of the date hereof means the occurrence or existence of any of the following:

(A) a breach of any of Executive's material obligations under the governing agreements of any of the entities which comprise the Employer and its affiliates of which Executive is a partner, member or stockholder;

(B) the conviction of, or plea of guilty or nolo contendere by, Executive in respect of any felony;

(C) the perpetration by Executive of fraud against the Employer;

(D) the willful and continued failure by Executive to substantially perform Executive's duties with the Employer in Executive's position on a full-time basis (other than any such failure resulting from Executive's death or permanent disability (as such term is defined under any long-term disability plan maintained for Executive's benefit by the Employer), provided that an act, or a failure to act, on Executive's part shall be deemed "willful" only if done, or omitted to be done, by Executive not in good faith or without a reasonable belief that Executive's action or omission was in or not opposed to the best interests of the Employer; or

(E) any willful misconduct which could have, or could reasonably be expected to have, an adverse effect in any material respect on (i) Executive's ability to function as an employee of the Employer, taking into account the services required of Executive or (ii) the business and/or reputation of the Employer.

Notwithstanding the foregoing, in the event that the definition of "Cause" as set forth in the L.P. Agreement is modified at any time after the date of this Agreement with respect to substantially all partners thereof, the definition of "Cause" as defined herein shall be deemed modified to the same extent, and effective as of the same date, as such definition of "Cause" as set forth in either such applicable partnership agreement.

Notwithstanding the foregoing, for purposes of this Agreement, in the case of clauses (A), (D) and (E), Cause shall not exist if, such breach or misconduct, if capable of being cured, shall have been cured by Executive within 10 business days after receipt of written notice thereof from the Employer. Any termination for Cause shall be effected by a resolution of the majority of the members of the Board. Prior to the effectiveness of any such termination, Executive shall be afforded an opportunity to meet with the Board, upon reasonable notice under the circumstances, and explain and defend any action or omission alleged to constitute grounds for a termination for Cause, provided that the Board may suspend Executive from his duties hereunder prior to such opportunity and such suspension shall not constitute a breach of this Agreement by the Employer or otherwise form the basis for a termination for Good Reason. If Executive has, and utilizes, such opportunity to be heard, the Board shall promptly reaffirm that grounds for a termination for Cause exist or reinstate Executive to his position hereunder.

(ii) If Executive's employment is terminated by the Employer for Cause or if Executive resigns without Good Reason (which shall not include a termination of employment due to Executive's death or Disability (as such term is defined in Section 7(b)(i) below)), Executive shall be entitled to receive:

(A) any Base Salary earned but unpaid through the date of termination;

(B) reimbursement, within 60 days following submission by Executive to the Company of appropriate supporting documentation, for any unreimbursed business expenses properly incurred by Executive in accordance with Company policy prior to the date of Executive's termination; provided claims for such reimbursement (accompanied by appropriate supporting documentation) are submitted to the Company within 90 days following the date of Executive's termination of employment;

(C) any unpaid Deferred Amounts; and

(D) such Employee Benefits, if any, as to which Executive may be entitled under the employee benefit plans of the Employer and its affiliates (the payments and benefits described in clauses (A), (B), (C) and (D) hereof being referred to as the "Accrued Rights").

Following the termination of Executive's employment by the Employer for Cause or resignation by Executive without Good Reason, except as set forth in Section 5(b), this Section 7(a)(ii) and Section 9(a)(ii), Executive shall have no further rights to any compensation or any other benefits under this Agreement.

b. Disability or Death.

(i) The Employment Term and Executive's employment hereunder shall terminate upon Executive's death and may be terminated by the Employer if Executive becomes physically or mentally incapacitated and is therefore unable for a period of six consecutive months or for an aggregate of nine months in any 24 consecutive month period to perform Executive's duties (such incapacity is hereinafter referred to as "Disability"). Any question as to the existence of the Disability of Executive as to which Executive and the Employer cannot agree shall be determined in writing by a qualified independent physician mutually acceptable to Executive and the Employer. If Executive and the Employer cannot agree as to a qualified independent physician, each shall appoint such a physician and those two physicians shall select a third who shall make such determination in writing. The determination of Disability made in writing to the Employer and Executive shall be final and conclusive for all purposes of the Agreement.

(ii) Upon termination of Executive's employment hereunder due to either death or Disability, Executive or Executive's estate (as the case may be) shall be entitled to receive:

(A) the Accrued Rights;

(B) a lump sum payment equal to Executive's earned but unpaid Guaranteed Annual Bonus, if any, payable in respect of the Fiscal Year immediately preceding the Fiscal Year in which the termination occurs, payable when the Guaranteed Annual Bonus would have otherwise been payable had Executive's employment not terminated;

(C) a lump sum payment equal to a pro-rated portion of the Guaranteed Annual Bonus, calculated based on the number of months (and any fraction thereof) Executive is employed during the Fiscal Year in which a termination of employment occurs and in respect of which the Guaranteed Annual Bonus is payable, relative to 12 months;

(D) a lump sum payment equal to Executive's earned but unpaid Profit Annual Bonus, if any, in respect of the Fiscal Year immediately preceding the Fiscal Year in which the termination occurs, payable when the Profit Annual Bonus would have otherwise been payable had Executive's employment not terminated; and

(E) a lump sum payment equal to a pro-rated portion of the Executive's Profit Annual Bonus, calculated based on the number of months (and any fraction thereof) Executive is employed during the Fiscal Year in which a termination of employment occurs and in respect of which the Profit Annual Bonus is payable, relative to 12 months.

Following Executive's termination of employment due to death or Disability, except as set forth in Section 5(b), this Section 7(b)(ii) and Section 9(a)(ii), Executive shall have no further rights to any compensation or any other benefits under this Agreement.

c. By the Employer Without Cause or Resignation by Executive for Good Reason.

(i) The Employment Term and Executive's employment hereunder may be terminated by the Employer without Cause (which (x) shall include the Employer's election not to extend the Employment Term pursuant to Section 1 of this Agreement and (y) shall not include a termination of employment due to Executive's death or Disability) or by Executive's resignation for Good Reason (each, a "Qualifying Termination").

(ii) For purposes of this Agreement, "Good Reason" shall mean (A) the failure of the Employer to pay or cause to be paid Executive's Base Salary, Guaranteed Annual Bonus or Profit Annual Bonus (to the extent earned in accordance with the terms of any applicable annual bonus or annual incentive arrangement), if any, when due, (B) the failure to elect or re-elect Executive as a member of the Board, (C) any diminution in Executive's title or any material diminution in Executive's authority or responsibilities as in effect from time to time, or (D) the Employer's failure to provide Executive with any of the employee benefits or perquisites set forth in Sections 5 or 6 of this Agreement; provided that any of the events described in clauses (A), (B), (C) and (D) of this Section 7(c)(ii) shall constitute Good Reason only if the Employer fails to cure such event within 30 days after receipt from Executive of written notice of the event which constitutes Good Reason; provided, further, that "Good Reason" shall cease to exist for an event on the 60th day following the later of its occurrence or Executive's knowledge thereof, unless Executive has given the Employer written notice thereof prior to such date.

(iii) If Executive's employment terminates due to a Qualifying Termination, Executive shall be entitled to receive:

(A) the Accrued Rights;

(B) a lump sum payment equal to Executive's earned but unpaid Guaranteed Annual Bonus, if any, payable in respect of the Fiscal Year immediately preceding the Fiscal Year in which the termination occurs, payable when the Guaranteed Annual Bonus would have otherwise been payable had Executive's employment not terminated;

(C) a lump sum payment equal to a pro-rated portion of the Guaranteed Annual Bonus, calculated based on the number of months (and any fraction thereof) Executive is employed during the Fiscal Year in which a termination of employment occurs and in respect of which the Guaranteed Annual Bonus is payable, relative to 12 months;

(D) a lump sum payment equal to Executive's earned but unpaid, if any, Profit Annual Bonus in respect of the Fiscal Year immediately preceding the Fiscal Year in which the termination occurs, payable when the Profit Annual Bonus would have otherwise been payable had Executive's employment not terminated;

(E) a lump sum payment equal to a pro-rated portion of the Executive's Profit Annual Bonus, calculated based on the number of months (and any fraction thereof) Executive is employed during the Fiscal Year in which a termination of employment occurs and in respect of which the Profit Annual Bonus is payable, relative to 12 months; and

(F) subject to Executive's continued compliance with the provisions of the Employee Agreement (as defined in Section 8 of this Agreement), a lump sum payment equal to:

(I) if the Qualifying Termination occurs prior to a Change in Control (as defined in the Evercore Partners Inc. 2005 Stock Incentive Plan or any successor plan thereto), a cash lump sum within 15 days of such termination in an amount equal to two times the greater of: (x) the sum of (1) Executive's then Base Salary, (2) the Guaranteed Annual Bonus and (3) the average Profit Annual Bonus earned by Executive for the three most recently completed Fiscal Years (or, if less, the number of completed Fiscal Years since the Effective Date) (the "Average Profit Annual Bonus") and (y) the average of the aggregate amount of cash compensation payable to the three most highly paid executives of the Employer in the most recently completed Fiscal Year (the "Average Cash Compensation"); provided that the aggregate amount described in this clause (I) shall be reduced by the present value of any other cash severance or termination benefits payable to Executive under any other plans, programs or arrangements of the Employer or its affiliates; or

(II) if the Qualifying Termination occurs on the date of, or following, a Change in Control, a cash lump sum within 15 days of such termination in an amount equal to three times the greater of (x) the sum of (1) Executive's then Base Salary, (2) the Guaranteed Annual Bonus and (3) the Average Profit Annual Bonus and (y) the Average Cash Compensation; provided that (A) any termination of employment by the Employer without Cause within six months prior to the occurrence of a Change in Control shall be deemed to be a termination of employment on the date of such Change in Control and (B) the aggregate amount described in this clause (II) shall be reduced by the present value of any other cash severance or termination benefits payable to Executive under any other plans, programs or arrangements of the Employer or its affiliates; and

(G) continued coverage for Executive and Executive's spouse and dependents under the group health insurance plans of the Employer and its affiliates in which Executive was participating at the time of such termination for two years following such termination (three years if such termination occurs within six months prior to, on the date of, or following, a Change in Control), subject to payment by Executive of the same premiums Executive would have paid during such period of coverage if Executive were an active employee of the Employer and its affiliates; provided that if the Employer is unable to provide such coverage to Executive under the terms of its group health insurance plans for any portion of such period or the provision of such benefits would otherwise violate any law or regulation or result in unfavorable tax treatment, the Employer may in lieu of providing such coverage pay to Executive an amount equal to the premium (on a fully grossed up basis) that would otherwise be paid by active employees for such coverage during such period (without giving effect to any Employer subsidy thereof).

Following Executive's termination of employment by the Employer due to a Qualifying Termination, except as set forth in Section 5(b), this Section 7(c)(iii) and Section 9(a)(ii), Executive shall have no further rights to any compensation or any other benefits under this Agreement.

d. Expiration of Employment Term.

(i) Election Not to Extend the Employment Term. In the event either party elects not to extend the Employment Term pursuant to Section 1 of this Agreement, unless Executive's employment is earlier terminated pursuant to paragraphs (a), (b) or (c) of this Section 7, Executive's termination of employment hereunder (whether or not Executive continues as an employee of the Employer thereafter) shall be deemed to occur on the close of business on the day immediately preceding the next scheduled Extension Date. In the event Executive elects not to extend the Term, Executive shall only be entitled to receive the Accrued Rights. In the event the Employer elects not to extend the Term, such election shall be treated as a termination by the Employer without Cause and Executive shall be entitled to receive payments and benefits pursuant to Section 7(c)(iii) of this Agreement.

Following such termination of Executive's employment hereunder as a result of either party's election not to extend the Term, except as set forth in Section 5(b), this Section 7(d)(i) and Section 9(a)(ii), Executive shall have no further rights to any compensation or any other benefits under this Agreement.

(ii) Continued Employment Beyond the Expiration of the Employment Term. Unless the parties otherwise agree in writing, continuation of Executive's employment with the Employer beyond the expiration of the Term shall be deemed an employment at-will and shall not be deemed to extend any of the provisions of this Agreement and Executive's employment may thereafter be terminated at will by either Executive or the Employer; provided that the provisions of Sections 8, 9 and 10 of this Agreement shall survive any termination of this Agreement or Executive's termination of employment hereunder.

e. Notice of Termination. Any purported termination of employment by the Employer or by Executive (other than due to Executive's death) shall be communicated by written Notice of Termination to the other party hereto in accordance with Section 9(h) hereof. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of employment under the provision so indicated.

8. Restrictive Covenants.

Executive acknowledges and recognizes the highly competitive nature of the business of the Employer and its affiliates and accordingly agrees that Executive shall execute, and hereby agrees to be bound by, the Employer's Confidentiality, Non-Solicitation and Proprietary Information Agreement in the form attached hereto as Exhibit B (the "Employee Agreement").

9. Miscellaneous.

a. Governing Law; Arbitration.

(i) This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to conflicts of laws principles thereof.

(ii) Any disputes arising under or in connection with this Agreement shall be resolved by binding arbitration, to be held in New York, New York, in accordance with the rules and procedures of the American Arbitration Association. Judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. Each party shall bear his or its own costs of the arbitration or litigation. In the event that the arbitrator determines that Executive has prevailed on substantially all issues in dispute in the arbitration, the Employer shall bear all costs and expenses of Executive with respect to the arbitration (including reasonable attorneys' fees and disbursements of Executive's counsel); provided, however, that Executive shall bear all costs and expenses of the Employer or any of its affiliates with respect to the arbitration (including reasonable attorneys' fees and disbursements of the Employer's counsel) in the event that the arbitrator determines that Executive's claims in the dispute were, in the aggregate, frivolous or otherwise taken in bad faith.

b. Entire Agreement; Amendments. Except as set forth in the Employee Agreement, this Agreement contains the entire understanding of the parties with respect to the employment (or any termination thereof) of Executive by the Employer, and supersedes, and Executive shall no longer be legally bound by, any post-employment restrictive covenants and conditions to the receipt of post-employment payments contained in (i) any terms letter between Executive and the Employer or any of its affiliates entered into prior to the date of this Agreement, (ii) any letter agreement relating to the offer of employment between Executive and the Employer or any of its affiliates entered into prior to the date of this Agreement and (iii) any partnership agreement, limited liability Employer agreement, stockholders agreement or similar arrangement or understanding between Executive and the Employer or any of its affiliates entered into prior to the date of this Agreement. There are no restrictions, agreements, promises, warranties, covenants or undertakings between the parties with respect to the subject matter herein other than those expressly set forth herein. This Agreement may not be altered, modified, or amended except by written instrument signed by the parties hereto.

c. No Waiver. The failure of a party to insist upon strict adherence to any term of this Agreement on any occasion shall not be considered a waiver of such party's rights or deprive such party of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement.

d. Severability. In the event that any one or more of the provisions of this Agreement shall be or become invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions of this Agreement shall not be affected thereby.

e. Assignment. This Agreement, and all of Executive's rights and duties hereunder, shall not be assignable or delegable by Executive. Any purported assignment or delegation by Executive in violation of the foregoing shall be null and void *ab initio* and of no force and effect. This Agreement may be assigned by the Employer to a person or entity which is an affiliate or a successor in interest to substantially all of the business operations of the Employer. Upon such assignment, the rights and obligations of the Employer hereunder shall become the rights and obligations of such affiliate or successor person or entity.

f. Set Off/No Mitigation. The Employer's obligation to pay Executive the amounts provided and to make the arrangements provided hereunder shall be subject to set-off, counterclaim or recoupment of amounts owed by Executive to the Employer or its affiliates. Executive shall not be required to mitigate the amount of any payment provided for pursuant to this Agreement by seeking other employment and no amounts payable hereunder shall be reduced or offset due to any employment of the Executive.

g. Successors; Binding Agreement. This Agreement shall inure to the benefit of and be binding upon personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

h. Notice. For the purpose of this Agreement, notices and all other communications provided for in the Agreement shall be in writing and shall be deemed to have been duly given when delivered by hand or overnight courier or three days after it has been mailed by United States registered mail, return receipt requested, postage prepaid, addressed to the respective addresses set forth below in this Agreement, or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notice of change of address shall be effective only upon receipt.

If to the Employer:

55 East 52nd Street, 43rd Floor
New York, New York 10055
Attention: General Counsel

If to Executive:

To the most recent address of Executive set forth in the personnel records of the Employer.

i. Prior Agreements. This Agreement supersedes all prior agreements and understandings (including verbal agreements) between Executive and the Employer and/or its affiliates regarding the terms and conditions of Executive's employment with the Employer and/or its affiliates.

j. Cooperation. Executive shall provide Executive's reasonable cooperation in connection with any action or proceeding (or any appeal from any action or proceeding) which relates to events occurring during Executive's employment hereunder. This provision shall survive any termination of this Agreement.

k. Withholding Taxes. The Employer may withhold from any amounts payable under this Agreement such Federal, state and local taxes as may be required to be withheld pursuant to any applicable law or regulation.

l. Section 409A. Notwithstanding any other provision of this Agreement or certain compensation and benefit plans of the Employer or its affiliates, any payments or benefits due under this Agreement or such plans upon or in connection with a termination of Executive's employment shall be deferred and paid no earlier than 6 months following such termination of Executive's employment, if, and only to the extent, required to comply with Section 409A of the Internal Revenue Code; and shall further be payable at such time or times as may otherwise be required in order to avoid any imposition of tax under Section 409A of the Internal Revenue Code.

m. Counterparts. This Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

[Remainder of Page Intentionally Left Blank]

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

EVERCORE PARTNERS INC.

By: ______________________________

Title: ______________________________

EVERCORE L.P.

By: ______________________________

Title: ______________________________

____

Austin M. Beutner

EXHIBIT A

Gross-Up Payment

In the event the provisions of Section 5(b) of the Agreement to which this Exhibit A is a part shall become applicable, then the following provisions shall apply:

(a) If it shall be determined that any amount, right or benefit paid, distributed or treated as paid or distributed by the Employer or any of its affiliates to or for Executive's benefit (other than any amounts payable pursuant to this Exhibit A) (a "Payment") would be subject to the excise tax imposed by Section 4999 of the Code, or any interest or penalties are incurred by Executive with respect to such excise tax (such excise tax, together with any such interest and penalties, collectively, the "Excise Tax"), then Executive shall be entitled to receive an additional payment (a "Gross-Up Payment") equal to the amount necessary such that after payment by Executive of all federal, state and local taxes (including any interest or penalties imposed with respect to such taxes), including, without limitation, any income taxes (and any interest and penalties imposed with respect thereto) and the Excise Tax imposed upon the Gross-Up Payment, Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments.

(b) All determinations required to be made under this Exhibit A, including whether and when a Gross-Up Payment is required, the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by the Employer's independent auditors (the "Auditor"). The Auditor shall provide detailed supporting calculations to both the Employer and Executive within 15 business days of the receipt of notice from Executive or the Employer that there has been a Payment, or such earlier time as is requested by the Employer. All fees and expenses of the Auditor shall be paid by the Employer. Any Gross-Up Payment, as determined pursuant to this Exhibit A, shall be paid by the Employer to Executive (or to the Internal Revenue Service or other applicable taxing authority on Executive's behalf) within five days of the receipt of the Auditor's determination. All determinations made by the Auditor shall be binding upon the Employer and Executive; provided that following any payment of a Gross-Up Payment to Executive (or to the Internal Revenue Service or other applicable taxing authority on Executive's behalf), the Employer may require Executive to sue for a refund of all or any portion of the Excise Taxes paid on Executive's behalf, in which event the provisions of paragraph (c) below shall apply. As a result of uncertainty regarding the application of Section 4999 of the Code hereunder, it is possible that the Internal Revenue Service may assert that Excise Taxes are due that were not included in the Auditor's calculation of the Gross-Up Payments (an "Underpayment"). In the event that the Employer exhausts its remedies pursuant to this Exhibit A and Executive thereafter is required to make a payment of any Excise Tax, the Auditor shall determine the amount of the Underpayment that has occurred and any additional Gross-Up Payments that are due as a result thereof shall be promptly paid by the Employer to Executive (or to the Internal Revenue Service or other applicable taxing authority on Executive's behalf).

(c) Executive shall notify the Employer in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Employer of the Gross-Up Payment. Such notification shall be given as soon as practicable but no later than ten business days after Executive receives written notification of such claim and shall apprise the Employer of the nature of such claim and the date on which such claim is requested to be paid. Executive shall not pay such claim prior to the expiration of the 30-day period following the date on which Executive gives such notice to the Employer (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Employer notifies Executive in writing prior to the expiration of such period that it desires to contest such claim, Executive shall: (i) give the Employer all information reasonably requested by the Employer relating to such claim; (ii) take such action in connection with contesting such claim as the Employer shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Employer and ceasing all efforts to contest such claim; (iii) cooperate with the Employer in good faith in order to effectively contest such claim; and (iv) permit the Employer to participate in any proceeding relating to such claim; provided, however, that the Employer shall bear and pay directly all reasonable costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold Executive harmless, on an after-tax basis, from any Excise Tax or income tax (including interest and penalties with respect thereto) imposed as a result of such representation and payment of costs and expense. Without limiting the foregoing provisions of this Exhibit A, the Employer shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forego any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct Executive to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and Executive agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Employer shall determine and direct; provided, however, that if the Employer directs Executive to pay such claim and sue for a refund, the Employer shall advance the amount of such payment to Executive, on an interest-free basis, and shall indemnify and hold Executive harmless, on an after-tax basis, from any Excise Tax or income tax (including interest or penalties with respect thereto) imposed with respect to such advance or with respect to any imputed income with respect to such advance; and further provided that any extension of the statute of limitations relating to payment of taxes for Executive's taxable year with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Employer's control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and Executive shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

(d) If, after Executive's receipt of an amount advanced by the Employer pursuant to this Exhibit A, Executive becomes entitled to receive any refund with respect to such claim, Executive shall promptly pay to the Employer the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after Executive's receipt of an amount advanced by the Employer pursuant to this Exhibit A, a determination is made that Executive shall not be entitled to any refund with respect to such claim and the Employer does not notify Executive in writing of its intent to contest such denial of refund prior to the expiration of 30 days after the Employer's receipt of notice of such determination, then such advance shall be forgiven and shall not be required to be repaid and the amount of such advance shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.

Exhibit 10.8

FORM OF
EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT (the "Agreement") dated as of [   ], 2006 (the "Effective Date") by and between Evercore Partners Inc. (the "Company"), Evercore, L.P. (the "Partnership") (Company and Partnership, each and collectively, "Employer") and Pedro Aspe (the "Executive").

The Employer desires to employ Executive in the positions set forth below and to enter into an agreement embodying the terms of such employment; and

Executive desires to commence such employment and enter into such an agreement.

In consideration of the promises and mutual covenants set forth herein and for other good and valuable consideration, the parties agree as follows:

1. <u>Term of Employment</u>. Subject to the provisions of Section 7 of this Agreement, Executive shall be employed by the Employer for a period commencing on the Effective Date and ending on the third anniversary of the Effective Date (the "Term") on the terms and subject to the conditions set forth in this Agreement; <u>provided</u>, <u>however</u>, that commencing with the third anniversary of the Effective Date and on each anniversary thereof (each an "Extension Date"), the Term shall be automatically extended for an additional one-year period, unless the Employer or Executive provides the other party hereto 60 days prior written notice before the next Extension Date that the Term shall not be so extended. For purposes of this Agreement, "Employment Term" shall mean the period of time that Executive is employed hereunder during the Term.

2. <u>Position</u>.

a. During the Employment Term, Executive shall serve as Senior Managing Director of the Partnership. In such positions, Executive shall have the authority commensurate with such positions and such duties, commensurate with such positions, as shall be determined from time to time by the co-Chief Executive Officers of the Employer (the "co-CEOs"), and Executive shall report directly to the co-CEOs. Also during the Employment Term, Executive shall serve, to the extent elected, as the Co-Chairman of the Board of Directors of the Company (the "Board). In addition, Executive will serve as CEO of the Company's principal Mexican operating subsidiary, it being understood that he will have the authority and responsibilities of a Senior Managing Director within the Employer organization and will report to the Co-CEOs.

b. During the Employment Term, Executive will devote Executive's full business time and best efforts to the performance of Executive's duties hereunder and will not engage in any other business, profession or occupation for compensation or otherwise which would conflict or materially interfere with the rendition of such services either directly or indirectly, without the prior written consent of the Board; <u>provided</u> that nothing herein shall preclude Executive (w) from managing Executive's personal investments, (x) from being employed part-time at an academic institution on the terms described in Schedule A hereto, (y) from continuing to serve on any board of directors, or as trustee, of any business corporation or any charitable organization on which Executive serves as of the Effective Date and which have been previously disclosed to the Employer and (z) subject to the prior approval of the Board (which shall not be unreasonably withheld), from accepting appointment to or continuing to serve on any board of directors or trustees of any business corporation or any charitable organization; provided in each case, and in the aggregate, that such activities do not conflict or materially interfere with the performance of Executive's duties hereunder or conflict with Section 8 of this Agreement.

c. The parties hereby acknowledge that, while Executive is employed hereunder by both the Partnership and the Company, it is anticipated that all of Executive's business time and effort will be devoted to services for the Partnership. Consequently, subject to future adjustment as necessary from time to time to reflect the accurate allocation of time and effort expended by the Executive for the Company and Partnership, respectively, all of Executive's compensation hereunder shall be allocated as compensation for work performed on behalf of the Partnership

3. Base Salary. During the Employment Term, the Employer shall pay Executive a base salary at the annual rate of U.S. $500,000, payable in regular installments in accordance with the Employer's usual payment practices. Executive shall be entitled to such increases in Executive's base salary, if any, as may be determined from time to time in the sole discretion of the Board. Executive's annual base salary, as in effect from time to time, is hereinafter referred to as the "Base Salary." Executive's Base Salary may not, in any event, be decreased below $500,000.

4. Annual Bonus.

a. Guaranteed Annual Bonus. With respect to each Fiscal Year occurring during the Employment Term, the Employer shall pay Executive a guaranteed annual bonus award equal to U.S. $500,000 (the "Guaranteed Annual Bonus") on March 1 of each calendar year immediately following the calendar year in which the Fiscal Year in respect of which the Guaranteed Annual Bonus is payable ends, so long as Executive remains employed with the Employer on such date.

b. Profit Annual Bonus. With respect to each Fiscal Year during the Employment Term, Executive shall be entitled to earn an annual bonus award ("Profit Annual Bonus") such that his total compensation hereunder for such Fiscal Year (including Base Salary, Guaranteed Annual Bonus and Profit Annual Bonus) shall be equal to a percentage of the average total cash compensation earned by the co-CEOs for such Fiscal Year, calculated by multiplying the average of the total cash compensation earned by the two co-CEOs for the Fiscal Year (the "Average Compensation") by the Fraction (as hereinafter defined), but in any event the total compensation paid to the Executive shall never be less that the sum of his Base Salary and Guaranteed Annual Bonus. The term "Fraction" shall mean a fraction, the numerator of which is equal to the number of limited partnership units of Evercore L.P. ("Units") held, directly or indirectly, by Executive at the time of the IPO, and the denominator of which will be equal to the product of (x) 0.5 times (y) the number of shares of Class A common stock of the Employer ("Common Stock") and Units, collectively, that the co-CEOs hold, collectively, directly or indirectly, at the time of the IPO. For purposes of this Agreement, “IPO” shall mean the initial public offering of Common Stock pursuant to a registration statement on a Form S-1 filed with the Securities and Exchange Commission. In the event one of the co-CEOs ceases to serve as co-CEO, the Average Compensation hereunder shall be deemed to equal the total cash compensation earned by the Employer’s Chief Executive Officer for the applicable Fiscal Year. The Profit Annual Bonus for each such Fiscal Year, if any, shall be paid to Executive on March 1 of each calendar year immediately following the calendar year in which the Fiscal Year in respect of which the Profit Annual Bonus is payable ends, so long as Executive remains employed with the Employer through such March 1; provided that the Employer will delay the payment of the Profit Annual Bonus in respect of any Fiscal Year with respect to which the Employer reasonably anticipates that the Employer’s deduction with respect to such payment otherwise would be limited or eliminated by application of Section 162(m) of the Internal Revenue Code of 1986, as amended in which case such unpaid Profit Annual Bonus amounts (the “Deferred Amounts”) will be made upon the earlier of (x) the earliest date at which the Employer reasonably anticipates that the deduction of the payment of such Deferred Amounts will not be limited or eliminated by application of Section 162(m) of the Internal Revenue Code or (y) the calendar year in which the Executive’s employment with the Employer is terminated. Deferred Amounts shall accrue interest at the prime rate, plus 1%.

5. Employee Benefits.

a. During the Employment Term, Executive shall be entitled to participate in all employee benefit programs of the Employer and its affiliates maintained for the benefit of employees of the Employer on a basis which is no less favorable than is generally provided to other Senior Managing Directors of the Employer (collectively, the “Employee Benefits”).

b. Tax Gross-Up Payment. If it shall be determined that any payment to Executive pursuant to this Agreement or any other payment or benefit from the Employer or its affiliates would be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code of 1986, as amended (the “Code”), then Executive shall receive a gross-up payment pursuant to Exhibit A attached hereto.

6. Business Expenses. During the Employment Term, (i) reasonable business expenses incurred by Executive in the performance of Executive’s duties hereunder shall be reimbursed by the Employer in accordance with Employer policies applicable to other Senior Managing Directors of the Employer, and (ii) Executive shall be entitled to receive such perquisites as are generally provided to other Senior Managing Directors of the Employer in accordance with the then current policies and practices of the Employer.

7. Termination. The Employment Term and Executive’s employment hereunder may be terminated by either party at any time and for any reason; provided that Executive will be required to give the Employer at least 60 days advance written notice of any resignation of Executive’s employment. Notwithstanding any other provision of this Agreement, the provisions of this Section 7 shall exclusively govern Executive’s rights upon termination of employment with the Employer and its affiliates.

a. By the Employer For Cause or By Executive Resignation Without Good Reason.

(i) The Employment Term and Executive's employment hereunder may be terminated by the Employer for Cause (as defined below) and shall terminate automatically upon Executive's resignation without Good Reason (as defined in Section 7(c)).

For purposes of this Agreement, "Cause" shall have the same meaning as such term is defined in the Evercore Limited Partnership Agreement (the "LP Agreement"), which as of the date hereof means the occurrence or existence of any of the following:

(A) a breach of any of Executive's material obligations under the governing agreements of any of the entities which comprise the Employer and its affiliates of which Executive is a partner, member or stockholder;

(B) the conviction of, or plea of guilty or nolo contendere by, Executive in respect of any felony;

(C) the perpetration by Executive of fraud against the Employer;

(D) the willful and continued failure by Executive to substantially perform Executive's duties with the Employer in Executive's position on a full-time basis (other than any such failure resulting from Executive's death or permanent disability (as such term is defined under any long-term disability plan maintained for Executive's benefit by the Employer), provided that an act, or a failure to act, on Executive's part shall be deemed "willful" only if done, or omitted to be done, by Executive not in good faith or without a reasonable belief that Executive's action or omission was in or not opposed to the best interests of the Employer; or

(E) any willful misconduct which could have, or could reasonably be expected to have, an adverse effect in any material respect on (i) Executive's ability to function as an employee of the Employer, taking into account the services required of Executive or (ii) the business and/or reputation of the Employer.

Notwithstanding the foregoing, in the event that the definition of "Cause" as set forth in the L.P. Agreement is modified at any time after the date of this Agreement with respect to substantially all partners thereof, the definition of "Cause" as defined herein shall be deemed modified to the same extent, and effective as of the same date, as such definition of "Cause" as set forth in either such applicable partnership agreement.

Notwithstanding the foregoing, for purposes of this Agreement, in the case of clauses (A), (D) and (E), Cause shall not exist if, such breach or misconduct, if capable of being cured, shall have been cured by Executive within 10 business days after receipt of written notice thereof from the Employer. Any termination for Cause shall be effected by a resolution of the majority of the members of the Board. Prior to the effectiveness of any such termination, Executive shall be afforded an opportunity to meet with the Board, upon reasonable notice under the circumstances, and explain and defend any action or omission alleged to constitute grounds for a termination for Cause, provided that the Board may suspend Executive from his duties hereunder prior to such opportunity and such suspension shall not constitute a breach of this Agreement by the Employer or otherwise form the basis for a termination for Good Reason. If Executive has, and utilizes, such opportunity to be heard, the Board shall promptly reaffirm that grounds for a termination for Cause exist or reinstate Executive to his position hereunder.

(ii) If Executive's employment is terminated by the Employer for Cause or if Executive resigns without Good Reason (which shall not include a termination of employment due to Executive's death or Disability (as such term is defined in Section 7(b)(i) below)), Executive shall be entitled to receive:

(A) any Base Salary earned but unpaid through the date of termination;

(B) reimbursement, within 60 days following submission by Executive to the Company of appropriate supporting documentation, for any unreimbursed business expenses properly incurred by Executive in accordance with Company policy prior to the date of Executive's termination; provided claims for such reimbursement (accompanied by appropriate supporting documentation) are submitted to the Company within 90 days following the date of Executive's termination of employment;

(C) any unpaid Deferred Amounts; and

(D) such Employee Benefits, if any, as to which Executive may be entitled under the employee benefit plans of the Employer and its affiliates (the payments and benefits described in clauses (A), (B), (C) and (D) hereof being referred to as the "Accrued Rights").

Following the termination of Executive's employment by the Employer for Cause or resignation by Executive without Good Reason, except as set forth in this Section 7(a)(ii) and Section 9(a)(ii), Executive shall have no further rights to any compensation or any other benefits under this Agreement.

b. Disability or Death.

(i) The Employment Term and Executive's employment hereunder shall terminate upon Executive's death and may be terminated by the Employer if Executive becomes physically or mentally incapacitated and is therefore unable for a period of six consecutive months or for an aggregate of nine months in any 24 consecutive month period to perform Executive's duties (such incapacity is hereinafter referred to as "Disability"). Any question as to the existence of the Disability of Executive as to which Executive and the Employer cannot agree shall be determined in writing by a qualified independent physician mutually acceptable to Executive and the Employer. If Executive and the Employer cannot agree as to a qualified independent physician, each shall appoint such a physician and those two physicians shall select a third who shall make such determination in writing. The determination of Disability made in writing to the Employer and Executive shall be final and conclusive for all purposes of the Agreement.

(ii) Upon termination of Executive's employment hereunder due to either death or Disability, Executive or Executive's estate (as the case may be) shall be entitled to receive:

(A) the Accrued Rights;

(B) a lump sum payment equal to Executive's earned but unpaid Guaranteed Annual Bonus, if any, payable in respect of the Fiscal Year immediately preceding the Fiscal Year in which the termination occurs, payable when the Guaranteed Annual Bonus would have otherwise been payable had Executive's employment not terminated;

(C) a lump sum payment equal to a pro-rated portion of the Guaranteed Annual Bonus, calculated based on the number of months (and any fraction thereof) Executive is employed during the Fiscal Year in which a termination of employment occurs and in respect of which the Guaranteed Annual Bonus is payable, relative to 12 months;

(D) a lump sum payment equal to Executive's earned but unpaid Profit Annual Bonus, if any, in respect of the Fiscal Year immediately preceding the Fiscal Year in which the termination occurs, payable when the Profit Annual Bonus would have otherwise been payable had Executive's employment not terminated; and

(E) a lump sum payment equal to a pro-rated portion of the Executive's Profit Annual Bonus, calculated based on the number of months (and any fraction thereof) Executive is employed during the Fiscal Year in which a termination of employment occurs and in respect of which the Profit Annual Bonus is payable, relative to 12 months.

Following Executive's termination of employment due to death or Disability, except as set forth in this Section 7(b)(ii) and Section 9(a)(ii), Executive shall have no further rights to any compensation or any other benefits under this Agreement.

c. <u>By the Employer Without Cause or Resignation by Executive for Good Reason</u>.

(i) The Employment Term and Executive's employment hereunder may be terminated by the Employer without Cause (which (x) shall include the Employer's election not to extend the Employment Term pursuant to Section 1 of this Agreement and (y) shall not include a termination of employment due to Executive's death or Disability) or by Executive's resignation for Good Reason (each, a "Qualifying Termination").

(ii) For purposes of this Agreement, "Good Reason" shall mean (A) the failure of the Employer to pay or cause to be paid Executive's Base Salary, Guaranteed Annual Bonus or Profit Annual Bonus (to the extent earned in accordance with the terms of any applicable annual bonus or annual incentive arrangement), if any, when due, (B) the failure to elect or re-elect Executive as a member of the Board, (C) any diminution in Executive's title or any material diminution in Executive's authority or responsibilities as in effect from time to time, or (D) the Employer's failure to provide Executive with any of the employee benefits or perquisites on the basis set forth in Sections 5 or 6 of this Agreement; provided that any of the events described in clauses (A), (B), (C) and (D) of this Section 7(c)(ii) shall constitute Good Reason only if the Employer fails to cure such event within 30 days after receipt from Executive of written notice of the event which constitutes Good Reason; provided, further, that "Good Reason" shall cease to exist for an event on the 60th day following the later of its occurrence or Executive's knowledge thereof, unless Executive has given the Employer written notice thereof prior to such date.

(iii) If Executive's employment terminates due to a Qualifying Termination, Executive shall be entitled to receive:

(A) the Accrued Rights;

(B) a lump sum payment equal to Executive's earned but unpaid Guaranteed Annual Bonus, if any, payable in respect of the Fiscal Year immediately preceding the Fiscal Year in which the termination occurs, payable when the Guaranteed Annual Bonus would have otherwise been payable had Executive's employment not terminated;

(C) a lump sum payment equal to a pro-rated portion of the Guaranteed Annual Bonus, calculated based on the number of months (and any fraction thereof) Executive is employed during the Fiscal Year in which a termination of employment occurs and in respect of which the Guaranteed Annual Bonus is payable, relative to 12 months;

(D) a lump sum payment equal to Executive's earned but unpaid, if any, Profit Annual Bonus in respect of the Fiscal Year immediately preceding the Fiscal Year in which the termination occurs, payable when the Profit Annual Bonus would have otherwise been payable had Executive's employment not terminated;

(E) a lump sum payment equal to a pro-rated portion of the Executive's Profit Annual Bonus, calculated based on the number of months (and any fraction thereof) Executive is employed during the Fiscal Year in which a termination of employment occurs and in respect of which the Profit Annual Bonus is payable, relative to 12 months; and

(F) subject to Executive's continued compliance with the provisions of the Employee Agreement (as defined in Section 8 of this Agreement), a lump sum payment equal to:

(I) if the Qualifying Termination occurs prior to a Change in Control (as defined in the Evercore Partners Inc. 2005 Stock Incentive Plan or any successor plan thereto), a cash lump sum within 15 days of such termination in an amount equal to two times the greater of: (x) the sum of (1) Executive's then Base Salary, (2) the Guaranteed Annual Bonus and (3) the average Profit Annual Bonus earned by Executive for the three most recently completed Fiscal Years (or, if less, the number of completed Fiscal Years since the Effective Date) (the "Average Profit Annual

Bonus") and (y) the average amount of the annual cash compensation (base salaries, guaranteed bonuses, and profit annual bonuses) payable by the Employer to the two co-CEOs in the most recently completed Fiscal Year, multiplied by the Fraction (the "Average Cash Compensation"), provided that, the aggregate amount described in this clause (I) shall be reduced by the present value of any other cash severance or termination benefits payable to Executive under any other plans, programs or arrangements of the Employer or its affiliates; or

(II) if the Qualifying Termination occurs on the date of, or following, a Change in Control, a cash lump sum within 15 days of such termination in an amount equal to three times the greater of (x) the sum of (1) Executive's then Base Salary, (2) the Guaranteed Annual Bonus and (3) the Average Profit Annual Bonus and (y) the Average Cash Compensation; provided that (A) any termination of employment by the Employer without Cause within six months prior to the occurrence of a Change in Control shall be deemed to be a termination of employment on the date of such Change in Control and (B) the aggregate amount described in this clause (II) shall be reduced by the present value of any other cash severance or termination benefits payable to Executive under any other plans, programs or arrangements of the Employer or its affiliates; and

(G) continued coverage for Executive and Executive's spouse and dependents under the group health insurance plans of the Employer and its affiliates in which Executive was participating at the time of such termination for two years following such termination (three years if such termination occurs within six months prior to, on the date of, or following, a Change in Control), subject to payment by Executive of the same premiums Executive would have paid during such period of coverage if Executive were an active employee of the Employer and its affiliates; provided that if the Employer is unable to provide such coverage to Executive under the terms of its group health insurance plans for any portion of such period or the provision of such benefits would otherwise violate any law or regulation or result in unfavorable tax treatment, the Employer may in lieu of providing such coverage pay to Executive an amount equal to the premium (on a fully grossed up basis) that would otherwise be paid by active employees for such coverage during such period (without giving effect to any Employer subsidy thereof).

Following Executive's termination of employment by the Employer due to a Qualifying Termination, except as set forth in this Section 7(c)(iii) and Section 9(a)(ii), Executive shall have no further rights to any compensation or any other benefits under this Agreement.

d. Expiration of Employment Term.

(i) Election Not to Extend the Employment Term. In the event either party elects not to extend the Employment Term pursuant to Section 1 of this Agreement, unless Executive's employment is earlier terminated pursuant to paragraphs (a), (b) or (c) of this Section 7, Executive's termination of employment hereunder (whether or not Executive continues as an employee of the Employer thereafter) shall be deemed to occur on the close of business on the day immediately preceding the next scheduled Extension Date. In the event Executive elects not to extend the Term, Executive shall only be entitled to receive the Accrued Rights. In the event the Employer elects not to extend the Term, such election shall be treated as a termination by the Employer without Cause and Executive shall be entitled to receive payments and benefits pursuant to Section 7(c)(iii) of this Agreement.

Following such termination of Executive's employment hereunder as a result of either party's election not to extend the Term, except as set forth in this Section 7(d)(i) and Section 9(a)(ii), Executive shall have no further rights to any compensation or any other benefits under this Agreement.

(ii) Continued Employment Beyond the Expiration of the Employment Term. Unless the parties otherwise agree in writing, continuation of Executive's employment with the Employer beyond the expiration of the Term shall be deemed an employment at-will and shall not be deemed to extend any of the provisions of this Agreement and Executive's employment may thereafter be terminated at will by either Executive or the Employer; provided that the provisions of Sections 8, 9 and 10 of this Agreement shall survive any termination of this Agreement or Executive's termination of employment hereunder.

e. Notice of Termination. Any purported termination of employment by the Employer or by Executive (other than due to Executive's death) shall be communicated by written Notice of Termination to the other party hereto in accordance with Section 9(h) hereof. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of employment under the provision so indicated.

8. Restrictive Covenants.

Executive acknowledges and recognizes the highly competitive nature of the business of the Employer and its affiliates and accordingly agrees that Executive shall execute, and hereby agrees to be bound by, the Employer's Confidentiality, Non-Solicitation and Proprietary Information Agreement in the form attached hereto as Exhibit A (the "Employee Agreement").

