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

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2006

OR

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

For the transition period from _____ to _____

001-32975
(Commission File Number)

EVERCORE PARTNERS INC.

(Exact name of registrant as specified in its charter)

Delaware	**20-4748747**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**

55 East 52nd Street
43rd floor
New York, New York 10055
(Address of principal executive offices)

Registrant's telephone number: (212) 857-3100

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☐ No ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer ☐ Accelerated Filer ☐ Non-Accelerated Filer ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares of the Registrant's Class A common stock, par value $0.01 per share, outstanding as of September 21, 2006 was 4,587,738. The number of shares of the Registrant's Class B common stock, par value $0.01 per share, outstanding as of September 21, 2006 was 51 (excluding 49 shares of Class B common stock held by a subsidiary of the Registrant).

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In this report, references to "Evercore Partners," "Evercore," "we," "our," or "us," refer to Evercore Partners Inc. a Delaware company, and its subsidiaries.

References to "Evercore Holdings" or "the Company," refer to Evercore Holdings, which, prior to the August 2006 Reorganization described herein, was comprised of certain condensed combined entities under the common ownership of the Evercore Senior Managing Directors (the "Members") and common control of two of the founding Members (the "Founding Members").

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* These unaudited condensed combined financial statements reflect the historical results of operations and financial position of Evercore Holdings and are not indicative of the expected future consolidated results of Evercore Partners Inc. following its August 2006 reorganization. The reorganization is presented in greater detail in Part I, Item 1A "Pro Forma Financial Information (Unaudited)" in this report. Specifically, the historical results of operations of Evercore Holdings do not reflect:

- the Formation Transaction described in "Management's Discussion and Analysis of Financial Condition and Results of Operations – Reorganization", 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 certain of the Company's Senior Managing Directors 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 the Company's Senior Managing Directors;
- the Protego Combination described in "Management's Discussion and Analysis of Financial Condition and Results of Operations – Reorganization", including certain purchase accounting adjustments such as the allocation of the purchase price to acquired assets and assumed liabilities;
- the additional compensation and benefits expenses the Company will incur following the August 2006 reorganization. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Financial Measures—Operating Expenses—Employee Compensation and Benefits Expense";
- the additional corporate income taxes Evercore Partners will incur following the August 2006 reorganization. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Financial Measures—Provision for Income Taxes"; and
- the initial public offering of Evercore Partners Inc.'s Class A common stock and the use of a portion of the net proceeds to repay outstanding debt. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Reorganization".

EVERCORE HOLDINGS
CONDENSED COMBINED STATEMENTS OF FINANCIAL CONDITION
(dollars in thousands)

	December 31, 2005	(UNAUDITED) June 30, 2006
ASSETS		
Current Assets		
Cash and Cash Equivalents	$ 37,855	$ 14,838
Restricted Cash	1,519	1,519
Securities	—	4,083
Accounts Receivable (net of allowances of $256 on December 31, 2005 and June 30, 2006)	12,921	17,519
Receivable from Members and Employees	1,739	1,426
Receivable from Uncombined Affiliates	1,255	2,923
Debt Issuance Costs	607	206
Prepaid Expenses	604	1,965
Accounts Receivable - Other	353	71
Total Current Assets	56,853	44,550
Investments	16,755	26,013
Deferred Offering and Acquisition Costs	5,138	9,892
Furniture, Equipment and Leasehold Improvements, Net	2,263	2,900
Other Assets	403	547
TOTAL ASSETS	$ 81,412	$ 83,902
LIABILITIES AND MEMBERS' EQUITY		
Current Liabilities		
Short-Term Borrowings	—	30,000
Accrued Compensation and Benefits	13,165	10,607
Accounts Payable and Accrued Expenses	11,672	12,882
Deferred Revenue	935	512
Payable to Members and Employees	659	—
Payable to Uncombined Affiliates	440	18
Capital Leases Payable - Current	193	176
Taxes Payable	1,711	947
Other Current Liabilities	626	97
Total Current Liabilities	29,401	55,239
Capital Leases Payable - Long-term	232	150
TOTAL LIABILITIES	29,633	55,389
Minority Interest	274	273
Members' Equity		
Members' Capital	51,301	28,119
Accumulated Other Comprehensive Income	204	121
TOTAL MEMBERS' EQUITY	51,505	28,240
TOTAL LIABILITIES AND MEMBERS' EQUITY	$ 81,412	$ 83,902

See notes to unaudited condensed combined financial statements.

EVERCORE HOLDINGS
CONDENSED COMBINED STATEMENTS OF INCOME
(UNAUDITED)
(dollars in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2005	2006	2005	2006
REVENUES				
Advisory Revenue	$12,243	$40,173	$30,513	$72,570
Investment Management Revenue	2,000	3,138	6,120	16,246
Interest Income and Other Revenue	31	179	75	300
TOTAL REVENUES	14,274	43,490	36,708	89,116
EXPENSES				
Employee Compensation and Benefits	5,204	8,093	10,614	16,852
Occupancy and Equipment Rental	739	990	1,421	1,828
Professional Fees	4,638	5,053	7,234	10,721
Travel and Related Expenses	890	1,642	2,204	3,493
Communications and Information Services	112	464	289	880
Financing Costs	—	631	—	1,225
Depreciation and Amortization	171	283	322	545
Other Operating Expenses	260	770	516	1,088
TOTAL EXPENSES	12,014	17,926	22,600	36,632
OPERATING INCOME	2,260	25,564	14,108	52,484
Minority Interest	8	6	10	(1)
Provision for Income Taxes	377	905	1,047	1,884
NET INCOME	$ 1,875	$24,653	$13,051	$50,601

See notes to unaudited condensed combined financial statements.

EVERCORE HOLDINGS
CONDENSED COMBINED STATEMENTS OF CHANGES IN MEMBERS' EQUITY
(UNAUDITED)
SIX MONTHS ENDED JUNE 30, 2006
(dollars in thousands)

	Members' Capital	Accumulated Other Comprehensive Income	Total Members' Equity
BALANCE - at January 1, 2006	$ 51,301	$ 204	$ 51,505
Net Income	50,601	—	50,601
Other Comprehensive Income:			
Unrealized (Losses) on Available-For-Sale Securities	—	(83)	(83)
Total Comprehensive Income			50,518
Members' Contributions	2,644	—	2,644
Members' Distributions	(76,427)	—	(76,427)
BALANCE - at June 30, 2006 (unaudited)	$ 28,119	$ 121	$ 28,240

See notes to unaudited condensed combined financial statements.

EVERCORE HOLDINGS
CONDENSED COMBINED STATEMENTS OF CASH FLOWS
(UNAUDITED)
(dollars in thousands)

	Six Months Ended June 30, 2005	Six Months Ended June 30, 2006
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	$ 13,051	$ 50,601
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	322	946
Minority Interest	10	(1)
Bad Debt Expense	2	—
Net Gains and Losses on Private Equity Investments	2,554	(4,935)
Net Gains and Losses Under Equity Investments	—	299
Net Gains and Losses on Trading Securities	—	75
(Increase) Decrease in Operating Assets:		
Accounts Receivable	3,896	(4,598)
Placement Fees Receivable	1,244	—
Receivable from Members and Employees - Current	680	313
Receivable from Uncombined Affiliates	(889)	(1,668)
Prepaid Expenses	(395)	(1,361)
Accounts Receivable - Other	1	282
Deferred Offering and Acquisition Costs	(1,489)	(4,754)
Other Assets	(191)	(144)
Increase (Decrease) in Operating Liabilities:		
Accrued Compensation and Benefits	(2,648)	(2,558)
Accounts Payable and Accrued Expenses	2,122	1,210
Placement Fees Payable	(1,244)	—
Deferred Revenue	268	(423)
Payable to Members and Employees	(239)	(659)
Payable to Uncombined Affiliates	201	(422)
Taxes Payable	470	(764)
Other Current Liabilities	(170)	(529)
Net Cash Provided by Operating Activities	17,556	30,910
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Investments	410	3,497
Investments Purchased	(3,941)	(12,360)
Purchase of Furniture, Equipment and Leasehold Improvements	(337)	(1,182)
Restricted Cash Deposits	21	—
Net Cash Used In Investing Activities	(3,847)	(10,045)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments for Capital Lease Obligations	(70)	(99)
Contributions from Members	971	2,644
Distributions to Members	(43,625)	(76,427)
Borrowing - Line of Credit	—	30,000
Net Cash Used in Financing Activities	(42,724)	(43,882)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(29,015)	(23,017)
CASH AND CASH EQUIVALENTS - Beginning of Period	37,379	37,855
CASH AND CASH EQUIVALENTS - End of Period	$ 8,364	$ 14,838
SUPPLEMENTAL CASH FLOW DISCLOSURE		
Payments for Interest	$ 68	$ 458
Payments for Income Taxes	$ 1,122	$ 3,808
Fixed Assets Acquired Under Capital Leases	$ 113	$ —