9. Miscellaneous.

a. Governing Law; Arbitration.

(i) This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to conflicts of laws principles thereof.

(ii) Any disputes arising under or in connection with this Agreement shall be resolved by binding arbitration, to be held in New York, New York, in accordance with the rules and procedures of the American Arbitration Association. Judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. Each party shall bear his or its own costs of the arbitration or litigation. In the event that the arbitrator determines that Executive has prevailed on substantially all issues in dispute in the arbitration, the Employer shall bear all costs and expenses of Executive with respect to the arbitration (including reasonable attorneys' fees and disbursements of Executive's counsel); provided, however, that Executive shall bear all costs and expenses of the Employer or any of its affiliates with respect to the arbitration (including reasonable attorneys' fees and disbursements of the Employer's counsel) in the event that the arbitrator determines that Executive's claims in the dispute were, in the aggregate, frivolous or otherwise taken in bad faith.

b. Entire Agreement; Amendments. Except as set forth in the Employee Agreement, this Agreement contains the entire understanding of the parties with respect to the employment (or any termination thereof) of Executive by the Employer, and supersedes, and Executive shall no longer be legally bound by, any post-employment restrictive covenants and conditions to the receipt of post-employment payments contained in (i) any terms letter between Executive and the Employer or any of its affiliates entered into prior to the date of this Agreement, (ii) any letter agreement relating to the offer of employment between Executive and the Employer or any of its affiliates entered into prior to the date of this Agreement and (iii) any partnership agreement, limited liability Employer agreement, stockholders agreement or similar arrangement or understanding between Executive and the Employer or any of its affiliates entered into prior to the date of this Agreement. There are no restrictions, agreements, promises, warranties, covenants or undertakings between the parties with respect to the subject matter herein other than those expressly set forth herein. This Agreement may not be altered, modified, or amended except by written instrument signed by the parties hereto.

c. No Waiver. The failure of a party to insist upon strict adherence to any term of this Agreement on any occasion shall not be considered a waiver of such party's rights or deprive such party of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement.

d. Severability. In the event that any one or more of the provisions of this Agreement shall be or become invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions of this Agreement shall not be affected thereby.

e. Assignment. This Agreement, and all of Executive's rights and duties hereunder, shall not be assignable or delegable by Executive. Any purported assignment or delegation by Executive in violation of the foregoing shall be null and void *ab initio* and of no force and effect. This Agreement may be assigned by the Employer to a person or entity which is an affiliate or a successor in interest to substantially all of the business operations of the Employer. Upon such assignment, the rights and obligations of the Employer hereunder shall become the rights and obligations of such affiliate or successor person or entity.

f. Set Off/No Mitigation. The Employer's obligation to pay Executive the amounts provided and to make the arrangements provided hereunder shall be subject to set-off, counterclaim or recoupment of amounts owed by Executive to the Employer or its affiliates. Executive shall not be required to mitigate the amount of any payment provided for pursuant to this Agreement by seeking other employment and no amounts payable hereunder shall be reduced or offset due to any employment of the Executive.

g. Successors; Binding Agreement. This Agreement shall inure to the benefit of and be binding upon personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

h. Notice. For the purpose of this Agreement, notices and all other communications provided for in the Agreement shall be in writing and shall be deemed to have been duly given when delivered by hand or overnight courier or three days after it has been mailed by United States registered mail, return receipt requested, postage prepaid, addressed to the respective addresses set forth below in this Agreement, or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notice of change of address shall be effective only upon receipt.

If to the Employer:

55 East 52nd Street, 43rd Floor
New York, New York 10055
Attention: General Counsel

If to Executive:

To the most recent address of Executive set forth in the personnel records of the Employer.

i. Prior Agreements. This Agreement supersedes all prior agreements and understandings (including verbal agreements) between Executive and the Employer and/or its affiliates regarding the terms and conditions of Executive's employment with the Employer and/or its affiliates.

j. Cooperation. Executive shall provide Executive's reasonable cooperation in connection with any action or proceeding (or any appeal from any action or proceeding) which relates to events occurring during Executive's employment hereunder. This provision shall survive any termination of this Agreement.

k. Withholding Taxes. The Employer may withhold from any amounts payable under this Agreement such Federal, state and local taxes as may be required to be withheld pursuant to any applicable law or regulation.

l. Section 409A. Notwithstanding any other provision of this Agreement or certain compensation and benefit plans of the Employer or its affiliates, any payments or benefits due under this Agreement or such plans upon or in connection with a termination of Executive's employment shall be deferred and paid no earlier than 6 months following such termination of Executive's employment, if, and only to the extent, required to comply with Section 409A of the Code.

m. Counterparts. This Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

[Remainder of Page Intentionally Left Blank]

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

EVERCORE PARTNERS INC.

By: ______________________________
Title: ______________________________

EVERCORE L.P.

By: ______________________________
Title: ______________________________

____

PEDRO ASPE

EXHIBIT A

Gross-Up Payment

In the event the provisions of Section 5(b) of the Agreement to which this Exhibit A is a part shall become applicable, then the following provisions shall apply:

(a) If it shall be determined that any amount, right or benefit paid, distributed or treated as paid or distributed by the Employer or any of its affiliates to or for Executive's benefit (other than any amounts payable pursuant to this Exhibit A) (a "Payment") would be subject to the excise tax imposed by Section 4999 of the Code, or any interest or penalties are incurred by Executive with respect to such excise tax (such excise tax, together with any such interest and penalties, collectively, the "Excise Tax"), then Executive shall be entitled to receive an additional payment (a "Gross-Up Payment") equal to the amount necessary such that after payment by Executive of all federal, state and local taxes (including any interest or penalties imposed with respect to such taxes), including, without limitation, any income taxes (and any interest and penalties imposed with respect thereto) and the Excise Tax imposed upon the Gross-Up Payment, Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments. It is agreed that Executive shall claim a foreign tax credit under Section 901 of the Code, for any creditable taxes paid pursuant to the laws of Mexico (or any other foreign jurisdiction) with respect to such Excise Tax or Gross Up Payment and that the Gross Up Payment shall be decreased by the amount in which the Executive's tax liability (in Mexico or any other foreign jurisdiction) is reduced due to the payment of United States federal income tax on the Gross Up Payment or the payment of the Excise Tax.

(b) All determinations required to be made under this Exhibit A, including whether and when a Gross-Up Payment is required, the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by the Employer's independent auditors (the "Auditor"). The Auditor shall provide detailed supporting calculations to both the Employer and Executive within 15 business days of the receipt of notice from Executive or the Employer that there has been a Payment, or such earlier time as is requested by the Employer. All fees and expenses of the Auditor shall be paid by the Employer. Any Gross-Up Payment, as determined pursuant to this Exhibit A, shall be paid by the Employer to Executive (or to the Internal Revenue Service or other applicable taxing authority on Executive's behalf) within five days of the receipt of the Auditor's determination. All determinations made by the Auditor shall be binding upon the Employer and Executive; provided that following any payment of a Gross-Up Payment to Executive (or to the Internal Revenue Service or other applicable taxing authority on Executive's behalf), the Employer may require Executive to sue for a refund of all or any portion of the Excise Taxes paid on Executive's behalf, in which event the provisions of paragraph (c) below shall apply. As a result of uncertainty regarding the application of Section 4999 of the Code hereunder, it is possible that the Internal Revenue Service may assert that Excise Taxes are due that were not included in the Auditor's calculation of the Gross-Up Payments (an "Underpayment"). In the event that the Employer exhausts its remedies pursuant to this Exhibit A and Executive thereafter is required to make a payment of any Excise Tax, the Auditor shall determine the amount of the Underpayment that has occurred and any additional Gross-Up Payments that are due as a result thereof shall be promptly paid by the Employer to Executive (or to the Internal Revenue Service or other applicable taxing authority on Executive's behalf).

(c) Executive shall notify the Employer in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Employer of the Gross-Up Payment. Such notification shall be given as soon as practicable but no later than ten business days after Executive receives written notification of such claim and shall apprise the Employer of the nature of such claim and the date on which such claim is requested to be paid. Executive shall not pay such claim prior to the expiration of the 30-day period following the date on which Executive gives such notice to the Employer (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Employer notifies Executive in writing prior to the expiration of such period that it desires to contest such claim, Executive shall: (i) give the Employer all information reasonably requested by the Employer relating to such claim; (ii) take such action in connection with contesting such claim as the Employer shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Employer and ceasing all efforts to contest such claim; (iii) cooperate with the Employer in good faith in order to effectively contest such claim; and (iv) permit the Employer to participate in any proceeding relating to such claim; provided, however, that the Employer shall bear and pay directly all reasonable costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold Executive harmless, on an after-tax basis, from any Excise Tax or income tax (including interest and penalties with respect thereto) imposed as a result of such representation and payment of costs and expense. Without limiting the foregoing provisions of this Exhibit A, the Employer shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forego any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct Executive to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and Executive agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Employer shall determine and direct; provided, however, that if the Employer directs Executive to pay such claim and sue for a refund, the Employer shall advance the amount of such payment to Executive, on an interest-free basis, and shall indemnify and hold Executive harmless, on an after-tax basis, from any Excise Tax or income tax (including interest or penalties with respect thereto) imposed with respect to such advance or with respect to any imputed income with respect to such advance; and further provided that any extension of the statute of limitations relating to payment of taxes for Executive’s taxable year with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Employer’s control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and Executive shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

(d) If, after Executive’s receipt of an amount advanced by the Employer pursuant to this Exhibit A, Executive becomes entitled to receive any refund with respect to such claim, Executive shall promptly pay to the Employer the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after Executive’s receipt of an amount advanced by the Employer pursuant to this Exhibit A, a determination is made that

Executive shall not be entitled to any refund with respect to such claim and the Employer does not notify Executive in writing of its intent to contest such denial of refund prior to the expiration of 30 days after the Employer's receipt of notice of such determination, then such advance shall be forgiven and shall not be required to be repaid and the amount of such advance shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.

EVERCORE GROUP HOLDINGS L.P.

July 18, 2006

Mr. David Wezdenko
80 John Street
New York, NY 10034

Dear David:

On behalf of Evercore Group Holdings L.P. (“EGHLP”) and its affiliates (collectively, “Evercore”), I am pleased to present to you this letter agreement, which sets forth the terms and conditions of your employment.

1. **Position:**

You shall serve as a Senior Managing Director and Executive Vice President of Evercore, as well as its Chief Financial Officer, and you shall have such specific duties, responsibilities and authorities consistent with your position, as shall be determined by the co-Chief Executive Officers of Evercore (currently Roger Altman and Austin Beutner) (our “CEOs”), to whom you will report. While a Senior Managing Director, you shall work in Evercore’s principal executive offices in New York City, New York, subject to travel in the course of performing your duties for Evercore. You agree to devote substantially all of your business time and use your best reasonable efforts in the performance of your duties hereunder and, during your employment hereunder, you agree not to engage in any other business, profession or occupation for compensation without the prior written consent of at least one of our CEOs. Notwithstanding anything herein to the contrary, you shall not be prohibited from (i) engaging in charitable, educational and non-profit activities, including serving on the boards of such entities, to the extent such activities are approved in advance by at least one of our CEOs, or (ii) from managing your personal and/or family investments and affairs, so long as such management does not interfere with the performance of your duties hereunder.

2. **Cash Compensation:**

With respect to compensation for your employment with Evercore, you will receive the following compensation and benefits, from which Evercore shall be entitled to withhold any amounts required by applicable law:

(a) For calendar year 2006, so long as you remain employed through the end of such calendar year, Evercore shall pay you (i) a Base Salary at the rate of $500,000 per annum, payable in accordance with the normal payroll practices of Evercore, and (ii) a guaranteed annual bonus of $200,000 (the “Signing Bonus”), payable at such time as annual bonuses in respect of 2006 are otherwise generally payable to senior executives of Evercore; provided, however, that in the event Evercore does not complete an initial public offering of its equity securities (an “IPO”) on or prior to December 31, 2006, your total annual cash compensation, payable in part as Base Salary as provided herein, and in part as an annual bonus, will be $1,000,000 in the aggregate.

(c) For calendar year 2007 and all calendar years thereafter, your annual cash compensation will be payable in a manner that is commensurate with your position with Evercore, as determined by the CEOs on an annual basis.

3. **Termination of Employment:**

In the event of any termination of your employment with Evercore, you (or your estate or legal representative, as the case may be) shall also be entitled to any unpaid Base Salary and Signing Bonus accrued through your date of termination.

Upon any termination of your employment with Evercore, in no event shall you be under any obligation to seek other employment and there shall be no offset against any amounts, benefits or entitlements due to you on account of any remuneration or benefits provided by any subsequent employment you may obtain or on account of any claims Evercore may have against you.

4. **Other Terms of Employment:**

While you are employed with Evercore, you will be eligible to participate in Evercore welfare, pension and other employee benefit plans or programs that are generally made available to other Senior Managing Directors of Evercore.

Your employment with Evercore is for an unspecified duration and constitutes "at-will" employment, and this employment relationship may be terminated at any time, with or without good cause or for any or no cause, at your or Evercore's option, with or without notice without further obligation of either party hereunder, except as otherwise provided herein; provided that you will be obligated to give Evercore 30 days advance written notice of any voluntary resignation of your employment. Upon your termination of employment with Evercore for any reason, you agree to resign, as of the date of such termination and to the extent applicable, from any board of directors or committees of Evercore or its affiliates on which you serve and any board, committees or other organizations on which you serve in a representative capacity of Evercore or its affiliates.

Evercore shall reimburse you for all reasonable business-related expenses you incur in connection with the performance of your duties in accordance with its policies.

Evercore agrees to indemnify and hold you and your heirs harmless, and advance any costs and expenses to you or your heirs in connection with any defense of a claim requiring such indemnification, in any such case to the maximum extent provided in the by-laws of Evercore and the applicable Partnership Agreement.

As a condition of your employment, you agree to sign Evercore's agreement relating to the confidentiality of Company information, noncompetition and nonsolicitation covenants and intellectual property, a copy of which is attached hereto as Exhibit A (the "Employee Agreement"), concurrently with your execution of this letter agreement, to be effective as of the commencement of your employment.

All notices or communications hereunder shall be in writing, addressed: (i) to Evercore at its principal corporate headquarters, to the attention of Mr. Roger Altman and Mr. Austin Beutner, Co-Chief Executive Officers of Evercore, or their successors, and (ii) to you at the most recent residential address contained within the personnel records of Evercore (or to such other address as such party may designate in a notice duly delivered as described below). Any such notice or communication shall be delivered by telecopy, by hand or by courier (provided written confirmation of receipt is obtained) or sent certified or registered mail, return receipt requested, postage prepaid, addressed as above, and in the case of delivery other than by hand, the third business day after the actual date of mailing shall constitute the time at which notice was given.

Except as otherwise provided in the Employee Agreement, any controversy or claim arising out of or relating to this letter agreement and its Exhibits or the breach or threatened breach of such agreements or exhibits, that cannot be resolved by you and Evercore, including any dispute as to the calculation of any payments hereunder, shall be submitted to final and binding arbitration in the Borough of Manhattan, New York City, in accordance with the Commercial Arbitration Rules of the American Arbitration Association. Judgment upon any such award shall be entered into any court of competent jurisdiction. Each party shall be responsible for its own costs and expenses; provided, however, that Evercore will pay all of your legal and accounting fees incurred in connection with you (or your estate) enforcing any rights under this letter agreement, including its Exhibits, or in defending against any challenge to such rights, only in the event that you substantially prevail in any such arbitration on all material issues being so arbitrated.

EGHLP represents and warrants that (i) it is fully authorized to enter into this letter agreement, including its Exhibits, and to perform its obligations under it, (ii) the execution, delivery and performance of this letter agreement, including its Exhibits, by Evercore does not violate any applicable regulation, order, judgment or decree or any agreement, plan or corporate governance document of Evercore or any agreement among holders of its shares or the units of Evercore L.P. and (iii) upon the execution and delivery of this letter agreement, including its Exhibits, by Evercore and you, this letter agreement, including its Exhibits, shall be a valid and binding obligation of Evercore, enforceable in accordance with its terms, except to the extent enforceability may be limited by applicable bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally.

This letter agreement and its Exhibits shall be construed, interpreted and governed in accordance with the laws of New York, without reference to principles of conflicts of law.

This letter agreement (together with its Exhibits, including your executed Employee Agreement, and the applicable Partnership Agreements) supersedes any and all prior representations and agreements, whether written or oral regarding the subject matter hereof (unless otherwise explicitly provided in this Agreement) and contains the entire understanding of the parties with respect to your employment with Evercore and there are no restrictions, agreements, promises, warranties, covenants or undertakings between the parties with respect to the subject matter contained herein other than those expressly set forth herein. In all events, there shall be no contractual or similar restrictions on your right to terminate your employment with Evercore or on your post-employment activities, other than restrictions expressly set forth in this letter agreement, the Employee Agreement, and the Partnership Agreements, as applicable. This letter agreement may not be altered, modified or amended, except by written instrument signed by the parties hereto and may be executed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. The failure of a party to insist upon strict adherence to any term of this letter agreement on any occasion shall not be considered a waiver of such party's rights or deprive such party of the right thereafter to insist upon strict adherence to that term or any other term of this letter agreement. Any waiver of any provision of this letter agreement and its Exhibits shall only be effective if such waiver is in a writing that expressly identifies the provision whose control is being waived and is signed by the party against whom it is being enforced.

In the event of any conflict between any provision of this letter agreement and any provision of any plan, policy, program of, or other agreement with, Evercore (excluding any Partnership Agreement), the provision of this letter agreement shall govern. In the event of any conflict between any provision of this letter agreement and any provision of any applicable Partnership Agreement, the provision of the Partnership Agreement shall govern.

This letter agreement and its Exhibits shall be binding upon and inure to your benefit and that of Evercore and our respective successors, heirs (in your case) and assigns. Your rights and obligations under this letter agreement and its Exhibits shall not be assignable by you (other than by will, operation of law or as otherwise permitted herein or pursuant to any applicable plan, policy, program or arrangement of, or other agreement with, Evercore) but may be assigned by Evercore to an entity which is a successor in interest to substantially all of the assets of Evercore, provided such entity assumes the liabilities, obligations and duties of Evercore under this letter agreement and its Exhibits. Once executed by Evercore, this letter agreement shall be irrevocable by Evercore from the date first written above, provided that you execute and deliver this letter agreement within 7 days of such date.

[Signatures on next page.]

If the foregoing terms and conditions are acceptable and agreed to by you, please sign on the line provided below to signify such acceptance and agreement and return the executed copy to the undersigned.

EVERCORE GROUP HOLDINGS L.P.

By: Evercore Group Holdings L.L.C., its general partner

By: /S/ AUSTIN M. BEUTNER
Name: Austin M. Beutner
Title: Managing Member

Accepted and Agreed this 18th day of July, 2006.

/S/ DAVID WEZDENKO
David Wezdenko

EXHIBIT 10.10

2006 EVERCORE PARTNERS INC.

STOCK INCENTIVE PLAN

1. **Purpose of the Plan**

The purpose of the Plan is to aid the Company and its Affiliates in recruiting and retaining key employees, directors or consultants of outstanding ability and to motivate such employees, directors or consultants to exert their best efforts on behalf of the Company and its Affiliates by providing incentives through the granting of Awards. The Company expects that it will benefit from the added interest which such key employees, directors or consultants will have in the welfare of the Company as a result of their proprietary interest in the Company's success.

2. **Definitions**

The following capitalized terms used in the Plan have the respective meanings set forth in this Section:

(a) Act: The Securities Exchange Act of 1934, as amended, or any successor thereto.

(b) Affiliate: "Affiliate" means, with respect to a specified Person, any other Person that directly, or indirectly through one or more intermediaries, Controls, is Controlled by, or is under common Control with, such specified Person.

(c) Award: An Option, Stock Appreciation Right or Other Stock-Based Award granted pursuant to the Plan.

(d) Beneficial Owner: A "beneficial owner", as such term is defined in Rule 13d-3 under the Act (or any successor rule thereto).

(e) Board: The Board of Directors of the Company.

(f) Change in Control: The occurrence of any of the following: (1) the sale, lease, transfer, conveyance or other disposition in one or a series of related transactions, of all or substantially all of the assets of the General Partner or the Partnership to any Person if any Person or affiliated group of Persons (other than the General Partner, a Founding Limited Partner or any of their respective Affiliates) will be, immediately following the consummation of such transaction or transactions, the beneficial owner, directly or indirectly, of more than 50% of the then outstanding securities or voting securities of such Person; (2) the dissolution of the General Partner or the Partnership (other than by way of merger, consolidation or a reorganization transaction); (3) the consummation of any transaction (including, without limitation, any merger, consolidation or a reorganization transaction) the result of which is that any Person or affiliated group of Persons (other than the General Partner, a Founding Limited Partner or any of their respective Affiliates) becomes the beneficial owner, directly or indirectly, of more than 50% of the then outstanding Partnership Units and/or more than 50% of the voting power of the General Partner's voting securities; or (4) the consummation of any transaction subject to Rule 13e-3 under the Exchange Act.

(g) Code: The Internal Revenue Code of 1986, as amended, or any successor thereto.

(h) Committee: The Compensation Committee of the Board.

(i) Company: Evercore Partners Inc., a Delaware corporation.

(j) Control: (including the terms "Controlled by" and "under common Control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, as trustee or executor, by contract or otherwise, including, without limitation, the ownership, directly or indirectly, of securities having the power to elect a majority of the board of directors or similar body governing the affairs of such Person

(k) Disability: Inability of a Participant to perform in all material respects his duties and responsibilities to the Company, or any Subsidiary of the Company, by reason of a physical or mental disability or infirmity which inability is reasonably expected to be permanent and has continued (i) for a period of six consecutive months or (ii) such shorter period as the Committee may reasonably determine in good faith. The Disability determination shall be in the sole discretion of the Committee and a Participant (or his representative) shall furnish the Committee with medical evidence documenting the Participant's disability or infirmity which is satisfactory to the Committee.

(l) Effective Date: The date the Board approves the Plan, or such later date as is designated by the Board.

(m) Employment: The term "Employment" as used herein shall be deemed to refer to (i) a Participant's employment if the Participant is an employee of the Company or any of its Affiliates, (ii) a Participant's services as a consultant, if the Participant is consultant to the Company or its Affiliates and (iii) a Participant's services as an non-employee director, if the Participant is a non-employee member of the Board.

(n) Fair Market Value: On a given date, (i) if there should be a public market for the Shares on such date, the arithmetic mean of the high and low prices of the Shares as reported on such date on the Composite Tape of the principal national securities exchange on which such Shares are listed or admitted to trading, or, if the Shares are not listed or admitted on any national securities exchange, the arithmetic mean of the per Share closing bid price and per Share closing asked price on such date as quoted on the National Association of Securities Dealers Automated Quotation System (or such market in which such prices are regularly quoted)(the "NASDAQ"), or, if no sale of Shares shall have been reported on the Composite Tape of any national securities exchange or quoted on the

NASDAQ on such date, then the immediately preceding date on which sales of the Shares have been so reported or quoted shall be used, and (ii) if there should not be a public market for the Shares on such date, the Fair Market Value shall be the value established by the Committee in good faith.

(o) Founding Limited Partner: Each of Mr. Roger C. Altman, Mr. Austin M. Beutner and Mr. Pedro Aspe.

(p) General Partner: The Company or any successor general partner admitted to the Partnership in accordance with the terms of the Partnership Agreement.

(q) ISO: An Option that is also an incentive stock option granted pursuant to Section 6(d) of the Plan.

(r) LSAR: A limited stock appreciation right granted pursuant to Section 7(d) of the Plan.

(s) Other Stock-Based Awards: Awards granted pursuant to Section 8 of the Plan.

(t) Option: A stock option granted pursuant to Section 6 of the Plan.

(u) Option Price: The purchase price per Share of an Option, as determined pursuant to Section 6(a) of the Plan.

(v) Participant: An employee, director or consultant who is selected by the Committee to participate in the Plan.

(w) Partnership: Evercore LP, an Alberta limited partnership.

(x) Partnership Agreement: The Amended and Restated Limited Partnership Agreement of Evercore LP, dated on or about the date of the initial public offering of the Class A common stock of Evercore Partners Inc., a corporation formed under the laws of the State of Delaware, as general partner, and the Limited Partners (as identified therein), as amended from time to time.

(y) Performance-Based Awards: Certain Other Stock-Based Awards granted pursuant to Section 8(b) of the Plan.

(z) Person: “Person” means any individual, corporation, partnership, limited partnership, limited liability company, limited company, joint venture, trust, unincorporated or governmental organization or any agency or political subdivision thereof).

(aa) Plan: The 2006 Evercore Partners Inc. Stock Incentive Plan, as may be amended from time to time.

(bb) Restricted Stock: "Restricted Stock" means an award of Shares which are subject to certain restrictions and to a risk of forfeiture.

(cc) Shares: Shares of Class A common stock of the Company.

(dd) Stock Appreciation Right: A stock appreciation right granted pursuant to Section 7 of the Plan.

(ee) Subsidiary: A subsidiary corporation, as defined in Section 424(f) of the Code (or any successor section thereto).

3. **Shares Subject to the Plan**

The total number of Shares which may be issued under the Plan is 20,000,000. The maximum number of Shares for which Options and Stock Appreciation Rights (or Award other Section 8(b)) may be granted during a calendar year to any Participant shall be 700,000, and the maximum dollar value payable with respect to Performance-Based Awards and Other Stock-Based Awards that are valued with reference to property other than Shares and granted to any Participant in any one calendar year is $10,000,000. The Shares may consist, in whole or in part, of unissued Shares or treasury Shares. The issuance of Shares or the payment of cash upon the exercise of an Award or in consideration of the cancellation or termination of an Award shall reduce the total number of Shares available under the Plan, as applicable. Shares which are subject to Awards which terminate or lapse without the payment of consideration may be granted again under the Plan.

4. **Administration; Interpretation**

(a) Administration. The Plan shall be administered by the Committee, which may delegate its duties and powers in whole or in part to any subcommittee thereof consisting solely of at least two individuals who are intended to qualify as "Non-Employee Directors" within the meaning of Rule 16b-3 under the Act (or any successor rule thereto) and "outside directors" within the meaning of Section 162(m) of the Code (or any successor section thereto). Awards may, in the discretion of the Committee, be made under the Plan in assumption of, or in substitution for, outstanding awards previously granted by the Company or its affiliates or a company acquired by the Company or with which the Company combines. The number of Shares underlying such substitute awards shall be counted against the aggregate number of Shares available for Awards under the Plan.

(b) Interpretation. The Committee is authorized to interpret the Plan, to establish, amend and rescind any rules and regulations relating to the Plan, and to make any other determinations that it deems necessary or desirable for the administration of the Plan. The Committee may correct any defect or supply any omission or reconcile any inconsistency in the Plan in the manner and to the extent the Committee deems necessary or desirable. Any decision of the Committee in the interpretation and administration of the Plan, as described herein, shall lie within its sole and absolute discretion and shall be final, conclusive and binding on all parties concerned (including, but not limited to, Participants and their beneficiaries or successors).

(c) Terms of Awards. The Committee shall have the full power and authority to establish the terms and conditions of any Award consistent with the provisions of the Plan and to waive any such terms and conditions at any time (including, without limitation, accelerating or waiving any vesting conditions).

(d) Withholding Taxes. The Committee shall require payment of any amount it may determine to be necessary to withhold for federal, state, local or other taxes as a result of the exercise, grant or vesting of an Award. Unless the Committee specifies otherwise, the Participant may elect to pay a portion or all of such withholding taxes by (a) delivery in Shares or (b) having Shares with a Fair Market Value equal to the minimum amount of such withholding taxes withheld by the Company from any Shares that would have otherwise been received by the Participant.

5. **Limitations**

No Award may be granted under the Plan after the tenth anniversary of the Effective Date, but Awards theretofore granted may extend beyond that date.

6. **Terms and Conditions of Options**

Options granted under the Plan shall be, as determined by the Committee, non-qualified or incentive stock options for federal income tax purposes, as evidenced by the related Award agreements, and shall be subject to the foregoing and the following terms and conditions and to such other terms and conditions, not inconsistent therewith, as the Committee shall determine:

(a) Option Price. The Option Price per Share shall be determined by the Committee, but shall not be less than 100% of the Fair Market Value of the Shares on the date an Option is granted.

(b) Exercisability. Options granted under the Plan shall be exercisable at such time and upon such terms and conditions as may be determined by the Committee, but in no event shall an Option be exercisable more than ten years after the date it is granted.

(c) Exercise of Options. Except as otherwise provided in the Plan or in an Award agreement, an Option may be exercised for all, or from time to time any part, of the Shares for which it is then exercisable. For purposes of Section 6 of the Plan, the exercise date of an Option shall be the later of the date a notice of exercise is received by the Company and, if applicable, the date payment is received by the Company pursuant to clauses (i), (ii), (iii) or (iv) in the following sentence. The purchase price for the Shares as to which an Option is exercised shall be paid to the Company in full at the time of exercise at the election of the Participant (i) in cash or its equivalent (e.g., by check), (ii) to the extent permitted by the Committee, in Shares having a Fair Market Value equal to the aggregate Option Price for the Shares being purchased and satisfying such other requirements as may be imposed by the Committee; provided, that such Shares have been held by the Participant for no less than six months (or such other period as established from time to time by the Committee in order to avoid adverse accounting treatment applying generally accepted accounting principles), (iii) partly in cash and, to the extent permitted by the Committee, partly in such Shares or (iv) if there is a public market for the Shares at such time, through the delivery of irrevocable instructions to a broker to sell Shares obtained upon the exercise of the Option and to deliver promptly to the Company an amount out of the proceeds of such Sale equal to the aggregate Option Price for the Shares being purchased. No Participant shall have any rights to dividends or other rights of a stockholder with respect to Shares subject to an Option until the Participant has given written notice of exercise of the Option, paid in full for such Shares and, if applicable, has satisfied any other conditions imposed by the Committee pursuant to the Plan.

(d) ISOs. The Committee may grant Options under the Plan that are intended to be ISOs. Such ISOs shall comply with the requirements of Section 422 of the Code (or any successor section thereto). No ISO may be granted to any Participant who at the time of such grant, owns more than ten percent of the total combined voting power of all classes of stock of the Company or of any Subsidiary, unless (i) the Option Price for such ISO is at least 110% of the Fair Market Value of a Share on the date the ISO is granted and (ii) the date on which such ISO terminates is a date not later than the day preceding the fifth anniversary of the date on which the ISO is granted. Any Participant who disposes of Shares acquired upon the exercise of an ISO either (i) within two years after the date of grant of such ISO or (ii) within one year after the transfer of such Shares to the Participant, shall notify the Company of such disposition and of the amount realized upon such disposition. All Options granted under the Plan are intended to be nonqualified stock options, unless the applicable Award agreement expressly states that the Option is intended to be an ISO. If an Option is intended to be an ISO, and if for any reason such Option (or portion thereof) shall not qualify as an ISO, then, to the extent of such nonqualification, such Option (or portion thereof) shall be regarded as a nonqualified stock option granted under the Plan; provided that such Option (or potion thereof) otherwise complies with the Plan's requirements relating to nonqualified stock options. In no event shall any member of the Committee, the Company or any of its Affiliates (or their respective employees, officers or directors) have any liability to any Participant (or any other Person) due to the failure of an Option to qualify for any reason as an ISO.

(e) Attestation. Wherever in this Plan or any agreement evidencing an Award a Participant is permitted to pay the exercise price of an Option or taxes relating to the exercise of an Option by delivering Shares, the Participant may, subject to procedures satisfactory to the Committee, satisfy such delivery requirement by presenting proof of beneficial ownership of such Shares, in which case the Company shall treat the Option as exercised without further payment and shall withhold such number of Shares from the Shares acquired by the exercise of the Option.

7. **Terms and Conditions of Stock Appreciation Rights**

(a) Grants. The Committee also may grant (i) a Stock Appreciation Right independent of an Option or (ii) a Stock Appreciation Right in connection with an Option, or a portion thereof. A Stock Appreciation Right granted pursuant to clause (ii) of the preceding sentence (A) may be granted at the time the related Option is granted or at any time prior to the exercise or cancellation of the related Option, (B) shall cover the same number of Shares covered by an Option (or such lesser number of Shares as the Committee may determine) and (C) shall be subject to the same terms and conditions as such Option except for such additional limitations as are contemplated by this Section 7 (or such additional limitations as may be included in an Award agreement).

(b) Terms. The exercise price per Share of a Stock Appreciation Right shall be an amount determined by the Committee but in no event shall such amount be less than the greater of (i) the Fair Market Value of a Share on the date the Stock Appreciation Right is granted or, in the case of a Stock Appreciation Right granted in conjunction with an Option, or a portion thereof, the Option Price of the related Option and (ii) the minimum amount permitted by applicable laws, rules, by-laws or policies of regulatory authorities or stock exchanges. Each Stock Appreciation Right granted independent of an Option shall entitle a Participant upon exercise to an amount equal to (i) the excess of (A) the Fair Market Value on the exercise date of one Share over (B) the exercise price per Share of the Stock Appreciation Right, times (ii) the number of Shares covered by the Stock Appreciation Right. Each Stock Appreciation Right granted in conjunction with an Option, or a portion thereof, shall entitle a Participant to surrender to the Company the unexercised Option, or any portion thereof, and to receive from the Company in exchange therefore an amount equal to (i) the excess of (A) the Fair Market Value on the exercise date of one Share over (B) the Option Price per Share, times (ii) the number of Shares covered by the Option, or portion thereof, which is surrendered. The date a notice of exercise is received by the Company shall be the exercise date. Payment shall be made in Shares or in cash, or partly in Shares and partly in cash (any such Shares valued at such Fair Market Value), all as shall be determined by the Committee. Stock Appreciation Rights may be exercised from time to time upon actual receipt by the Company of written notice of exercise stating the number of Shares with respect to which the Stock Appreciation Right is being exercised. No fractional Shares will be issued in payment for Stock Appreciation Rights, but instead cash will be paid for a fraction or, if the Committee should so determine, the number of Shares will be rounded downward to the next whole Share.

(c) Limitations. The Committee may impose, in its discretion, such conditions upon the exercisability or transferability of Stock Appreciation Rights as it may deem fit.

(d) Limited Stock Appreciation Rights. The Committee may grant LSARs that are exercisable upon the occurrence of specified contingent events. Such LSARs may provide for a different method of determining appreciation, may specify that payment will be made only in cash and may provide that any related Awards are not exercisable while such LSARs are exercisable. Unless the context otherwise requires, whenever the term “Stock Appreciation Right” is used in the Plan, such term shall include LSARs.

8. **Other Stock-Based Awards**

(a) Generally. The Committee, in its sole discretion, may grant or sell Awards of Shares, Awards of Restricted Stock and Awards that are valued in whole or in part by reference to, or are otherwise based on the Fair Market Value of, Shares (“Other Stock-Based Awards”). Such Other Stock-Based Awards shall be in such form, and dependent on such conditions, as the Committee shall determine, including, without limitation, the right to receive, or vest with respect to, one or more Shares (or the equivalent cash value of such Shares) upon the completion of a specified period of service, the occurrence of an event and/or the attainment of performance objectives. Other Stock-Based Awards may be granted alone or in addition to any other Awards granted under the Plan. Subject to the provisions of the Plan, the Committee shall determine to whom and when Other Stock-Based Awards will be made, the number of Shares to be awarded under (or otherwise related to) such Other Stock-Based Awards; whether such Other Stock-Based Awards shall be settled in cash, Shares or a combination of cash and Shares; and all other terms and conditions of such Awards (including, without limitation, the vesting provisions thereof and provisions ensuring that all Shares so awarded and issued shall be fully paid and non-assessable).

(b) Performance-Based Awards. Notwithstanding anything to the contrary herein, certain Other Stock-Based Awards granted under this Section 8 may be granted in a manner which is deductible by the Company under Section 162(m) of the Code (or any successor section thereto) (“Performance-Based Awards”). A Participant’s Performance-Based Award shall be determined based on the attainment of written performance goals approved by the Committee for a performance period established by the Committee (i) while the outcome for that performance period is substantially uncertain and (ii) no more than 90 days after the commencement of the performance period to which the performance goal relates or, if less, the number of days which is equal to 25 percent of the relevant performance period. The performance goals, which must be objective, shall be based upon one or more of the following criteria: (i) consolidated earnings before or after taxes (including earnings before interest, taxes, depreciation and amortization); (ii) net income; (iii) operating income; (iv) earnings per Share; (v) book value per Share; (vi) return on shareholders' equity; (vii) expense management; (viii) return on investment; (ix) improvements in capital structure; (x) profitability of an identifiable business unit or product; (xi) maintenance or improvement of profit margins; (xii) stock price; (xiii) market share; (xiv) revenues or sales; (xv) costs; (xvi) cash flow; (xvii) working capital and (xviii) return on assets. The foregoing criteria may relate to the Company, one or more of its Subsidiaries or one or more of its divisions or units, or any combination of the foregoing, and may be applied on an absolute basis and/or be relative to one or more peer group companies or indices, or any combination thereof, all as the Committee shall determine. In addition, to the degree consistent with Section 162(m) of the Code (or any successor section thereto), the performance goals may be calculated without regard to extraordinary items. The maximum amount of a Performance-Based Award during a calendar year to any Participant shall be: (x) with respect to Performance-Based Awards that are Options, 700,000 Shares and (y) with respect to Performance-Based Awards that are not Options, $10,000,000. The Committee shall determine whether, with respect to a performance period, the applicable performance goals have been met with respect to a given Participant and, if they have, to so certify and ascertain the amount of the applicable Performance-Based Award. No Performance-Based Awards will be paid for such performance period until such certification is made by the Committee. The amount of the Performance-Based Award actually paid to a given Participant may be less than the amount determined by the applicable performance goal formula, at the discretion of the Committee. The amount of the Performance-Based Award determined by the Committee for a performance period shall be paid to the Participant at such time as determined by the Committee in its sole discretion after the end of such performance period; provided, however, that a Participant may, if and to the extent permitted by the Committee and consistent with the provisions of Section 162(m) of the Code, elect to defer payment of a Performance-Based Award.

9. **Adjustments Upon Certain Events**

Notwithstanding any other provisions in the Plan to the contrary, the following provisions shall apply to all Awards granted under the Plan:

(a) Generally. In the event of any change in the outstanding Shares after the Effective Date by reason of any Share dividend or split, reorganization, recapitalization, merger, consolidation, spin-off, combination, combination or transaction or exchange of Shares or other corporate exchange, or any distribution to shareholders of Shares or cash other than regular cash dividends or any transaction similar to the foregoing, the Committee in its sole discretion and without liability to any person shall make such substitution or adjustment, if any, as it deems to be equitable, as to (i) the number or kind of Shares or other securities issued or reserved for issuance pursuant to the Plan or pursuant to outstanding Awards, (ii) the maximum number of Shares for which Options or Stock Appreciation Rights may be granted during a calendar year to any Participant, (iii) the maximum amount of a Performance-Based Award that may be granted during a calendar year to any Participant, (iv) the Option Price or exercise price of any stock appreciation right and/or (v) any other affected terms of such Awards.

(b) Change in Control. In the event of a Change of Control after the Effective Date, (i) if determined by the Committee in the applicable Award agreement or otherwise, any outstanding Awards then held by Participants which are unexercisable or otherwise unvested or subject to lapse restrictions shall automatically be deemed exercisable or otherwise vested or no longer subject to lapse restrictions, as the case may be, as of immediately prior to such Change of Control and (ii) the Committee may, but shall not be obligated to, (A) cancel such Awards for fair value (as determined in the sole discretion of the Committee) which, in the case of Options and Stock Appreciation Rights, may equal the excess, if any, of value of the consideration to be paid in the Change of Control transaction to holders of the same number of Shares subject to such Options or Stock Appreciation Rights (or, if no consideration is paid in any such transaction, the Fair Market Value of the Shares subject to such Options or Stock Appreciation Rights) over the aggregate exercise price of such Options or Stock Appreciation Rights or (B) provide for the issuance of substitute Awards that will substantially preserve the otherwise applicable terms of any affected Awards previously granted hereunder as determined by the Committee in its sole discretion or (C) provide that for a period of at least 15 days prior to the Change of Control, such Options shall be exercisable as to all shares subject thereto and that upon the occurrence of the Change of Control, such Options shall terminate and be of no further force and effect.

10. No Right to Employment or Awards

The granting of an Award under the Plan shall impose no obligation on the Company or any Subsidiary to continue the Employment of a Participant and shall not lessen or affect the Company's or Subsidiary's right to terminate the Employment of such Participant. No Participant or other Person shall have any claim to be granted any Award, and there is no obligation for uniformity of treatment of Participants, or holders or beneficiaries of Awards. The terms and conditions of Awards and the Committee's determinations and interpretations with respect thereto need not be the same with respect to each Participant (whether or not such Participants are similarly situated).

11. Successors and Assigns

The Plan shall be binding on all successors and assigns of the Company and a Participant, including without limitation, the estate of such Participant and the executor, administrator or trustee of such estate, or any receiver or trustee in bankruptcy or representative of the Participant's creditors.

12. **Nontransferability of Awards**

Unless otherwise determined by the Committee, an Award shall not be transferable or assignable by the Participant otherwise than by will or by the laws of descent and distribution. An Award exercisable after the death of a Participant may be exercised by the legatees, personal representatives or distributees of the Participant.

13. **Amendments or Termination**

The Board may amend, alter or discontinue the Plan, but no amendment, alteration or discontinuation shall be made, (a) without the approval of the shareholders of the Company, if such action would (except as is provided in Section 9 of the Plan), increase the total number of Shares reserved for the purposes of the Plan or change the maximum number of Shares for which Awards may be granted to any Participant or (b) without the consent of a Participant, if such action would diminish any of the rights of the Participant under any Award theretofore granted to such Participant under the Plan; provided, however, that the Committee may amend the Plan in such manner as it deems necessary to permit the granting of Awards meeting the requirements of the Code or other applicable laws.

14. **International Participants**

With respect to Participants who reside or work outside the United States of America and who are not (and who are not expected to be) "covered employees" within the meaning of Section 162(m) of the Code, the Committee may, in its sole discretion, amend the terms of the Plan or Awards with respect to such Participants in order to conform such terms with the requirements of local law.

15. **Choice of Law**

The Plan shall be governed by and construed in accordance with the laws of the State of New York, without regard to conflicts of laws.

16. **Section 409A of the Code**

No Award shall be granted, deferred, paid out or modified under this Plan in a manner that would result in the imposition of an additional tax under Section 409A of the Code upon a Participant. In the event that it is reasonably determined by the Committee that, as a result of Section 409A of the Code, payments in respect of any Award under the Plan may not be made at the time contemplated by the terms of the Plan or the relevant Award agreement, as the case may be, without causing the Participant holding such Award to be subject to taxation under Section 409A of the Code, the Company will make such payment on the first day that would not result in the Participant incurring any tax liability under Section 409A of the Code. In addition, other provisions of the Plan or any Award agreements thereunder notwithstanding, the Company shall have no right to accelerate any payment in respect of an Award or to make any such payment as the result of an event if such payment would, as a result, be subject to the tax imposed by Section 409A of the Code.

17. **Effectiveness of the Plan**

The Plan shall be effective as of the Effective Date, subject to the approval of the shareholders of the Company.

EXHIBIT 10.11

EVERCORE PARTNERS INC.

2006 ANNUAL INCENTIVE PLAN

1. <u>Purpose of the Plan</u>

The purpose of the Plan is to enable the Company and its Affiliates to attract, retain, motivate and reward executive officers and key employees by providing them with the opportunity to earn competitive compensation directly linked to the Company's performance.

2. <u>Definitions</u>

The following capitalized terms used in the Plan have the respective meanings set forth in this Section:

(a) "Act" shall mean the Securities Exchange Act of 1934, as amended, or any successor thereto.

(b) "Affiliate" shall mean, with respect to a specified Person, any other Person that directly, or indirectly through one or more intermediaries, Controls, is Controlled by, or is under common Control with, such specified Person. "Beneficial Owner" shall mean a "beneficial owner", as such term is defined in Rule 13d-3 under the Act (or any successor rule thereto).

(c) "Board" shall mean the Board of Directors of the Company.

(d) "Change in Control" The occurrence of any of the following: (1) the sale, lease, transfer, conveyance or other disposition in one or a series of related transactions, of all or substantially all of the assets of the General Partner or the Partnership to any Person if any Person or affiliated group of Persons (other than the General Partner, a Founding Limited Partner or any of their respective Affiliates) will be, immediately following the consummation of such transaction or transactions, the beneficial owner, directly or indirectly, of more than 50% of the then outstanding securities or voting securities of such Person; (2) the dissolution of the General Partner or the Partnership (other than by way of merger, consolidation or a reorganization transaction); (3) the consummation of any transaction (including, without limitation, any merger, consolidation or a reorganization transaction) the result of which is that any Person or affiliated group of Persons (other than the General Partner, a Founding Limited Partner or any of their respective Affiliates) becomes the beneficial owner, directly or indirectly, of more than 50% of the then outstanding Partnership Units and/or more than 50% of the voting power of the General Partner's voting securities; or (4) the consummation of any transaction subject to Rule 13e-3 under the Exchange Act.

(e) "Code" shall mean the Internal Revenue Code of 1986, as amended, or any successor thereto.

(f) “Committee” shall mean the Compensation Committee of the Board.

(g) “Company” shall mean Evercore Partners Inc., a Delaware corporation.

(h) “Control” (including the terms “Controlled by” and “under common Control with”) shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, as trustee or executor, by contract or otherwise, including, without limitation, the ownership, directly or indirectly, of securities having the power to elect a majority of the board of directors or similar body governing the affairs of such Person.

(i) “Covered Employee” shall have the meaning set forth in Section 162(m) of the Code.

(j) “Disability” or “Disabled” shall have the meaning set forth in Section 409A of the Code.

(k) “Equity Plan” shall mean the 2006 Evercore Partners Inc. Stock Incentive Plan, as the same shall be amended from time to time.

(l) “Founding Limited Partner” shall mean each of Mr. Roger C. Altman, Mr. Austin M. Beutner and Mr. Pedro Aspe.

(m) “General Partner” shall mean the Company or any successor general partner admitted to the Partnership in accordance with the terms of the Partnership Agreement.

(n) “Participant” shall mean each executive officer of the Company and other key employee of the Company or an Affiliate whom the Committee designates as a participant under the Plan.

(o) “Partnership” shall mean Evercore LP, an Alberta limited partnership.

(p) “Partnership Agreement” shall mean the Amended and Restated Limited Partnership Agreement of Evercore LP, dated on or about the date of the initial public offering of the Class A common stock of Evercore Partners Inc., a corporation formed under the laws of the State of Delaware, as general partner, and the Limited Partners (as identified therein), as amended from time to time.

(q) “Performance Period” shall mean each fiscal year or multi-year cycle as determined by the Committee.

(r) “Person” shall mean any individual, corporation, partnership, limited partnership, limited liability company, limited company, joint venture, trust, unincorporated or governmental organization or any agency or political subdivision thereof.

(s) “Plan” shall mean the Evercore Partners Inc. 2006 Annual Incentive Plan, as may be amended from time to time.

(t) “Share” shall mean a share of Class A common stock of the Company.

(u) “Subsidiary” shall mean a subsidiary corporation, as defined in Section 424(f) of the Code (or any successor section thereto).

3. Administration

(a) The Plan shall be administered and interpreted by the Committee; provided, however, that the Board may, in its sole discretion, take any action designated to the Committee under this Plan as it may deem necessary; provided that, to the extent Section 162(m) of the Code is applicable to the Company and the Plan, in no event shall the Plan be administered or interpreted in a manner which would cause any award intended to be qualified as performance-based compensation under Section 162(m) of the Code to fail to so qualify. The Committee shall establish the performance objectives for any Performance Period in accordance with Section 4 and certify whether and to what extent such performance objectives have been obtained. Any determination made by the Committee under the Plan shall be final and conclusive.

(b) The Committee may employ such legal counsel, consultants and agents (including counsel or agents who are employees of the Company or an Affiliate) as it may deem desirable for the administration of the Plan and may rely upon any opinion received from any such counsel or consultant or agent and any computation received from such consultant or agent. All expenses incurred in the administration of the Plan, including, without limitation, for the engagement of any counsel, consultant or agent, shall be paid by the Company.

(c) No member or former member of the Board or the Committee shall be liable for any act, omission, interpretation, construction or determination made in connection with the Plan other than as a result of such individual’s willful misconduct. The Committee may delegate its authority under this Plan; provided that, to the extent Section 162(m) of the Code is applicable to the Company and the Plan, the Committee shall in no event delegate its authority with respect to the compensation of the Chief Executive Officer of the Company, the four most highly compensated executive officers (as determined under Section 162(m) of the Code and regulations thereunder) of the Company or any other individual whose compensation the Board or Committee reasonably believes may become subject to Section 162(m) of the Code.

4. Bonuses

(a) Performance Criteria. No later than 90 days after each Performance Period begins (or such other date as may be required or permitted under Section 162(m) of the Code to the extent applicable to the Company and the Plan), the Committee shall establish the performance objective or objectives that must be satisfied in order for a Participant to receive a bonus for each such Performance Period. Notwithstanding the foregoing, with respect to the Performance Period during which the Effective Date (as defined in Section 6(a)) occurs, the Committee shall establish the performance objective or objectives that must be satisfied in order for a Participant to receive a bonus for such Performance Period by no later than 60 days after the Effective Date. Any such performance objectives will be based upon the relative or comparative achievement of one or more of the following criteria, as determined by the Committee: (i) consolidated earnings before or after taxes (including earnings before interest, taxes, depreciation and amortization); (ii) net income; (iii) operating income; (iv) earnings per Share; (v) book value per Share; (vi) return on shareholders' equity; (vii) expense management; (viii) return on investment; (ix) improvements in capital structure; (x) profitability of an identifiable business unit or product; (xi) maintenance or improvement of profit margins; (xii) stock price; (xiii) market share; (xiv) revenues or sales; (xv) costs; (xvi) cash flow; (xvii) working capital; (xviii) return on assets; (xix) assets under management; and (xx) total return. The foregoing criteria may relate to the Company, one or more of its Subsidiaries or one or more of its divisions or units, or any combination of the foregoing, and may be applied on an absolute basis and/or be relative to one or more peer group companies or indices, or any combination thereof, all as the Committee shall determine.

(b) Target Incentive Bonuses. No later than 90 days after each Performance Period begins (or such other date as may be required or permitted under Section 162(m) of the Code to the extent applicable to the Company and the Plan), the Committee shall establish target incentive bonuses for each individual Participant. Notwithstanding the foregoing, with respect to the Performance Period during which the Effective Date occurs, the Committee shall, to the extent not already established, establish target incentive bonuses for each individual Participant by no later than 60 days after the Effective Date.

(c) Maximum Amount Payable. As soon as practicable after the Performance Period ends but in no event later than the date that is 75 days after the end of the tax year in respect of which the applicable bonuses are payable, the Committee shall determine (i) whether and to what extent any of the performance objectives established for the relevant Performance Period under Section 4(a) have been satisfied and (ii) for each Participant who is employed by the Company or one of its Affiliates on the last day of the Performance Period for which the bonus is payable, the actual bonus to which such Participant shall be entitled, taking into consideration the extent to which the performance objectives have been met and such other factors as the Committee may deem appropriate. Any provision of this Plan notwithstanding, in no event shall any Participant receive a bonus under this Plan in respect of any fiscal year of the Company in excess of $10 million.

(d) Negative Discretion. Notwithstanding anything else contained in Section 4(c) to the contrary, the Committee shall have the right, in its absolute discretion, (i) to reduce or eliminate the amount otherwise payable to any Participant under Section 4(c) based on individual performance or any other factors that the Committee, in its discretion, shall deem appropriate and (ii) to establish rules or procedures that have the effect of limiting the amount payable to each Participant to an amount that is less than the maximum amount otherwise authorized under Section 4(c).

(e) Death or Disability. If a Participant dies or becomes Disabled prior to the last day of the Performance Period for which the bonus is payable, such Participant may receive an annual bonus equal to the bonus otherwise payable to such Participant based upon actual Company performance for the applicable Performance Period or, if determined by the Committee, based upon achieving targeted performance objectives, multiplied by a fraction, the numerator of which is the number of days that have elapsed during the Performance Period in which the Participant's death or Disability occurs prior to and including the date of the Participant's death or Disability and the denominator of which is the total number of days in the Performance Period or such other amount as the Committee may deem appropriate.

(f) Other Termination of Employment. Unless otherwise determined by the Committee and except as may otherwise be provided in Section 4(e) above, no bonuses shall be payable under this Plan to any Participant whose employment terminates prior to the last day of the Performance Period.

(g) Change in Control. In the event of a Change in Control, the Board (as constituted immediately prior to the Change in Control) shall, in its sole discretion, determine whether and to what extent the performance criteria have been met or shall be deemed to have been met for the year in which the Change in Control occurs.

5. Payment

(a) In General. Except as otherwise provided hereunder, payment of any bonus amount determined under Section 4 shall be made to each Participant as soon as practicable within the calendar year in which after the Committee certifies that one or more of the applicable performance objectives have been attained or, in the case of any bonus payable under the provisions of Section 4(d), after the Committee determines the amount of any such bonus; provided, however, that in any event all payments made hereunder shall be in accordance with the requirements of Section 409A of the Code and the rules and regulations promulgated thereunder ("Section 409A of the Code").

(b) Form of Payment. All bonuses payable under this Plan are payable in cash, unless the Committee elects to make payment of such bonuses in Shares or Share-based awards in which case such Shares or Share-based awards shall be issued pursuant to the Equity Plan.

6. General Provisions

(a) Effectiveness of the Plan. The Plan shall become effective on the date on which it is adopted by the Board (the "Effective Date"), subject to the approval of the shareholders of the Company. The Plan shall expire on the tenth anniversary of the Effective Date.

(b) Compliance with Section 162(m) of the Code. Notwithstanding anything set forth in this Plan to the contrary, until such time as the Company is no longer within the "reliance period" (as such term is defined in Treasury Regulation 1.162-27(f)(2)) (the "Reliance Period"), the Board or the Committee may, but is not required, to administer and maintain this Plan, and grant target incentive bonuses, and pay bonuses, under this Plan, to those employees who are Covered Employees in compliance with the provisions of Section 162(m) of the Code, as the same would apply upon expiration of the Reliance Period.

(c) Amendment and Termination. The Board or the Committee may at any time amend, suspend, discontinue or terminate the Plan; provided, however, that no such amendment, suspension, discontinuance or termination shall adversely affect the rights of any Participant in respect of any calendar year which has already commenced and, to the extent Section 162(m) of the Code is applicable to the Company and the Plan, no such action shall be effective without approval by the shareholders of the Company to the extent necessary to continue to qualify the amounts payable hereunder to Covered Employees as under Section 162(m) of the Code, if such amounts are otherwise intended by the Committee to be so qualified.

(d) Designation of Beneficiary. Each Participant may designate a beneficiary or beneficiaries (which beneficiary may be an entity other than a natural Person) to receive any payments which may be made following the Participant's death. Such designation may be changed or canceled at any time without the consent of any such beneficiary. Any such designation, change or cancellation must be made in a form approved by the Committee and shall not be effective until received by the Committee. If no beneficiary has been named, or the designated beneficiary or beneficiaries shall have predeceased the Participant, the beneficiary shall be the Participant's spouse or, if no spouse survives the Participant, the Participant's estate. If a Participant designates more than one beneficiary, the rights of such beneficiaries shall be payable in equal shares, unless the Participant has designated otherwise.

(e) No Right to Continued Employment or Awards. Nothing in this Plan shall be construed as conferring upon any Participant any right to continue in the employment of the Company or any of its Affiliates. No Participant shall have any claim to be granted any award, and there is no obligation for uniformity of treatment of Participants or beneficiaries. The terms and conditions of awards and the Committee's determinations and interpretations with respect thereto need not be the same with respect to each Participant (whether or not the Participants are similarly situated).

(f) No Limitation on Corporate Actions. Nothing contained in the Plan shall be construed to prevent the Company or any Affiliate from taking any corporate action which is deemed by it to be appropriate or in its best interest, whether or not such action would have an adverse effect on any awards made under the Plan. No employee, beneficiary or other person shall have any claim against the Company or any Affiliate as a result of any such action.

(g) Nonalienation of Benefits. Except as expressly provided herein, no Participant or beneficiary shall have the power or right to transfer, anticipate, or otherwise encumber the Participant's interest under the Plan. The Company's obligations under this Plan are not assignable or transferable except to (i) a corporation which acquires all or substantially all of the Company's assets or (ii) any corporation into which the Company may be merged or consolidated. The provisions of the Plan shall inure to the benefit of each Participant and the Participant's beneficiaries, heirs, executors, administrators or successors in interest.

(h) Withholding. A Participant may be required to pay to the Company or any Affiliate and the Company or any Affiliate shall have the right and is hereby authorized to withhold from any payment due under this Plan or from any compensation or other amount owing to the Participant, applicable withholding taxes with respect to any payment under this Plan and to take such action as may be necessary in the opinion of the Company to satisfy all obligations for the payment of such withholding taxes.

(i) Severability. If any provision of this Plan is held unenforceable, the remainder of the Plan shall continue in full force and effect without regard to such unenforceable provision and shall be applied as though the unenforceable provision were not contained in the Plan.

(j) Governing Law. The Plan shall be governed by and construed in accordance with the laws of the State of New York without regard to conflicts of laws.

(k) Headings. Headings are inserted in this Plan for convenience of reference only and are to be ignored in a construction of the provisions of the Plan.

EXHIBIT 10.12

EVERCORE GROUP HOLDINGS L.P.

July 18, 2006

Adam Frankel, Esq.
69 Harding Road
Old Greenwich, CT 06870

Dear Adam:

On behalf of Evercore Group Holdings L.P. (“EGHLP”) and its affiliates (collectively, “Evercore”), I am pleased to present to you this letter agreement, which sets forth the terms and conditions of your employment.

1. **Position:**

You shall serve as a Senior Managing Director and General Counsel of Evercore and you shall have such specific duties, responsibilities and authorities consistent with your position, as shall be determined by the co-Chief Executive Officers of Evercore (currently Roger Altman and Austin Beutner) (our “CEOs”), to whom you will report. While a Senior Managing Director, you shall work in Evercore’s principal executive offices in New York City, New York, subject to travel in the course of performing your duties for Evercore. You agree to devote substantially all of your business time and use your best reasonable efforts in the performance of your duties hereunder and, during your employment hereunder, you agree not to engage in any other business, profession or occupation for compensation without the prior written consent of at least one of our CEOs. Notwithstanding anything herein to the contrary, you shall not be prohibited from (i) engaging in charitable, educational and non-profit activities, including serving on the boards of such entities, to the extent such activities are approved in advance by at least one of our CEOs, (ii) from managing your personal and/or family investments and affairs, so long as such management does not interfere with the performance of your duties hereunder or (iii) serving on the board of directors of Picis, Inc., unless your resignation from such board is reasonably requested by one of our CEOs.

2. **Cash Compensation:**

With respect to compensation for your employment with Evercore, you will receive the following compensation and benefits, from which Evercore shall be entitled to withhold any amounts required by applicable law:

(a) Until the second anniversary of your commencement of your employment (“Start Date”), Evercore shall pay you a base salary (“Base Salary”) at the rate that shall not be less than $500,000 per annum. Such Base Salary shall be payable in accordance with the normal payroll practices of Evercore. Additionally, Evercore shall pay you a guaranteed annual minimum bonus for the remainder of calendar year 2006 and for calendar 2007 of $200,000, payable at such time as annual bonuses are paid in accordance with normal Evercore practice and subject to your continued employment with Evercore through such payment date.

(b) After the second anniversary of your Start Date and all calendar years thereafter, your annual cash compensation will be payable in a manner that is commensurate with your position with Evercore, as determined by the CEOs on an annual basis; provided, however, that in no event will your annual cash compensation opportunity (which shall be comprised of a fixed Base Salary amount and a variable annual bonus amount that will be based on corporate and individual performance factors) (your "Annual Cash Opportunity") be less favorable than the level of such opportunity provided to other similarly situated corporate headquarter executives of Evercore ("Corporate Executives") on an annual basis. Your Annual Cash Opportunity may be payable in any form in accordance with the terms of the Evercore Partners Inc. 2006 Annual Incentive Plan.

3. **Termination of Employment:**

(a) If (i) prior to the date which is 30 months after your Start Date or (ii) at any time after the occurrence of a change in control of Evercore (as such term is defined in the Partnership Agreements, a "Change in Control"), your employment is terminated either by Evercore without Cause (as such term is defined below) or by you for Good Reason (as such term is defined below), you shall be entitled to (x) continued payment of your Base Salary (as in effect immediately prior to such termination) for twenty-four (24) months following such termination, payable in accordance with the normal payroll practices of Evercore, (y) an amount equal to $200,000 if such termination occurs prior to January 1, 2007 and thereafter, the average of the annual cash bonuses you received (and, solely for purposes of this calculation, if such termination occurs prior to the date you would have received, but for such termination, an annual cash bonus in respect of the fiscal year of Evercore ("Fiscal Year") ending immediately prior to the date of such termination, then you shall be deemed to have received such bonus) in respect of the two Fiscal Years (or, if such termination occurs prior to the first two Fiscal Years ending after you commence employment with Evercore, one Fiscal Year) occurring prior to the Fiscal Year in which such termination occurs (such average annual cash bonus amount, the "Average Bonus Amount"), payable at the same time that annual bonuses are normally payable to Corporate Executives for the Fiscal Year in which such termination occurs, and (z) continued coverage for you, your spouse and your dependents under our medical plans in effect for Corporate Executives for the twenty-four (24) calendar months following such termination, subject to payment by you of the same premiums you would have paid during such period of coverage if you had remained an active employee of Evercore.

(b) Any payments and benefits provided for in Section 3(a) above shall be conditioned upon and subject to your duty to mitigate and seek reasonably comparable new employment, and any income derived from such mitigating employment shall be offset against the Base Salary and Average Bonus Amount payments provided for therein; provided, however, that (i) the obligations included in this sentence shall not apply during the Restricted Period (as defined in the Employee Agreement (as defined below)) or at any time on or after the occurrence of a Change in Control and (ii) you shall have no obligation to seek employment for a position that is inferior in title, responsibility or compensation than your position with Evercore or seek employment outside of the area that comprises a 50-mile radius of your current principal residence at the address stated at the beginning of this letter agreement.

(c) In addition to the provisions of Section 3(a), upon any termination of your employment by you without Good Reason (other than due to your death), subject to your satisfying your applicable obligations under the Employee Agreement, during the Restricted Period, the Company shall (x) continue to pay you your Base Salary (as in effect immediately prior to such termination), payable in accordance with the normal payroll practices of Evercore, and (y) continue to provide coverage for you, your spouse and your dependents under our medical plans in effect for Corporate Executives, subject to payment by you of the same premiums you would have paid during such period of coverage if you had remained an active employee of Evercore during such time.

(d) For purposes herein, "Good Reason" shall mean (i) a material diminution in or adverse alteration to your title or duties as set forth in Section 1 hereof, (ii) a reduction in your Annual Cash Opportunity from that in effect for the Fiscal Year preceding the Fiscal Year in which such reduction occurs, excluding any reduction that affects all Corporate Executives equally and is part of a company-wide reduction in annual cash compensation, (iii) the relocation of your principal office with Evercore to a location outside of the area that comprises a 50-mile radius from your current principal residence at the address stated at the beginning of this letter agreement, (iv) the failure of Evercore to comply with any material terms of this letter agreement or (v) the requirement by Evercore that you report to someone other than the CEOs, or, in the event that one of the CEOs' employment terminates, that CEO's successor, or other senior executive who holds a title of President or Chief Operating Officer of Evercore, and who in any such case (x) performs such duties and responsibilities, and has the opportunity to earn annual cash compensation, that in each such case is at a level substantially similar to that of the remaining CEO and (y) reports directly to the board of directors of Evercore.

(e) For purposes hereof, "Cause" shall mean the occurrence or existence of any of the following: (i) the failure of you to comply with any material terms of this Agreement, provided you do not cure said conduct or breach (to the extent curable) within ten (10) business days after either of the CEOs provides you with written notice of said conduct or breach; (ii) the conviction of, or plea of guilty or nolo contendere by you in respect of, any felony; (iii) the perpetration by you of fraud against Evercore; (iv) the willful and continued failure by you to substantially perform your duties with Evercore on a full-time basis (other than any such failure resulting from your death or Disability), provided that an act, or a failure to act, on your part shall be deemed "willful" only if done, or omitted to be done, by you not in good faith or without a reasonable belief that your action or omission was in or not opposed to the best interests of Evercore; and provided further that you do not cure said conduct or breach (to the extent curable) within ten (10) business days after either of the CEOs provides you with written notice of said conduct or breach; and (v) any willful misconduct by you that could reasonably have, or could reasonably be expected to have, an adverse effect in any material respect on Evercore.

(f) In the event of any termination of your employment for any reason, in addition to any other amounts to which you may be entitled under this section, you (or your estate or legal representative, as the case may be) shall be entitled to any unpaid Base Salary accrued through the date of such termination, and any employee benefits that you may be entitled to receive under our employee benefit plans. All payments provided for in this Section 3 are subject to withholding by Evercore for any amounts required by law.

4. **Other Terms of Employment:**

While you are employed with Evercore, you will be eligible to participate in Evercore welfare, pension and other employee benefit plans or programs that are generally made available to other Senior Managing Directors of Evercore.

Your employment with Evercore is for an unspecified duration and constitutes "at-will" employment, and this employment relationship may be terminated at any time, with or without good cause or for any or no cause, at your or Evercore's option, with or without notice without further obligation of either party hereunder, except as otherwise provided herein; provided that you will be obligated to give Evercore 30 days advance written notice of any voluntary resignation of your employment. Upon your termination of employment with Evercore for any reason, you agree to resign, as of the date of such termination and to the extent applicable, from any board of directors or committees of Evercore or its affiliates on which you serve and any board, committees or other organizations on which you serve in a representative capacity of Evercore or its affiliates.

Evercore shall reimburse you for all reasonable business-related expenses you incur in connection with the performance of your duties in accordance with its policies.

Evercore agrees to indemnify and hold you and your heirs harmless, and advance any costs and expenses to you or your heirs in connection with any defense of a claim requiring such indemnification, in any such case to the maximum extent provided in the by law.

As a condition of your employment, you agree to sign the EGHLP partnership agreement, the documentation relating to the IPO executed by Evercore's existing Senior Managing Directors and Evercore's agreement relating to the confidentiality of Company information, noncompetition and nonsolicitation covenants and intellectual property, a copy of which is attached hereto as Exhibit A (the "Employee Agreement"), concurrently with your execution of this letter agreement. Your admission as a limited partner of EGHLP will be effective as of the commencement of your employment. The Employee Agreement will become effective upon the closing of the IPO.

All notices or communications hereunder shall be in writing, addressed: (i) to Evercore at its principal corporate headquarters, to the attention of Mr. Roger Altman and Mr. Austin Beutner, Co-Chief Executive Officers of Evercore, or their successors, and (ii) to you at the most recent residential address contained within the personnel records of Evercore (or to such other address as such party may designate in a notice duly delivered as described below). Any such notice or communication shall be delivered by telecopy, by hand or by courier (provided written confirmation of receipt is obtained) or sent certified or registered mail, return receipt requested, postage prepaid, addressed as above, and in the case of delivery other than by hand, the third business day after the actual date of mailing shall constitute the time at which notice was given.

Except as otherwise provided in the Employee Agreement, any controversy or claim arising out of or relating to this letter agreement and its Exhibits or the breach or threatened breach of such agreements or exhibits, that cannot be resolved by you and Evercore, including any dispute as to the calculation of any payments hereunder, shall be submitted to final and binding arbitration in the Borough of Manhattan, New York City, in accordance with the Commercial Arbitration Rules of the American Arbitration Association. Judgment upon any such award shall be entered into any court of competent jurisdiction. Each party shall be responsible for its own costs and expenses; provided, however, that Evercore will pay all of your legal and accounting fees incurred in connection with you (or your estate) enforcing any rights under this letter agreement, including its Exhibits, or in defending against any challenge to such rights, only in the event that you substantially prevail in any such arbitration.

EGHLP represents and warrants that (i) it is fully authorized to enter into this letter agreement, including its Exhibits, and to perform its obligations under it, (ii) the execution, delivery and performance of this letter agreement, including its Exhibits, by Evercore does not violate any applicable regulation, order, judgment or decree or any agreement, plan or corporate governance document of Evercore or any agreement among holders of its shares or the units of Evercore L.P. and (iii) upon the execution and delivery of this letter agreement, including its Exhibits, by Evercore and you, this letter agreement, including its Exhibits, shall be a valid and binding obligation of Evercore, enforceable in accordance with its terms, except to the extent enforceability may be limited by applicable bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally.

This letter agreement and its Exhibits shall be construed, interpreted and governed in accordance with the laws of New York, without reference to principles of conflicts of law.

This letter agreement (together with its Exhibits, including your executed Employee Agreement, and the applicable Partnership Agreements) supersedes any and all prior representations and agreements, whether written or oral regarding the subject matter hereof (unless otherwise explicitly provided in this Agreement) and contains the entire understanding of the parties with respect to your employment with Evercore and there are no restrictions, agreements, promises, warranties, covenants or undertakings between the parties with respect to the subject matter contained herein other than those expressly set forth herein. In all events, there shall be no contractual or similar restrictions on your right to terminate your employment with Evercore or on your post-employment activities, other than restrictions expressly set forth in this letter agreement, the Employee Agreement, and the Partnership Agreements, as applicable. This letter agreement may not be altered, modified or amended, except by written instrument signed by the parties hereto and may be executed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. The failure of a party to insist upon strict adherence to any term of this letter agreement on any occasion shall not be considered a waiver of such party's rights or deprive such party of the right thereafter to insist upon strict adherence to that term or any other term of this letter agreement. Any waiver of any provision of this letter agreement and its Exhibits shall only be effective if such waiver is in a writing that expressly identifies the provision whose control is being waived and is signed by the party against whom it is being enforced.

In the event of any conflict between any provision of this letter agreement and any provision of any plan, policy, program of, or other agreement with, Evercore (excluding any Partnership Agreement), the provision of this letter agreement shall govern. In the event of any conflict between any provision of this letter agreement and any provision of any applicable Partnership Agreement, the provision of the Partnership Agreement shall govern.

This letter agreement and its Exhibits shall be binding upon and inure to your benefit and that of Evercore and our respective successors, heirs (in your case) and assigns. Your rights and obligations under this letter agreement and its Exhibits shall not be assignable by you (other than by will, operation of law or as otherwise permitted herein, in Exhibit A or pursuant to any applicable plan, policy, program or arrangement of, or other agreement with, Evercore) but may be assigned by Evercore to an entity which is a successor in interest to substantially all of the assets of Evercore, provided such entity assumes the liabilities, obligations and duties of Evercore under this letter agreement and its Exhibits. Once executed by Evercore, this letter agreement shall be irrevocable by Evercore from the date first written above, provided that you execute and deliver this letter agreement within 7 days of such date.

The parties hereto recognize that certain provisions of this letter agreement may be affected by Section 409A of the Internal Revenue Code. The parties agree to negotiate in good faith to amend this letter agreement or to take such other actions as may be necessary or advisable to comply with Section 409A.

[Signatures on next page.]

If the foregoing terms and conditions are acceptable and agreed to by you, please sign on the line provided below to signify such acceptance and agreement and return the executed copy to the undersigned.

EVERCORE GROUP HOLDINGS L.P.

By: Evercore Group Holdings L.L.C., its general partner

By: /S/ AUSTIN M. BEUTNER
Name: Austin M. Beutner
Title: Managing Member

Accepted and Agreed this 18th day of July, 2006.

/S/ ADAM FRANKEL
Adam Frankel, Esq.

EXHIBIT 10.13

INDEMNIFICATION AGREEMENT

This Indemnification Agreement, dated as of __________, 2006, is made by and between Evercore Partners Inc., a Delaware corporation (the “Corporation”) and __________ (“Indemnitee”).

WHEREAS, the Corporation desires and has requested Indemnitee to serve as a director of the Corporation and to consent to by named by the Corporation in its Registration Statement on Form S-1 (Registration No. 333-134087) and in all subsequent amendments and post-effective amendments or supplements thereto and in any registration statement for the same offering that is to be effective upon filing pursuant to Rule 462(b) under the Securities Act of 1933, as amended (the “Registration Statement”); and

WHEREAS, Indemnitee is willing to be named in the Registration Statement as about to become a director of the Corporation on the condition that Indemnitee is furnished the indemnity provided for herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth below, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

Section 1. Indemnification.

To the fullest extent permitted by the law of the State of Delaware:

(a) The Corporation shall indemnify Indemnitee if Indemnitee was or is made or is threatened to be made a party, including involvement as a witness or is otherwise involved in any threatened, pending or completed action, suit or proceeding (brought in the right of the Corporation or otherwise), whether civil, criminal, administrative or investigative and whether formal or informal, including appeals, by reason of the fact that Indemnitee is or was or has agreed to be named in the Registration Statement as about to become a director of the Corporation, or by reason of any action alleged to have been taken or omitted in such capacity.

(b) The indemnification provided by this Section 1 shall be from and against all loss and liability suffered and expenses (including attorneys’ fees), judgments, fines and amounts paid in settlement reasonably incurred by or on behalf of Indemnitee in connection with such action, suit or proceeding, including any appeals.

Section 2. Advance Payment of Expenses; Notification and Defense of Claim.

To the fullest extent permitted by the law of the State of Delaware:

(a) Expenses (including attorneys’ fees) incurred by Indemnitee in appearing at, participating in or defending any action, suit or proceeding or in connection with an enforcement action pursuant to Section 3(b), shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding within thirty (30) days after receipt by the Corporation of a statement or statements from Indemnitee requesting such advance or advances from time to time.

(b) Promptly after receipt by Indemnitee of notice of the commencement of any action, suit or proceeding, Indemnitee shall, if a claim thereof is to be made against the Corporation hereunder, notify the Corporation of the commencement thereof. The failure to promptly notify the Corporation of the commencement of the action, suit or proceeding, or Indemnitee’s request for indemnification, will not relieve the Corporation from any liability that it may have to Indemnitee hereunder, except to the extent the Corporation is materially prejudiced in its defense of such action, suit or proceeding as a result of such failure.

(c) In the event the Corporation shall be obligated to pay the expenses of Indemnitee with respect to an action, suit or proceeding, as provided in this Agreement, the Corporation, if appropriate, shall be entitled to assume the defense of such action, suit or proceeding, with counsel reasonably acceptable to Indemnitee, upon the delivery to Indemnitee of written notice of its election to do so. After delivery of such notice, approval of such counsel by Indemnitee and the retention of such counsel by the Corporation, the Corporation will not be liable to Indemnitee under this Agreement for any fees of counsel subsequently incurred by Indemnitee with respect to the same action, suit or proceeding, provided that (1) Indemnitee shall have the right to employ Indemnitee’s own counsel in such action, suit or proceeding at Indemnitee’s expense and (2) if (i) the employment of counsel by Indemnitee has been previously authorized in writing by the Corporation, (ii) counsel to the Corporation or Indemnitee shall have reasonably concluded that there may be a conflict of interest or position, or reasonably believes that a conflict is likely to arise, on any significant issue between the

Corporation and Indemnitee in the conduct of any such defense or (iii) the Corporation shall not, in fact, have employed counsel to assume the defense of such action, suit or proceeding, then the fees and expenses of Indemnitee's counsel shall be at the expense of the Corporation, except as otherwise expressly provided by this Agreement. The Corporation shall not be entitled, without the consent of Indemnitee, to assume the defense of any claim brought by or in the right of the Corporation or as to which counsel for the Corporation or Indemnitee shall have reasonably made the conclusion provided for in clause (ii) above.

Section 3. Procedure for Indemnification

(a) To obtain indemnification, Indemnitee shall submit to the Corporation a written request, including therein or therewith such documentation and information as is reasonably available to Indemnitee and is reasonably necessary to determine whether and to what extent Indemnitee is entitled to indemnification.

(b) The Corporation's determination whether to grant Indemnitee's indemnification request shall be made promptly and in any event within thirty (30) days following receipt of a request for indemnification pursuant to Section 3(a). The right to indemnification as granted by Section 1 of this Agreement shall be enforceable by Indemnitee in any court of competent jurisdiction if the Corporation denies such request, in whole or in part, or fails to respond within such 30-day period. Indemnitee's expenses (including attorneys' fees) incurred in connection with successfully establishing Indemnitee's right to indemnification, in whole or in part, in any such proceeding or otherwise shall also be indemnified by the Corporation.

(c) Indemnitee shall be presumed to be entitled to indemnification under this Agreement upon submission of a request for indemnification pursuant to this Section 3, and the Corporation shall have the burden of proof in overcoming that presumption in reaching a determination contrary to that presumption. Such presumption shall be used as a basis for a determination of entitlement to indemnification unless the Corporation overcomes such presumption by clear and convincing evidence.

Section 4. Insurance and Subrogation.

(a) The Corporation may purchase and maintain insurance on behalf of Indemnitee against any liability asserted against, and incurred by, Indemnitee or on Indemnitee's behalf by reason of the fact that Indemnitee is or was or has agreed to be named in the Registration Statement as about to become a director of the Corporation, or arising out of Indemnitee's status as such, whether or not the Corporation would have the power to indemnify Indemnitee against such liability under the provisions of this Agreement. If the Corporation has such insurance in effect at the time the Corporation receives from Indemnitee any notice of the commencement of a proceeding, the Corporation shall give prompt notice of the commencement of such proceeding to the insurers in accordance with the procedures set forth in the policy. The Corporation shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of Indemnitee, all amounts payable as a result of such proceeding in accordance with the terms of such policy.

(b) In the event of any payment by the Corporation under this Agreement, the Corporation shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee with respect to any insurance policy, who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Corporation to bring suit to enforce such rights in accordance with the terms of such insurance policy. The Corporation shall pay or reimburse all expenses actually and reasonably incurred by Indemnitee in connection with such subrogation.

(c) The Corporation shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable hereunder (including, but not limited to, judgments, fines, ERISA excise taxes or penalties, and amounts paid in settlement) if and to the extent that Indemnitee has otherwise actually received such payment under this Agreement or any insurance policy, contract, agreement or otherwise.

Section 5. Certain Definitions. For purposes of this Agreement, the following definitions shall apply:

(a) The term "action, suit or proceeding" shall be broadly construed and shall include, without limitation, the investigation, preparation, prosecution, defense, settlement, arbitration and appeal of, and the giving of testimony in, any threatened, pending or completed claim, action, suit or proceeding, whether civil, criminal, administrative or investigative.

(b) The term “by reason of the fact that Indemnitee is or was or has agreed to be named in the Registration Statement as about to become a director of the Corporation” shall be broadly construed and shall include, without limitation, any actual or alleged act or omission to act.

(c) The term “expenses” shall be broadly and reasonably construed and shall include, without limitation, all direct and indirect costs of any type or nature whatsoever (including, without limitation, all attorneys’ fees and related disbursements, appeal bonds, other out-of-pocket costs and reasonable compensation for time spent by Indemnitee for which Indemnitee is not otherwise compensated by the Corporation or any third party), actually and reasonably incurred by Indemnitee in connection with either the investigation, defense or appeal of a proceeding or establishing or enforcing a right to indemnification under this Agreement or otherwise.

(d) The term “judgments, fines and amounts paid in settlement” shall be broadly construed and shall include, without limitation, all direct and indirect payments of any type or nature whatsoever (including, without limitation, all penalties and amounts required to be forfeited or reimbursed to the Corporation), as well as any penalties or excise taxes assessed on a person with respect to an employee benefit plan).

Section 6. Limitation on Indemnification. Notwithstanding any other provision herein to the contrary, the Corporation shall not be obligated pursuant to this Agreement**:**

(a) Claims Initiated by Indemnitee. To indemnify or advance expenses to Indemnitee with respect to an action, suit or proceeding (or part thereof) initiated by Indemnitee, except with respect to an action, suit or proceeding brought to establish or enforce a right to indemnification (which shall be governed by the provisions of Section 6(b) of this Agreement), unless such action, suit or proceeding (or part thereof) was authorized or consented to by the Board of Directors of the Corporation.

(b) Action for Indemnification. To indemnify Indemnitee for any expenses incurred by Indemnitee with respect to any action, suit or proceeding instituted by Indemnitee to enforce or interpret this Agreement, unless Indemnitee is successful in establishing Indemnitee’s right to indemnification in such action, suit or proceeding, in whole or in part, or unless and to the extent that the court in such action, suit or proceeding shall determine that, despite Indemnitee’s failure to establish their right to indemnification, Indemnitee is entitled to indemnity for such expenses; provided, however, that nothing in this Section 6(b) is intended to limit the Corporation’s obligation with respect to the advancement of expenses to Indemnitee in connection with any such action, suit or proceeding instituted by Indemnitee to enforce or interpret this Agreement, as provided in Section 2 hereof.

Section 7. Certain Settlement Provisions. The Corporation shall have no obligation to indemnify Indemnitee under this Agreement for amounts paid in settlement of any action, suit or proceeding without the Corporation’s prior written consent, which shall not be unreasonably withheld. The Corporation shall not settle any action, suit or proceeding in any manner that would impose any fine or other obligation on Indemnitee without Indemnitee’s prior written consent, which shall not be unreasonably withheld.

Section 8. Savings Clause. If any provision or provisions of this Agreement shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify Indemnitee if Indemnitee was or is made or is threatened to be made a party or is otherwise involved in any threatened, pending or completed action, suit or proceeding (brought in the right of the Corporation or otherwise), whether civil, criminal, administrative or investigative and whether formal or informal, including appeals, by reason of the fact that Indemnitee is or was or has agreed to be named in the Registration Statement as about to become a director of the Corporation, or by reason of any action alleged to have been taken or omitted in such capacity, from and against all loss and liability suffered and expenses (including attorneys’ fees), judgments, fines and amounts paid in settlement reasonably incurred by or on behalf of Indemnitee in connection with such action, suit or proceeding, including any appeals, to the fullest extent permitted by any applicable portion of this Agreement that shall not have been invalidated and to the fullest extent permitted by applicable law.

Section 9. Contribution. In order to provide for just and equitable contribution in circumstances in which the indemnification provided for herein is held by a court of competent jurisdiction to be unavailable to Indemnitee in whole or in part, it is agreed that, in such event, the Corporation shall, to the fullest extent permitted by law, contribute to the payment of all of Indemnitee’s loss and liability suffered and expenses (including attorneys’ fees), judgments, fines and amounts paid in settlement reasonably incurred by or on behalf of Indemnitee in connection with any action, suit or proceeding, including any appeals, in an amount that is just and equitable in the circumstances; provided, that, without limiting the generality of the foregoing, such contribution shall not be required where such holding by the court is due to any limitation on indemnification set forth in Section 4(c), 6 or 7 hereof.

Section 10. Form and Delivery of Communications. Any notice, request or other communication required or permitted to be given to the parties under this Agreement shall be in writing and either delivered in person or sent by facsimile, telecopy, telex, telegram, overnight mail or courier service, or certified or registered mail, return receipt requested, postage prepaid, to the parties at the following addresses (or at such other addresses for a party as shall be specified by like notice). Notice to the Corporation shall be directed to Evercore Partners Inc., 55 East 52nd Street, 43rd Floor, New York, New York 10055, Attention: General Counsel, facsimile: (212) 857-3101. Notice to Indemnitee shall be directed to ____, facsimile: __________.

Section 11. Nonexclusivity. The provisions for indemnification and advancement of expenses set forth in this Agreement shall not be deemed exclusive of any other rights which Indemnitee may have under any provision of law, in any court in which a proceeding is brought, other agreements or otherwise, and Indemnitee's rights hereunder shall inure to the benefit of the heirs, executors and administrators of Indemnitee. However, no amendment or alteration of the Corporation's Certificate of Incorporation or By-Laws or any other agreement shall adversely affect the rights provided to Indemnitee under this Agreement

Section 12. Enforcement. The Corporation shall be precluded from asserting in any judicial proceeding that the procedures and presumptions of this Agreement are not valid, binding and enforceable. The Corporation agrees that its execution of this Agreement shall constitute a stipulation by which it shall be irrevocably bound in any court of competent jurisdiction in which a proceeding by Indemnitee for enforcement of his rights hereunder shall have been commenced, continued or appealed, that its obligations set forth in this Agreement are unique and special, and that failure of the Corporation to comply with the provisions of this Agreement will cause irreparable and irremediable injury to Indemnitee, for which a remedy at law will be inadequate. As a result, in addition to any other right or remedy Indemnitee may have at law or in equity with respect to breach of this Agreement, Indemnitee shall be entitled to injunctive or mandatory relief directing specific performance by the Corporation of its obligations under this Agreement.

Section 13. Interpretation of Agreement. It is understood that the parties hereto intend this Agreement to be interpreted and enforced so as to provide indemnification to Indemnitee to the fullest extent now or hereafter permitted by law.

Section 14. Entire Agreement. This Agreement and the documents expressly referred to herein constitute the entire agreement between the parties hereto with respect to the matters covered hereby, and any other prior or contemporaneous oral or written understandings or agreements with respect to the matters covered hereby are expressly superceded by this Agreement.

Section 15. Modification and Waiver. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

Section 16. Successor and Assigns. All of the terms and provisions of this Agreement shall be binding upon, shall inure to the benefit of and shall be enforceable by the parties hereto and their respective successors, assigns, heirs, executors, administrators and legal representatives. The Corporation shall require and cause any direct or indirect successor (whether by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Corporation, by written agreement in form and substance reasonably satisfactory to Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Corporation would be required to perform if no such succession had taken place.