See notes to unaudited condensed combined financial statements.

EVERCORE HOLDINGS
NOTES TO UNAUDITED CONDENSED COMBINED FINANCIAL STATEMENTS
THREE AND SIX MONTHS ENDED JUNE 30, 2005 & 2006
(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, prior to the reorganization referred to below, was comprised of certain condensed combined entities under the common ownership of the Evercore Senior Managing Directors (the "Members") and common control of two of the founding Members (the "Founding Members"). On August 10, 2006, pursuant to a contribution and sale agreement dated May 12, 2006, the Members contributed to Evercore LP each of the various entities included in the Company's historical combined financial statements, with the exception of the general partners of ECP I, ECP II and EVM and of the Founders (as such terms are defined below), and Evercore LP acquired Protego Asesores and its subsidiaries and Protego SI from its directors and other stockholders. On August 16, 2006, Evercore Partners Inc., the sole general partner of Evercore LP, completed the initial public offering of its Class A common stock. This reorganization is described in greater detail in the Registration Statement on Form S-1 (File No. 333-134087) (the "Registration Statement") filed with the Securities and Exchange Commission in connection with the initial public offering. The financial statements of the Company presented in this report represent the results of operations and financial condition of the Company prior to the reorganization.

The entities comprising the Company are as follows:

- Evercore Group Holdings L.P. ("EGH") which 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 HOLDINGS

NOTES TO UNAUDITED CONDENSED COMBINED FINANCIAL STATEMENTS—(Continued)

THREE AND SIX MONTHS ENDED JUNE 30, 2005 AND 2006

(dollars in thousands unless otherwise noted)

- 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 L.L.C. ("EGL") 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. EGL is a limited service entity, which specializes in rendering selected financial advisory services. EGL was converted to a limited liability company from an S corporation on April 19, 2006.
- 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").

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 Condensed 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 L.L.C.	Delaware Limited Liability Company	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.

EVERCORE HOLDINGS

NOTES TO UNAUDITED CONDENSED COMBINED FINANCIAL STATEMENTS—(Continued)
THREE AND SIX MONTHS ENDED JUNE 30, 2005 AND 2006

(dollars in thousands unless otherwise noted)

Note 2 – Significant Accounting Policies

Basis of Presentation – The accompanying unaudited condensed combined financial statements of the Company have been prepared in accordance with the instructions to Form 10-Q. As permitted by the rules and regulations of the Securities and Exchange Commission (the "SEC"), the financial statements contain certain condensed financial information and exclude certain footnote disclosures normally included in audited combined financial statements prepared in accordance with United States generally accepted accounting principles ("GAAP"). In the opinion of management, the accompanying financial statements contain all adjustments, including normal recurring accruals, necessary to fairly present the accompanying financial statements. For further information, refer to the combined financial statements for the year ended December 31, 2005 and footnotes thereto included in the Company's Registration Statement on Form S-1. Operating results for the interim period are not necessarily indicative of the results that may be expected for the fiscal year ending December 31, 2006.

The Condensed 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 L.L.C., and the combination of its wholly owned and majority owned 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 has significant influence 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").

All material intercompany transactions and balances have been eliminated.

Minority Interest – Minority interest recorded on the Condensed Combined Financial Statements relates to the minority interest of an unrelated third-party in EVM, the general partner of EVP. The Company consolidates EVM, which it controls but does not wholly own. As a result, the Company includes in its Condensed 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 Condensed 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 condensed 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 Condensed 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, 2005 and June 30, 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 December 31, 2005 and June 30, 2006 include unbilled client expense receivables in the amount of $1,451 and $968, 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 $256 as of December 31, 2005 and June 30, 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 and assets managed by Evercore Asset Management, L.L.C. ("EAM") that are carried at fair value on the Condensed Combined Statements of Financial Condition, with realized and unrealized gains and losses included in Investment Management Revenue on the Condensed Combined Statements of Income.