Section 17. Service of Process and Venue. For purposes of any claims or proceedings to enforce this agreement, the Corporation consents to the jurisdiction and venue of any federal or state court of competent jurisdiction in the states of Delaware and New York, and waives and agrees not to raise any defense that any such court is an inconvenient forum or any similar claim.

Section 18. Governing Law. This Agreement shall be governed by and construed in accordance with the law of the State of Delaware. If a court of competent jurisdiction shall make a final determination that the provisions of the law of any state other than Delaware govern indemnification by the Corporation of Indemnitee, then the indemnification provided under this Agreement shall in all instances be enforceable to the fullest extent permitted under such law, notwithstanding any provision of this Agreement to the contrary.

Section 19. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument, notwithstanding that both parties are not signatories to the original or same counterpart.

Section 20. Headings. The section and subsection headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered to be effective as of the date first above written.

EVERCORE PARTNERS INC.

By ______________________________
Name:
Title:

INDEMNITEE:

By ______________________________
Name:

EXHIBIT 10.14

EXECUTION COPY

EVERCORE PARTNERS II L.L.C.

THIRD AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT

Dated as of __, 2006

THE LIMITED LIABILITY COMPANY INTERESTS (THE “INTERESTS”) OF EVERCORE PARTNERS II L.L.C. (THE “COMPANY”) HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), THE SECURITIES LAWS OF ANY STATE OR ANY OTHER APPLICABLE SECURITIES LAWS IN RELIANCE UPON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND SUCH LAWS. SUCH INTERESTS MUST BE ACQUIRED FOR INVESTMENT ONLY AND MAY NOT BE OFFERED FOR SALE, PLEDGED, HYPOTHECATED, SOLD, ASSIGNED OR TRANSFERRED AT ANY TIME EXCEPT IN COMPLIANCE WITH (I) THE SECURITIES ACT, ANY APPLICABLE STATE SECURITIES LAWS, AND ANY OTHER APPLICABLE SECURITIES LAWS; AND (II) THE TERMS AND CONDITIONS OF THIS AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT. THE INTERESTS MAY NOT BE TRANSFERRED OF RECORD EXCEPT IN COMPLIANCE WITH SUCH LAWS AND THIS AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT. THEREFORE, PURCHASERS OF SUCH INTERESTS WILL BE REQUIRED TO BEAR THE RISK OF THEIR INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

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This THIRD AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT of EVERCORE PARTNERS II L.L.C. (the "Company"), dated as of __________, 2006 (the "Effective Date"), is entered into by and among the Managing Members (as defined herein), the other Members named in Annex A hereto and such other parties which may from time to time be admitted as members of the Company.

Preliminary Statement

The Company was formed pursuant to a Limited Liability Company Agreement, dated as of October 24, 2001 (the "Prior Agreement"). The members of the Company entered into an Amended and Restated Limited Liability Company Agreement, dated as of January 1, 2005 (the "Amended Agreement"), to reflect the admission of additional persons as members and make certain modifications to the Prior Agreement. The members of the Company entered into a Second Amended and Restated Limited Liability Company Agreement dated April 1, 2005 (the "Existing Agreement") to reflect the admission of Evercore Group Holdings L.P. as a Non-Managing Member and make certain modifications to the Amended Agreement. The parties hereto wish to amend and restate the Existing Agreement in its entirety to reflect the admission of Evercore GP Holdings L.L.C. as a Non-Managing Member as of the Effective Date and make the modifications hereinafter set forth.

ARTICLE I
Definitions

SECTION 1.1. Definitions. Unless the context otherwise requires, the following terms shall have the following meanings for purposes of this Agreement:

"Act" means the Delaware Limited Liability Company Act, 6 Del. C. § 18-101 et seq., as it may be amended from time to time, and any successor to such statute.

"Adjusted Capital Account Balance" means, with respect to any Member, the balance in such Member's Capital Account adjusted (i) by taking into account the adjustments, allocations and distributions described in U.S. Treasury Regulations Sections 1.704 1(b)(2)(ii)(d)(4), (5) and (6); and (ii) by adding to such balance such Member's share of Company Minimum Gain and Member Nonrecourse Debt Minimum Gain, determined pursuant to Regulations Sections 1.704-2(g) and 1.704 2(i)(5) and any amounts such Member is obligated to restore pursuant to any provision of this Agreement. The foregoing definition of Adjusted Capital Account Balance is intended to comply with the provisions of Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

"Adjustment Date" means each calendar year end or such other date determined by the Management Committee.

"Advisor" means Evercore Advisors L.L.C., a Delaware limited liability company, or any successor thereto as investment advisor to the Funds.

"Advisory Entities" means Evercore Financial Advisors L.L.C. and Evercore Restructuring L.L.C.

"Affiliate" with respect to any person means any other person who is directly or indirectly controlling, controlled by or under common control with such person. Each Managing Member shall be deemed to be an Affiliate of the Company. For the avoidance of doubt, each of EPI, EGH, EG LLC, EPS East, the Advisor, Evercore Venture Advisors L.L.C., Evercore Venture Management L.L.C., the Advisory Entities, and Evercore Group Holdings L.L.C. shall be deemed an "Affiliate" of the Company.

"After-Tax Capital Proceeds" attributable to any distribution of Capital Proceeds means the difference between (a) the amount of such distribution of Capital Proceeds minus (b) the product of (i) the taxable income related to such Capital Proceeds and (ii) the Assumed Income Tax Rate.

"After-Tax Carried Interest Amount" with respect to any Member means an amount equal to:

(a) the amount of any Carried Interest Proceeds distributed or deemed distributed to such Member (including any amounts placed on behalf of such Member into the Holdback Account pursuant to Section 4.5(a) and any amounts placed into an Escrow Account pursuant to a Fund Partnership Agreement), minus

(b) the share of such Member of any amount paid by the Company in satisfaction of an Interim GP Clawback Amount or Giveback Obligation, minus

(c) the Income Tax Amount with respect to such Carried Interest Proceeds.

"After-Tax Carried Interest Proceeds" has the meaning set forth in Section 4.5(f).

"Agreement" means this Amended and Restated Limited Liability Company Agreement of the Company, including annexes hereto, as it may be amended, supplemented, modified or restated from time to time.

"Amended Agreement" has the meaning set forth in the preamble to this Agreement.

"Assignee" has the meaning set forth in Section 8.1(b).

"Assumed Income Tax Rate" means the highest effective marginal combined Federal, state and local income tax rate for a Fiscal Year prescribed for an individual residing in New York, New York (taking into account (a) the deductibility of state and local income taxes for Federal income tax purposes assuming the limitation described in Section 68(a)(2) of the Code applies and (b) the character of the applicable income (e.g., long-term or short-term capital gain or ordinary or exempt)).

"Borrowing Member" means any Member to whom a Loan is made.

"Business Day" means a day which is not a Saturday, Sunday or a day on which banks in New York City are closed.

"Capital Account" has the meaning set forth in Section 5.2.

"Capital Commitment" means, with respect to EGH, the EGH Capital Commitment and, with respect to any Profit Sharing Member, such Profit Sharing Member's Carried Interest Capital Commitment. For the avoidance of doubt, GP Holdings shall not have any Capital Commitment.

"Capital Contribution" has the meaning set forth in the Fund Partnership Agreements.

"Capital Gain Assets" means assets of the Partnership that are described in Section 1221(a) of the Code (including assets of the Partnership that are described in Section 197(d)(1) of the Code).

"Capital Gain" means the net gain recognized by the Company with respect to the Company's Capital Assets described in in connection with the actual or hypothetical sale of the assets of the Company, including but not limited to net capital gain realized in connection with an adjustment to the Carrying Value of Company assets; *provided*, *however*, that any such gain shall constitute "Capital Gain" only to the extent that any such gain exceeds losses previously recognized in an actual or hypothetical sale of Capital Assets.

"Capital Proceeds" has the meaning set forth in Section 4.1(c)(ii).

"Carried Interest Capital Commitment" means, as of any date, with respect to any Profit Sharing Member, (i) prior to April 1, 2005, an amount equal to such Profit Sharing Member's Profit Sharing Percentage applicable Unfunded Portfolio Investments multiplied by the Evercore Aggregate Commitment as of such date; and (ii) on and after April 1, 2005, an amount equal to such Profit Sharing Member's Profit Sharing Percentage applicable Unfunded Portfolio Investments multiplied by 2/7 of the Evercore Aggregate Commitment as of such date.

"Carried Interest Give Back Percentage" shall mean, for any Member, the percentage determined by dividing (i) the After-Tax Carried Interest Amount with respect to such Member by (ii) the aggregate After-Tax Carried Interest Amounts with respect to all Members.

"Carried Interest Proceeds" has the meaning set forth in Section 4.1(c)(iii).

"Carrying Value" means, with respect to any asset of the Company or any entity treated as a partnership for Federal income tax purposes in which it invests, the asset's adjusted basis for Federal income tax purposes, except that the Carrying Values of all such assets shall be adjusted to equal their respective fair market values (as reasonably determined by the Management Committee in a manner consistent with determinations thereof for the Funds) in accordance with the rules set forth in Treasury Regulations Section 1.704-1(b)(2)(iv)(f), except as otherwise provided herein, immediately prior to: (a) the date of the acquisition of any additional Interest by any new or existing Member in exchange for more than a de minimis capital contribution to the Company, (b) the date of the distribution of more than a de minimis amount of Company property (other than a pro rata distribution) to a Member or (c) the date of a grant of any additional Interest to any new or existing Member as consideration for the provision of services to or for the benefit of the Company; provided that adjustments pursuant to clauses (a), (b) and (c) above shall be made only if the Management Committee in good faith determines that such adjustments are necessary or appropriate to reflect the relative economic interests of the Members. The Carrying Value of any asset distributed to any Member shall be adjusted immediately prior to such distribution to equal its fair market value. The Carrying Value of any asset contributed by a Member to the Company will be the fair market value of the asset as of the date of its contribution thereto. In the case of any asset that has a Carrying Value that differs from its adjusted tax basis, Carrying Value shall be adjusted by the amount of depreciation calculated for purposes of the definition of "Profits and Losses" rather than the amount of depreciation determined for U.S. federal income tax purposes.

"Cause" means the occurrence or existence of any of the following with respect to an Individual Member:

(a) breach of (after giving effect to any applicable grace periods) any of such Member's or any of his or her Family Related Members' material obligations under (i) this Agreement (including such Member's or any of his or her Family Related Members' obligations pursuant to Sections 5.1(a), 10.4 and 10.12 (without giving effect to any modification thereof pursuant to Section 10.13)), (ii) any Fund Partnership Agreement (including such Member's or any of his or her Family Related Members' obligations to make capital contributions pursuant to the terms of such Fund Partnership Agreement) or (iii) the stockholders agreement, certificate of incorporation, by-laws, limited liability company agreement, limited partnership agreement or equivalent documents of EPI, EGH, EG LLC, EPS East, the Advisor or any of their respective Affiliates;

(b) the conviction of, or plea of guilty or nolo contendere by, such Member in respect of any felony;

(c) the perpetration by such Member of fraud against the Company, the Advisor, the Funds, EPI, EGH, EG LLC, EPS East, any Portfolio Company or any of their respective Affiliates;

(d) the willful and continued failure by such Member to substantially perform such Member's duties with EPI, EGH, EG LLC, EPS East, the Advisor, the Company or any of their respective Affiliates in such Member's position on a full-time basis (other than any such failure resulting from such Member's death or Permanent Disability), provided that an act, or a failure to act, on such Member's part shall be deemed "willful" only if done, or omitted to be done, by him not in good faith or without a reasonable belief that such Member's action or omission was in or not opposed to the best interests of EPI, EGH, EG LLC, EPS East, the Advisor, the Company and the Funds;

(e) any willful misconduct which could have, or could reasonably be expected to have, an adverse effect in any material respect on (i) such Member's ability to function as an employee or consultant of EPI, EGH, EG LLC, EPS East, the Advisor or any of their respective Affiliates, taking into account the services required of such Member or (ii) the business and/or reputation of the Company, the Funds, EPI, EGH, EG LLC, EPS East, the Advisor or any of their respective Affiliates; or

(f) any conduct by such Member constituting "Cause" as defined in any of the Fund Partnership Agreements.

All determinations of Cause shall be made by the Management Committee.

"Certificate" has the meaning set forth in Section 2.1.

"Clawback Determination Date" has the meaning set forth in the Fund Partnership Agreements.

"Closing Date" means December 21, 2001.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Co-Investment Agreement" means the limited partnership agreement of the Co-Investment Partnership, as amended or modified from time to time.

"Co-Investment Partnership" means Evercore Co-Investment Partnership II L.P., a Delaware limited partnership.

"Company" means Evercore Partners II L.L.C.

"Company Minimum Gain" has the meaning ascribed to the term "partnership minimum gain" set forth in Treasury Regulations Section 1.704-2(b)(2) and 1.704-2(d).

"Contributing Member" means each Member other than GP Holdings.

"Convertible Holder" means a holder of Convertible Interests.

"Convertible Interests" means Interests in the Company that are convertible into Regular Company Interests.

"Covered Person" has the meaning set forth in Section 3.4(a).

"Creditable Foreign Tax" means a foreign tax paid or accrued for United States federal income tax purposes by the Company, in either case to the extent that such tax is eligible for credit under Section 901(a) of the Code. A foreign tax is a creditable foreign tax for these purposes without regard to whether a partner receiving an allocation of such foreign tax elects to claim a credit for such amount. This definition is intended to be consistent with the definition of "creditable foreign tax" in Temporary Treasury Regulations Section 1.704-1T(b)(4)(xi)(b), and shall be interpreted consistently therewith.

"Defaulting Member" has the meaning set forth in Section 5.1(a)(iv).

"Default Interest Rate" shall mean the lower of (i) the sum of (a) the rate of interest per annum publicly announced from time to time by J.P. Morgan Chase as its prime rate and (b) 5%, and (ii) the highest rate of interest permitted under applicable law.

"Defaulted Amount" has the meaning set forth in Section 4.5(c).

"Disposition" has the meaning set forth in the Fund Partnership Agreements.

"Effective Date" has the meaning set forth in the preamble to this Agreement.

"EGH" means Evercore Group Holdings L.P.

"EGH Capital Commitment" means, with respect to EGH as of any date, (i) prior to April 1, 2005, $0 and (ii) on and after April 1, 2005, an amount equal to 5/7 of the Evercore Aggregate Commitment of such date.

"EG LLC" means Evercore Group L.L.C., formerly known as Evercore Group Inc.

"EPI" means Evercore Partners Inc.

"EPS East" means Evercore Partners Services East L.L.C.

"Escrow Account" has the meaning set forth in the Fund Partnership Agreements.

"Estimated Income Tax Amount" has the meaning set forth in Section 4.5(e).

"Evercore Aggregate Commitment" has the meaning set forth in the Fund Partnership Agreements.

"Excess Income Tax Amount" has the meaning set forth in Section 4.5(e).

"Existing Agreement" has the meaning set forth in the preamble to this Agreement.

"Fair Market Value" means as to any asset, unless otherwise specified, the fair market value of such asset determined on a basis consistent with the Fund Partnership Agreements and otherwise as reasonably determined by the Management Committee.

"Family Related Member" means, with respect to any Individual Member, any Member who is a member of such Individual Member's family or any Member which is a trust, partnership or other entity formed by such Individual Member for investment by or for the benefit of members of such Individual Member's family, such Individual Member's other relatives or charitable organizations.

"Final Clawback Amount" has the meaning set forth in the Fund Partnership Agreements.

"Final Closing Date" means March 28, 2003.

"Fiscal Year" has the meaning set forth in Section 6.2.

"Founding Member" means each of Roger C. Altman and Austin M. Beutner.

"Fund Guarantees" means the guarantees in the form set forth in Annex C to the Fund Partnership Agreements to be entered into by each of the Members of the Company to jointly and severally guarantee certain obligations of the Company as general partner of the Funds pursuant to the Fund Partnership Agreements.

"Fund Partnership Agreements" means the limited partnership agreements or other similar governing agreements or instruments of the Funds, as amended or modified from time to time.

"Funded Portfolio Investments" as of any date of determination means Portfolio Investments the capital contributions for which were made prior to such date.

"Funds" means Evercore Capital Partners II L.P., a Delaware limited partnership, any Parallel Vehicle (as defined in the Fund Partnership Agreements) and, where the context so requires, any alternative investment vehicle formed pursuant to the Fund Partnership Agreements.

"Give-Back Amount" has the meaning set forth in Section 4.5(c)(i)(A).

"Giveback Obligation" has the meaning set forth in Section 9.4(a) of the Partnership Agreements.

"GP Holdings" means Evercore GP Holdings L.L.C.

"Holdback Account" has the meaning set forth in Section 4.5(a).

"Holdback Member" has the meaning set forth in Section 4.5(e).

"Holdback Percentage" of a Member means the designated percentage of the Carried Interest Proceeds allocated to such Member, which shall initially be as set forth in such Member's Terms Letter.

"Income Tax Amount" means, with respect to Carried Interest Proceeds distributed or deemed distributed to a Member (including amounts credited to such Member's sub-accounts in the Holdback Account or in the Escrow Accounts pursuant to Section 4.5(a)), the amount of income tax imposed on allocations of taxable income related to such

Carried Interest Proceeds (including taxes that would be borne by a Member assuming an immediate sale of securities initially received in kind pursuant to Section 3.4(b) of the Fund Partnership Agreements), with such income tax calculated by assuming that (i) the tax rate imposed is the Assumed Income Tax Rate in effect in the Fiscal Year of any such allocation and (ii) capital losses from the Disposition of a Portfolio Investment allocated to such Member relating to Carried Interest Proceeds ("Capital Losses") shall reduce capital gains from the Disposition of a Portfolio Investment allocated to such Member relating to Carried Interest Proceeds ("Capital Gains") only to the extent of the amount of Capital Gains recognized in the Fiscal Year of the recognition of a Capital Loss or a subsequent Fiscal Year (only to the extent that Capital Gain may properly offset such Capital Loss), reduced by the amount of any tax benefit actually realized by such Member (or, if such Member is treated as a partnership for federal income tax purposes, its direct or indirect owners) in the year in which the Company is required to make a payment of the Final Clawback Amount, which tax benefit is attributable solely to the making of such payment (or adjustment) and which benefit shall be determined assuming the only items of income, gain, loss, deduction or credit of such Member (or, if such Member is treated as a partnership for federal income tax purposes, its direct or indirect owners) are attributable to such Member's investment in the Company.

"Individual Member" means each individual who is a Managing Member, a Professional Member or a Special Member.

"Initial Public Offering" means an offering to the general public pursuant to a registration statement filed with and declared effective by the Securities and Exchange Commission under the Securities Act of the Interests in the Company.

"Interest" means the entire membership interest owned by a Member in the Company at any particular time, including the right of such Member to any and all benefits to which a Member may be entitled as provided in this Agreement, together with the obligations of such Member to comply with all the terms and provisions of this Agreement.

"Interim GP Clawback Amount" has the meaning set forth in the Fund Partnership Agreements.

"Investment Advisory Agreements" means the Investment Advisory Agreements, dated as of March 28, 2003, between the Funds and the Advisor, as amended or modified from time to time.

"Issuance Items" has the meaning set forth in Section 5.4(g).

"Loan" means any loan providing for funding by EPI, EPS East, the Advisor or any of their respective Affiliates of co-investments by professional employees or consultants of EPI, EGH, EG LLC, EPS East, the Advisor or any of their respective Affiliates in Portfolio Companies.

"Management Committee" has the meaning set forth in Section 3.1(a).

“Managing Member” means each of Roger C. Altman, Austin M. Beutner, Ciara A. Burnham, Richard P. Emerson, Saul D. Goodman, William O. Hiltz, Jonathan A. Knee, Timothy G. Lalonde, M. Sharon Lewellen, Eduardo G. Mestre, Neeraj Mital, Michael J. Price, Kathleen G. Reiland, William Repko, William A. Shutzer, David Wezdenko, Jane Wheeler, David Ying and any other person admitted to the Company as a Managing Member in accordance with the provisions of this Agreement, in each case for so long as such person remains a Managing Member hereunder. Once a Managing Member ceases to be employed by any of EPI, EGH, EG LLC, EPS East, the Advisor or any of their respective Affiliates, such Managing Member shall automatically cease to be a Managing Member and shall become a Special Member.

“Member” means each of the persons listed as a Member in Annex A hereto and any person admitted to the Company as an additional or substituted member of the Company in accordance with the provisions of this Agreement.

“Member Nonrecourse Debt Minimum Gain” means an amount with respect to each partner nonrecourse debt (as defined in Treasury Regulations Section 1.704-2(b)(4)) equal to the Company Minimum Gain that would result if such partner nonrecourse debt were treated as a nonrecourse liability (as defined in Treasury Regulations Section 1.752-1(a)(2)) determined in accordance with Treasury Regulations Section 1.704-2(i)(3).

“Member Nonrecourse Deductions” has the meaning ascribed to the term “partner nonrecourse deductions” set forth in Treasury Regulations Section 1.704-2(i)(2).

“Non-Managing Member” means any Member of the Company other than the Managing Members, including Professional Members, Family Related Members and Special Members.

“Nonrecourse Deductions” has the meaning set forth in Treasury Regulations Section 1.704-2(b). The amount of Nonrecourse Deductions of the Company for a fiscal year equals the net increase, if any, in the amount of Company Minimum Gain of the Company during that fiscal year, determined according to the provisions of Treasury Regulations Section 1.704-2(c).

“Operating Executives” means any person admitted to the Company as such in accordance with the provisions of this Agreement.

“Operating Reserve” means such amount as is determined by the Management Committee in good faith to be necessary or prudent for the Company to maintain in cash or Temporary Investments in order to satisfy the Company’s accrued expenses and otherwise to meet the operational needs of the Company’s business.

“Participation Agreement” means the Participation Agreement among the Managing Members and their Family Related Members relating to the allocation of certain distributions from the Company and certain of its Affiliates into common pools, as amended from time to time.

"Permanent Disability" with respect to any person means a reasonable determination by the Management Committee that such person has been unable to perform the important duties of his or her employment or, in the case of an Operating Executive, consultancy with EPI, EGH, EG LLC, EPS East, the Advisor or any of their respective Affiliates on a full-time basis for a period of 180 consecutive days and is reasonably likely to continue to be unable to do so, because of (a) an accidental bodily loss or harm or (b) an illness or disease. For this purpose, "full-time" shall mean at least 30 hours per week. All determinations of Permanent Disability shall be made by the Management Committee.

"Portfolio Company" has the meaning set forth in the Fund Partnership Agreements.

"Portfolio Investment" has the meaning set forth in the Fund Partnership Agreements.

"Prior Agreement" has the meaning set forth in the preamble to this Agreement.

"Proceeding" has the meaning set forth in the Fund Partnership Agreements.

"Professional Member" means each Individual Member who is not a Managing Member or a Special Member. Once a Professional Member ceases to be employed by any of EPI, EGH, EG LLC, EPS East, the Advisor or any of their respective Affiliates, such Professional Member shall automatically cease to be a Professional Member and shall become a Special Member.

"Profits" and "Losses" means, for each Fiscal Year or other period, the taxable income or loss of the Company, or particular items thereof, determined in accordance with the accounting method used by the Company for federal income tax purposes with the following adjustments: (a) all items of income, gain, loss or deduction allocated pursuant to Section 5.4 shall not be taken into account in computing such taxable income or loss; (b) any income of the Company that is exempt from federal income taxation and not otherwise taken into account in computing Profits and Losses shall be added to such taxable income or loss; (c) if the Carrying Value of any asset differs from its adjusted tax basis for federal income tax purposes, any gain or loss resulting from a disposition of such asset shall be calculated with reference to such Carrying Value; (d) upon an adjustment to the Carrying Value (other than an adjustment in respect of depreciation) of any asset, pursuant to the definition of Carrying Value, the amount of the adjustment shall be included as gain or loss in computing such taxable income or loss; (e) if the Carrying Value of any asset differs from its adjusted tax basis for federal income tax purposes, the amount of depreciation, amortization or cost recovery deductions with respect to such asset for purposes of determining Profits and Losses, if any, shall be an amount which bears the same ratio to such Carrying Value as the federal income tax depreciation, amortization or other cost recovery deductions bears to such adjusted tax basis (provided that if the federal income tax depreciation, amortization or other cost recovery deduction is zero, the Management Committee may use any reasonable method for purposes of determining depreciation, amortization or other cost recovery deductions in calculating Profits and Losses); and (f) except for items in (a) above, any expenditures of the Company not deductible in computing taxable income or loss, not properly capitalizable and not otherwise taken into account in computing Profits and Losses pursuant to this definition shall be treated as deductible items.

"Profit Sharing Member" means each Member other than EGH. For the avoidance of doubt, EGH shall have no Profit Sharing Percentage with respect to Unfunded Portfolio Investments or any Funded Portfolio Investment.

"Profit Sharing Percentage" of a Member applicable to a particular Portfolio Investment means the percentage interest of such Member in Carried Interest Proceeds to be distributed to the Members from such Portfolio Investment. The Profit Sharing Percentage of a Member applicable to Portfolio Investments initially shall be as set forth in the Terms Letter between the Company and such Member.

"Recalculated Income Tax Amount" has the meaning set forth in Section 4.5(e).

"Regular Company Interests" means Interests in the Company other than Convertible Interests.

"Repurchased Capital Contributions" means, with respect to any Member, (i) an amount equal to the portion of the aggregate capital contributions made by such Member to the Company, on or prior to the Termination Date, in respect of a particular Portfolio Investment that relates to the Repurchase Percentage of such Member's Profit Sharing Percentage with respect to such Portfolio Investment, net of (ii) any Capital Proceeds received by such Member in respect of such capital contributions referred to in the foregoing clause (i) on or prior to the Termination Date.

"Repurchase Notice" has the meaning set forth in Section 4.4(c).

"Repurchase Percentage" means, with respect to particular Funded Portfolio Investments or Unfunded Portfolio Investments, the relevant percentage set forth in this Agreement and each Member's Terms Letter, as applicable to such Member and such Funded Portfolio Investments or Unfunded Portfolio Investments, as the case may be.

"Repurchase Price" means, with respect to any Member, the aggregate amount of all portions of the Repurchase Price payable with respect to all Unfunded Portfolio Investments and Funded Portfolio Investments; the portion of the Repurchase Price payable with respect to a particular Portfolio Investment shall mean:

(a) if the aggregate amount of the Capital Proceeds received by the Company in respect of such Repurchased Capital Contributions after the Termination Date (if any) exceeds the Repurchased Capital Contributions, then

(i) the Repurchased Capital Contributions, plus

(ii) the amount by which the aggregate amount of the Capital Proceeds received by the Company in respect of such Repurchased Capital Contributions after the Termination Date (if any) exceeds the Repurchased Capital Contributions, minus

(iii) the aggregate amount of any portion of the Repurchase Price previously paid to such Member after the Termination Date with respect to such Portfolio Investment.

(b) if the aggregate amount of the Capital Proceeds received by the Company in respect of such Repurchased Capital Contributions after the Termination Date (if any) is less than or equal to the Repurchased Capital Contributions, then

(i) the Repurchased Capital Contributions, minus

(ii) the amount by which the Repurchased Capital Contributions exceeds the aggregate amount of the Capital Proceeds received by the Company in respect of such Repurchased Capital Contributions after the Termination Date (if any), minus

(iii) the aggregate amount of any portion of the Repurchase Price previously paid to such Member after the Termination Date with respect to such Portfolio Investment.

"Securities" means any of the following, whether readily marketable or not: (a) capital stock, foreign securities, shares or units of beneficial interest in a trust, partnership interests, warrants, bonds, notes, debentures, whether subordinated, convertible or otherwise, no-load mutual funds, money market funds, commercial paper, certificates of deposit, bank debt, trade claims, obligations of the United States, any State thereof, any foreign country or political subdivision thereof and instrumentalities of any of them, bankers' acceptances, trust receipts and other obligations, and evidences of indebtedness or other instruments commonly referred to as securities of whatever kind or nature of any person, corporation, government or entity whatsoever, (b) rights and options relating thereto, and (c) options, futures contracts, options on futures contracts, forward contracts, "spot" transactions and swap arrangements involving securities indices or other indices, financial instruments, interest rates, currencies and commodities.

"Securities Act" has the meaning set forth in Section 10.10(c)(vii).

"75% in Interest" means the current members of the Management Committee holding seventy-five percent (75%) of the aggregate Profit Sharing Percentages applicable to Unfunded Portfolio Investments of all of the current members of the Management Committee.

"Special Member" means any Managing Member or Professional Member who has ceased to be employed or, in the case of an Operating Executive, retained as a consultant by any of EPI, EGH, EG LLC, EPS East, the Advisor or any of their respective Affiliates.

“Tax Advances” has the meaning set forth in Section 5.6.

“Tax Matters Member” has the meaning set forth in Section 6.3.

“Temporary Investments” means (a) United States government and agency obligations maturing within three years, (b) commercial paper rated not lower than A-1 by Standard & Poor’s Corporation or P-1 by Moody’s Investor Services, Inc. with maturities of not more than nine (9) months, (c) interest-bearing deposits in banks having one of the ratings referred to above, maturing within one year, (d) municipal bonds and other tax-exempt securities rated not lower than AA by Standard & Poor’s Corporation or Aa by Moody’s Investor Services, Inc. with maturities of not more than one year and (e) money market mutual funds the assets of which are reasonably believed by the Management Committee to consist primarily of items described in one or more of the foregoing clauses (a), (b), (c) or (d), or (f) any other investments as the Management Committee may determine.

“Temporary Investment Proceeds” has the meaning set forth in Section 4.1(c)(i).

“Termination Date” has the meaning set forth in Section 4.4(a).

“Terms Letter” means, with respect to any Profit Sharing Member, the letter agreement between the Company and such Member setting forth, among other matters, (a) such Member’s Profit Sharing Percentage applicable to Portfolio Investments, (b) such Member’s Holdback Percentage, (c) the Repurchase Percentage of such Member’s Profit Sharing Percentage following the termination of employment or, in the case of an Operative Executive, consultancy of such Member (or in the case of a Family Related Member, its associated Individual Member) with EPI, EGH, EG LLC, EPS East, the Advisor and their respective Affiliates, or otherwise and (d) the conditions to such Member’s post-employment Profit Sharing Percentage, if any.

“Transfer” means any assignment, sale, exchange, transfer, pledge, encumbrance, hypothecation or other disposition of all or any part of an Interest.

“Unfunded Portfolio Investments” means, as of any date of determination, any Portfolio Investments which the Funds will make in the future but for which capital contributions have not been made to the Funds as of such date.

“Unpaid Capital Commitment” means, with respect to any Member as of any date, an amount equal to (a) the Capital Commitment of such Member as of such date, minus (b) the aggregate amount of capital contributions made by such Member to the Company on or prior to such date pursuant to Section 5.1(a)(i) or (ii), plus (c) any amounts of Capital Proceeds distributed to the Member, other than a Member whose Carried Interest Capital Commitment has been reduced to zero, to the extent that when such amounts were received by the Company, it increased the Company’s “Unpaid Capital Commitment” (as defined in the Fund Partnership Agreements) and plus or minus, as the case may be, (d) any adjustments to such Member’s Unpaid Capital Commitment on or prior to such date pursuant to Section 5.1 (to the extent applicable). “Unpaid Carried Interest Capital Commitment” shall have the correlative meaning with respect to Carried Interest Capital Commitment.

“Writedown” has the meaning set forth in the Fund Partnership Agreements.

SECTION 1.2. Terms Generally. The definitions in Section 1.1 shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The term “person” includes individuals, partnerships, limited liability companies, joint ventures, corporations, trusts, governments (or agencies or political subdivisions thereof) and other associations and entities. Unless the context requires otherwise, the words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”.

ARTICLE II

General Provisions

SECTION 2.1. Formation. The Company has been formed under the provisions of the Act. Each Managing Member is hereby designated as an authorized person, within the meaning of the Act, to execute, deliver and file with the Secretary of State of Delaware the certificate of formation of the Company and any amendments or restatements thereof (collectively, the “Certificate”).

SECTION 2.2. Members. Annex A attached hereto contains the name and address of each Member as of the Effective Date. The Management Committee is authorized to revise Annex A from time to time to reflect the admission or withdrawal of a Member in accordance with the terms of this Agreement and other modifications to or changes in the information set forth therein. As of the Effective Date, GP Holdings has been admitted as a Non-Managing Member with a Profit Sharing Percentage applicable to Unfunded Portfolio Investments and all unrealized Funded Portfolio Investments as of the Effective Date equal to 10% of the aggregate Profit Sharing Percentages of each of the Managing Members as of the Effective Date with respect to Unfunded Portfolio Investments and such unrealized Funded Portfolio Investments.

SECTION 2.3. Name. The Company shall conduct its activities under the name of “Evercore Partners II L.L.C.” The Company’s business may be conducted under any other name or names as the Management Committee may determine; provided that the name shall always contain the words “Limited Liability Company” or the letters “L.L.C.” The Management Committee shall give prompt notice of any such name change to each Member.

SECTION 2.4. Limitation of Liability. (a) Except as provided in the Act, as expressly provided in this Agreement or as such Member shall otherwise expressly agree in writing, no Member of the Company shall be obligated personally for any debt, obligation or liability of the Company or of any other Member solely by reason of being a Member of the Company.

(b) In no event shall any Member or former Member (i) be obligated to make any capital contribution or payment to or on behalf of the Company or (ii) have any liability to return distributions received by such Member from the Company, in each case except as otherwise specifically provided in this Agreement, as such Member shall otherwise expressly agree in writing or as may be required by applicable law.

SECTION 2.5. Term. The existence of the Company shall continue unless and until the Company is dissolved, wound up and terminated in accordance with Article VII. No Member shall have the right, and each Member hereby agrees not to, withdraw from the Company, nor to dissolve, terminate or liquidate, or to petition a court for the dissolution, termination or liquidation of the Company, in each case except as expressly provided in this Agreement; and, except with the consent of the Management Committee in its sole and absolute discretion, no Member at any time shall have the right to petition or to take any action to subject Company assets or any part thereof to the authority of any court or other governmental body in connection with any bankruptcy, insolvency, receivership or similar proceeding.

SECTION 2.6. Purpose; Powers. (a) The purpose of the Company shall be, directly or indirectly through subsidiaries or Affiliates, (i) to serve as a general partner of the Funds and as a general partner or in a similar capacity for other investment partnerships or alternative investment vehicles formed pursuant to the Fund Partnership Agreements, perform the functions required of a general partner of the Funds and as a general partner or in a similar capacity for such other investment partnerships or alternative investment vehicles and make capital contributions thereto, (ii) to provide investment management services to other investment vehicles and accounts formed pursuant to the Fund Partnership Agreements, (iii) to engage in any other lawful business under the Act and applicable law that the Management Committee determines the Company shall engage in and (iv) to do all things necessary or incidental thereto.

(b) In furtherance of its purposes, the Company shall have all powers necessary, suitable or convenient for the accomplishment of its purposes, alone or with others, including the following:

(i) to render investment and asset management services to the Funds and other persons;

(ii) to hold, receive, mortgage, pledge, transfer, exchange, otherwise dispose of, grant options with respect to and otherwise deal in and exercise all rights, powers, privileges and other incidents of ownership or possession with respect to all Securities and other property;

(iii) to invest and reinvest cash assets of the Company in any investments, including the Funds and Temporary Investments;

(iv) to have and maintain one or more offices within or without the State of Delaware and, in connection therewith, to rent or acquire office space, engage personnel and do such other acts and things as may be advisable or necessary in connection with the maintenance of such office or offices;

(v) to open, maintain and close bank accounts and draw checks and other orders for the payment of moneys and to open, maintain and close accounts with brokers, custodians and others;

(vi) to engage accountants, auditors, custodians, consultants, attorneys and any and all other agents and assistants, both professional and nonprofessional, including Members and their Affiliates, and to compensate them as may be necessary or advisable; provided that the Company shall not have any paid employees;

(vii) to form or cause to be formed and to own the stock of one or more corporations, whether foreign or domestic, and to form or cause to be formed and to participate in partnerships and joint ventures, whether foreign or domestic;

(viii) to enter into, make and perform all contracts, agreements and other undertakings as may be deemed necessary or advisable or incident to carrying out its purposes;

(ix) to sue, prosecute, settle or compromise all claims against third parties, to compromise, settle or accept judgment of claims against the Company, and to execute all documents and make all representations, admissions and waivers in connection therewith;

(x) to borrow money from any person or to guarantee loans or other extensions of credit for any purpose;

(xi) to make loans and extend other forms of credit;

(xii) to distribute, subject to the terms of this Agreement, at any time and from time to time to Members cash or investments or other property of the Company, or any combination thereof; and

(xiii) to take such other actions necessary or incidental thereto as may be permitted under applicable law.

SECTION 2.7. Registered Office and Registered Agent; Places of Business. The Company shall maintain a registered office at 1209 Orange Street, Wilmington, County of New Castle, Delaware 19801 or at such other office as may from time to time be determined by the Management Committee. The name and address of the Company's registered agent for service of process in the State of Delaware as of the date of this Agreement is The Corporation Trust Company, 1209 Orange Street, Wilmington, County of New Castle, Delaware 19801. The Management Committee may change the registered office and/or the registered agent of the Company from time to time in its discretion. The Company shall maintain an office and principal place of business at 55 East 52^{nd} Street, 43^{rd} Floor, New York, New York 10055, or at such other place as may from time to time be determined by the Management Committee. The Company may also conduct business at such other places as the Management Committee may from time to time determine to be required by the operations of the Company.

ARTICLE III

Management and Operation of the Company

SECTION 3.1. Management. (a) Except as otherwise provided herein, the management, control and operation of the business and affairs of the Company shall be vested exclusively with a committee (the "Management Committee"). Each Managing Member shall have the authority to exercise all powers necessary and convenient for the purposes of the Company, including those enumerated in Section 2.6, on behalf and in the name of the Company, subject to the direction of the Management Committee and subject to compliance with the restrictions and other provisions of this Agreement, including where applicable the requirement to obtain the approval or consent of the Management Committee. No Managing Member shall perform any act in violation of an unrevoked action of the Management Committee.

(b) Except as expressly provided in this Agreement, Non-Managing Members (including Professional Members and Special Members) shall have no right to, and shall not, take part in the management or affairs of the Company, nor in any event shall any Non-Managing Member (including Professional Members and Special Members) have the power to act for or bind the Company. A Non-Managing Member or an agent of a Non-Managing Member may also be an employee, consultant, agent, director or officer of the Company and may act on behalf of the Company in such capacity to the extent authorized to do so in such capacity.

SECTION 3.2. Constitution of Management Committee. (a) Except where expressly provided to the contrary herein, all decisions with respect to the management and control of the Company that are duly made by the Management Committee shall be binding on the Company and each of the Members. No member of the Management Committee acting individually in his or her capacity as such shall have the power to act for or bind the Company, except as may be consented to by the Management Committee.

(b) Subject to change as provided herein, the Management Committee shall consist of the Managing Members. The Management Committee may establish such other rules and procedures consistent with this Agreement as it deems necessary or desirable.

(c) Each member shall have a vote on each matter on which he or she is entitled to vote in proportion to the Profit Sharing Percentage applicable to Unfunded Portfolio Investments of such member and his or her Family Related Members. The consent of at least 75% in Interest of the current members of the Management Committee at the time of any action shall constitute the act of the Management Committee necessary to take such action by, or which requires consent of, the Management Committee described herein.

(d) The following actions shall require the consent of the Management Committee:

(i) all decisions with respect to the acquisition, ownership and disposition of Portfolio Investments by the Funds or co-investment vehicles;

(ii) any reduction in the Profit Sharing Percentage of any Contributing Member applicable to Unfunded Portfolio Investments pursuant to Section 4.3(b) and any reallocation of any such reduction other than among the Managing Members and their Family Related Members (or among the other Managing Members and their Family Related Members if the Contributing Member subject to reduction is a Managing Member) in proportion to their existing Profit Sharing Percentages in Unfunded Portfolio Investments pursuant to Section 4.3(b); provided that in the event that any reduction relates to the Profit Sharing Percentage of a member of the Management Committee and his or her Family Related Members, such member shall abstain from voting and the Profit Sharing Percentage of such member and his or her Family Related Members shall not be included in determining whether such action has been approved by the affirmative vote of at least 75% in Interest of the members of the Management Committee at the time of the vote;

(iii) any reallocation of repurchased amounts of Profit Sharing Percentages applicable to particular Funded Portfolio Investments or Unfunded Portfolio Investments, as the case may be, other than among the Managing Members and their Family Related Members (or among the other Managing Members and their Family Related Members if the Member subject to reduction is a Managing Member) in proportion to their existing Profit Sharing Percentages applicable to such Funded Portfolio Investments or Unfunded Portfolio Investments, as the case may be, pursuant to Section 4.3(a); provided that in the event that any reallocation relates to a repurchased amount of the Profit Sharing Percentage of member of the Management Committee and his or her Family Related Members, such member shall abstain from voting and the Profit Sharing Percentage of such member and his or her Family Related Members shall not be included in determining whether such action has been approved by the affirmative vote of at least 75% in Interest of the members of the Management Committee at the time of the vote;

(iv) the removal of any Member from the Company; provided that in the event that the removal concerns a member of the Management Committee, such member shall abstain from voting and the Profit Sharing Percentage of such member and his or her Family Related Members shall not be included in determining whether such action has been approved by the affirmative vote of at least 75% in Interest of the members of the Management Committee at the time of the vote;

(v) the issuance of any Interest to any new Member and other terms of admittance of any new Member to the Company;

(vi) the approval of any outside investors in the Company and other terms of such investment;

(vii) any decision to enter into a new line of business;

(viii) the sale of all or part of one or more of the Company, the Advisor or any alternative investment vehicles or special purpose vehicles therefor;

(ix) any determination of Cause or Permanent Disability; provided, that in the event that any such determination concerns a member of the Management Committee, such member shall abstain from voting and the Profit Sharing Percentage of such member and his or her Family Related Members shall not be included in determining whether such action has been approved by the affirmative vote of at least 75% in Interest of the members of the Management Committee at the time of the vote;

(x) any waiver of the covenants set forth in Section 10.4 or 10.12 hereof (either during or following the employment of such Member) or the covenants set forth in any Member's Terms Letter; provided that in the event that such waiver concerns a member of the Management Committee, such member shall abstain from voting and the Profit Sharing Percentage of such member and his or her Family Related Members shall not be included in determining whether such action has been approved by the affirmative vote of at least 75% in Interest of the members of the Management Committee at the time of the vote; and

(xi) any amendments, modifications or waivers of any provision of this Agreement.

(e) Any decision or action of the Management Committee with respect to the Co-Investment Partnership or its general partner, including decisions or actions to be made or taken by such general partner under the Co-Investment Agreement, shall require the consent of the same members of the Management Committee as would be required hereunder for the same decision or action with respect to the Company.

(f) Any member of the Management Committee may call a meeting of the Management Committee by giving 48 hours notice to the members of the Management Committee prior to the commencement of any Management Committee meeting; provided that, a member in attendance at any meeting of the Management Committee shall be deemed to waive all objections in respect of notice of such meeting if such member shall not raise such objections at that meeting.

(g) Any one or more members of the Management Committee may participate in a meeting thereof by means of conference telephone or similar communications equipment allowing all persons participating in the meeting to hear and speak to each other. Participation by such means shall constitute presence in person at a meeting.

(h) Any member of the Management Committee may, by an instrument in writing, authorize another member to act as such representative's proxy at any meeting or meetings or by written consent and to vote on behalf of such representative. Any action required or permitted by this Agreement to be taken by the Management Committee may be taken if consented to by such members thereof sufficient to take such action at a meeting of such Committee at which all members were present and voting.

(i) A member of the Management Committee shall be automatically removed from the Management Committee, shall automatically cease to be a Managing Member and shall become a Special Member if such person shall cease to be employed by at least one of the Advisor, EPI, EGH, EG LLC or EPS East for any reason (including by reason of termination of employment). The resignation or removal of a member of the Management Committee shall not invalidate any act of such member taken before the giving of written notice of the removal or resignation of such member.

(j) Except as provided in the proviso to Section 3.2(d) and Section 4.3(b), a member of the Management Committee shall not be obligated to abstain from voting on any matter (or vote in any particular manner) because of any interest (or conflict of interest) of such member in such matter; provided that the interest (or conflict of interest) of such member is disclosed to the other members prior to any vote thereon.

(k) The members of the Management Committee shall at all reasonable times have free access to the books of the Company for the purpose of inspecting the same.

SECTION 3.3. Certain Duties and Obligations of the Management Committee. (a) The Management Committee shall take all actions which may be necessary or appropriate on its part (i) for the formation and continuation of the Company as a limited liability company under the Act and (ii) for the development, maintenance, preservation and operation of the business of the Company in accordance with the provisions of this Agreement and applicable laws and regulations.

(b) The Management Committee shall take (and each Member agrees to cooperate with the Management Committee and approves of the Management Committee's taking on such Member's behalf) all action which is reasonably necessary (i) to form or qualify the Company to conduct the business in which the Company is engaged under the laws of any jurisdiction in which the Company is doing business and to continue in effect such formation or qualification and (ii) in order to protect the limited liability of the Members under the laws of any jurisdiction in which the Company is doing business. To the extent reasonably necessary for the conduct of the Company's business or the performance by the Management Committee of its responsibilities hereunder, the Management Committee shall take or cause to be taken all action required to register or qualify the Company, under applicable federal, state and foreign securities laws and rules and regulations of applicable self-regulatory organizations, and to maintain such registrations, qualifications and memberships in effect for so long as required.

SECTION 3.4. Exculpation and Indemnification. (a) Notwithstanding any other terms of this Agreement, whether express or implied, or any obligation or duty at law or in equity, no Member nor any of its officers, directors, shareholders, members, partners, employees, representatives or agents nor any officer, employee, representative or agent of the Company or its Affiliates (individually, a "Covered Person" and collectively, the "Covered Persons") shall be liable to the Company or any other Member for (i) any act or omission taken or suffered by such Covered Person in connection with the Company or otherwise in connection with this Agreement, any related document or the matters contemplated hereby or thereby, unless such act or omission resulted from fraud, bad faith, willful misconduct, gross negligence, a violation of applicable securities laws or a willful material uncured breach of this Agreement, the Investment Advisory Agreements, the Fund Partnership Agreements or any related document by such Covered Person, or (ii) any mistake, negligence, dishonesty or bad faith of any broker or other agent of the Company unless such Covered Person was responsible for the selection or monitoring of such broker or agent and acted in such capacity with gross negligence, and except that nothing herein shall constitute a waiver or limitation of any rights which a Member or the Company may have under applicable securities laws or of any rights under other laws which as a matter of law may not be waived.

(b) To the fullest extent permitted by law, the Company shall indemnify and save harmless (but only to the extent of its assets) each Covered Person from and against any and all claims, liabilities, damages, losses, costs and expenses (including amounts paid in satisfaction of judgments, in compromises and settlements, as fines and penalties and legal or other costs and reasonable expenses of investigating or defending against any claim or alleged claim) of any nature whatsoever, known or unknown, liquidated or unliquidated, arising from any and all claims, demands, actions, suits or proceedings, civil, criminal, administrative or investigative, in which the Covered Person may be involved, or threatened to be involved, as a party or otherwise, which relates to or arises out of or in connection with the Company, its property, its business or affairs, including acting as a director or the equivalent of a company any securities of which are or were a Portfolio Investment; provided that a Covered Person shall be entitled to indemnification hereunder only to the extent that such Covered Person's conduct did not constitute fraud, bad faith, willful misconduct, gross negligence or a willful material uncured breach of this Agreement, the Investment Advisory Agreement, the Fund Partnership Agreements or any related document by such Covered Person, and nothing herein shall constitute a waiver or limitation of any rights which a Member or the Company may have under applicable securities laws or of rights under other laws which as a matter of law may not be waived. To the fullest extent permitted by law, expenses (including legal fees) incurred by a Covered Person in defense or settlement of any claim, demand, action, suit or proceeding may, with the approval of the Management Committee, from time to time, be advanced by the Company prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Company of a written undertaking by or on behalf of the Covered Person to repay such amount to the extent that it shall be determined that the Covered Person is not entitled to be indemnified as authorized hereunder.

(c) The right of any Covered Person to the indemnification provided herein shall be cumulative of, and in addition to, any and all rights to which such Covered Person may otherwise be entitled by contract or as a matter of law or equity and shall extend to such Covered Person's successors, assigns and legal representatives.

(d) To the extent that, at law or in equity, a Member has duties (including fiduciary duties) and liabilities relating thereto to the Company or to another Member, such

Member acting under this Agreement shall not be liable to the Company or to any such other Member for his or her good faith reliance on the provisions of this Agreement. The provisions of this Agreement, to the extent that they expand or restrict the duties and liabilities of a Member otherwise existing at law or in equity, are agreed by the Members to modify to that extent such other duties and liabilities of such Member.

(e) Whenever in this Agreement a person is permitted or required to make a decision (i) in his or her “sole discretion,” “sole and absolute discretion” or “discretion” or under a grant of similar authority or latitude, the person shall be entitled to consider any interests and factors as it desires, including its own interests, or (ii) in its “good faith” or under another express standard, the person shall act under such express standard and shall not be subject to any other or different standards imposed by this Agreement or any other agreement contemplated herein or by relevant provisions of law or in equity or otherwise.

SECTION 3.5. Officers. Subject to the direction of the Management Committee, the day-to-day administration of the business of the Company may be carried out by employees and agents who may be designated as officers, with titles including but not limited to “founder,” “chairman,” “vice chairman,” “principal,” “president,” “vice president,” “treasurer,” “assistant treasurer,” “secretary,” “assistant secretary,” “general manager,” “senior managing director,” “managing director,” “director,” “chief operating officer” and “chief financial officer,” as and to the extent authorized by the Management Committee. The officers of the Company shall have such titles and powers and perform such duties as shall be determined from time to time by the Management Committee and otherwise as shall customarily pertain to such offices. Any number of offices may be held by the same person.

SECTION 3.6. Family Related Members’ Interests as Non-Voting. Any Interest held by a Family Related Member (including any portion of a Member’s Interest transferred to such Family Related Member) or any portion of a Member’s Interest transferred to such Member’s heirs upon the death of such Member shall be deemed to possess only those rights granted to Non-Managing Members hereunder, shall be deemed a non-voting Interest and accordingly shall not include the right to vote on any matter.

ARTICLE IV

Distributions

SECTION 4.1. Distributions — General Principles and Definitions. (a) Except as otherwise expressly provided in this Article IV or in Article VII, no Member shall have the right to withdraw capital from the Company or to receive any distribution or return of any capital contribution. Notwithstanding any provision to the contrary contained in this Agreement, the Company shall not be required to make a distribution to a Member on account of such Member’s interest in the Company if such distribution would violate the Act or any other applicable law.

(b) Distributions pursuant to this Article IV may be made in cash or in Securities, provided that distributions of Carried Interest Proceeds and Capital Proceeds shall be made to the extent practicable in the same form and proportions as such Carried Interest Proceeds and Capital Proceeds are received by the Company from the Funds. Distributions of Securities shall be made in the same manner as if cash in an amount equal to the Fair Market Value of such Securities were to be distributed. Distributions consisting of both cash and Securities shall be made, to the extent practicable, in the same proportions of cash and Securities to each Member receiving such distributions. To the extent practicable, distributions consisting of or including Securities shall be made in a manner such that each Member entitled to receive such a distribution shall receive Securities with the same rights attendant thereto (including registration, voting and anti-dilution rights) as the other Members receiving such Securities in any concurrent distribution.

(c) (i) "Temporary Investment Proceeds" means income from sources other than the Funds or Portfolio Investments, net of Company expenses and reserves for Company expenses allocable thereto.

(ii) "Capital Proceeds" with respect to the Company or any other person means the distributions and proceeds to the Company or such other person from the Funds or Portfolio Investments other than Carried Interest Proceeds, including distributions and proceeds representing the return (whether of current income or disposition proceeds) in respect of having made capital contributions for such Portfolio Investments, net of Company expenses and reserves for Company expenses allocable thereto.

(iii) "Carried Interest Proceeds" with respect to the Company or any other person means the distributions and proceeds to the Company or such other person from Portfolio Investments pursuant to Sections 3.5(a)(vi), 3.5(a)(vii), 3.5(b)(iii), 3.5(b)(iv), 9.3 (to the extent distributions thereunder are attributable to the Company's entitlements to receive distributions pursuant to the other sections of the limited partnership agreement of Evercore Capital Partners II L.P. referenced in this definition) and 10.6(b) of the limited partnership agreement of Evercore Capital Partners II L.P., or pursuant to similar provisions of the organizational documents of any Parallel Vehicles or alternative investment vehicles formed pursuant to the Fund Partnership Agreements (including any amounts placed on behalf of such other person into the Holdback Account pursuant to Section 4.5(a) hereof and any amounts placed into an Escrow Account pursuant to a Fund Partnership Agreement).

(d) Subject to Section 4.5 and to the maintenance of the Operating Reserve, distributions to the Members of Capital Proceeds and Carried Interest Proceeds shall be made as soon as practicable after the date such Capital Proceeds and Carried Interest Proceeds are received by the Company. Subject to the maintenance of the Operating Reserve, Temporary Investment Proceeds shall be distributed on an annual basis, or at such times as determined in the sole and absolute discretion of the Management Committee.

SECTION 4.2. Amounts and Priority of Distributions. (a) *Treatment of Capital Proceeds.* Each distribution of Capital Proceeds from a Portfolio Investment shall be made to the Members in proportion to their respective capital contributions through the Company for such Portfolio Investment; provided that (i) in order to avoid duplicative distributions, with respect to Special Members, for purposes of calculating any distribution of Capital Proceeds from a Portfolio Investment pursuant to this Section 4.2(a), the amount of the capital contributions made by such Special Member through the Company for such Portfolio Investment shall be reduced by the amount of the Repurchased Capital Contributions with respect to such Portfolio Investment and (ii) to the extent of any remaining outstanding balance of any Loan to a Borrowing Member, an amount equal to the After-Tax Capital Proceeds attributable to such distribution of Capital Proceeds to such Borrowing Member shall instead be applied to repay such Borrowing Member's Loans but shall be treated for purposes of this Agreement as a distribution to such Borrowing Member.

(b) *Treatment of Carried Interest Proceeds.* Subject to Section 4.5, any Carried Interest Proceeds shall be paid to the Members in proportion to their respective Profit Sharing Percentages applicable to the relevant Portfolio Investment giving rise to such Carried Interest Proceeds as of the date of such Members' distribution (taking into account adjustments as provided herein, including the repurchase rights provided in Section 4.4); provided that with respect to any such distribution to a Borrowing Member that is never placed in the Holdback Account and any distribution to a Borrowing Member out of the Holdback Account pursuant to Section 4.5(b) or 4.5(d), to the extent of any remaining outstanding balance of any Loan to such Borrowing Member, an amount equal to the excess of:

(i) the amount of such distribution, over

(ii) the product of (A) the Assumed Tax Rate, (B) the Profit Sharing Percentage of such Borrowing Member applicable to such Portfolio Investment and (C) the taxable income related to such Carried Interest Proceeds,

shall instead be applied to repay such Borrowing Member's Loan but shall be treated for purposes of this Agreement as a distribution to such Borrowing Member.

(c) *Treatment of Temporary Investment Proceeds.* Each distribution of Temporary Investment Proceeds shall be distributed among the Members in proportion to their respective proportionate interests in the Company property or funds that produced such Temporary Investment Proceeds, as reasonably determined by the Management Committee.

(d) *Treatment of Distributions Upon Voluntary Termination of Employment or Termination for Cause.* Notwithstanding anything in this Section 4.2 or the terms of any Borrowing Member's Loan to the contrary, if (i) a Borrowing Member voluntarily terminates such Borrowing Member's employment or, in the case of an Operating Executive, consultancy with EPI, EGH, EG LLC, EPS East, the Advisor or any of their respective Affiliates or (ii) such Borrowing Member's employment or, in the case of an Operating Executive, consultancy with EPI, EGH, EG LLC, EPS East, the Advisor or any of their respective Affiliates is terminated for Cause, then such Borrowing Member shall be required to pay all outstanding Loans, together with all accrued and unpaid interest thereon, and in connection therewith, 100% of any distributions payable to such

Borrowing Member shall be applied to the repayment of such Borrowing Member's outstanding Loans until all Loans of such Borrowing Member are repaid in full, together with all accrued and unpaid interest thereon, but shall be treated for purposes of this Agreement as a distribution to such Borrowing Member.

SECTION 4.3. Certain Adjustments in Profit Sharing Percentages. (a) *Increases in Profit Sharing Percentages of Contributing Members Following Various Events Specified in Section 4.4.* The amount, if any, by which the Profit Sharing Percentage of a Contributing Member applicable to a particular Funded Portfolio Investment or to Unfunded Portfolio Investments is reduced pursuant to Section 4.4 shall be reallocated among the Managing Members and their Family Related Members (or among the other Managing Members and their Family Related Members if the Member subject to reduction is a Managing Member or one of his or her Family Related Members) in proportion to their existing Profit Sharing Percentages in such Funded Portfolio Investment or Unfunded Portfolio Investments, as the case may be, or in such other manner and in such other amounts (which need not be proportionate) as the Management Committee shall determine.

(b) *Restriction on Reduction in Profit Sharing Percentages.* Except as provided in a Member's Terms Letter or in Sections 4.3(c) and 4.4 herein, the Profit Sharing Percentage of any Member applicable to any Funded Portfolio Investment shall not be reduced without his or her consent. Except as provided in a Contributing Member's Terms Letter, the Profit Sharing Percentage of any Contributing Member and his or her Family Related Members applicable to Unfunded Portfolio Investments may be reduced as of any Adjustment Date or as of any other date selected by the Management Committee without his or her consent by a vote of 75% in Interest of the members of the Management Committee (excluding the Managing Member subject to reduction). Except as provided in a Special Member's Terms Letter or other agreement with the Company regarding the termination of such Special Member's employment or consultancy, or pursuant to Sections 4.3(c) or 4.4 hereof, the Profit Sharing Percentage of a Special Member applicable to a particular Funded Portfolio Investment or to Unfunded Portfolio Investments shall not be subject to reduction. The Profit Sharing Percentage of GP Holdings applicable to a particular Funded Portfolio Investment or to Unfunded Portfolio Investments shall not be subject to reduction or increase. On the date of any such reduction, the amount of the reduction of a Contributing Member's (or his or her Family Related Member's) Profit Sharing Percentage applicable to a particular Funded Portfolio Investment or Unfunded Portfolio Investments, as the case may be, shall be reallocated among the Managing Members and their Family Related Members (or among the other Managing Members and their Family Related Members if the Member subject to reduction is a Managing Member) in proportion to their existing Profit Sharing Percentages in such Funded Portfolio Investment or Unfunded Portfolio Investments, as the case may be, or in such other manner and in such other amounts (which need not be proportionate) as 75% in Interest of the members of the Management Committee shall determine. For the avoidance of doubt, any adjustments in Profit Sharing Percentages pursuant to Section 4.3(c) shall not be considered "reductions" in Profit Sharing Percentages for purposes of this Section 4.3(b).

(c) *Adjustments to Profit Sharing Percentages Due to Issuance of Interests.* In the event of the admission of any person as an additional Member pursuant to Section 9.1 or the issuance of any Interest to any existing Member and his or her Family Related Member, the Profit Sharing Percentage allocated to such Member in connection therewith applicable to Unfunded Portfolio Investments shall reduce the Profit Sharing Percentages applicable to Unfunded Portfolio Investments of all other existing Contributing Members (including Special Members and their Family Related Members) pro rata based upon their Profit Sharing Percentages applicable to Unfunded Portfolio Investments immediately prior to such admission or issuance; provided that the Management Committee may, in its sole and absolute discretion determine that this provision shall not apply to one or more Contributing Members in any given instance. The allocation of the Profit Sharing Percentage to GP Holdings has reduced the Profit Sharing Percentages applicable to Unfunded Portfolio Investments and all unrealized Funded Portfolio Investments as of the Effective Date of all Managing Members pro rata based upon their Profit Sharing Percentages applicable to Unfunded Portfolio Investments and all unrealized Funded Portfolio Investments, as the case may be, immediately prior to the admission of GP Holdings as a Non-Managing Member.

(d) The Management Committee shall cause the books and records of the Company to reflect the Profit Sharing Percentage of each Member with respect to each Funded Portfolio Investment and to Unfunded Portfolio Investments.

SECTION 4.4. Repurchase Rights Following Termination of Employment and Default with Respect to Capital Contribution. (a) *Repurchase Right Following Termination of Employment*. Following the termination of employment or, in the case of an Operating Executive, consultancy of a Contributing Member (other than EGH) with EPI, EGH, EG LLC, EPS East, the Advisor or any of their respective Affiliates (the "Termination Date"), the Company shall have the right, but not the obligation, to repurchase all or a portion of the Repurchase Percentage of such Member's Profit Sharing Percentage applicable to particular Funded Portfolio Investments and Unfunded Portfolio Investments as of the Termination Date (subject to pro rata dilution pursuant to Section 4.3(c)) for the Repurchase Price, in accordance with the provisions of, and solely to the extent set forth in, this Agreement and such Member's Terms Letter; provided that (i) such Member's right to any Profit Sharing Percentage following such Member's Termination Date, and the Company's obligation to make any payments to such Member following such Member's Termination Date, is expressly subject to the conditions set forth in such Member's Terms Letter (including the Company's right to repurchase all or a portion of such Member's Profit Sharing Percentage not previously repurchased in the event that such Member fails to satisfy any of the conditions to such Member's post-employment Profit Sharing Percentage) and (ii) such Member may be obligated to repay to the Company any payments received by such Member from the Company following termination of such Member's employment or consultancy in respect of any Profit Sharing Percentage not repurchased by the Company upon violation of any of the conditions set forth in such Member's Terms Letter. A Member shall remain obligated for further capital contributions with respect to such Member's Profit Sharing Percentage applicable to particular Funded Portfolio Investments or Unfunded Portfolio Investments not repurchased and shall be responsible for such Member's (A) Give-Back Amount and (B) share of other returns of distributions with respect to any Funded Portfolio Investments realized prior to the date of determination and any portion of such Member's Profit Sharing Percentage applicable to particular Funded Portfolio Investments or Unfunded Portfolio Investments not repurchased. For the avoidance of doubt, this Section 4.4(a) shall not apply with respect to EGH or GP Holdings.

(b) *Repurchase Right Following Default in Capital Contributions.* If a Member defaults with respect to such Member's obligation to make capital contributions pursuant to Section 5.1(a) below, the Company shall have the right, but not the obligation, to repurchase such defaulting Member's entire Profit Sharing Percentage with respect to particular Funded Portfolio Investments and Unfunded Portfolio Investments (or, if such Member is not a Profit Sharing Member, such Member's entire Interest) as of the date of default (i.e., the Repurchase Percentage shall be deemed to equal 100%) for the Repurchase Price; provided that a default shall not be deemed to have occurred until a ten day period immediately following the initial failure by such Member to make such capital contribution shall have expired; and provided further, that any such Member shall reimburse each other Member for any funds advanced by such other Member to cover any capital contributions owed by the defaulting Member to the Company, together with interest thereon at a per annum rate equal to the Default Interest Rate on the principal amount of the funds advanced, until such other Member shall have been reimbursed for all such funds advanced on behalf of the defaulting Member, together with all such interest due thereon.

(c) The repurchase rights set forth in this Section 4.4 may be exercised by notice provided by the Company to the applicable Member (a "Repurchase Notice"), specifying the percentage of the Profit Sharing Percentage which is to be repurchased (or, if such Member is not a Profit Sharing Member, such Member's Interest which is to be repurchased). A Repurchase Notice shall be given by the Company to the applicable Member within 90 days after such Member's default or termination of employment, as the case may be. Upon receipt of a Repurchase Notice, the Member who receives such Repurchase Notice shall be obligated to sell to the Company or its designee the Repurchase Percentage specified by the Company in the Repurchase Notice. With respect to any repurchase of a Member's Profit Sharing Percentage (or, in the case of a Member which is not a Profit Sharing Member, such Member's Interest) pursuant to this Section 4.4, the Company shall record in its books and records the Repurchase Price owed by the Company to such Member. The Repurchase Price shall be payable in installments. Each such installment shall be payable upon the distribution of Capital Proceeds to Members pursuant to Section 4.1 in respect of a particular Portfolio Investment, and the amount of each such installment shall equal the portion of the Repurchase Price payable at such time with respect to such Portfolio Investment. In lieu of the foregoing, the Company may, with the consent of the applicable Member, pay the Repurchase Price to such Member on such Member's Termination Date, to the extent that such Repurchase Price is then determinable; to the extent that all or a portion of such Repurchase Price is not then determinable, the Company may pay the remainder of such Repurchase Price to such Member at such times that the Repurchase Price would otherwise be paid in accordance with this Section 4.4.

(d) Notwithstanding anything to the contrary in this Section 4.4 and the Terms Letters, the Management Committee in its sole and absolute discretion may agree to vary in any manner more favorable to a Member the amount by which such Member's Profit Sharing Percentage (or, in the case of Member which is not a Profit Sharing Member, such Member's Interest) would be reduced by the operation of the provisions of this Section 4.4 and the Terms Letters.

(e) The provisions and remedies in this Section 4.4 are not exclusive, and each such provision or remedy shall be cumulative and in addition to every other right, power or remedy whether conferred herein or now or hereafter available at law or in equity or by statute or otherwise. Each Member acknowledges by his or her execution hereof that such Member has been admitted to the Company in reliance upon such Member's agreements hereunder, that the Company and the other Members may have no adequate remedy at law for a breach hereof and that damages resulting from a breach hereof may be impossible to ascertain at the time hereof or of such breach.

SECTION 4.5. Holdback Account; Payment of Clawback Amounts to the Funds. (a) *Establishment of the Holdback Account.* The Company shall establish a separate account (the "Holdback Account") with a sub-account for each Profit Sharing Member. Except as provided in this Section 4.5, in lieu of distributing to the Profit Sharing Members the Carried Interest Proceeds to which they are otherwise entitled hereunder, the Company shall retain such Carried Interest Proceeds and shall credit the sub-account of each such Member in the Holdback Account with the amount of Carried Interest Proceeds otherwise distributable to such Member, in an amount equal to the product of such Member's Carried Interest Proceeds multiplied by such Member's Holdback Percentage. Subject to Section 4.5(b), in the event that a Managing Member ceases to be employed or retained as a consultant by any of EPI, EGH, EG LLC, EPS East, the Advisor or any of their respective Affiliates and, thereby, becomes a Special Member, his or her Holdback Percentage, and the Holdback Percentage of his or her Family Related Members, shall be adjusted to equal 100%.

(b) *Distributions out of the Holdback Account.* (i) The Management Committee in its sole and absolute discretion may determine to distribute to any Profit Sharing Member all or any portion of the amounts in such Member's sub-account in the Holdback Account and/or terminate the requirement that such Member's distributions of Carried Interest Proceeds be placed in the Holdback Account, subject to such conditions, undertakings, guarantees, security, credit support and/or other provisions, as the Management Committee in its sole and absolute discretion at that time may deem necessary or advisable, without regard as to whether similar or different requirements have been established with respect to other Profit Sharing Members.

(ii) An amount equal to the interest or other amounts earned on the funds in the Holdback Account may be released and paid to the Profit Sharing Members in proportion to their respective interests in the Holdback Account as determined from time to time by the Management Committee. Any amounts distributed to the Company out of an Escrow Account pursuant to the proviso to Section 3.6(b) of the limited partnership agreement of Evercore Capital Partners II L.P. (or pursuant to similar provisions of the organizational documents of any Parallel Vehicles or alternative investment vehicles formed pursuant to the Fund Partnership Agreements) may be paid to the Profit Sharing Members in proportion to their respective interests in such Escrow Account as determined from time to time by the Management Committee.

(c) *Payment of Clawback Amounts to the Funds.* (i) If at any time after all amounts in the Escrow Account have been used to satisfy any Interim GP Clawback Amount or Giveback Obligation to any of the Funds pursuant to Sections 5.2 and 9.4, respectively, of the limited partnership agreement of Evercore Capital Partners II L.P. (or pursuant to similar provisions of the organizational documents of any Parallel Vehicles or alternative investment vehicles formed pursuant to the Fund Partnership Agreements), the Company is still required to contribute any such Interim GP Clawback Amount or Giveback Obligation to any of the Funds, then:

(A) there shall be deducted against each Profit Sharing Member's sub-account in the Holdback Account an amount (such Member's "Give-Back Amount") which equals (I) the product of (x) such Member's Carried Interest Give Back Percentage and (y) the aggregate Interim GP Clawback Amounts or Giveback Obligation, as the case may be, which the Company is then contributing to the Funds, minus (II) amounts already paid out of the Escrow Account with respect to the aggregate Interim GP Clawback Amounts or Giveback Obligation, as the case may be, on behalf of such Member,

(B) each Profit Sharing Member shall promptly contribute to the Company an amount equal to the excess, if any, of (I) such Member's Give-Back Amount over (II) the amount of such Member's sub-account, if any, in the Holdback Account, and

(C) the Interim GP Clawback Amounts or Giveback Obligation shall be paid out of the funds deducted or contributed pursuant to clauses (A) and (B) above.

(ii) The Company shall be entitled to collect interest on the amount which any Profit Sharing Member has failed to timely pay pursuant to this Section 4.5(c) from the date such amount was to have been paid to the date of payment in full at a rate equal to the Default Interest Rate. Any Profit Sharing Member defaulting on his or her obligation to contribute to the Company any amount pursuant to this Section 4.5(c) shall be obligated to reimburse the Company for all reasonable attorney's fees and expenses and all other costs and expenses incurred by the Company in enforcing against such Member such obligation. The Company shall have the right to set-off as appropriate and apply against such Member's obligation to make such contribution, any default interest accruing thereon and such Member's reimbursement obligations hereunder, any amounts otherwise payable to such Member by the Company or any other Affiliate thereof (including amounts unrelated to Carried Interest Proceeds, such as returns of capital, profit thereon and dividends, as well as employee salary or bonus). In addition, pursuant to the Fund Guarantees and subject to Sections 10.17 and 10.19, in the event that any Profit Sharing Member defaults on his or her obligation to contribute to the Company any amount pursuant to this Section 4.5(c) (a "Defaulted Amount"), each Profit Sharing Member shall be required to contribute an amount which equals the product of (I) the percentage obtained by dividing (x) such Member's Give-Back Amount by (y) the aggregate amount of Give-Back Amounts of all Profit Sharing Members and (II) the Defaulted Amount; provided that in no event shall any Profit Sharing Member be obligated to contribute an amount in excess of 125% of such Member's Give-Back Amount. The Management Committee may determine in its sole discretion to reimburse to any Profit Sharing Member who has contributed a portion of a Defaulted Amount any amounts collected, pursuant to the Company's right of set-off or otherwise, from the defaulting Profit Sharing Member.

(iii) A Profit Sharing Member's obligation to make payments under this Section 4.5 shall survive the termination of the Company, termination of such Member's employment or consultancy with EPI, EGH, EG LLC, EPS East, the Advisor or any of their respective Affiliates and such Member's withdrawal from the Company, so that for purposes of this Section 4.5 a former Member shall continue to be treated as a Profit Sharing Member.

(d) *Release of Funds in Holdback Account; Contingent Liabilities*. Any amounts remaining in a Profit Sharing Member's sub-account in the Holdback Account after deduction of any amounts required by Section 4.5(c) shall be distributed to such Member as promptly as practicable following the Final Clawback Determination Date; provided that if there is any Proceeding then pending or any other liability or claim then outstanding against the Company or any Fund and the Management Committee in its sole and absolute discretion determines that such amounts in the Holdback Account may be necessary to satisfy Profit Sharing Members' share of any obligation arising out of such Proceeding, liability or claim, then the Management Committee shall so notify the Profit Sharing Members and, in that event, such amounts, or the portion thereof specified by the Management Committee in such notice, shall be retained in the Holdback Account until such time or times as the Management Committee in its sole and absolute discretion determines that such amounts may be distributed to the Profit Sharing Members.

(e) *Tax Matters Relating to the Holdback Account.* To the extent determined by the Management Committee from time to time in its sole discretion, on an estimated tax payment date for a Profit Sharing Member on behalf of whom amounts are placed in the Holdback Account (a "Holdback Member") in any year, the Company may make a cash advance against distributions of Carried Interest Proceeds to such Holdback Member to the extent distributions actually received by such Holdback Member (net of amounts placed in the Holdback Account) are not sufficient for such Holdback Member to pay when due estimated income tax imposed on it, calculated using the Assumed Income Tax Rate (the "Estimated Income Tax Amount"). Amounts of Carried Interest Proceeds otherwise distributable to a Holdback Member pursuant to Section 4.2(b) shall be reduced by the amount of any Estimated Income Tax Amounts distributed to such Holdback Member pursuant to this Section 4.5(e) until all such Estimated Income Tax Amounts are restored. As promptly as reasonably practicable following the end of the fiscal year of the Company to which such Carried Interest Proceeds are attributable, the Company shall calculate, with respect to each Holdback Member who has received a distribution of an Estimated Income Tax Amount, the product of (x) the actual taxable income allocable in respect of the Carried Interest Proceeds attributable to such Holdback Member in such year less the cumulative taxable loss that has been allocated to such Holdback Member to the extent such loss has not previously reduced taxable income pursuant to this provision and (y) the Assumed Income Tax Rate (the "Recalculated Income Tax Amount"). If any Holdback Member has received distributions under this Section 4.5(e) or Section 4.5(b) for such year which are less than the Recalculated Income Tax Amount, as determined by the Management Committee in its sole discretion, the Company may distribute to such Holdback Member the amount of such deficiency, together with any penalties or interest assessed that are attributable to a differential between the Estimated Income Tax Amount and the Recalculated Income Tax Amount, out of the funds in the Holdback Account on the due date for the filing of such Holdback Member's tax return for such year. If any Holdback Member has received distributions of aggregate Estimated Income Tax Amounts in excess of the Recalculated Income Tax Amount (such excess, the "Excess Income Tax Amount"), such Holdback Member shall as promptly as practicable (and, in any event, within 90 days of such notice) contribute to the Company the amount specified in such notice, without interest thereon, for credit to the Holdback Account; provided that, until such Excess Income Tax Amount is repaid in full, to the fullest extent provided at law or in equity, the Company shall have a security interest in all rights, title and interest in and to such Member's interest in the Company, and, notwithstanding anything to the contrary contained in this Agreement, the Company shall not be obligated to make any further payment or distribution to such Member until such Excess Income Tax Amount shall have been repaid. The Company shall have the right to set-off as appropriate and apply against such Member's obligation to make such contribution pursuant to this Section 4.5(e) the obligations of the Company to distribute funds pursuant to this Section 4.5(e) and any amounts otherwise payable to such Member by the Company or any other Affiliate thereof (including amounts unrelated to Estimated Income Tax Amounts and Excess Income Tax Amounts, such as returns of capital, profit thereon and dividends, as well as employee salary or bonus).

(f) *Recontribution*.

(i) In the event that any Profit Sharing Member has a Profit Sharing Percentage with respect to any Portfolio Investments subject to a Writedown, but the aggregate amount of (A) Carried Interest Proceeds received by such Member minus (B) the product of (x) the taxable income related to such Carried Interest Proceeds and (y) the Assumed Income Tax Rate ("After-Tax Carried Interest Proceeds") is less than such Member's share (based on Profit Sharing Percentage applicable to each Portfolio Investment subject to a Writedown) of the aggregate amount of such Writedowns, the Management Committee may in its sole discretion determine that the Company shall make a Loan to such Member in respect of the difference between such Member's share (based on Profit Sharing Percentage applicable to each Portfolio Investment subject to a Writedown) of the aggregate amount of such Writedowns and the aggregate amount of After-Tax Carried Interest Proceeds received by such Member. Such Loan shall bear interest at a rate of 8% per annum until repaid in full, or contain such other terms as the Management Committee may determine.

(ii) In the event that any Profit Sharing Member has a Profit Sharing Percentage with respect to any Portfolio Investments subject to a Writedown, and the aggregate amount of After-Tax Carried Interest Proceeds received by such Member is greater than such Member's share (based on Profit Sharing Percentage applicable to each Portfolio Investment subject to a Writedown) of the aggregate amount of such Writedowns, the Management Committee may in its sole discretion require such Member to recontribute an amount in respect of the difference between the aggregate amount of After-Tax Carried Interest Proceeds received by such member and such Member's share (based on Profit Sharing Percentage applicable to each Funded Portfolio Investment subject to a Writedown) of the aggregate amount of such Writedowns. Any amounts so recontributed shall be deposited in the Holdback Account and credited to such Member's sub-account in the Holdback Account, or treated otherwise as the Management Committee may determine.

(iii) In addition to the provisions of this Section 4.5(f), the Management Committee may, from time to time, revise and/or supplement its policy with respect to the treatment of recontributions, as reflected in internal documentation of the Company and its Affiliates.

ARTICLE V

Capital Contributions and Capital Commitments; Allocations; Expenses

SECTION 5.1. Capital Contributions. (a) (i) *Capital Calls for Contributions to Funds.* At least five Business Days prior to each date on which the Company is required to make a capital contribution pursuant to the Fund Partnership Agreements, each Contributing Member shall make a capital contribution to the Company in immediately available funds in an amount equal to the product of (A) the amount of such capital contribution to be made by the Company and (B) a fraction the numerator of which shall be the Unpaid Capital Commitment of such Contributing Member and the denominator of which shall be the Unpaid Capital Commitments of all Contributing Members; provided that no default shall be deemed to have occurred hereunder until the date on which the Company is required to make such capital contribution; provided, further, that the Management Committee may require the Managing Members and their Family Related Members to contribute all or any portion of the capital contribution that otherwise would be made by a Professional Member and his or her Family Related Members; provided, further, that no Member shall be required to make a capital contribution pursuant to this Section 5.1(a)(i) in an amount greater than its Unpaid Capital Commitment; provided, further, that GP Holdings shall not be required to make any capital contributions pursuant to this Section 5.1(a)(i). The Management Committee shall give each Contributing Member at least five Business Days prior notice of the amount to be contributed by such Contributing Member pursuant to this Section 5.1(a)(i). Any amount so contributed shall reduce such Contributing Member's Unpaid Capital Commitment. The Company may invest, until such capital contributions are made to the Funds, any funds received by it from a Contributing Member pursuant to this Section 5.1(a)(i) in the manner determined by the Management Committee. Any interest earned thereon shall be for the account of such Contributing Member and shall be distributed to such Contributing Member promptly following the date on which such capital contributions are made to the extent that the Management Committee determines in good faith that such interest is not required to pay expenses of the Company.

(ii) *Other Capital Calls.* The Management Committee may determine in its sole and absolute discretion at any time or from time to time that the Company requires additional capital to meet its obligations for extraordinary expenses such as litigation expenses or other expenses of the Company. In the event the Management Committee issues such a capital call, each Member shall make a capital contribution to the Company in immediately available funds in an amount equal to the product of (A) the amount of such required capital and (B) such Member's Profit Sharing Percentage applicable to Unfunded Portfolio Investments; provided that the Management Committee may calculate the capital contributions to be made by the Members with respect to such expenses on any other basis (including on the basis of Unpaid Capital Commitments and/or requiring certain, but not all, Members to make capital contributions for extraordinary expenses) if the Management Committee determines in good faith that such other basis is clearly more equitable; provided, further, that no Contributing Member shall be required to make a capital contribution pursuant to this Section 5.1(a)(ii) in an amount greater than its Unpaid Capital Commitment. The Management Committee shall give each Member at least five Business Days prior notice of the amount to be contributed by such Member pursuant to this Section 5.1(a)(ii). Any amount so contributed by a Contributing Member shall reduce such Contributing

Member's Unpaid Capital Commitment. The Company may determine, in the sole discretion of the Management Committee, to advance funds out of the Operating Reserve to any Member to fund such Member's capital contributions.

(iii) *Returns of Distributions.* If at any time the Management Committee in its sole and absolute discretion determines that the Company cannot meet its obligations for extraordinary expenses such as litigation expenses, the Management Committee may require each Member and former Member to return distributions made to such Member hereunder for the purpose of meeting such Member's pro rata share (based on the Members' After-Tax Carried Interest Amounts) of such obligations in an amount up to, but in no event in excess of, the aggregate amount of distributions actually received by such Member from the Company. The Management Committee shall give each Member and former Member at least five Business Days prior notice of the amount to be contributed by such Member pursuant to this Section 5.1(a)(iii). The Management Committee may require returns of distributions pursuant to this Section 5.1(a)(iii) without regard to whether a call for capital contributions could be made pursuant to Section 5.1(a)(ii). Notwithstanding the foregoing, no Member shall be required to return distributions under this Section 5.1(a)(iii) other than for obligations arising primarily from activities of the Company during the period of such Member's (or in the case of a Family Related Member, its associated Individual Member's) employment with, or retention by, EPI, EGH, EG LLC, EPS East, the Advisor or any of their respective Affiliates. For purposes of this Section 5.1(a)(iii), any amounts received by the Company pursuant to Section 4.2 with respect to the repayment of Loans made by the Company shall be treated as if they had been received by the applicable Borrowing Member.

(b) *Consequences of Capital Call Default.* In the event that a Member defaults with respect to such Member's obligation to make capital contributions or return distributions pursuant to Section 5.1(a) (such Member being sometimes referred to herein as a "Defaulting Member"), the Management Committee at its option may (i) require other Members to make such capital contribution in proportion to their respective Profit Sharing Percentages, or on any other basis (including on the basis of Unpaid Capital Commitments and/or requiring certain, but not all, Members to make capital contributions) if the Management Committee determines in good faith that such other basis is clearly more equitable, or (ii) arrange for the amount of such capital contribution to be advanced on behalf of such Defaulting Member on such terms as the Management Committee shall determine in its sole and absolute discretion to be fair and equitable, which may include provision for security as provided below. Each Member hereby grants to the Company a right of set-off and a security interest, effective upon such Member becoming a Defaulting Member, in all accounts receivable and other rights to receive payment (other than in respect of employee salary or bonus) from the Company or any of its Affiliates and agrees that, upon the effectiveness of such security interest, the Company may sell, collect or otherwise realize upon such collateral.

(c) A Profit Sharing Member's Unpaid Carried Interest Capital Commitment will be adjusted proportionately with adjustments (including to zero) in Profit Sharing Percentages. Any adjustment of the Carried Interest Capital Commitment of a Profit Sharing Member shall be reflected on the books and records of the Company. If at any time the Profit Sharing Percentage and Unpaid Capital Commitment of a Member are reduced to zero and such Member has not made a capital contribution to the Company, the Management Committee may remove such Member as a Member of the Company. For the avoidance of doubt, the EGH Capital Commitment shall not be subject to reduction pursuant to this Section 5.2(c) or otherwise upon the admission of any additional Members.

(d) Except as provided in this Section 5.1, no Member shall be required to make capital contributions to the Company.

SECTION 5.2. Capital Accounts. A separate capital account (a "Capital Account") shall be established and maintained for each Member. The Capital Account of each Member shall be credited with such Member's capital contributions, if any, to the Company, all Profits allocated to such Member pursuant to Section 5.3 and any items of income or gain which are specially allocated pursuant to Section 5.4; and shall be debited with all Losses allocated to such Member pursuant to Section 5.3, any items of loss or deduction of the Company specially allocated to such Member pursuant to Section 5.4, and all cash and the Carrying Value of any property (net of liabilities assumed by such Member and the liabilities to which such property is subject) distributed by the Company to such Member. To the extent not provided for in the preceding sentence, the Capital Accounts of the Members shall be adjusted and maintained in accordance with the rules of Treasury Regulations Section 1.704-1(b)(2)(iv), as the same may be amended or revised. Any references in any section of this Agreement to the Capital Account of a Member shall be deemed to refer to such Capital Account as the same may be credited or debited from time to time as set forth above. In the event of any transfer of any interest in the Company in accordance with the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent it relates to the transferred interest.

SECTION 5.3. Allocations of Profits and Losses. Except as otherwise provided in this Agreement, Profits and Losses and to the extent necessary, individual items of income, gain, loss or deduction of the Company shall be allocated among the Members in a manner such that the Capital Account of each Member, after giving effect to the special allocations set forth in Sections 5.4(b), (c), (d), (e), (f), (g), (h) and (i) and immediately after making such allocation, is, as nearly as possible, equal (proportionately) to (i) the distributions that would be made to such Member pursuant to Section 7.3 if the Company were dissolved, its affairs wound up and its assets sold for cash equal to their respective Carrying Values, all Company liabilities were satisfied (limited with respect to each nonrecourse liability to the Carrying Value of the assets securing such liability), and the net assets of the Company were distributed in accordance with Section 7.3 to the Members immediately after making such allocation, minus (ii) such Member's share of Company Minimum Gain and Member Nonrecourse Debt Minimum Gain, computed immediately prior to the hypothetical sale of assets, minus (iii) such Member's obligations in respect of any Interim GP Clawback Amount or Final Clawback Amount.

SECTION 5.4. Special Allocations. Notwithstanding any other provision in this Article V, (a) Minimum Gain Chargeback. If there is a net decrease in Partnership Minimum Gain or Partner Nonrecourse Debt Minimum Gain (determined in accordance with the principles of Treasury Regulations Sections 1.704-2(d) and 1.704-2(i)) during any Company taxable year, the Members shall be specially allocated items of Company income and gain for such year (and, if necessary, subsequent years) in an amount equal to their respective shares of such net decrease during such year, determined pursuant to Treasury Regulations Sections 1.704-2(g) and 1.704-2(i)(5). The items to be so allocated shall be determined in accordance with Treasury Regulations Section 1.704-2(f). This Section 5.4(a) is intended to comply with the minimum gain chargeback requirements in such Treasury Regulations Sections and shall be interpreted consistently therewith; including that no chargeback shall be required to the extent of the exceptions provided in Treasury Regulations Sections 1.704-2(f) and 1.704-2(i)(4).

(b) Qualified Income Offset. If any Member unexpectedly receives any adjustments, allocations, or distributions described in Treasury Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6), items of Company income and gain shall be specially allocated to such Member in an amount and manner sufficient to eliminate the deficit balance in such Member's Adjusted Capital Account Balance created by such adjustments, allocations or distributions as promptly as possible; provided that an allocation pursuant to this Section 5.4(b) shall be made only to the extent that a Member would have a deficit Adjusted Capital Account Balance in excess of such sum after all other allocations provided for in this Article V have been tentatively made as if this Section 5.4(b) were not in this Agreement. This Section 5.4(b) is intended to comply with the "qualified income offset" requirement of the Code and shall be interpreted consistently therewith.

(c) Gross Income Allocation. If any Member has a deficit Capital Account at the end of any Fiscal Year which is in excess of the sum of (i) the amount such Member is obligated to restore, if any, pursuant to any provision of this Agreement, and (ii) the amount such Member is deemed to be obligated to restore pursuant to the penultimate sentences of Treasury Regulations Section 1.704-2(g)(1) and 1.704-2(i)(5), each such Member shall be specially allocated items of Company income and gain in the amount of such excess as quickly as possible; provided that an allocation pursuant to this Section 5.4(c) shall be made only if and to the extent that a Member would have a deficit Capital Account in excess of such sum after all other allocations provided for in this Article V have been tentatively made as if Section 5.4(b) and this Section 5.4(c) were not in this Agreement.

(d) Payee Allocation. In the event any payment to any person that is treated by the Company as the payment of an expense is recharacterized by a taxing authority as a Company distribution to the payee as a Member, such payee shall be specially allocated an amount of Company gross income and gain as quickly as possible equal to the amount of the distribution.

(e) Nonrecourse Deductions. Nonrecourse Deductions shall be allocated to the Members in accordance with their respective Capital Account balances.

(f) Partner Nonrecourse Deductions. Partner Nonrecourse Deductions for any taxable period shall be allocated to the Member who bears the economic risk of loss with respect to the liability to which such Partner Nonrecourse Deductions are attributable in accordance with Treasury Regulations Section 1.704-2(j).

(g) Allocations Relating to Taxable Issuance of Membership Interests. Any income, gain, loss, or deduction realized as a direct or indirect result of the issuance (or deemed issuance) of an Interest to a Member (the "Issuance Items") shall be allocated among the Members so that, to the extent possible, the net amount of such Issuance Items, together with all other allocations under this Agreement to each Member, shall be equal to the net amount that would have been allocated to each such Member if the Issuance Items had not been realized.

(h) Creditable Foreign Taxes. Creditable Foreign Taxes for any taxable period attributable to the Company, or an entity owned directly or indirectly by the Company, shall be allocated to the Members in proportion to the Members' distributive shares of income (including income allocated pursuant to Section 704(c) of the Code) to which the Creditable Foreign Tax relates (under principles of Treasury Regulations Section 1.904-6). The provisions of this Section 5.4(h) are intended to comply with the provisions of Temporary Treasury Regulations Section 1.704-1T(b)(4)(xi), and shall be interpreted consistently therewith.

(i) Capital Gain. Capital Gain shall be allocated to each Convertible Holder, pro rata in accordance with their ownership of Convertible Interests, in an amount equal to the excess of (i) the amount distributable to such holder pursuant to Section 7.3(b)(ii) (without regard to the proviso at the end of Section 7.3(b)(ii)) over (ii) amounts previously allocated pursuant to this Section 5.4(i).

SECTION 5.5. Tax Allocations. For income tax purposes, each item of income, gain, loss and deduction of the Company shall be allocated among the Members in the same manner as the corresponding items of Profits and Losses and specially allocated items are allocated for Capital Account purposes; provided that in the case of any asset the Carrying Value of which differs from its adjusted tax basis for United States federal income tax purposes, income, gain, loss and deduction with respect to such asset shall be allocated solely for income tax purposes in accordance with the principles of Sections 704(b) and (c) of the Code (in any manner determined by the Management Committee) so as to take account of the difference between Carrying Value and adjusted basis of such asset; provided, further, that the Company shall use the traditional method (as such term is defined in Treas. Reg. section 1.704-3(b)(1)) for all Section 704(c) allocations and "reverse Section 704(c)" allocations. Notwithstanding the foregoing, the Tax Matters Member shall make such allocations for tax purposes as may be needed to ensure that allocations are in accordance with the interests of the Members, within the meaning of the Code and Treasury Regulations.

SECTION 5.6. Tax Advances. To the extent the Company is required by law to withhold or to make tax payments on behalf of or with respect to any Member or the Company is subjected to tax itself by reason of the status of any Member ("Tax Advances"), the Management Committee may withhold such amounts and make such tax payments as so required. All Tax Advances made on behalf of a Member shall, at the option of the Management Committee, (i) be promptly paid to the Company by the Member on whose behalf such Tax Advances were made or (ii) be repaid by reducing the amount of the current or next succeeding distribution or distributions which would otherwise have been made to such Member or, if such distributions are not sufficient for that purpose, by so reducing the proceeds of liquidation otherwise payable to such Member. Whenever the Management Committee selects option (ii) pursuant to the preceding sentence for repayment of a Tax Advance by a Member, for all other purposes of this Agreement such Member shall be treated as having received all distributions (whether before or upon liquidation) unreduced by the amount of such Tax Advance. The Company shall also have the right to set-off as appropriate and apply against such Member's obligation to repay Tax Advances any amounts otherwise payable to such Member by any Affiliate of the Company (including amounts such as returns of capital, profit thereon and dividends, but not employee salary or bonus). Each Member hereby agrees to indemnify and hold harmless the Company and the other Members from and against any liability (including, without limitation, any liability for taxes, penalties, additions to tax or interest) with respect to income attributable to or distributions or other payments to such Member.

SECTION 5.7. Expenses. Except as otherwise agreed to by the Members, the Company shall bear and be responsible for all expenses incurred in connection with the operation of the Company. The Management Committee may cause the Company to borrow from any Affiliate on such terms as the Management Committee may reasonably determine for the payment of expenses, and may cause the Company to pay expenses and repay borrowings from any source of funds of the Company as the Management Committee may determine.

ARTICLE VI

Books and Reports; Tax Matters

SECTION 6.1. General Accounting Matters. (a) The Management Committee shall keep or cause to be kept books and records pertaining to the Company's business showing all of its assets and liabilities, receipts and disbursements, Profits and Losses, Members' Capital Accounts and all transactions entered into by the Company. Such books and records of the Company shall be kept by the Company at its principal office and shall be available for inspection by any Member or the estate or other legal representative thereof during normal business hours; provided that to the fullest extent permitted by law, other than as provided in Section 6.1(b) below, the Management Committee may withhold access of any Member (or the estate or other legal representative thereof) who is not a Managing Member to information regarding the affairs of the Company to the extent that the Management Committee reasonably determines that it is in the interests of the Company to withhold such access for reasons of confidentiality, but may not withhold access to any such information from the professional advisors of any such Member (or the estate or other legal representative thereof) who need access to such information for purposes of monitoring compliance with the provisions hereof if such professional advisors agree to comply with such measures as the Management Committee may reasonably impose to preserve the confidentiality of such information from such Member (or the estate or other legal representative thereof). The Company's books of account shall be maintained in United States dollars and kept on the tax basis method of accounting in accordance with principles established by the Management Committee and otherwise in accordance with United States generally accepted accounting principles and on a basis consistent with the books of account of the Funds.

(b) As promptly as possible after the close of each Fiscal Year of the Company, the Management Committee shall cause an examination of the financial statements of the Company as of the end of each such Fiscal Year to be made. As soon as is practicable after the close of each Fiscal Year, a copy of the financial statements of the Company shall be furnished to each Managing Member and shall include, as of the end of such Fiscal Year:

(i) a statement of net assets of the Company;

(ii) a statement of income or loss and a statement of Members' capital; and

(iii) a statement of changes in cash flow of the Company.

In addition, each person that was a Member at any time during a Fiscal Year shall be supplied with such information as may be reasonably required to enable such Member to prepare its Federal, state, local and foreign income tax returns based upon such person's status as a Member, such other information as such Person may reasonably request for the purpose of applying for withholding taxes and a statement as to such Member's Capital Account as at the close of such Fiscal Year.

SECTION 6.2. Fiscal Year. The Fiscal Year of the Company shall be the same as its taxable year, as determined pursuant to Section 706 of the Code.

SECTION 6.3. Certain Tax Matters. The Management Committee shall prepare or cause to be prepared all Federal, state and local, as well as foreign, if any, tax returns of the Company for each year for which such returns are required to be filed and shall file or cause such returns to be timely filed. The Management Committee shall determine the appropriate treatment of each item of income, gain, loss, deduction and credit of the Company and the accounting methods and conventions under the tax laws of the United States, the several states and other relevant jurisdictions as to the treatment of any such item or any other method or procedure related to the preparation of such tax returns. The Management Committee may cause the Company to make or refrain from making any and all elections permitted by such tax laws. The Company and each Member hereby designate David Wezdenko (or such other Member as the Management Committee may designate) as the "tax matters partner" for purposes of Section 6231(a)(7) of the Code (the "Tax Matters Member"). The Tax Matters Member will take no action which is reasonably expected to have a material adverse effect on one or more of the Members unless such action is approved by the Management Committee. The Tax Matters Member will be responsible for notifying all Members of ongoing proceedings, both administrative and judicial, and will represent the Company throughout any such proceeding. The Members will furnish the Tax Matters Member with such information as it may reasonably request to provide the Internal Revenue Service with sufficient information to allow proper notice to the Members. The Tax Matters Member will not bind any other Member to any extension of the statute of limitations or to a settlement agreement without such Member's written consent which consent shall not be unreasonably withheld. The Tax Matters Member shall take such action as may be necessary to cause each other Member to become a "notice partner" within the meaning of section 6223 of the Code.

ARTICLE VII

Dissolution

SECTION 7.1. Dissolution. The Company shall be dissolved and subsequently terminated upon a determination by the Management Committee to dissolve the Company at any time following the dissolution and termination of the Funds. The death, retirement, dissolution, resignation, expulsion or bankruptcy of any Member shall not cause the dissolution of the

Company, and following any such event the remaining Members shall have the right to continue the business of the Company. The Company shall not be dissolved as a result of there no longer being any Member of the Company if the Company is continued in accordance with Section 18-801(a)(4) of the Act.

SECTION 7.2. Winding-up. When the Company is dissolved, the business and property of the Company shall be wound up and liquidated by the Management Committee. The Management Committee shall use its best efforts to reduce to cash and cash equivalent items such assets of the Company as the Management Committee shall deem it advisable to sell and to obtain fair value for such assets (taking into account applicable tax, legal and business considerations).

SECTION 7.3. Final Distribution. Within 120 calendar days after the effective date of dissolution of the Company (or such later date as the Management Committee shall determine), the assets of the Company shall be distributed in the following manner and order:

(a) to satisfy all creditors of the Company (including the payment of expenses of the winding-up, liquidation and dissolution of the Company), including Members who are creditors of the Company, to the extent otherwise permitted by law, either by the payment thereof or the making of reasonable provision therefor (including the establishment of reserves, in amounts established by the Management Committee); and

(b) the remaining assets, if any, of the Company with respect to Members shall be applied and distributed as follows:

(i) *First*, pro rata to the Members that hold Regular Company Interests until each such Member receives an amount equal to the amount of its capital balance as reflected on the books and records of the Company.

(ii) *Second*, to the Convertible Holders in an amount equal to, for each Portfolio Investment, the product of (x) such holder's Profit Sharing Percentage and (y) a fraction, the numerator of which is equal to the amounts distributed pursuant to clause (i) and the denominator of which is equal to one (1) minus such holder's Profit Sharing Percentage; provided, however, that the Convertible Holders shall not be distributed any amounts under this clause (ii) in excess of the amount equal to Capital Gain derived from Capital Gain Assets acquired after the date of such Convertible Holder's admission to the Company;

(iii) *Third*, pro rata to each of the Members and Convertible Holders in accordance with Section 4.2.

(c) *Limitations on distributions to Convertible Holders*. It is the intention of the parties to this Agreement that distributions to the Convertible Holders be limited to the extent necessary so that the Convertible Units constitute "profits interests" for U.S. federal tax purposes (except to the extent of contributed capital) and the parties will comply with the requirements of Revenue Procedure 93-27, 1993-2 C.B. 343 and Revenue Procedure 2001-43, 2001-2 C.B. 191.

SECTION 7.4. No Obligation to Restore Capital Accounts. Except as provided in Section 4.5 and Section 5.1(a)(iii) and as may otherwise be required by law, no Member whose

Capital Account balance is a negative or deficit amount (either during the existence of the Company or upon liquidation) shall have any obligation to return any amounts previously distributed to such Member or to contribute cash or other assets to the Company to restore or make up the deficit in such Member's impaired Capital Account.

ARTICLE VIII

Transfer of Members' Interests; Special Members

SECTION 8.1. Transfer of Membership Interests. (a) No Member may, directly or indirectly, Transfer such Member's interest in the Company without advance notice to and the prior consent of each Founding Member, which consent may be given or withheld in such Founding Member's sole and absolute discretion. Notwithstanding the foregoing, no consent shall be necessary in the case of a Transfer by a Managing Member upon her or his death, to her or his estate or heirs, and in which event such interest shall nevertheless be deemed to be held by the initial holder thereof for purposes of determining consequences under Sections 4.4 and 4.5, unless the Management Committee reasonably determines upon advice of counsel that such Transfer would materially increase the likelihood that either the Company would be subject to the registration requirements of the Investment Company Act of 1940, as amended, or jeopardize the status of the Company as a partnership for federal income tax purposes.

(b) Upon a Member's Transfer of all or any part of such Member's Interest in the Company to any person under Section 8.1(a) (including an Affiliate of such Member or a permitted transferee under Section 8.1(a)) (the "Assignee"), such Assignee shall be admitted as a substitute Member in lieu of such transferor Member only with the written consent of the Management Committee which consent may be given or withheld in its sole and absolute discretion.

(c) Unless an Assignee is admitted as a substitute Member in accordance with Section 8.1(b), a Transfer by a Member of all or any part of such Member's interest in the Company shall not release such Member from any of such Member's obligations or liabilities (including, without limitation, such Member's obligations to make capital contributions hereunder and such Member's liability therefor), or limit the Management Committee's rights with respect to such Member, of any nature whatsoever arising under this Agreement, and such Assignee shall be entitled only to allocations and distributions with respect to its Interest and shall have no right to vote such Interest, to participate in the management of the Company or to any accounting or information concerning the affairs of the Company and shall not have any of the other rights of a Member under this Agreement.

(d) Any purported Transfer by a Member of all or any part of its interest in the Company in violation of this Article VIII shall be null and void and of no force or effect.

SECTION 8.2. Special Members. Except as expressly provided in this Agreement, a Special Member's Terms Letter or any other agreement with the Company regarding the termination of such Special Member's employment or consultancy, Special Members shall have no rights as Members under this Agreement or the Act. Without limitation of the foregoing, except as expressly provided in this Agreement, a Special Member's Terms Letter or any other agreement with the Company regarding the termination of such Special Member's employment or consultancy, Special Members shall have no right to receive any distributions from the Company and shall have no right to approve any actions by the Company, including without limitation under Sections 18-209, 18-213, 18-216, 18-305, 18-503, 18-504, 18-604, 18-606, 18-702, 18-704, 18-801, 18-803 and 18-1001 of the Act. Each of the Members hereby acknowledges these provisions and agrees to be bound hereby at and following such time, if any, that such Member becomes a Special Member.

SECTION 8.3. Conversion of Convertible Interests to Regular Company Interests. The Convertible Interests shall convert to Regular Company Interests when the amount of Capital Gain that has been allocated pursuant to Section 5.4(i) (as the result of either an actual sale or an adjustment to the Carrying Values of all of the assets in accordance with the rules set forth in Treasury Regulations Section 1.704-1(b)(2)(iv)(f)) equals the amount distributable to the Convertible Holders pursuant to Section 7.3(b)(ii) (without regard to the proviso at the end of Section 7.3(b)(ii)).

ARTICLE IX

Additional Members

SECTION 9.1. Admission of Additional Members; Allocation of Profit Sharing Percentage. (a) A person may be admitted subsequent to the date hereof as an additional Member with the consent of the Management Committee. Upon the admission of any additional Member, such Member may be allocated Profit Sharing Percentages applicable to Unfunded Portfolio Investments (which percentages, if any, may or may not be the same) in such amounts, if any, as are agreed to by the Management Committee.

(b) Concurrently with the admission of any substitute or additional Member, the Management Committee shall forthwith cause any necessary papers to be filed and recorded and notice to be given wherever and to the extent required showing the substitution of such transferee as a substitute Member in place of the transferor Member, or the admission of an additional Member. The admission of any person as a substitute or additional Member shall be conditioned upon such person's written acceptance and adoption of all the terms and provisions of this Agreement.

(c) The Management Committee may in its sole and absolute discretion admit Operating Executives as Professional Members and allocate to such Operating Executives Profit Sharing Percentages applicable only to certain Portfolio Investments. The terms of such Operating Executive's participation in the Company (including such Operating Executive's Profit Sharing Percentage in particular Portfolio Investments, vesting arrangements and post-consultancy covenants) shall be set forth in a separate letter agreement to be entered into with such Operating Executive with the consent of the Management Committee.

(d) From time to time, in the sole discretion of the Management Committee, a person or entity may be deemed to be a Special Member and the Management Committee may allocate to such Special Member Profit Sharing Percentages applicable to particular Funded Portfolio Investments or Unfunded Portfolio Investments (which percentages, if any, may or may not be the same) in such amounts, if any, as are reflected on the books and records of the Company from time to time, which Profit Sharing Percentages may be adjusted from time to time, notwithstanding that such person or entity may not be a signatory to this Agreement. In the event that any such person or entity accepts the benefits of being treated as a Special Member, including the acceptance of any payments made in respect of a Profit Sharing Percentage allocated to such person or entity, such person or entity shall be deemed to be bound by the obligations and other provisions contained in this Agreement, including without limitation Section 8.2, in accordance with the Act.

ARTICLE X

Miscellaneous

SECTION 10.1. Arbitration; Waiver of Partition/Action for Accounting. (a) Any dispute, controversy or claim arising out of or relating to this Agreement or to the Company's affairs or the rights or interests of the Members including, but not limited to, the validity, interpretation, performance, breach or termination of this Agreement, whether arising during the Company term or at or after its termination or during or after the liquidation of the Company, shall be settled exclusively by arbitration in New York City by three neutral arbitrators in accordance with the International Arbitration Rules then obtaining of the American Arbitration Association. If the parties to any such controversy are unable to agree upon such arbitrators, then the arbitrators shall be appointed in accordance with such rules. The parties consent to the nonexclusive jurisdiction of the Supreme Court of the State of New York, and of the United States District Court for the Southern District of New York, for the purposes of any judicial proceeding ancillary to such arbitration.

(b) Except as may be otherwise required by law in connection with the winding-up, liquidation and dissolution of the Company, each Member hereby irrevocably waives any and all rights that it may have to maintain an action for judicial accounting or for partition of any of the Company's property.

SECTION 10.2. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware. In particular, the Company is formed pursuant to the Act, and the rights and liabilities of the Members shall be as provided therein, except as herein otherwise expressly provided.

SECTION 10.3. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns and, in particular, the estate of a deceased Member shall remain liable for all of such Member's obligations hereunder to the extent that such obligations are not expressly affected by such Member's death under the terms hereof. Any Member who is entitled to a post-employment Profit Sharing Percentage following termination of such Member's employment or, in the case of an Operating Executive, consultancy of a Member with EPI, EGH, EG LLC, EPS East, the Advisor or any of their respective Affiliates may assign, at the time of such termination of employment, his or her right to receive all or a portion of such post-employment Profit Sharing Percentage to a trust, partnership or other entity for investment by or for the benefit of members of such Member's family or for charitable purposes; provided that no such assignment shall be permitted in the event that such assignment would, or would be reasonably expected to, result in an adverse impact on the Company or its Affiliates or on any other Member of the Company.

SECTION 10.4. Other Covenants of the Members. (a) By executing this Agreement, each Member expressly agrees, at all times during the term of the Company and thereafter and whether or not at the time a Member of the Company or an employee of EPI, EGH, EG LLC, EPS East, the Advisor or any of their respective Affiliates, without the consent of the Management Committee, to maintain the confidentiality of, and not to disclose to any person, any material information relating to the business, financial results, clients or affairs of the Company that shall not be generally known to the public, except (a) to such Member's professional advisers who are bound by a confidentiality obligation to the same extent set forth herein, (b) as required for any arbitration proceeding pursuant to Section 10.1 or as required by law, by rule or regulation having the force of law, by any regulatory or self-regulatory organization having jurisdiction or by process of law or (c) as is reasonably necessary in the best interests of the business of the Company and the Funds. Each Member that is an entity shall cause its owners to comply with the provisions of this Section 10.4. The provisions of this Section 10.4 shall survive the termination of the Company. Notwithstanding anything in this Agreement to the contrary, to comply with Treasury Regulation Section 1.6011-4(b)(3)(i), each Member may disclose to any and all persons, without limitation of any kind, the U.S. federal income tax treatment and tax structure of the Company or any transactions undertaken by the Company.

(b) Each Individual Member acknowledges that a breach of his or her obligations under this Section 10.4 (for the avoidance of doubt, determined without giving effect to any modification pursuant to Section 10.13) shall constitute an event of Cause with the consequences specified pursuant to Section 4.4.

SECTION 10.5. Notices. Whenever notice is required or permitted by this Agreement to be given, such notice shall be in writing (including cable, telex, facsimile or similar writing) and shall be given to any Member at its address or telex or facsimile number shown in the Company's books and records. Each such notice shall be effective (i) if given by telex or facsimile, upon electronic confirmation of receipt and (ii) if given by any other means, when delivered to and receipted for at the address of such Member, as the case may be, specified as aforesaid.

SECTION 10.6. Counterparts. This Agreement may be executed in any number of counterparts, all of which together shall constitute a single instrument.

SECTION 10.7. Entire Agreement. This Agreement, together with the separate written agreements referenced herein, embodies the entire agreement and understanding of the parties hereto in respect of the subject matter contained herein. There are no restrictions, promises, representations, warranties, covenants or undertakings, other than those expressly set forth or referred to herein. Except as expressly provided herein, this Agreement and such separate written agreements supersede all prior agreements and understandings between the parties with respect to such subject matter. This Agreement does not create any right of employment on the part of any Member and no Member shall have any right (implied or otherwise) to be paid any amount hereunder except as expressly provided for herein. The parties hereto acknowledge that the Company, without any further act, approval or vote of any Member, may enter into side letters or other writings with individual Members or Special Members (including without limitation the

Participation Agreement, any Terms Letter and any agreement regarding the termination of a Member's employment or consultancy) which have the effect of establishing rights under, or altering or supplementing, the terms of, this Agreement. The parties hereto agree that any rights established, or any terms of the Agreement altered or supplemented, in such a side letter or other writing entered into by the Company with a Member or Special Member shall govern with respect to such Member or Special Member notwithstanding any other provision of this Agreement.

SECTION 10.8. Amendments; Power of Attorney. (a) This Agreement may be amended or modified with the consent of 75% in Interest of the members of the Management Committee; provided that no such amendment shall (a) increase any Member's relative share of capital contributions, reduce its share of the Company's distributions, income and gains, or increase its share of the Company's losses without the written consent of each Member so affected (for the avoidance of doubt, adjustments in Profit Sharing Percentages and capital interests in the Company effected in accordance with the provisions of this Agreement shall not be deemed to be amendments or modifications of this Agreement for this purpose), or (b) amend this Section 10.8 without the consent of each Member.

(b) Each Non-Managing Member hereby grants to each Managing Member an irrevocable power of attorney to consent to any amendment or modification of this Agreement duly adopted pursuant to Section 10.8(a) and to execute any instrument, certificate or writing evidencing the taking of any action which has been approved in accordance with the provisions of this Agreement.

(c) The Management Committee may unilaterally amend this Agreement on or before the effective date of the final regulations, as determined by the Management Committee in its sole discretion, to (i) authorize and direct the election of a safe harbor under Treas. Reg. Section 1.83-3(l) (or any similar provision) under which the fair market value of a membership interest that is transferred in connection with the performance of services is treated as being equal to the liquidation value of that interest, (ii) provide for an agreement by the Company and each of its Members to comply with all of the requirements set forth in such regulations and Notice 2005-43 (and any other guidance provided by the IRS with respect to such election) with respect to all membership interests transferred in connection with the performance of services while the election remains effective, (iii) provide for the allocation of items of income, gains, deductions and losses required by the final regulations similar to Proposed Regulation Section 1.704-1(b)(4)(xii)(b) and (c), and (iv) provide for any other related amendments.

SECTION 10.9. Titles. Section titles are for descriptive purposes only and shall not control or alter the meaning of this Agreement as set forth in the text hereof.

SECTION 10.10. Representations and Warranties. (a) Each Member which is not a natural person represents, warrants and covenants to the other Members that such Member is duly formed and validly existing under the laws of the jurisdiction of its organization with full power and authority to perform its obligations hereunder and that the execution, delivery and performance of this Agreement has been duly authorized by such Member.

(b) Each Member who is a natural person represents, warrants and covenants to the other Members that such Member has the legal capacity to enter into this Agreement and perform such Member's obligations hereunder.

(c) Each Member represents, warrants and covenants to the other Members that:

(i) this Agreement has been duly executed and delivered by such Member and constitutes the valid and legally binding agreement of such Member enforceable in accordance with its terms against such Member subject to the effect of bankruptcy, insolvency, moratorium and other similar laws relating to creditors' rights generally, by general equitable principles and by an implied covenant of good faith and fair dealing;

(ii) the execution and delivery of this Agreement by such Member and the performance of its duties and obligations hereunder do not result in a breach of any of the terms, conditions or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, credit agreement, note or other evidence of indebtedness, or any lease or other agreement, or any license, permit, franchise or certificate, to which such Member or any Affiliate is a party or by which it or any Affiliate is bound or to which its or any Affiliate's properties are subject, or require any authorization or approval under or pursuant to any of the foregoing which has not been obtained, or violate any statute, regulation, law, order, writ, injunction, judgment or decree to which such Member or any Affiliate is subject;

(iii) such Member is not in default (nor has any event occurred which with notice, lapse of time, or both, would constitute a default) in the performance of any obligation, agreement or condition contained in any indenture, mortgage, deed of trust, credit agreement, note or other evidence of indebtedness or any lease or other agreement, or any license, permit, franchise or certificate, to which it is a party or by which it is bound or to which the properties of it are subject, nor is it in violation of any statute, regulation, law, order, writ, injunction, judgment or decree to which it is subject, which default or violation would materially adversely affect such Member's ability to carry out its obligations under this Agreement;

(iv) there is no litigation, investigation or other proceeding pending or, to the knowledge of such Member, threatened against such Member or any of its Affiliates as to which there is a reasonable possibility of an adverse determination and which, if adversely determined, would materially adversely affect such Member's ability to carry out its obligations under this Agreement;

(v) no consent, approval or authorization of, or filing, registration or qualification with, any court or governmental authority on the part of such Member is required for the execution and delivery of this Agreement by such Member and, except as may be required under applicable securities and commodities laws in connection with the registration of the Company or such Member, the performance of its obligations and duties hereunder;

(vi) such Member is acquiring its interest in the Company for such Member's own account for investment purposes only and not with a view to resale or distribution;

(vii) such Member understands that such interests in the Company have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), the securities laws of any state thereof or the securities laws of any other jurisdiction, nor is such registration contemplated;

(viii) such Member understands and agrees further that, subject to the limited rights set forth in this Agreement, its interest in the Company must be held indefinitely unless such interest is subsequently registered under the Securities Act, the securities laws of any state and the securities laws of any other jurisdiction or an exemption from registration under the Securities Act and these laws covering the sale of such interests is available; that even if such an exemption is available, the assignability and transferability of its interests in the Company will be governed by this Agreement, which imposes substantial restrictions on transfer; that legends stating that its interests in the Company have not been registered under the Securities Act and these laws and setting out or referring to the restrictions on the transferability and resale of the Interests will be placed on all documents evidencing such Interests;

(ix) such Member has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in interests in the Company, is able to bear the risk of loss of an investment in such interests and understands the risks of, and other considerations relating to, a purchase of interests in the Company;

(x) such Member's overall commitment to the Company and other investments which are not readily marketable is not disproportionate to such Member's net worth and such Member has no need for immediate liquidity in such Member's investment in its interests in the Company; and

(xi) such Member has carefully read this Agreement and, to the full satisfaction of such Member, such Member has been furnished any materials such Member has requested relating to the Company and the Funds and the offering of interests in the Company, has consulted to the extent deemed appropriate by such Member with such Member's own advisors as to the financial, tax, legal and related matters concerning an investment in the Company and such Member has been afforded the opportunity to ask questions of representatives of the Company concerning the terms and conditions of the offering and to obtain any additional information necessary to verify the accuracy of any representations or information provided to such Member and to make an informed investment decision with respect to an investment in the Company.

(d) All of the representations, warranties and covenants made under this Section 10.10 shall be deemed to be made on a continuing basis during the term of the Company and shall survive the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby. Each Member agrees to notify the Management Committee promptly upon becoming aware of a breach in any of his or her representations, warranties and covenants hereunder.

SECTION 10.11. Division of Property. In the event of a property settlement or separation agreement between a Member and his or her spouse, such Member agrees that he or she shall use his or her reasonable efforts to retain all of his or her Interest in the Company and shall reimburse his or her spouse for any Interest he or she may have in the Company out of funds, assets or proceeds separate and distinct from his or her interest in the Company. To the extent that such Member is unable, despite his or her exercise of reasonable efforts, to retain all of his or her Interest in the Company, such Member shall use reasonable efforts to assign to his or her spouse only the right to share in profits and losses, to receive distribution or distributions, and to receive allocation of income, gain, loss, deduction or credit or similar item to which the assigning Member was entitled, to the extent assigned, with the assigning Member remaining entitled to exercise all rights and powers of a Member hereunder. Notwithstanding the foregoing, if a spouse or former spouse of a Member acquires an Interest in the Company as a Member as a result of any such proposed settlement or separation agreement, such spouse or former spouse shall be entitled only to allocation and distributions with respect to his or her Interest and shall have no right to vote his or her Interest, to participate in the management of the Company or to any accounting or information concerning the affairs of the Company and shall not have any other rights of a Member under this Agreement.

SECTION 10.12. Other Covenants of the Members. (a) In consideration for being admitted as a Member hereunder, each Individual Member hereby acknowledges that (i) he or she is bound by the provisions set forth in such Member's Terms Letter regarding post-employment covenants and (ii) a breach of his or her obligations thereunder or under this Section 10.12 shall constitute an event of Cause.

(b) In the event that any Individual Member's employment or, in the case of an Operating Executive, consultancy with EPI, EGH, EG LLC, EPS East, the Advisor or any of their Affiliates is terminated for any reason, except as required by law or legal process, the Company and such Member agree to refrain from making any comments or statements in the media or to the press or to any individual or entity with whom EPI, EGH, EG LLC, EPS East, the Advisor or any of their respective Affiliates has a business relationship or others, which could be likely to adversely affect (i) such Member's future employment or such Member's personal or professional reputation, in the case of comments or statements by the Company, or (ii) the conduct of the business of the Company or any of its Affiliates, or any of their plans or prospects, or the business reputation of the Company or any of its Affiliates, or any of their respective employees, in the case of comments or statements by such Member. For purposes of this Section 10.12(b), no comment or statement shall be deemed to be a comment or statement of the Company unless it is an official comment or statement of the Company or a comment or statement by any then Managing Member. The Management Committee shall use its reasonable best efforts to cause all personnel of the Company and its Affiliates to comply with the provisions of this Section 10.12(b).

(c) Each Individual Member acknowledges that a breach of his or her obligations under this Section 10.12 (for the avoidance of doubt, determined without giving effect to any modification pursuant to Section 10.13) shall constitute an event of Cause with the consequences specified pursuant to Section 4.4.

SECTION 10.13. Severability. In the event that any provision of this Agreement, including the post-employment covenants set forth in Sections 10.4 and 10.12 hereof and in each of the Member’s respective Terms Letters, shall be held or deemed to be invalid, illegal or unenforceable in any jurisdiction, for any reason, the invalidity of that provision shall not have the effect of rendering the provision in question unenforceable in any other jurisdiction or in any other case or of rendering any other provisions herein unenforceable. Instead, in such an event, the remainder of this Agreement shall be construed as if not containing the particular invalid or unenforceable provision or provisions, and the rights and obligations of the parties shall be enforced accordingly; and the invalid provision shall be substituted with a valid provision which most closely approximates the intent and the economic effect of the invalid provision and which would be enforceable to the maximum extent permitted in such jurisdiction or in such case.

SECTION 10.14. Irreparable Harm. Each of the Members hereby agrees that a failure to comply with the provisions of Section 10.12 of this Agreement would cause irreparable harm to the Company, and, therefore, the Company shall be entitled to an injunction and other equitable relief in the event of any such failure to comply with the provisions of Section 10.12.

SECTION 10.15. Power of Attorney with respect to Guarantee. (a) Each Member hereby grants to each member of the Management Committee an irrevocable power of attorney to execute and deliver in its name, place and stead the Fund Guarantees.

SECTION 10.16. Partnership Tax Treatment. The Members intend for the Company to be treated as a partnership for U.S. federal income tax purposes and no election to the contrary shall be made.

SECTION 10.17. Joint and Several Liability of Individual Members and Family Related Members. Each Individual Member and his or her respective Family Related Members hereby agree to be jointly and severally liable for any obligations of such Individual Member and his or her respective Family Related Members hereunder and under the Fund Guarantees.

SECTION 10.18. Consistent Treatment for Family Related Members. For purposes of this Agreement, in the case of any Family Related Member, (i) the termination of the employment or, in the case of an Operating Executive, consultancy with EPI, EGH, EG LLC, EPS East, the Advisor or any of their respective Affiliates of the Individual Member with which such Family Related Member is associated may, in the sole discretion of the Management Committee, be deemed a termination of employment of such Family Related Member, with the same character as the character of such Individual Member’s termination (e.g., with or without Cause, etc.), and (ii) the rights of the Company to repurchase a Family Related Member’s Profit Sharing Percentage pursuant to Section 4.4 shall be the same as the rights of the Company with respect to its associated Individual Member.

SECTION 10.19. Funding of Excess Amount of Giveback Obligation by Managing Members Under the Fund Guarantees. In the event that any Professional Member is required to make a payment under the Fund Guarantees of an amount in excess of such Professional Member's Pro Rata Share (as defined in the Fund Guarantees) of any Interim GP Clawback Amounts or the Giveback Obligation, the amount of such excess shall be borne by the Managing Members instead of such Professional Member. Each of the Managing Members shall be required to pay in respect of such excess an amount which equals the product of (I) the percentage obtained by dividing (x) such Managing Member's Give-Back Amount at such time by (y) the aggregate amount of Give-Back Amounts of all Managing Members at such time and (II) the amount of such excess.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

MANAGING MEMBERS:

____
Roger C. Altman

____
Austin M. Beutner

____
Ciara A. Burnham

____
John T. Dillon

____
Richard P. Emerson

____
Saul D. Goodman

____
William O. Hiltz

Jonathan A. Knee

Timothy G. LaLonde

Gail Landis

M. Sharon Lewellen

Eduardo G. Mestre

Neeraj Mital

Sangam Pant

Michael J. Price

Kathleen G. Reiland

William Repko

William A. Shutzer

David Wezdenko

Jane Wheeler

David Ying

NON-MANAGING MEMBERS:

EVERCORE GROUP HOLDINGS L.P.

By: Evercore Group Holdings L.L.C.

By:
Name:
Title:

EVERCORE GP HOLDINGS L.L.C.

By:
Name:
Title:

A&N ASSOCIATES L.P.

By: ______________________________
Name:
Title:

ROGER C. ALTMAN 1997 FAMILY
LIMITED PARTNERSHIP

By: ______________________________
Name:
Title:

THE ROGER C. ALTMAN 2005 GRANTOR
RETAINED ANNUITY TRUST

By: ______________________________
Name:
Title:

BEUTNER FAMILY 2001 LONG-TERM
TRUST

By: ______________________________
Name:
Title:

THE AUSTIN M. BEUTNER 2005
GRANTOR RETAINED ANNUITY TRUST

By: ______________________________
Name:
Title:

THE NEERAJ MITAL 1997 INSURANCE TRUST

By: ______________________________
Name:
Title:

31 JULY 2006

B J TAYLOR

J P OAKLEY

EVERCORE PARTNERS INC.,

AGREEMENT
for the sale and purchase of the
shares of Braveheart Financial Services Limited

FRESHFIELDS BRUCKHAUS DERINGER

CONTENTS

Exhibit 10.15

AGREEMENT

dated 31 July 2006

BETWEEN:

(1) **B J TAYLOR** of Rycote Park, Nr. Thame, Oxfordshire OX9 2PE (***BJT***);

(2) **J P OAKLEY** of 84 Sterndale Road, London W14 0HX (***JPO***);

(the ***Sellers*** and each a ***Seller***), and

(3) **EVERCORE PARTNERS INC**., a corporation incorporated under the laws of the State of Delaware, USA whose principal office is at 55 East 52nd Street, 43rd Floor, New York, New York 10055 (the ***Purchaser***)

(together the parties).

Words and expressions used in this Agreement shall be interpreted in accordance with Schedule 7.

Whereas

Braveheart Financial Services Limited (the ***Company***) is a private company limited by shares incorporated in England conducting corporate finance and private equity advisory business.

The Purchaser wishes to establish its own corporate finance and private equity advisory business in Europe and has concluded that it is best to do so through an acquisition of the Company with which it has been working pursuant to a Cooperation Agreement.

The Sellers are together the legal and beneficial owners of 100% of the existing and outstanding share capital of the Company. The Purchaser has agreed to purchase and the Sellers have agreed to sell the Company on the terms and subject to the conditions set out in this Agreement.

IT IS AGREED:

1. SALE AND PURCHASE

1.1 The Sellers shall sell, and the Purchaser shall purchase, the Shares with effect from Closing with all rights then attaching to them including the right to receive all distributions and dividends declared, paid or made in respect of the Shares after Closing. The sale and purchase of the Shares shall be on the terms set out in this Agreement.

1.2 BJT shall sell, and the Purchaser shall purchase, the Preference Shares with effect from Closing with all rights then attaching to them including the right to receive all distributions and dividends declared, paid or made in respect of the Preference Shares after Closing. The sale and purchase of the Preference Shares shall be on the terms set out in this Agreement.

2. CONSIDERATION

2.1 The total consideration for the Shares shall be comprised of (a) the Initial Consideration, (b) the Deferred Consideration, and (c) the Earn-Out Consideration, computed, where applicable, in accordance with clause 2.13, and shall be satisfied in such manner as is provided in this Agreement.

Initial Consideration

2.2 At Closing, the Purchaser shall issue to the Sellers the following number of shares of Class A Common Stock (the ***Initial Consideration***):

(a) to BJT, 942,371 shares of Class A Common Stock; and

(b) to JPO, 238,842 shares of Class A Common Stock;

(provided that, in the event of any split, reverse split, reclassification, recapitalization or similar transaction with respect to the Class A Common Stock after the date of this Agreement, the foregoing number of shares will be appropriately adjusted).

Earn-out (comprising the Deferred Consideration and Earn-Out Consideration)

2.3 On the seventh anniversary of Closing, the Purchaser shall issue to each Seller a number of additional shares of Class A Common Stock, to be determined by the Purchaser to reflect the success of the Company business over the period from Closing up to the date of issue, of not less than 50% and not more than 100% of the total number of shares of Class A Common Stock issued to such Seller at Closing (such number to be subject to pro rata adjustment to reflect any stock splits or consolidations carried out by the Purchaser prior to such issuance) (the ***Deferred Consideration***).

2.4 50% of the Deferred Consideration (as determined by the Purchaser, to reflect the success of the Company business up to the First Cessation Date, pursuant to clause 2.3) will be issued to the Sellers prior to the seventh anniversary of Closing if and forthwith upon Mr. Altman, Mr. Beutner and Mr. Aspe (together with their Permitted Transferees), collectively, cease to own 90% or more of the aggregate number of Class A Units of Evercore LP owned by them, collectively, as of the Evercore IPO closing (the date of cessation being the ***First Cessation Date***).

2.5 The remaining 50% of the Deferred Consideration (as determined by the Purchaser, to reflect the success of the Company business up to the Second Cessation Date, pursuant to clause 2.3) will be issued to the Sellers prior to the seventh anniversary of Closing if and forthwith upon Mr. Altman, Mr. Beutner and Mr. Aspe (together with their Permitted Transferees), collectively, cease to own 50% or more of the aggregate number of Class A Units of Evercore LP owned by them, collectively, as of the Evercore IPO closing (the date of cessation being the ***Second Cessation Date***).

2.6 In addition, 100% of the Deferred Consideration (as determined by the Purchaser, to reflect the success of the Company business during the period from Closing up to the date of issue, pursuant to clause 2.3) will be issued to the Sellers prior to the seventh anniversary of Closing if and forthwith upon a Change of Control of the Purchaser occurring.

2.7 The Purchaser may determine that the Deferred Consideration (as determined by the Purchaser, to reflect the success of the Company business during the period from Closing up to the date of issue, pursuant to clause 2.3) will be issued to the Sellers prior to the seventh anniversary of Closing in whole or in part at any time and from time to time.

2.8 The Deferred Consideration (as determined by the Purchaser, to reflect the success of the Company business up to the Death or Disability Date, pursuant to clause 2.3) will be issued to a Seller (as the case may be) prior to the seventh anniversary of Closing forthwith upon the date (the ***Death or Disability Date***) of such Seller's death or Disability.

2.9 Each of the Sellers will be entitled to earn out consideration linked to European Advisory Revenues (the ***Earn Out Consideration***) as follows:

(a) BJT will be entitled to receive (i) 66 $^{2}/_{3}$% of the European Advisory Revenues during the period from Closing through 31 December 2006 up to a maximum entitlement of $1,000,000 and (ii) 66 $^{2}/_{3}$% of the European Advisory Revenues during the period from 1 January 2007 through 31 December 2007 up to a maximum entitlement of $1,000,000 plus any shortfall below $1,000,000 that is not paid pursuant to the foregoing sub clause (i).

(b) JPO will be entitled to receive (i) 33 $^{1}/_{3}$% of the European Advisory Revenues during the period from Closing through 31 December 2006 up to a maximum entitlement of $500,000 and (ii) 33 $^{1}/_{3}$% of the European Advisory Revenues during the period from 1 January 2007 through 31 December 2007 up to a maximum entitlement of $500,000 plus any shortfall below $500,000 that is not paid pursuant to the foregoing sub clause (i).

2.10 Such amounts as are referred to in clause 2.9 shall be satisfied by the Purchaser issuing to the Sellers Loan Notes with a nominal value equal to their respective entitlements promptly after 31 December 2006 (or, if the Closing has not taken place by such date, on the date on which Closing takes place) (in relation to entitlement under sub–clauses (a)(i) and (b)(i)) and 31 December 2007 (in relation to entitlement under sub clauses (a)(ii) and (b)(ii)) and, as among BJT and JPO, shall be issued in proportion to their respective maximum entitlements.

2.11 For the purpose of determining the European Advisory Revenues for determining the Earn Out Consideration under clause 2.9, any revenues generated from cross border advisory engagements by the Purchaser's Group (including, following Closing, the Company) shall be allocated between the financial advisory business of the Purchaser's Group in Europe (including, following Closing, the Company) and the Purchaser's other financial advisory business based on the following formula: 1/3 for origination, 1/3 for geography of deal and 1/3 for execution.

2.12 All Class A Common Stock issued to the Sellers pursuant to this clause 2 shall be issued to the Sellers fully paid (non assessable) and will rank pari passu in all respects with Class A Common Stock in issue at the time the Class A Common Stock are issued pursuant to this Agreement.

2.13 Notwithstanding anything to the contrary in this Agreement, each Seller's right to receive the Initial Consideration, Deferred Consideration and the Earn-Out Consideration or (if applicable) any consideration received pursuant to clause 3.4 is to be computed in accordance with this clause 2.13 in the event that the value of the Company (and/or the successors or assigns of the Company's business) on the date on which such consideration is to be paid is lower than the value of the Company at the date of this Agreement (other than, in the case of the Earn-Out Consideration and Deferred Consideration, to the extent that the reduction of value has already been reflected in determining the amount of such consideration otherwise payable). Such computation shall be agreed by the Sellers and the Purchaser in good faith and shall be based on (and only on) general principles of valuation applicable to businesses of the type in which the Company is engaged (but always referable to matters relating to any business or assets of the Company (and/or its successors or assigns)) including, but not limited to:

(a) future revenue earning potential of the Company; and

(b) the quality of the client base of the Company.

IPO related transfer restrictions

2.14 Each Seller agrees that all of the shares of Class A Common Stock issued to them as Initial Consideration or Deferred Consideration will, upon closing of the Evercore IPO, be subject to restrictions on transferability which are set out in Schedule 6 and are in line with the restrictions applicable to the pre IPO equity holders of Evercore LP and the Purchaser agrees to be bound by the provisions of Schedule 6.

Preference Share Consideration

2.15 The consideration for the purchase of the Preference Shares shall be the sum of £100,181 plus any accrued but unpaid preference dividend on the Preference Shares as at Closing, payable in cash at Closing.

3. CONDITIONS TO CLOSING

3.1 Subject to clause 3.4 (and without prejudice to clause 5.1), Closing shall be conditional on the fulfillment of the following Conditions:

(a) closing of the Evercore IPO having occurred;

(b) none of the Company or the Sellers having breached any applicable law which would have a substantial material adverse effect on the business of the Company;

(c) the Purchaser having received from the UK Financial Services Authority all necessary consents and approvals under the Financial Services and Markets Act 2000 in relation to the change of control of the Company as a result of the Proposed Transaction;

(d) no applicable law, statute, rule regulation or order having been enacted or being in force which makes Closing illegal or failure to comply with which would reasonably be expected to lead to criminal prosecution of any employee of the Company, the Purchaser or any of their respective Affiliates; and

(e) neither the Sellers and the Purchaser having mutually agreed, nor, if applicable, the Independent Expert appointed pursuant to paragraph (g) of Schedule 6 having confirmed, that there is a reasonable probability of the occurrence referred to in that paragraph.

3.2 The Conditions in clause 3.1(a) and (e) may be waived by written agreement of both the Sellers and the Purchaser. The Condition in clause 3.1(b) may be waived by the Purchaser in writing.

3.3 The first Business Day in London on or by which the Conditions have been fulfilled (or waived in accordance with clause 3.2) is the ***Unconditional Date***.

3.4 If the Unconditional Date has not occurred on or before the Outside Date due solely to the Condition in clause 3.1(a) not having been fulfilled (or waived in accordance with clause 3.2), then the Sellers and the Purchasers will use their respective reasonable best efforts to work together to devise an alternative mechanism (subject always to appropriate conditions precedent) for Closing the Proposed Transaction in a mutually beneficial manner.

3.5 No party may rely on the failure of a Condition to be fulfilled or waived if the failure of such Condition to be fulfilled was caused or substantially contributed to by the breach by such party of its obligations under this Agreement.

4. PRE CLOSING SELLER UNDERTAKINGS

4.1 From the date of this Agreement until Closing, the Sellers shall (except as may be approved by the Purchaser) ensure that the business of the Company is carried on in all material respects only in the ordinary course and shall comply with the obligations set out in Schedule 4.

4.2 Promptly after the date of this Agreement, the Purchaser shall apply to the UK Financial Services Authority for any necessary consents and approvals in relation to the change of control of the Company as a result of the transactions contemplated by this Agreement and shall use its best endeavours to obtain such consents and approvals (provided that the Purchaser shall not be obliged to dispose of any business or to agree or accept any restriction on the operations of the Purchaser's Group (including the Company) after Closing, other than restrictions contained in the authorisation granted to the Company by the UK Financial Services Authority prior to the date of this Agreement or which are customary in respect of such consents and approvals and not unduly onerous) and each of the Sellers shall, and shall procure that the Company shall, use their respective best endeavours and take all reasonable steps to assist the Purchaser to obtain such consents and approvals.

4.3 Prior to the Closing, the Sellers shall cause the Company to elect on Form 8832, under U.S. law, in such form as is provided by the Purchaser to the Sellers not later than 30 Business Days prior to Closing, to classify the Company as a partnership for U.S. Tax purposes effective prior to the Closing Date and shall deliver to the Purchaser a copy of the executed Form 8832.

4.4 The Sellers or the Company shall provide FIRPTA certificates, in such form as is provided by the Purchaser to the Sellers not later than 10 Business Days prior to Closing, as required by Section 1445 of the Code and the regulations promulgated thereunder acceptable to the Purchaser indicating that no withholding is required under Section 1445 of the Code in connection with the sale and purchase.

5. CLOSING

5.1 Subject to the fulfilment (or waiver in accordance with clause 3.2) of the Conditions and subject to any delay to the issuance of the Initial Consideration pursuant to paragraph (d)(i) of Schedule 6, the Closing shall take place at the London offices of the Sellers' lawyers provided that:

(a) if the Unconditional Date has not occurred on or before the Outside Date due solely to the Condition in clause 3.1(a) not having been fulfilled (or waived in accordance with clause 3.2), then Closing shall only take place if, in accordance with clause 3.4, the Sellers and the Purchaser have mutually agreed an alternative mechanism;

(b) if the Unconditional Date has not occurred on or before the Outside Date due to one or more of the Conditions in clauses 3.1(b), (c), (d) and (e) not having been fulfilled (or waived in accordance with clause 3.2), then Closing shall not take place;

(c) if the Unconditional Date occurs on or before the Outside Date, Closing shall take place:

(i) if paragraph (e) of Schedule 6 is applicable, ten (10) Business Days after the required determination set out in paragraph (e) of Schedule 6 has been made (provided that if the Expert has not made the determination within the two (2) month period set out therein either the Sellers or the Purchaser shall have the right to elect by notice in writing to the other at any time on or after the expiration of such two (2) month period (unless the Expert has made a determination before such notice is given) that Closing shall not take place, in which case, this Agreement shall terminate in accordance with clause 9); or

(ii) otherwise, on the Outside Date (or such earlier date as the parties may agree) provided that the Purchaser may delay Closing pursuant to sub-paragraph (i) of paragraph (d) of Schedule 6;

(the date on which Closing takes place in accordance with this clause 5.1 being referred to as the ***Closing Date***).

5.2 At Closing each of the Sellers and the Purchaser shall deliver or perform (or ensure that there is delivered or performed) all those documents, items and actions respectively listed in relation to that party or any of its Affiliates (as the case may be) in Schedule 5.

5.3 For the avoidance of doubt the Sellers shall not have any entitlement to any consideration (referred to in clause 2) prior to Closing.

6. SELLER WARRANTIES

6.1 The Sellers warrant to the Purchaser as at the date of this Agreement in the terms of the Warranties. The Warranties are given subject to the limitations set out in Schedule 2.

6.2 None of the limitations in Schedule 2 shall apply to any Claim which arises (or to the extent that it is increased) as a consequence of fraud or fraudulent misrepresentation by the Sellers.

7. PURCHASER WARRANTIES

The Purchaser warrants to the Sellers as at the date of this Agreement in the terms of the warranties set out in Schedule 3.

8. CONDUCT OF PURCHASER CLAIMS

If the Purchaser becomes aware of any claim or potential claim by a third party (a ***Third Party Claim***), or of any other matter or circumstance, which would or would reasonably be expected to result in a Claim being made, the Purchaser shall:

(a) promptly (and in any event within 15 Business Days of becoming aware of it) give notice of the Third Party Claim or other matter or circumstance to the Sellers and ensure that the Sellers are given all reasonable information and facilities to investigate it;

(b) not (and ensure that each member of the Purchaser Group shall not) admit liability or make any agreement or compromise in relation to the Third Party Claim without prior written approval of the Sellers (which approval shall not be unreasonably withheld or delayed);

(c) subject to the Purchaser or the relevant member of the Purchaser Group being indemnified by the Sellers against all reasonable out-of-pocket costs and expenses incurred in respect of that Third Party Claim, ensure that it and each member of the Purchaser Group shall:

(i) take such action as the Sellers may reasonably request to avoid, resist, dispute, appeal, compromise or defend the Third Party Claim;

(ii) allow the Sellers (if they jointly elect to do so) to take over the conduct of all proceedings and/or negotiations arising in connection with the Third Party Claim; and

(iii) provide such information and assistance as the Sellers may reasonably require in connection with the preparation for and conduct of any proceedings and/or negotiations relating to the Third Party Claim.

9. NO RIGHTS OF RESCISSION OR TERMINATION

Neither the Sellers nor the Purchaser shall be entitled to rescind or terminate this Agreement in any circumstances whatsoever (whether before or after Closing) provided that, if Closing has not occurred on or before the Outside Date, unless the Sellers and the Purchaser have agreed in writing on or before the Outside Date to delay Closing to a later date, either the Sellers, on the one hand, or (save where the Purchaser has made an election to delay Closing pursuant to sub-paragraph (i) of paragraph (d) of Schedule 6) the Purchaser, on the other hand, may terminate this Agreement upon three Business Days’ written notice to the other party. Termination of this Agreement in accordance with this clause 9 shall be without prejudice to any party’s rights or obligations existing prior to such termination and the Surviving Provisions shall survive any such termination. This shall not exclude any liability for (or remedy in respect of) fraudulent misrepresentation.

10. INSURANCE

From the date of this Agreement until (and including) the Closing Date, the Sellers and the Company shall continue in force any and all policies of insurance maintained by them in respect of the Company.

11. ANNOUNCEMENTS

11.1 Until 3 months after the Closing Date, neither the Sellers nor the Purchaser (nor any of their respective Affiliates) shall make any announcement or issue any circular in connection with the existence or subject matter of this Agreement (or any other Transaction Document) without the prior written approval of the other. Notwithstanding the foregoing, the Purchaser may include a description of this Agreement (and any other Transaction Document) and the transactions contemplated by this Agreement in the Purchaser’s updated

Registration Statement on Form S-1 (and any amendments thereto) to be filed with the United States Securities and Exchange Commission in connection with the Evercore IPO after the date of this Agreement (the ***S-1***) and may file this Agreement (and any other Transaction Document) as an exhibit to the S-1; provided that, prior to the filing of the S-1, the Purchaser shall use its reasonable efforts to consult with the Sellers in advance as to the form, content and timing of those portions of the S-1 which relate to the Proposed Transaction.

11.2 The restriction in clause 11.1 shall not apply to the extent that the announcement or circular is required by law, by any stock exchange or any regulatory or other supervisory body or authority of competent jurisdiction, whether or not the requirement has the force of law. If this exception applies, the party making the announcement or issuing the circular shall use its reasonable efforts to consult with the other party in advance as to its form, content and timing.

12. CONFIDENTIALITY

12.1 For the purposes of this clause 12:

(a) ***Confidential Information*** means:

(i) (in relation to the obligations of the Purchaser) any information received or held by the Purchaser (or any of its Representatives) relating to the Sellers or, prior to Closing, the Company; or

(ii) (in relation to the obligations of the Sellers) any information received or held by the Sellers (or any of its Representatives) relating to the Purchaser Group or, following Closing, the Company; and

(iii) information relating to the provisions of, and negotiations leading to, this Agreement and the other Transaction Documents

and includes written information and information transferred or obtained orally, visually, electronically or by any other means;

(b) ***Representatives*** means, in relation to a party, its respective Affiliates and the directors, officers, employees, agents, advisers, accountants and consultants of that party and/or of its respective Affiliates.

12.2 Each of the Sellers and the Purchaser shall (and shall ensure that each of its Representatives shall) maintain Confidential Information in confidence and not disclose Confidential Information to any person except (i) as this clause 12 permits, (ii) as clause 11 permits, (iii) as the other party approves in writing or (iv) as required for the purposes of clauses 14.4 or 14.5.

12.3 Clause 12.2 shall not prevent disclosure by a party or its Representatives to the extent it can demonstrate that:

(a) disclosure is required by law or by any stock exchange or any regulatory or governmental body (including any Tax Authority) or antitrust body in each case having applicable jurisdiction (provided that the disclosing party shall first inform the other party of its intention to disclose such information and take into account the reasonable comments of the other party);

(b) disclosure is of Confidential Information which was lawfully in the possession of that party or any of its Representatives (in either case as evidenced by written records) without, so far as the disclosing party is aware, any obligation of secrecy prior to its being received or held;

(c) disclosure is of Confidential Information which has previously become publicly available other than through that party's fault (or that of its Representatives);

(d) disclosure is required for the purpose of any arbitral or judicial proceedings arising out of this Agreement (or any other Transaction Document).

12.4 Each of the Sellers and the Purchaser undertakes that they (and their Affiliates) shall only disclose Confidential Information to Representatives if it is reasonably required for purposes connected with this Agreement and only if the Representatives are informed of the confidential nature of the Confidential Information.

12.5 Save as required or permitted under the Cooperation Agreement, if this Agreement terminates, the Purchaser shall as soon as practicable on request by the Sellers:

(a) return to the Sellers all written documents and other materials relating to the Sellers, the Company or this Agreement (including any Confidential Information) which the Sellers (or their Representatives) have provided to the Purchaser (or its Representatives) without keeping any copies thereof;

(b) destroy all information or other documents derived from such Confidential Information; and

(c) so far as it is practicable to do so, expunge such Confidential Information from any computer, word processor or other device.

12.6 Save as required or permitted under the Cooperation Agreement, if this Agreement terminates, the Sellers shall as soon as practicable on request by the Purchaser:

(a) return to the Purchaser all written documents and other materials relating to the Purchaser, or this Agreement (including any Confidential Information) which the Purchaser (or its Representatives) has provided to the Sellers (or their Representatives) without keeping any copies thereof;

(b) destroy all information or other documents derived from such Confidential Information; and

(c) so far as it is practicable to do so, expunge such Confidential Information from any computer, word processor or other device.

13. ASSIGNMENT

13.1 Except as provided in this clause 13 or unless the Sellers and the Purchaser specifically agree in writing, no person shall assign, transfer, charge or otherwise deal with all or any of its rights under this Agreement nor grant, declare, create or dispose of any right or interest in it. Any purported assignment in contravention of this clause 13 shall be void.

13.2 The Purchaser may assign (in whole or in part) the benefit of the Warranties with the consent of the Sellers (such consent not to be unreasonably withheld) to any member of the Purchaser Group which is the legal and beneficial owner from time to time of any or all of the Shares as if it were the Purchaser under this Agreement. The Purchaser shall ensure that before any such assignee subsequently ceases to be a member of the Purchaser Group it shall re assign that benefit to the Purchaser or to another continuing member of the Purchaser Group.

13.3 If an assignment is made in accordance with this clause 13, the liabilities of the Sellers to the Purchaser Group under this Agreement shall be no greater than such liabilities would have been if the assignment had not occurred.

14. FURTHER ASSURANCES

14.1 Each of the Sellers and the Purchaser shall from and after the Closing Date, execute (or procure the execution of) such further documents as may be required by law or be necessary to implement and give effect to this Agreement.

14.2 Each of the Sellers and the Purchaser shall procure that its Affiliates comply with all obligations under this Agreement which are expressed to apply to any such Affiliates.

14.3 The Purchaser agrees to enter into or procure that the Company enters into (as the case may be) such election(s) with each of the Sellers under section 425(3) and/or 431 of the Income Tax (Earnings and Pensions) Act 2003 as the Sellers may require no later than 14 days after the receipt by the Sellers of any Class A Common Stock or Loan Notes as Initial Consideration, Deferred Consideration or Earn-Out Consideration issued under this Agreement or as otherwise issued under the Transaction Documents.

14.4 The Sellers shall submit the COP 10 Request to HMRC within fifteen (15) Business Days after the date of this Agreement.

14.5 The Purchaser agrees that the Sellers shall be entitled to request the following from HMRC (whether prior to, on or as soon as reasonably practicable after the date of this Agreement, but in any event within fifteen (15) Business Days after the date of this Agreement) in connection with the sale of the Shares (any such request for clearance or confirmation as is referred to in (a) or (b) to be drafted in consultation with the Purchaser and its advisers so that, in particular, the Purchaser shall be sent a copy of any draft of any such request which the Sellers or the Sellers' advisers propose to submit to HMRC at least ten (10) Business Days before it is submitted provided that the Purchaser and/or its advisers agree to provide any comments for consideration of the Sellers in a timely fashion so that the Sellers are able to submit any such request within fifteen (15) Business Days after the date of this Agreement (and the Sellers agree to consider in good faith any comments provided by the Purchaser)):

(a) clearances under the provisions of (i) section 707 of the Income and Corporation Taxes Act 1988 confirming that section 703 of the Income and Corporation Taxes Act 1988 does not apply, and (ii) section 138 TCGA 1992 confirming that the exchange of the Shares for the consideration referred to in clause 2 of this Agreement will be effected for bona fide commercial reasons and will not form part of any such scheme or arrangements as are mentioned in section 137(1) TCGA 1992; and

(b) confirmation as to the application of section 135 TCGA 1992 in respect of the Initial Consideration (or as the case may be the Earn-Out Consideration where issued on Closing) and as to the application of section 138A TCGA 1992 in respect of the Deferred Consideration and such part of the Earn-Out Consideration as is not issued on Closing).

14.6 The Purchaser and each of the Sellers agree to provide all reasonable cooperation required in relation to the preparation of any of the requests referred to in clauses 14.4 and

14.5 (or in relation to (i) any discussions with or responses to HMRC before the Closing Date in connection with such requests or (ii) the clarification of any liability which the Company or Evercore may incur under PAYE or NIC legislation in connection with the Initial Consideration, the Deferred Consideration or the Earn-Out Consideration) including without limitation provision of information and co-operation in producing any relevant documentation. The Purchaser further agrees that it will not (and will procure that the Company does not) adopt an approach with HMRC which is inconsistent with that:

(A) agreed with HMRC following any of the requests referred to in clauses 14.4 and 14.5 (provided that the contents of those requests are not misleading or inaccurate and the requests have otherwise been prepared in a lawful and reasonable manner); or

(B) stipulated by the Expert (pursuant to paragraph (e) of Schedule 6) unless otherwise required by law; or, if neither (A) nor (B) applies,

(C) (for the purposes of stamp duty or stamp duty reserve tax) set out in any of the requests referred to in clause 14.5,

nor at any time, if HMRC has indicated the amount of Tax which is in its view payable in respect of any part of the consideration for the Shares (or after the Expert has made a determination pursuant to paragraph (e) of Schedule 6), seek to persuade HMRC that the amount properly payable is greater.

15. COSTS

15.1 Subject to clause 15.2 and except as otherwise provided in this Agreement (or any other Transaction Document) the Purchaser shall be responsible for all costs, charges and other expenses (including those of its Affiliates) incurred in connection with the Proposed Transaction by the Sellers and the Purchaser.

15.2 The Purchaser shall bear all stamp duty, notarisation fees or other documentary transfer or transaction duties, and all stamp duty reserve tax, stamp duty land tax and any other transfer Taxes including in each case any related interest or penalties arising as a result of this Agreement or, excepting for the avoidance of doubt any transfers of or agreements to transfer the Loan Notes, of any of the other Transaction Documents.

15.3 Without prejudice to the provisions of the Deed, the Sellers shall not be liable to the Purchaser and/or the Company under the terms of this Agreement for any liabilities in respect of or relating to Tax which arise in connection with the entitlement to and/or receipt of the consideration referred to in clause 2.

16. NOTICES

16.1 Any notice in connection with this Agreement shall be in writing in English and delivered by hand, fax, registered post or courier using an internationally recognised courier company. A notice shall be effective upon receipt and shall be deemed to have been received (i) at the time of delivery, if delivered by hand, registered post or courier or (ii) at the time of transmission if delivered by fax provided that in either case, where delivery occurs outside Working Hours, notice shall be deemed to have been received at the start of Working Hours on the next following Business Day.

16.2 The addresses and fax numbers of the parties for the purpose of clause 16.1 are:

Sellers

Address: [c/o Freshfields Bruckhaus Deringer, 65 Fleet Street, London EC4Y 1HS]
Fax: [+44 20 7832 7001]
For the attention of: [James Wood]

Purchaser

Address: Evercore Partners Inc., 100 Wilshire Blvd., Suite 550, Santa Monica, CA 90401
Fax: (310) 689-0812
For the attention of: Austin M Beutner

and

Address: Evercore Partners Inc., 55 East 52nd Street, 43rd Floor, New York, NY 10055
Fax: (212) 822-7522
For the attention of: David E. Wezdenko

With a copy to (which shall not constitute notice):

Address: Simpson Thacher & Bartlett LLP, 425 Lexington Avenue, New York, NY 10017
Fax: (212) 455-2502
For the attention of: Alan G. Schwartz and Kathryn K. Sudol

17. CONFLICT WITH OTHER AGREEMENTS

If there is any conflict between the terms of this Agreement and any other agreement, this Agreement shall prevail (as between the parties to this Agreement and as between any of the Sellers and any members of the Purchaser Group) unless (i) such other agreement expressly states that it overrides this Agreement in the relevant respect and (ii) the Sellers and the Purchaser are either also parties to that other agreement or otherwise expressly agree in writing that such other agreement shall override this Agreement in that respect.

18. WHOLE AGREEMENT

This Agreement and the other Transaction Documents together set out the whole agreement between the parties in respect of the sale and purchase of the Shares and supersede any prior agreement (whether oral or written) relating to the Proposed Transaction. It is agreed that:

(a) no party shall have any claim or remedy in respect of any statement, representation, warranty or undertaking made by or on behalf of the other party (or any of its Connected Persons) in relation to the Proposed Transaction which is not expressly set out in this Agreement or any other Transaction Document;

(b) any terms or conditions implied by law in any jurisdiction in relation to the Proposed Transaction are excluded to the fullest extent permitted by law or, if incapable of exclusion, any right, or remedies in relation to them are irrevocably waived;

(c) the only right or remedy of a party in relation to any provision of this Agreement or any other Transaction Document shall be for breach of this Agreement or the relevant Transaction Document; and

(d) except for any liability in respect of a breach of this Agreement, no party (or any of its Connected Persons) shall owe any duty of care or have any liability in tort or otherwise to the other party (or its respective Connected Persons) in relation to the Proposed Transaction

provided that this clause shall not exclude any liability for (or remedy in respect of) fraudulent misrepresentation. Each party agrees to the terms of this clause 18 on its own behalf and as agent for each of its Connected Persons. For the purpose of this clause, ***Connected Persons*** means (in relation to a party) the officers, employees, agents and advisers of that party or any of its Affiliates.

19. WAIVERS, RIGHTS AND REMEDIES

Except as expressly provided in this Agreement, no failure or delay by any party in exercising any right or remedy relating to this Agreement or any of the Transaction Documents shall affect or operate as a waiver or variation of that right or remedy or preclude its exercise at any subsequent time. No single or partial exercise of any such right or remedy shall preclude any further exercise of it or the exercise of any other remedy.

20. COUNTERPARTS

This Agreement may be executed in any number of separate counterparts, each of which is an original but all of which taken together shall constitute one and the same instrument.

21. VARIATIONS

No amendment of this Agreement (or of any other Transaction Document) shall be valid unless it is in writing and duly executed by or on behalf of all of the parties to it.

22. INVALIDITY

Each of the provisions of this Agreement and the other Transaction Documents is severable. If any such provision is held to be or becomes invalid or unenforceable in any respect under the law of any jurisdiction, it shall have no effect in that respect and the parties shall use all reasonable efforts to replace it in that respect with a valid and enforceable substitute provision the effect of which is as close to its intended effect as possible.

23. THIRD PARTY ENFORCEMENT RIGHTS

23.1 The Connected Persons specified in clause 18 (Whole Agreement) shall have the right to enforce the relevant terms of that clause by reason of the Contracts (Rights of Third Parties) Act 1999. This right is subject to (i) the rights of the parties to amend or vary this Agreement without the consent of any Connected Person and (ii) the other terms and conditions of this Agreement.

23.2 Except as provided in clause 23.1, a person who is not a party to this Agreement shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms.

24. GOVERNING LAW AND JURISDICTION

24.1 This Agreement shall be governed by, and interpreted in accordance with, English law.

24.2 Except as expressly provided otherwise in this Agreement, the courts of England are to have exclusive jurisdiction to settle any disputes which may arise in connection with this Agreement. For such purposes each party irrevocably submits to the jurisdiction of the English courts, waives any objections to the jurisdiction of those courts and irrevocably agrees that a judgment or order of the English courts in connection with this Agreement is conclusive and binding on it and may be enforced against it in the courts of any other jurisdiction.

SCHEDULE 1

SELLER WARRANTIES

Part A : GENERAL/COMMERCIAL

1. The Sellers and the Shares

1.1 Authorisations, valid obligations, filings and consents.

(a) Each of the Sellers and the Company have obtained all governmental, statutory, regulatory or other consents, licences or authorisations required to empower it to enter into and perform its obligations under this Agreement and/or any Transaction Document to which it is a party where failure to obtain any such consent, licence or authorisation, individually or in the aggregate, would or would reasonably be expected to adversely affect to a material extent its ability to enter into or perform its obligations under this Agreement and/or any Transaction Document to which it is a party or the business, operations or financial condition of the Company.

(b) Entry into and performance by each of the Sellers and the Company of this Agreement and/or any Transaction Document to which it is a party will not result in a breach of any laws or regulations in their jurisdiction or of any order, decree or judgment of any court or any governmental or regulatory authority, where any such breach would or would reasonably be expected to adversely affect to a material extent its ability to enter into or perform its obligations under this Agreement and/or any Transaction Document to which it is a party or the business, operations or financial condition of the Company.

1.2 The Sellers, the Shares and the Company.

(a) The Company is validly incorporated, in existence and duly registered under the laws of its jurisdiction of incorporation. The Company has full power under its memorandum or articles of association, by-laws or equivalent constitutional documents to conduct its business as conducted at the date of this Agreement.

(b) The Shares and the Preference Shares constitute the whole of the issued share capital of the Company. All the Shares and the Preference Shares are fully paid or properly credited as fully paid and the Sellers are and will at Closing be (i) the sole legal and beneficial owner of the Shares and the Preference Shares free from all Third Party Rights and (ii) entitled to transfer or procure the transfer of the Shares and the Preference Shares on the terms of this Agreement.

(c) None of the Sellers has entered into any agreement whereby any person (other than the Company) has the right (exercisable now or in the future and whether contingent or not) to call for the issue of any share or loan capital in the Company.

(d) The information on the Company set out in Exhibit 1 is accurate in all material respects.

1.3 <u>Other interests</u>. The Company does not own or have any interest of any nature in any shares, debentures or other securities.

2. Financial Matters

2.1 Position since incorporation. Since incorporation:

(a) the Company has been operated in the ordinary course;

(b) the Company has not declared, authorised, paid or made any dividend or other distribution, nor has the Company reduced its paid-up share capital;

(c) neither the Company nor any shareholder of the Company has issued or agreed to issue any share or loan capital or any Third Party Rights with respect to any share or loan capital;

(d) the Company has not repaid any borrowing or indebtedness in advance of its stated maturity.

2.2 Statutory books. The statutory books of the Company required to be kept by applicable laws in its jurisdiction of incorporation have been maintained in all material respects in accordance with such laws.

3. Financial Debt

3.1 The Company does not owe any Debt to any person other than the Debt described in Schedule 3.1 of the Disclosure Letter.

4. Regulatory Matters

4.1 Licences. None of the Sellers or the Company has received any notice (written or, so far as the Sellers are aware having made reasonable enquiry, otherwise) from a Governmental Entity alleging that the Company, the Sellers or any employee of the Company has not obtained a material licence, permission, authorisation (public or private) or consent required for carrying on the business of the Company effectively in the places and in the manner in which it is carried on at the date of this Agreement in accordance with all applicable laws and regulations.

4.2 Compliance.

(a) The Company has conducted its business and corporate affairs in all material respects in accordance with its memorandum and articles of association, by-laws or other equivalent constitutional documents.

(b) So far as the Sellers are aware having made reasonable enquiry, there has been no default by the Company or any Seller under any order, decree or judgment of any court or any governmental or regulatory authority or Governmental Entity in the jurisdiction in which it is incorporated which applies to the Company where such default has had or is likely to have a material cost (including, for these purposes, a loss of profit) to the Company.

5. The Business Assets

For the purposes of this paragraph 5, a material asset shall mean an asset with a book value of £25,000 or more.

5.1 Ownership. The Company owns or is entitled to use all the material assets necessary to carry on its business in all material respects as currently carried on. The Company has not (outside the ordinary and normal course of business) disposed of, or agreed to dispose of, any material asset of its business.

5.2 Possession. The material assets of the businesses of the Company are in its possession or under their control.

5.3 Insurance. The Company has not made any claim in excess of £25,000 under any policy of insurance.

6. Contractual Matters

6.1 Material contracts. The Company is not party to any agreement:

(a) under the terms of which, as a direct or indirect result of the entry into and performance of the Transaction Documents (i) any other party will be entitled to be relieved of any material obligation or become entitled to exercise any material right (including any termination or pre emption right or other option) or (ii) the Company will be in material default, where such relief, exercise or default, individually or in the aggregate, would or would reasonably be expected to have an adverse effect to a material extent on the business, operations or financial condition of the Company;

(b) which is material and is not in the ordinary course of business;

(c) which is a joint venture, consortium, partnership or profit (or loss) sharing agreement;

(d) which limits the freedom of the Company to compete in any line of business in any geographic area or with any person, or upon consummation of the Proposed Transaction, will restrict the ability of the Purchaser or its Affiliates to compete in any line of business in any geographic area or with any person;

(e) which calls for aggregate payments from the Company of £250,000 or more; or

(f) to which any Affiliate of the Company, including without limitation any shareholder of the Company or any Affiliate of such shareholder, is a party (other than the Service Agreements).

6.2 Defaults. The Company has not received written notice that it is in material default under any contract to which it is a party; for this purpose, ***material*** means a default which is likely to have a cost (including, for this purpose, a loss of profit) to the Company of £25,000 or more.

7. Litigation and Investigations

7.1 Litigation. So far as the Sellers are aware having made reasonable enquiry, neither the Company nor any employee of the Company is involved as a party in any material litigation, arbitration or administrative proceedings with respect to the business of the Company and, so far as the Sellers are aware, no such proceedings have been threatened in writing by or against the Company or any employee of the Company. For this purpose (i) ***material*** means proceedings which (if successful) would or would reasonably be expected to result in a cost, benefit or value to the Company of £100,000 or more and (ii) any proceedings for collection by the Company of debts arising in the ordinary course of business and any proceedings in respect of claims identified in the Disclosure Letter as insured claims are excluded.

7.2 Investigations. So far as the Sellers are aware having made reasonable enquiry, the Company has not received written notice of any current or pending investigation by a Governmental Entity concerning the Company or any employee of the Company, in each case with respect to the business of the Company.

8. Insolvency etc.

8.1 Winding up. Neither the Sellers nor the Company has received any written notice that an order has been made, petition presented or meeting convened for the winding up of the Company or for the appointment of any provisional liquidator.

8.2 Administration and receivership. Neither the Sellers nor the Company has received any written notice concerning the appointment of a receiver (including any administrative receiver or the equivalent to a receiver or administrative receiver in the relevant jurisdiction) in respect of the whole or any material part of the property, assets and/or undertaking of the Company.

8.3 Voluntary arrangement etc. Neither the Sellers nor the Company has made any voluntary arrangement with any of its creditors in the 2 years prior to the date of this Agreement.

9. IP/IT

9.1 Business IP. None of the material Business IP is subject to any Third Party Right.

9.2 No infringement. Neither the Sellers nor the Company has received a written notice alleging that the operations of a Company infringe the Intellectual Property Rights of any third party or sent a written notice alleging that any third party is infringing the Business IP.

9.3 Data protection. The Company has not received a written notice alleging that it has not complied with applicable data protection laws.

10. Employment

10.1 Employment Agreements. The Sellers have provided to the Purchaser true and complete copies of all employment agreements, arrangements or understandings between the Company and any employee, officer, director, independent contractor or consultant pursuant to which the Company has any liability or obligation to provide compensation and/or benefits in consideration for past, present or future services.

10.2 Trade Unions. The Company does not recognise any trade union or other body representing its Employees or any of them for the purpose of collective bargaining or negotiating.

10.3 Incentive schemes. The Company has not, or has not agreed to introduce, any share incentive scheme, share option scheme or profit sharing scheme or (other than those disclosed to the Purchaser in writing on or prior to the date of the Agreement) any bonus, commission or other such incentive scheme for any directors or Employees or other workers engaged in its business.

10.4 Notice on termination. No written or unwritten contract of employment with any Employee exists that cannot be terminated by the relevant Company on three (3) months notice or less without giving rise to a claim for damages or compensation (other than a statutory redundancy payment or statutory compensation for unfair dismissal or, in either case, the equivalent in any relevant jurisdiction).

10.5 Disclosure of retirement schemes etc. There do not exist any pension, retirement, superannuation, provident, death or disability schemes, whether funded or unfunded, for directors or Employees or any obligations to or in respect of any present or past directors or employees with regard to retirement, redundancy, death, sickness or disability pursuant to which the Company is or may become liable to make any payments (other than those disclosed to the Purchaser in writing on or prior to the date of the Agreement).

10.6 Termination of Employment. No Employee has given notice which has not yet expired terminating his or her employment or has indicated to the Company an intention to resign as a result of the Proposed Transaction.

10.7 Employment Claims. There are no claims pending against the Company by any Employee of former employee of the Company in respect of damages (whether for breach of contract of otherwise) or compensation for loss of office or employment or for redundancy, including deduction of wages, protective awards, wrongful dismissal or unfair dismissal or for failure to comply with any order for the reinstatement or re-engagement of any employee or for any other liability including but not limited to the termination of any contract of service or for services.

10.8 Material compliance with laws. The Company has complied in all material respects with all applicable laws in relation to the employment of the Employees.

11. Taxes

For the avoidance of doubt the Warranties in this paragraph 11 are given as at the date of this Agreement and no Claim may be made under the Warranties in this paragraph 11 in respect of the consideration referred to in clause 2 of this Agreement.

11.1 All material Tax Returns required to be filed by or with respect to the Company have been filed in a timely fashion, and all such Tax Returns are complete and correct in all material respects. The Company has (in respect of any period prior to the date of this Agreement) paid in full all Taxes due and payable. The Company has not incurred any liability for Taxes other than in the ordinary course of business.

11.2 No examination or audit of any Tax Return relating to any Taxes of the Company with respect to any Taxes due from or with respect to the Company by any Taxing Authority is currently in progress or, to the knowledge of the Sellers, has been threatened by any Taxing Authority. No assessment of Tax has been proposed in writing against the Company or any of its assets or properties and to the knowledge of the Sellers there are no grounds for any such assessment in respect of transactions which have occurred prior to the date of this Agreement (and for the avoidance of doubt such transactions do not include those contemplated by the terms of this Agreement).

11.3 The Company has made all deductions in respect, or on account, of any Tax from any payments made by it (prior to the date of this Agreement) and has accounted in full to the appropriate authority for all amounts so deducted.

11.4 The Company is registered for the purposes of VATA and has made, given, obtained and kept full, complete, correct and up-to-date returns, records, invoices and other documents appropriate or required for those purposes and is not in arrears with any payments or returns due and has not been required by HMRC to give security under paragraph 4 of Schedule 11 of VATA. The Company has never been treated as a member of a group under section 43 of VATA and no application has ever been made for the Company so to be treated. The Company has never been in default in respect of any prescribed accounting period as mentioned in section 59 or section 59A of VATA. The Company has made no claims for bad debt relief under section 36 of VATA. The Company has never acted as agent of any person not resident in the United Kingdom for the purposes of section 47 of VATA or been appointed as a VAT representative of any person for the purpose of section 48 VATA.

11.5 The Company is not and has never been a member of any group for Tax purposes.

11.6 The Company has not, other than on arm's length terms, acquired any asset from a person who has at any time been a shareholder in, or officer or employee of, the Company.

11.7 The Company has not made any single payment in excess of £100,000, or incurred any obligation to make such a single payment, which will not be fully deductible in computing trading profits.

11.8 The Company has sufficient records relating to past events to calculate the Tax liability or relief which would arise on any disposal or other realisation of any asset owned by the Company.

11.9 The Company does not have outstanding any loan to which the provisions of section 419 of the Income and Corporation Taxes Act 1988 would apply (loans to participators etc.).

11.10 No election contrary to the Form 8832 to be filed by the Company pursuant to clause 4.3 has been made prior to the date of this Agreement.

SCHEDULE 2

LIMITATIONS ON LIABILITY

1. Time Limits. The Sellers shall not be liable for any Claim unless the Sellers receive from the Purchaser written notice containing reasonably specific details of the Claim including the Purchaser's estimate (on a without prejudice basis) of the amount of the Claim prior to the first anniversary of Closing. The Purchaser shall provide such written notice to the Sellers within 30 days of the Purchaser becoming aware of such Claim; provided, however, that any failure to give such notice within 30 days of the Purchaser becoming aware of such Claim shall not excuse the Sellers from liability for such Claims except to the extent that the Sellers are actually prejudiced thereby.

2. Thresholds for Claims. The Sellers shall not be liable for any single Claim:

(a) unless the amount of the liability pursuant to that single Claim or series of related Claims exceeds £5,000 (in which case the Purchaser shall be able to claim for the entire amount of such claim); and

(b) unless the aggregate amount of the liability of the Sellers for all Claims not excluded by sub paragraph (a) exceeds £25,000 (in which case the Purchaser shall be entitled to claim only for the excess over £25,000).

3. Maximum limit for all Claims; Payments. The aggregate amount of the liability of the Sellers for all Claims shall not exceed the total amount of Initial Consideration and any Deferred Consideration and Earn-Out Consideration received by the Sellers (with respect to the Initial Consideration and the Deferred Consideration, calculated as the lower of (i) an amount in U.S. dollars equal to the price per share of Class A Common Stock set forth on the cover page of the final prospectus relating to the Evercore IPO and (ii) the Fair Market Value of Class A Common Stock being redeemed at the date of such liability arising), in either case less the amount of Tax (if any) paid or payable or to be paid by the Sellers in relation to the receipt of or entitlement to such Initial Consideration, Deferred Consideration, and Earn Out Consideration (and less any costs, including without limitation in respect of Tax, incurred by the Sellers as a result of any buyback, netting or sale pursuant to any of the mechanisms referred to in paragraph (d) of Schedule 6 or any buyback pursuant to this paragraph 3), and the aggregate amount of the Purchaser's recourse against the Sellers shall be limited to such net total consideration. The Sellers shall satisfy any liability in respect of any Claim as follows: (a) up to the first $500,000 by wire transfer of immediately available funds to an account designated in writing by the Purchaser, and (b) thereafter, (x) by the Purchaser buying back at Fair Market Value such number of shares of Class A Common Stock issued to Sellers that results in buyback proceeds equal to the sum of the liability of the Sellers hereunder for the Claim and any costs, including without limitation in respect of Tax, incurred by the Sellers as a result of such buyback and (y) by the Sellers agreeing that the Purchaser retain such amount otherwise payable to the Sellers as a result of the buyback as equals the liability of the Sellers hereunder for the Claim to discharge such liability. The Purchaser shall use reasonable efforts to effect any buyback in a manner which is likely to constitute a capital disposal for UK capital gains tax purposes by each Seller.

4. Claim to be withdrawn unless litigation commenced. Any Claim shall (if it has not been previously satisfied, settled or withdrawn) be deemed to have been withdrawn 6 months after the notice is given pursuant to paragraph 1 of this Schedule or, in the case of a contingent liability, 6 months after that liability becomes an actual liability, unless legal

proceedings in respect of it have been commenced by being both issued and served. No new Claim may be made in respect of the facts, matters, events or circumstances giving rise to any such withdrawn Claim except to the extent there is a change in such facts, matters, events or circumstances within 6 months thereafter.

5. Matters disclosed. The Sellers shall not be liable for any Claim for breach of the Warranties if and to the extent that the fact, matter, event or circumstance giving rise to such Claim is fairly disclosed by this Agreement, any other Transaction Document or the Disclosure Letter.

6. Contingent liabilities. If any Claim is based upon a liability which is contingent only, the Sellers shall not be liable to pay unless and until such contingent liability gives rise to an obligation to make a payment (but the Purchaser has the right under paragraph 1 of this Schedule 2 to give notice of that Claim before such time).

7. No liability for Claims arising from acts or omissions of Purchaser. The Sellers shall not be liable for any Claim to the extent that it would not have arisen but for, or has been increased or not reduced as a result of, any voluntary act, omission or transaction carried out before Closing by the Sellers or the Company if and to the extent that the Sellers can demonstrate that such voluntary act, omission or transaction was with the agreement of, at the direction of or at the request of the Purchaser or any member of the Purchaser Group.

8. Purchaser's duty to mitigate. The Purchaser shall procure that all reasonable steps are taken to avoid or mitigate any loss or damage which it may suffer in consequence of any breach by the Sellers of the terms of this Agreement or any fact, matter, event or circumstance likely to give rise to a Claim.

9. Insured Claims. The Sellers shall not be liable in respect of any Claim to the extent that the amount of such Claim is covered by a policy of insurance.

10. Recovery from third party after payment from Sellers. Where the Sellers have made a payment to the Purchaser in relation to any Claim and the Purchaser or any member of the Purchaser Group is entitled to recover (whether by insurance, payment, discount, credit, relief or otherwise) from a third party a sum which indemnifies or compensates the Purchaser or any member of the Purchaser Group (in whole or in part) in respect of the liability or loss which is the subject of a Claim, the Purchaser or relevant member of the Purchaser Group shall (i) promptly notify the Sellers of the fact and provide such information as the Sellers may reasonably require (ii) take all reasonable steps or proceedings as the Sellers may require to enforce such right and (iii) pay to the Sellers as soon as practicable after receipt an amount equal to the amount recovered from the third party (net of Tax and less any actual costs of recovery).

11. No liability for legislation or changes in rates of Tax. The Sellers shall not be liable for any Claim if and to the extent it is attributable to, or the amount of such Claim is increased as a result of, any (i) legislation not in force at the date of this Agreement (ii) change of law (or any change in interpretation on the basis of case law), regulation, directive, requirement or administrative practice after the date of this Agreement or (iii) change in the rates of Tax in force at the date of this Agreement.

12. No double recovery. The Purchaser shall not be entitled to recover damages or obtain payment, reimbursement, restitution or indemnity more than once in respect of any one liability, loss, cost, shortfall, damage, deficiency, breach or other set of circumstances which gives rise to more than one Claim.

13. Purchaser's knowledge. The Sellers shall not be liable for any Claim for breach of the Warranties if and to the extent that the Sellers can demonstrate that such Claim arises from a fact, matter, event or circumstance caused by an action of the Company in respect of which the Sellers have previously informed the Purchaser and which the Purchaser has approved.

14. Waiver of right of set off. The Purchaser waives and relinquishes any right of set off or counterclaim, deduction or retention which the Purchaser might otherwise have in respect of any Claim against or out of any payments which the Purchaser may be obliged to make (or procure to be made) to the Sellers pursuant to this Agreement or otherwise.

15. Sellers to have opportunity to remedy breaches. If a breach of the Warranties is capable of remedy, the Purchaser shall give the Sellers written notice of the breach and shall only be entitled to compensation if the breach is not remedied within 30 days after the date on which such notice is served on the Sellers. Without prejudice to its duty to mitigate any loss, the Purchaser shall procure that the Company permits the Sellers to devote reasonable efforts to remedy any such breach.

16. Tax Warranties. The Warranties set out in paragraph 11 of Schedule 1 shall be the only warranties given by the Sellers in relation to Tax and related claims, liabilities or matters and the Sellers shall have no liability in respect of a breach of any other Warranty to the extent that the breach relates to any Tax related matters.

SCHEDULE 3

PURCHASER WARRANTIES

1. The Purchaser is duly incorporated and validly existing under the laws of its jurisdiction and has full power to conduct its business as conducted at the date of this Agreement.

2. The Purchaser has obtained all corporate authorisations and all other governmental, statutory, regulatory or other consents, licences and authorisations required to empower it to enter into and perform its obligations under this Agreement and any other Transaction Document to which it is a party where failure to obtain any such consent, license or authorisation, individually or in the aggregate, would or would reasonably be expected to affect to a material extent its ability to enter into and perform its obligations under this Agreement and/or any Transaction document to which it is a party.

3. Entry into and performance by each member of the Purchaser Group of this Agreement and/or any Transaction Document to which it is a party will not (i) breach any provision of its memorandum and articles of association, by-laws or equivalent constitutional documents or (ii) result in a breach of any laws or regulations in its jurisdiction of incorporation or of any order, decree or judgment of any court or any governmental or regulatory authority, where any such breach, individually or in the aggregate, or would reasonably be expected to adversely affect to a material extent its ability to enter into or perform its obligations under this Agreement and/or any Transaction Document to which it is a party.

4. The Purchaser has not received any written notice that an order has been made, petition presented or meeting convened for the winding up of any member of the Purchaser Group or for the appointment of any provisional liquidator. The Purchaser has not received any written notice concerning the appointment of a receiver (including any administrative receiver or the equivalent to a receiver or administrative receiver in the relevant jurisdiction) in respect of the whole or any material part of the property, assets and/or undertaking of any member of the Purchaser Group. No member of the Purchaser Group has made any voluntary arrangement with any of its creditors or commenced any voluntary case for reorganisation under Chapter 11 of the United States Bankruptcy Code, 11 U.S.C.§§101-1330 in either case the 2 years prior to the date of this Agreement.

5. So far as the Purchaser is aware, neither the Purchaser nor any member of the Purchaser Group is subject to any order, judgment, direction, investigation or other proceedings by any Governmental Entity that would, or would reasonably be expected to, prevent or materially delay the Proposed Transaction.

SCHEDULE 4

CONDUCT OF THE COMPANY PRE CLOSING

From the date of this Agreement until Closing, the Sellers shall (save as may be approved by the Purchaser in writing, such approval not to be unreasonably withheld or delayed) ensure that:

(a) the Company does not reduce its paid-up share capital;

(b) the Company does not issue or agree to issue or allot any share capital;

(c) the Company does not (i) employ or agree to employ any new full or part time persons in a senior managerial capacity or (ii) make changes (other than those required by law) in terms of employment (including pension fund commitments), in each case in circumstances which are likely to increase in aggregate the total staff costs of the Company by more than 15% per annum;

(d) the Company does not enter into or terminate any contract which is likely to involve expenditure in excess of £250,000 per annum or which cannot be performed within its terms within 3 years after the date on which it is entered into;

(e) the Company does not institute or settle any litigation where that action is likely to result in a payment by the Company or costs and expenses to be incurred by the Company of £100,000 or more (except for collection in the ordinary course of trading debts none of which exceeds £25,000);

(f) the Company does not create any Third Party Right over the Shares or the shares or assets of the Company other than a Permitted Encumbrance;

(g) the Company does not incur any Debt in excess of £100,000 in aggregate;

(h) the Company does not enter into any employment agreement, arrangement or understanding pursuant to which the Company will be obligated to pay annual compensation in excess of £150,000;

(i) the Company does not make any material acquisition or investment, whether by purchase of equity interests, asset purchase, merger or consolidation, or by contributions to capital or otherwise;

(j) the Company does not sell, transfer, encumber or otherwise dispose of any material assets or properties, whether by asset sale, merger or consolidation or otherwise;

(k) the Company does not make any capital expenditures in excess of £50,000;

(l) the Company does not enter into any agreements, arrangements or understandings between the Company and any Affiliate of the Company; and

(m) the Company files on a timely basis in respect of all periods ending before Closing all Tax Returns required to be filed and pays all Taxes due in respect of all periods ending before Closing which properly fall to be paid by the Company prior to Closing.

SCHEDULE 5

CLOSING ARRANGEMENTS

Part A : Seller Obligations

1. At Closing, the Sellers shall deliver or ensure that there is delivered to the Purchaser (or made available to the Purchaser's reasonable satisfaction):

(a) duly executed transfers into the name of the Purchaser in respect of all the Shares;

(b) the share certificates or equivalent documents in any applicable jurisdiction relating to all the Shares (including any bearer shares) in respect of which certificates were issued or are required by law to be issued; in the case of share certificates in respect of the Shares in the Company where endorsement of share certificates is required to validly transfer the Shares concerned, such certificates being properly endorsed so as to transfer the Shares to the Purchaser;

(c) (in respect of the Company) the resignation of each director, company secretary and auditor of that the Company as may be notified by the Purchaser not later than 7 Business Days prior to Closing; and

(d) FIRPTA certificates (in the form provided by the Purchaser to the Sellers at least 10 Business Days prior to Closing) as required by Section 1445 of the Code and the regulations promulgated thereunder acceptable to the Purchaser indicating that no withholding is required under Section 1445 of the Code in connection with the Proposed Transaction.

Part B : Purchaser Obligations

1. At Closing, the Purchaser shall:

(a) deliver (or ensure that there is delivered to the Sellers) a copy of a resolution (certified by a duly appointed officer as true and correct) of the board and/or supervisory board (as necessary to provide valid authorisation) of directors of the Purchaser (or, if required by the law of its jurisdiction or its articles of association, by-laws or equivalent constitutional documents, of its shareholders) authorising the execution of and the performance by the relevant company of its obligations under this Agreement and each of the Transaction Documents to be executed by it; and

(b) deliver to the Sellers the Initial Consideration in accordance with clause 2.2.

Part C : General

1. The Sellers and the Purchaser shall negotiate in good faith with a view to agreeing before the Closing Date the final form of any Transaction Document which is not in Agreed Form at the date of this Agreement.

2. All documents and items delivered at Closing pursuant to this Schedule 5 shall be held by the recipient to the order of the person delivering the same until such time as Closing shall be deemed to have taken place. Simultaneously with delivery of all documents and all items required to be delivered at Closing (or waiver of the delivery of it by the person entitled to receive the relevant document or item) the documents and items delivered in accordance with this paragraph shall cease to be held to the order of the person delivering them and Closing shall be deemed to have taken place.

SCHEDULE 6

SHARE TRANSFER RESTRICTIONS

Restrictions on disposition following Evercore IPO

(a) Subject to clause (d) below, with effect from the closing of the Evercore IPO, no Seller may Transfer all or any portion of its shares of Class A Common Stock (or any beneficial interest therein) received as Initial Consideration or Deferred Consideration (or, in the event of a Closing in accordance with clause 3.4 of the Agreement, received in exchange for other interests of an affiliate of the Purchaser upon the closing of the Evercore IPO) (the ***Evercore Shares***) for a period of seven years following closing of the Evercore IPO without the prior written consent of the Purchaser, which consent may be given or withheld, or made subject to such conditions (including, without limitation, the receipt of such legal opinions and other documents that the Purchaser may require) as are determined by the Purchaser, in each case in the Purchaser's sole discretion. Any purported Transfer of the Evercore Shares that is not in accordance with, or subsequently violates, the restrictions set forth in this Schedule 6 shall be null and void.

(b) Notwithstanding paragraph (a) of this Schedule 6, the Transfer restrictions set forth in this Schedule 6 shall cease to apply with respect to the Evercore Shares issued to a Seller in the event of a Change of Control of the Purchaser unless otherwise determined by a majority of the management committee of the Purchaser.

(c) Notwithstanding the Transfer restrictions set forth in this Schedule 6, upon 30 days prior written notice to the Purchaser, each Seller may Transfer all or a portion of the Evercore Shares owned by such Seller to a spouse, child or Family Trust of such Seller for estate or Tax planning purposes or as a gratuitous transfer to any Charity (any such Family Trust or Charity, in relation to a person, or any other person to whom the Purchaser permits such person to transfer equity in the Purchaser or Evercore LP, being referred to herein as such person's ***Permitted Transferee***); provided, however, that no Seller may Transfer to Charities during any calendar year more than the number of Evercore Shares that is equal to the product of (x) .10 multiplied by (y) the remainder of (A) the total number of Evercore Shares to be issued to such Seller pursuant to this Agreement minus (B) the number of Evercore Shares to be issued to such Seller as Deferred Consideration which have not, as of the date of the proposed Transfer to a Charity, been issued to such Seller. Any Evercore Shares Transferred by a Seller to a Permitted Transferee of such Seller pursuant to the preceding sentence shall remain subject to the same restrictions on Transfer to which such Evercore Shares would be subject if such Evercore Shares had not been so Transferred and, before any such Permitted Transferee ceases to be a Permitted Transferee of the relevant Seller, it shall transfer full legal and beneficial ownership of such Evercore Shares to the relevant Seller or, subject to this Schedule 6, another Permitted Transferee of the relevant Seller. Furthermore, before any transfer of Evercore Shares by any Seller (or any transferee of any Seller), the proposed transferee of such Evercore Shares must enter into a written acknowledgement and agreement with Purchaser and Evercore LP that such transferee will receive such Evercore Shares subject to, and that such transferee will be bound by, the transfer restrictions set out in this Schedule 6 or otherwise applicable and all applicable voting arrangements.

(d) In the event that Tax (if any) is payable to HMRC, or amounts in respect of Tax (if any) are payable to the Company, at any time by either Seller in respect of such Seller's entitlement to (and/or the issuance of) the Initial Consideration or any Deferred Consideration pursuant to this Agreement, the Purchaser will (notwithstanding any other provision in this Agreement) enable such Seller to sell sufficient shares of Class A Common Stock (the ***Relevant Shares***) to pay such liability for Tax (if any), or amounts in respect of Tax payable to the Company (if any), and also to pay any costs, including without limitation in respect of Tax, incurred by such Seller in connection with (i), (ii) or (iii) below. Such Seller will be enabled to sell such shares pursuant to one or more of the following mechanisms which, subject to the provisos in paragraphs (ii) and (iii) below, the Purchaser shall be entitled to elect in its sole and absolute discretion:

(i) the Purchaser electing to buy back all or some of the Relevant Shares on the date on which such Initial Consideration or Deferred Consideration, as the case may be, is issued under this Agreement and/or (to the extent it arises at a different date) the date (the latter date being the ***Trigger Date***) on or as soon as is reasonably practicable after the date on which the relevant liability for Tax or amounts in respect of Tax has arisen at a price in U.S. dollars equal to the closing sale price per share of Class A Common Stock on (and as reported by) the national securities exchange or interdealer quotation system on which such Class A Common Stock is then traded or listed on the date of issuance or the Trigger Date as applicable (the ***Buyback Price***), (and the Purchaser shall use reasonable efforts to effect any buyback in a manner which is likely to constitute a capital disposal for U.K. capital gains tax purposes by such Seller); provided that the Purchaser shall have the right (always acting in good faith and reasonably promptly) to delay the date on which such Initial Consideration or Deferred Consideration as the case may be, is issued under this Agreement to the earliest practicable date on which the Purchaser is able to effect such buyback at the Buyback Price;

(ii) the Purchaser electing to buy back all or some of the Relevant Shares by reducing the number of shares of Class A Common Stock to be issued to such Seller as Initial Consideration or Deferred Consideration under the Agreement by such number of shares of Class A Common Stock as have a Buyback Price equal to the liabilities for Taxes and costs in question; provided that, in order to elect this mechanism, the Purchaser must obtain the prior written consent of such Seller, which may be withheld in such Seller's sole and absolute discretion; and

(iii) the Purchaser electing to waive the transfer restrictions applicable to the Relevant Shares in order to permit the sale of such Relevant Shares by such Seller on the date on which the relevant consideration is issued and/or (to the extent it arises at a different date) the date on which the relevant liability for Tax or amounts in respect of Tax has arisen; provided that the Purchaser shall not be permitted to elect this mechanism unless (A) the sale of such Relevant Shares by such Seller has been registered with the U.S. Securities Commission or is subject to an applicable exemption from the requirement to be so registered and (B) such Seller is able to sell such Relevant Shares in accordance with applicable U.S. securities laws (including insider trading restrictions), and (C) if the sale is to occur during the period of 180 days from the closing date of the Evercore IPO, the written consent of the underwriters to the Evercore IPO has been obtained (for the avoidance of doubt, this provision shall not impose any obligation on the Purchaser to file a registration statement with the U.S. Securities and Exchange Commission to register the sale of any Relevant Shares by any Seller).

For the avoidance of doubt, such Seller shall be entitled to dispose of Class A Common Stock comprising the Initial Consideration received by such Seller under the Agreement in order to satisfy Tax (if any), or amounts in respect of Tax payable to the Company (if any), and also to pay any costs, including without limitation in respect of Tax, incurred by such Seller in connection with (i), (ii) or (iii) above in respect of such Seller's entitlement to (and/or the issuance of) the Deferred Consideration under the Agreement but only on a date which is on or as soon as reasonably practicable after the date on which the relevant liability for Tax or amounts in respect of Tax arises.

(e) In the event that, on the date which is three (3) months prior to the Outside Date, the COP 10 Ruling and the HMRC responses (or lack of response) to the requests made pursuant to clause 14.5 (together with any subsequent correspondence with HMRC) do not indicate

(A) the amount of Tax (if any) payable by the Sellers, and

(B) the amount (if any) of the Vicarious Liabilities (as that term is used in the Tax Deed) so that it is possible to determine the amounts in respect of Tax (if any) payable to the Company by the Sellers,

in each case being a liability for Tax or amounts in respect of Tax arising prior to, on or around Closing, (or do not, as an alternative to any such indication, give a valuation methodology by virtue of which any such amounts can be calculated) in respect of the Sellers' entitlement to (and/or the issuance of) the Initial Consideration, or in respect of the Sellers' entitlement to the Deferred Consideration pursuant to this Agreement (the ***Tax Treatment***), the Purchaser and the Sellers shall meet to clarify the position. If the Purchaser and the Sellers (acting reasonably and in good faith) are unable to reach agreement on the Tax Treatment within ten (10) Business Days, the Company shall retain an independent expert nominated by the Sellers who is acceptable to the Purchaser or, failing agreement between the Purchaser and the Sellers within a further 10 Business Days, shall request the President for the time being of the Chartered Institute of Taxation of England and Wales to appoint an appropriate independent expert (the ***Expert***); provided that where the Independent Expert has already been appointed pursuant to paragraph (g), such Independent Expert shall be the Expert. The Expert shall be requested to determine a reasonable estimate of

(A) the amount of Tax (if any) payable by the Sellers, and

(B) amounts in respect of Tax (if any) payable to the Company by the Sellers

in each case being a liability for Tax or amounts in respect of Tax arising prior to, on or around Closing, (the ***Liabilities***) in respect of the Sellers' entitlement to (and/or the issuance of) the Initial Consideration, or in respect of the Sellers' entitlement to the Deferred Consideration pursuant to this Agreement and Tax liabilities of the Sellers in connection with the sale mechanisms (implemented to satisfy the Liabilities) described in (i), (ii) or (iii) in paragraph (d) above (together with the time any such Tax charges arise), as soon as reasonably practicable after his appointment but, in any event, within two (2) months of such appointment. The costs of the Expert shall be borne by the Sellers. Upon Closing pursuant to clause 5.1(c)(i), the Purchaser shall promptly implement and execute the mechanism(s) to permit the Sellers to dispose of the amount of Relevant Shares required to meet all such Tax liabilities in accordance with the Expert's determination of such liabilities for Tax or amounts in respect of Tax pursuant to paragraph (d) above.

(f) In the event that a Seller is permitted to dispose of an amount of shares of Class A Common Stock in order to pay any liability for Tax (if any), or amounts in respect of Tax payable to the Company (if any), and also to pay any costs incurred by such Seller in connection with (i), (ii) or (iii) in paragraph (d) above, and, once the due date for payment of that Tax, amounts or costs has passed, it is clear that the sums actually payable are less than the sums which were expected to be payable at the time the disposal was permitted:

(A) such excess cash amount actually retained by such Seller (where relevant, less any costs of recovery and any Tax actually suffered thereon) shall (if there would be no consequent Tax liability for such Seller or the Purchaser) be promptly paid by such Seller to the Purchaser and the Purchaser shall re-issue to such Seller such number of shares of Class A Common Stock that represented the amount of such excess (based on the price at which such shares were disposed of pursuant (i), (ii) or (iii) in paragraph (d) above); provided that

(B) if the re-issuance referred to in (A) would lead to a Tax liability for such Seller or the Purchaser, (A) shall not apply and the Purchaser and such Seller agree to cooperate in good faith (using reasonable endeavours) to implement a mechanic whereby such excess amount (where relevant, less any costs of recovery and any Tax actually suffered thereon) is retained by such Seller on a basis which is tax efficient for such Seller and the Purchaser and in a way that is designed to reflect the economics intended to be achieved by (A) above and if no such mechanic is agreed by such Seller and the Purchaser, such Seller shall in any event retain the relevant cash amount.

(g) If, on any date after the signing of this Agreement but always on or before the date which is three (3) months prior to the Outside Date, the Sellers or the Purchaser (acting reasonably) notify the other that they believe that there is a reasonable probability that the amount of Tax (if any) payable by the Sellers, and/or amounts in respect of Tax (if any) payable to the Company by the Sellers, in respect of the Sellers' entitlement to (and/or the issuance of) the consideration referred to in clause 2 and costs incurred in respect of Tax by the Sellers in connection with the sale mechanisms described in (i), (ii) or (iii) in paragraph (d) above, would exceed the amount of the total consideration actually received by the Sellers or (so far as reasonably ascertainable) which will have been received by the Sellers on or before the date on which the Tax or amounts in respect of Tax have become payable then either the Sellers or the Purchaser shall retain an independent expert nominated by the Sellers who is acceptable to the Purchaser or, failing agreement between the Purchaser and the Sellers within 10 Business Days, be entitled to request the President for the time being of the Chartered Institute of Taxation of England and Wales to appoint an appropriate independent expert (the ***Independent Expert***); provided that where the Expert has already been appointed pursuant to paragraph (e), such Expert shall be the Independent Expert. The Independent Expert shall be requested to determine whether or not there is a reasonable probability that the amount of Tax (if any) payable by the Sellers, and/or amounts in respect of Tax (if any) payable to the Company by the Sellers, in respect of the Sellers' entitlement to (and/or the issuance of) the consideration referred to in clause 2 and costs incurred in respect of Tax by the Sellers in connection with the sale mechanisms described in (i), (ii) or (iii) in paragraph (d) above would exceed the total amount of the consideration actually received by the Sellers or (so far as reasonably ascertainable) which will have been received by the Sellers on or before the date on which the Tax or amounts in respect of Tax have become payable at any time, as soon as reasonably practicable after his appointment but, in any event, within two (2) months of such appointment. The costs of the Independent Expert shall be borne by the Sellers.

For the avoidance of doubt for the purposes of this Schedule any capital gains tax liability of the Sellers in respect of the Deferred Consideration which arises as a result of the non-application of section 138A TCGA 1992 shall be treated as arising on Closing and the fact that the Sellers may have to pay amounts (whether to HMRC or otherwise) in respect of any liability for Tax or amounts in respect of Tax at a later date shall not operate to defer the date the liability for Tax or amounts in respect of Tax arises for the purposes of this Schedule.

SCHEDULE 7

DEFINITIONS AND INTERPRETATION

1. Definitions. In this Agreement, the following words and expressions shall have the following meanings:

Affiliate means, with respect to a specified person, any other person that directly, or indirectly through one or more other Affiliates, Controls, is Controlled by, or is under common Control with, such specified person, in each case from time to time;

Agreed Form means, in relation to a document, the form of that document which has been initialled on the date of this Agreement for the purpose of identification by or on behalf of the Sellers and the Purchaser (in each case with such amendments as may be agreed in writing by or on behalf of the Sellers and the Purchaser);

Business Day means a day (other than a Saturday or Sunday or public holiday in England and Wales or in New York, New York) on which banks are open in London and New York for general commercial business;

Business IP means the Intellectual Property Rights used by the Company;

Change of Control means the occurrence of any of the following: (1) the sale, lease, transfer, conveyance or other disposition, in one or a series of related transactions, of all or substantially all of the assets of the Purchaser or Evercore LP to any person if any person or affiliated group of persons (other than the Purchaser, Mr. Altman, Mr. Beutner, Mr. Aspe or any of their respective Affiliates) will be, immediately following the consummation of such transaction or transactions, the beneficial owner, directly or indirectly, of more than 50% of the then outstanding securities or voting securities of such person; (2) the dissolution of the Purchaser or Evercore LP (other than by way of merger, consolidation or a reorganization transaction); or (3) the consummation of any transaction (including, without limitation, any merger, consolidation or a reorganization transaction) the result of which is that any person or affiliated group of persons (other than the Purchaser, Mr. Altman, Mr. Beutner, Mr. Aspe or any of their respective Affiliates) becomes the beneficial owner, directly or indirectly, of more than 50% of the then outstanding partnership units of Evercore LP and/or more than 50% of the voting power of the Purchaser's then outstanding voting securities;

Charity means (i) a charity within the meaning of that word as it is used in the Charities Act 1993 and (ii) any organisation that is organized and operated for a purpose described in Section 170(c) of the Code (determined without reference to Code Section 170(c)(2)(A)) and described in Code Sections 2055(a) and 2522, in any case being a Charity unconnected with the Sellers;

Claim means any claim under or for breach of this Agreement including for the avoidance of doubt the Warranties;

Class A Common Stock means shares of Class A common stock of par value of $0.0001 per share of the Purchaser;

Class A Units means Class A Units of Evercore LP representing interests in Evercore LP;

Closing means completion of the sale and purchase of the Shares in accordance with the provisions of this Agreement;

Closing Date has the meaning given in clause 5.1;

Code means the United States Internal Revenue Code of 1986, as amended from time to time.

Company means Braveheart Financial Services Limited, a private company limited by shares incorporated in England;

Conditions means the conditions to Closing set out in clause 3.1, and Condition means any of them;

Confidential Information has the meaning given in clause 12.1;

Control (including the terms Controlled by and under common Control with) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, as trustee or executor, by contract or otherwise, including, without limitation, the ownership, directly or indirectly, of securities having the power to elect a majority of the board of directors or similar body governing the affairs of such person;

Cooperation Agreement means the cooperation agreement between the Company and the Purchaser dated 19 April 2006;

COP 10 Request means an application (to be made to HMRC under Code of Practice 10 by the Sellers or the Sellers' advisers on their behalf, but drafted in consultation with the Purchaser and its advisors so that, in particular, the Purchaser shall be sent a copy of any draft of the application which the Sellers or the Sellers' advisors propose to submit to HMRC at least 10 Business Days before it is submitted provided that the Purchaser and/or its advisors agree to provide any comments for consideration of the Sellers in a timely fashion so that the Sellers do not breach their obligation under clause 14.4 (and the Sellers agree to consider in good faith any comments provided by the Purchaser)) requesting that HMRC agree that no element of the consideration for the sale of the Shares pursuant to this Agreement represents employment income under the provisions of the Income Tax (Earnings and Pensions) Act 2003;

COP 10 Ruling means the first substantive written response from HMRC to the COP 10 Request (but for the avoidance of doubt a request for information from or question raised by HMRC will not of itself constitute a substantive response);

COP 10 Ruling Deadline means the earlier of (i) the date on which the COP 10 Ruling is obtained from HMRC and (ii) the date that is three (3) months from the date on which the COP 10 Request is submitted by the Sellers to HMRC pursuant to clause 14.4;

Debt means borrowings and indebtedness in the nature of borrowing (including by way of acceptance credits, discounting or similar facilities, loan stocks, bonds, debentures, notes, overdrafts or any other similar arrangements the purpose of which is to raise money);

Deed means the deed entered into by the Purchaser and the Sellers on the date of this Agreement;

Deferred Consideration has the meaning given in clause 2.3;

Disability means, as to any person, such person's inability to perform in all material respects his or her duties and responsibilities to the Purchaser, or any of its Affiliates, by reason of a physical or mental disability or infirmity which inability is reasonably expected to be permanent and has continued (i) for a period of six consecutive months or (ii) such shorter period as the Purchaser may reasonably determine in good faith;

Disclosure Letter means the letter from the Sellers to the Purchaser executed and delivered immediately before the signing of this Agreement;

Earn Out Consideration has the meaning given in clause 2.9;

Employees means the employees of the Company immediately prior to Closing;

European Advisory Revenues means gross revenues generated by the financial advisory business carried on by the Purchaser's Group in Europe (including, after Closing the Company) less any out-of-pocket expenses charged by third parties specifically in relation to a particular engagement which are not reimbursed by the client or otherwise;

Evercore IPO means the initial public offering of Evercore Partners Inc. pursuant to the S-1;

Evercore LP means Evercore LP, a limited partnership organised under the laws of Delaware with its principal office at 55 East 52nd Street, 43rd Floor, New York, New York 10055;

Evercore Reorganisation means the reorganisation of various entities under common control with the Purchaser in connection with, and prior to the closing of, the Evercore IPO, including the issuance of partnership units of Evercore LP to individuals and entities who will be partners of Evercore LP and the contribution of such various entities under common control with the Purchaser to Evercore LP;

Evercore Shares has the meaning given in paragraph (a) of Schedule 6;

Exchange Rate means, with respect to a particular currency for a particular day, the spot rate of exchange (the closing mid point) for that currency into sterling on such date as published in the London edition of the Financial Times first published thereafter or, where no such rate is published in respect of that currency for such date, at the rate quoted by Barclays Bank plc as at the close of business in London on such date;

Exhibits means exhibit 1 to this Agreement, and Exhibit shall be construed accordingly;

Fair Market Value means, with respect to a single share of Class A Common Stock, an amount in U.S. dollars equal to the volume weighted average (rounded to the nearest 1/1,000) of the closing sale prices per share of Class A Common Stock on the national securities exchange or interdealer quotation system on which such Class A Common Stock is then traded or listed, as reported by the Wall Street Journal, for the ten (10) trading days ending on the second trading day immediately prior to the date of determination provided that if the event or circumstance giving rise to the Claim in respect of which payment is due hereunder would be required to be publicly disclosed by the Purchaser, the 10-trading day period for calculating the Fair Market Value of the shares of Class A Common Stock shall commence on the second trading day following the date of such public announcement;

Family Trust means any trust the sole beneficiaries of which (other than remote contingent beneficiaries) are limited to the transferor, the transferor's spouse, and the lineal descendants of the transferor and which has undertaken to the Purchaser, in accordance with Schedule 6, to be subject to the restrictions on transfer set out in Schedule 6 to this Agreement;

Governmental Entity means any supra national, national, state, municipal or local government (including any subdivision, court, administrative agency or commission or other authority thereof) or any quasi governmental or private body exercising any regulatory, taxing, importing or other governmental or quasi governmental authority or any Tax Authority, including the European Union, any such governmental or quasi-governmental or private body in the European Union, and including, for the avoidance of doubt, the UK Financial Services Authority;

HMRC means HM Revenue & Customs;

Intellectual Property Rights means patents, trade marks, service marks, logos, get-up, trade names, internet domain names, rights in designs, copyright (including rights in computer software) and moral rights, database rights, semi-conductor topography rights, utility models, rights in know-how and other intellectual property rights, in each case whether registered or unregistered, and all rights or forms of protection having equivalent or similar effect anywhere in the world and registered includes registrations and applications for registration;

Loan Notes means loan notes to be constituted by the Loan Note Instrument to be issued by the Purchaser if required pursuant to clause 2.10;

Loan Note Instrument means the instrument in the Agreed Form constituting the Loan Notes;

Outside Date means the date which is seven (7) months after the COP 10 Ruling Deadline;

parent company means any company which holds a majority of the voting rights in another company, or which is a member of another company and has the right to appoint or remove a majority of its board of directors, or which is a member of another company and controls a majority of the voting rights in it under an agreement with other members, in each case whether directly or indirectly through one or more companies;

Permitted Transferee has the meaning given in paragraph (c) of Schedule 6;

Preference Shares means the 100,181 issued preference shares of £1.00 each in the capital of the Company;

Proposed Transaction means the transaction contemplated by the Transaction Documents;

Purchaser Group means the Purchaser and its Affiliates from time to time;

Representatives has the meaning given in clause 12.1;

S-1 has the meaning given in clause 11.1;

Sellers' Bank Accounts means such bank accounts as are notified by the Sellers to the Purchaser from time to time for the purposes of this Agreement;

Shares means the shares comprising the entire issued ordinary share capital of the Company;

subsidiary and ***subsidiaries*** means any company in relation to which another company is its parent company;

Surviving Provisions means clauses 11 (Announcements), 12 (Confidentiality), 13 (Assignment), 15 (Costs), 16 (Notices), 17 (Conflict with other Agreements), 18 (Whole Agreement), 19 (Waiver, Rights and Remedies), 21 (Variations), 22 (Invalidity), 23 (No Third Party Enforcement Rights), 24 (Governing Law and Jurisdiction) and Schedule 7 (Definitions and Interpretation);

Tax or ***Taxes*** means all taxes of any kind, including any corporation tax, income tax, capital gains tax, national insurance contributions, payroll and pay as you earn taxes, stamp duty, stamp duty reserve tax, stamp duty land tax, value added tax, duties of customs and excise and any other taxes, assessments, levies, duties, charges, imposts or withholdings corresponding to, similar to, replaced by or replacing any of them, together with all interest, penalties, charges and additions imposed with respect to such amounts or to failure to file any return required for the purposes of any of them, regardless of the jurisdiction in which such amounts are required to be paid;

Tax Authority or ***Taxing Authority*** means any taxing or other authority (whether within or outside the United Kingdom) competent to impose any liability to or assess or collect any Tax;

Tax Returns means any return, declaration, report, claim for refund or information return or statement filed or required to be filed with any Taxing Authority relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof;

TCGA 1992 means the Taxation of Chargeable Gains Act of 1992;

Third Party Right means any interest or equity of any person (including any right to acquire, option or right of pre emption or conversion) or any mortgage, charge, pledge, lien, assignment, hypothecation, security interest, title retention or any other security agreement or arrangement, or any agreement to create any of the above;

Transaction Documents means this Agreement, the Disclosure Letter, the Service Agreements, the Deed and the Loan Note Instrument;

Transfer means, in respect of any Evercore Shares, property or other asset, any sale, assignment, transfer, distribution or other disposition thereof, whether voluntarily or by operation of law, including, without limitation, the exchange of any Evercore Shares for any other security;

Unconditional Date has the meaning given in clause 3.3;

VATA means the Value Added Tax Act 1994;

Warranties means the warranties given pursuant to clause 6 and set out in Schedule 1; and

Working Hours means 9.30 a.m. to 5.30 p.m. in the relevant location on a Business Day.

2. <u>Interpretation</u>. In this Agreement, unless the context otherwise requires:

(a) references to a ***person*** include any individual, firm, body corporate (wherever incorporated), government, state or agency of a state or any joint venture, association, partnership, limited company, trust, unincorporated association, works council or employee representative body (whether or not having separate legal personality);

(b) headings do not affect the interpretation of this Agreement; the singular shall include the plural and vice versa; and references to one gender include all genders;

(c) references to any English legal term or concept shall, in respect of any jurisdiction other than England, be construed as references to the term or concept which most nearly corresponds to it in that jurisdiction;

(d) references to sterling or pounds sterling or £ are references to the lawful currency from time to time of England;

(e) for the purposes of applying a reference to a monetary sum expressed in sterling, an amount in a different currency shall be deemed to be an amount in sterling translated at the Exchange Rate at the relevant date (which in relation to a Claim, shall be the date of the receipt of notice of that Claim under Schedule 2);

(f) any phrase introduced by the terms ***including***, ***include***, ***in particular*** or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

3. Enactments. Except as otherwise expressly provided in this Agreement, any express reference to an enactment (which includes any legislation in any jurisdiction) includes references to (i) that enactment as amended, consolidated or re-enacted by or under any other enactment before or after the date of this Agreement; (ii) any enactment which that enactment re enacts (with or without modification); and (iii) any subordinate legislation (including regulations) made (before or after the date of this Agreement) under that enactment, as amended, consolidated or re enacted as described at (i) or (ii) above, except to the extent that, so long as Sellers were not in breach of the Agreement on or prior to the date on which any enactment, re-enactment or amendment thereto takes effect (without taking into account such enactment, re-enactment or amendment), any of the matters referred to in (i) to (iii) occurs after the date of this Agreement and increases or alters the liability of the Sellers or the Purchaser under this Agreement.

4. Schedules and Exhibits. The Schedules and Exhibits comprise schedules and exhibits to this Agreement and form part of this Agreement.

5. Inconsistencies. Where there is any inconsistency between the definitions set out in this Schedule and the definitions set out in any clause or any other Schedule, then, for the purposes of construing such clause or Schedule, the definitions set out in such clause or Schedule shall prevail.

EXHIBIT 1

DETAILS OF THE COMPANY

1. Name:	Braveheart Financial Services Limited
2. Date of Incorporation:	9 December 2004
3. Place of Incorporation:	England
4. Class of Company:	Private company limited by shares
5. Registered Number:	05308745
6. Registered Office:	20-22 Bedford Row, London WC1R 4JS
7. Directors:	Bernard J Taylor Sarah J Taylor Julian P Oakley
8. Secretary:	Jordan Company Secretaries Limited 21 St Thomas Street Bristol BS1 6JS
9. Authorised Capital:	100,000 ordinary shares of £0.01 each 100,181 preference shares of £1.00 each
10. Issued Capital:	1000 ordinary shares of £0.01 each 100,181 preference shares of £1.00 each
11. Shareholders:	Bernard J Taylor Julian P Oakley
12. Accounting Reference Date:	
13. Subsidiaries:	None

SIGNED /S/ BERNARD TAYLOR	)
by	)
BERNARD TAYLOR	)

SIGNED /S/ JULIAN OAKLEY	)
by	)
JULIAN OAKLEY	)

SIGNED /S/ AUSTIN M. BEUTNER	)
for and on behalf of	)
EVERCORE PARTNERS INC.	)
by:	)
AUSTIN M. BEUTNER	

Exhibit 21.1

List of Subsidiaries

At the time of this offering, the following entities will become subsidiaries of Evercore LP:

Name	Jurisdiction of Incorporation or Organization
Evercore Group Holdings L.P.	Delaware
Evercore Group Holdings L.L.C.	Delaware
Evercore Partners Services East L.L.C.	Delaware
Evercore Financial Advisors L.L.C.	Delaware
Evercore Restructuring L.L.C.	Delaware
Evercore Advisors Inc. (successor)	Delaware
Evercore Advisors L.L.C.	Delaware
Evercore Venture Advisors L.L.C.	Delaware
Evercore Group L.L.C.	Delaware
Evercore Properties Inc. (successor)	Delaware
Protego Asesores, S.A. de C.V.	Mexico
Protego Casa de Bolsa, S.A. de C.V.	Mexico
Protego Administradores, S.A. de C.V.	Mexico
Protego PE, S.A. de C.V.	Mexico
Protego Servicios, S.C.	Mexico

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the use in this Amendment No. 2 to Registration Statement No. 333-134087 of:

- Our report dated April 28, 2006 relating to the combined financial statements of Evercore Holdings as of December 31, 2004 and 2005 and for each of the three years in the period ended December 31, 2005, appearing in the Prospectus, which is part of this Registration Statement; and
- Our report dated May 12, 2006 relating to the statement of financial condition of Evercore Partners Inc. as of May 12, 2006, appearing in the Prospectus, which is part of this Registration Statement.

We also consent to the reference to us under the headings “Summary Historical and Pro Forma Financial and Other Data”, “Experts” and “Selected Historical Financial and Other Data” in such Prospectus.

Deloitte & Touche LLP
New York, NY
July 31, 2006

Exhibit 23.2

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the use in this Registration Statement on Form S-1 of our report dated March 31, 2006 relating to the combined consolidated financial statements and financial statement schedules of Protego Asesores, S.A. de C.V. subsidiaries and associated company, which appears in such Registration Statement. We also consent to the references to us under the headings “Experts” and “Selected Historical Financial and other Data” in such Registration Statement.

PricewaterhouseCoopers S.C.
Mexico City
July 28, 2006

EXHIBIT 23.4

CONSENT

The undersigned hereby consents to being named in the registration statement on Form S-1 (Registration No. 333-134087) and in all subsequent amendments and post-effective amendments or supplements thereto and in any registration statement for the same offering that is to be effective upon filing pursuant to Rule 462(b) under the Securities Act (the "Registration Statement") of Evercore Partners Inc., a Delaware corporation (the "Company"), as an individual to become a director of the Company and to the inclusion of his or her biographical information in the Registration Statement.

In witness whereof, this Consent is signed and dated as of the 31st day of July, 2006.

/s/ Francois de St. Phalle

Francois de St. Phalle

Exhibit 23.5

CONSENT

The undersigned hereby consents to being named in the registration statement on Form S-1 (Registration No. 333-134087) and in all subsequent amendments and post-effective amendments or supplements thereto and in any registration statement for the same offering that is to be effective upon filing pursuant to Rule 462(b) under the Securities Act (the “Registration Statement”) of Evercore Partners Inc., a Delaware corporation (the “Company”), as an individual to become a director of the Company and to the inclusion of his or her biographical information in the Registration Statement.

In witness whereof, this Consent is signed and dated as of the 31st day of July, 2006.

/s/ Gail Harris

Gail Harris

EXHIBIT 23.6

CONSENT

The undersigned hereby consents to being named in the registration statement on Form S-1 (Registration No. 333-134087) and in all subsequent amendments and post-effective amendments or supplements thereto and in any registration statement for the same offering that is to be effective upon filing pursuant to Rule 462(b) under the Securities Act (the "Registration Statement") of Evercore Partners Inc., a Delaware corporation (the "Company"), as an individual to become a director of the Company and to the inclusion of his or her biographical information in the Registration Statement.

In witness whereof, this Consent is signed and dated as of the 31st day of July, 2006.

/s/ Curt Hessler

Curt Hessler

EXHIBIT 23.7

CONSENT

The undersigned hereby consents to being named in the registration statement on Form S-1 (Registration No. 333-134087) and in all subsequent amendments and post-effective amendments or supplements thereto and in any registration statement for the same offering that is to be effective upon filing pursuant to Rule 462(b) under the Securities Act (the “Registration Statement”) of Evercore Partners Inc., a Delaware corporation (the “Company”), as an individual to become a director of the Company and to the inclusion of his or her biographical information in the Registration Statement.

In witness whereof, this Consent is signed and dated as of the 31st day of July, 2006.

/s/ Anthony Pritzker

Anthony Pritzker

July 31, 2006

VIA COURIER AND EDGAR

Re: Evercore Partners Inc.
Pre-Effective Amendment No. 2 to
Registration Statement on Form S-1
File No. 333-134087

Gregory S. Dundas, Esq.
Division of Corporation Finance
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Dear Mr. Dundas:

On behalf of Evercore Partners Inc. we hereby transmit via EDGAR for filing with the Securities and Exchange Commission Pre-Effective Amendment No. 2 to the above-referenced Registration Statement relating to the offering of shares of its Class A common stock, par value $0.01 per share, marked to show changes from the Registration Statement as filed on June 26, 2006. The Registration Statement has been revised in response to the Staff's comments and to reflect certain other changes, such as providing the estimated price range for the shares of Class A common stock to be sold in the offering, share ownership percentages and all corresponding information. In addition, we have responded to the comments set forth in the Staff's letter dated July 14, 2006 under separate cover.

* * * * * * * *

Please do not hesitate to call Vincent Pagano, Jr. at 212-455-3125 or Joshua Ford Bonnie at 212-455-3986 with any questions or further comments you may have regarding this filing or if you wish to discuss the above responses.

Very truly yours,

/s/ SIMPSON THACHER & BARTLETT LLP

SIMPSON THACHER & BARTLETT LLP

cc: Securities and Exchange Commission
Todd K. Schiffman, Esq.
Donald Walker
Edwin Adames

Evercore Partners Inc.
Adam B. Frankel, Esq.
David E. Wezdenko
Thomas J. Gavenda

Wilmer Cutler Pickering Hale and Dorr LLP
Mark G. Borden, Esq.
Stuart R. Nayman, Esq.