Realized and Unrealized gains and losses on Available-For-Sale Securities are included in Accumulated Other Comprehensive Income as a separate component of Member's Equity, but are excluded from net income.

EVERCORE HOLDINGS

NOTES TO UNAUDITED CONDENSED COMBINED FINANCIAL STATEMENTS—(Continued)
THREE AND SIX MONTHS ENDED JUNE 30, 2005 AND 2006

(dollars in thousands unless otherwise noted)

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 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 and Trading 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.

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

EVERCORE HOLDINGS

NOTES TO UNAUDITED CONDENSED COMBINED FINANCIAL STATEMENTS—(Continued)
THREE AND SIX MONTHS ENDED JUNE 30, 2005 AND 2006

(dollars in thousands unless otherwise noted)

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 $552 for the six months ended June 30, 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 $1,243 and $0 for the six months ended June 30, 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. This policy does not yield results that are materially different compared to recording revenue when services are provided, as required by U.S GAAP.

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 Note 6, 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 Condensed Combined Statements of Income in the amount of $1,099 and $2,463 for the six months ended June 30, 2005, and 2006, respectively.

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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 Condensed Combined Financial Statements. Income taxes shown on the Condensed 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 has historically operated 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 have historically received 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 $76,427, for the six months ended June 30, 2006.

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 "*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 Condensed 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 Company adopted SFAS 123(R) on January 1, 2006 and there was no material impact on the Company's condensed combined financial condition or results of operations.

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 condensed 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 condensed 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 determined that consolidation of the Private Equity Funds will not be required pursuant to Issue 04-5.

SFAS 155 – In February 2006, the FASB issued SFAS No. 155 "*Accounting for Certain Hybrid Financial Instruments – an amendment of FASB Statements No. 133 and 140"* ("SFAS 155"). SFAS 155 permits an entity to measure at fair value any financial instrument that contains an embedded derivative that otherwise would require bifurcation. SFAS 155 is effective for all financial instruments acquired or issued in fiscal years beginning after September 15, 2006. The Company is currently assessing the impact of adopting SFAS 155, but does not expect the standard to have a material impact on the financial condition, results of operations, and cash flows of the Company.

SFAS 156 – In March 2006, the FASB issued SFAS No. 156 *"Accounting for Servicing of Financial Assets – an amendment of FASB Statement No. 140"* ("SFAS 156"), which requires all separately recognized servicing assets and servicing liabilities to be initially measured at fair value, if practicable, and for subsequent measurements, permits an entity to choose either the amortization method or the fair value measurement method for each class of separately recognized servicing assets and servicing liabilities. SFAS 156 also requires separate presentation of servicing assets and servicing liabilities subsequently measured at fair value in the statement of financial position and additional disclosures for all separately recognized servicing assets and servicing liabilities. SFAS 156 is effective in fiscal years beginning after September 15, 2006. The Company is currently assessing the impact of adopting SFAS 156, but does not expect the standard to have a material impact on the financial condition, results of operations, and cash flows of the Company.

FIN 48 – In July 2006, the FASB issued Financial Interpretation No. 48 *"Accounting for Uncertainty in Income Taxes—an interpretation of FASB Statement No. 109"* ("FIN 48"), which clarifies the criteria that must be met prior to recognition of the financial statement benefit of a position taken in a tax return. FIN 48 provides a benefit recognition model with a two-step approach consisting of a "more-likely-than-not" recognition criteria, and a measurement attribute that measures the position as the largest amount of tax benefit that is greater than 50 percent likely of being realized upon ultimate settlement. FIN 48 also requires the recognition of liabilities created by differences between tax positions taken in a tax return and amounts recognized in the financial statements. FIN 48 is effective as of the beginning of the first annual period beginning after December 15, 2006. The Company is currently assessing the impact of adopting FIN 48 on the financial condition, results of operations, and cash flows of the Company.

SFAS 157 – In September 2006, the FASB issued SFAS No. 157 "Fair Value Measurements" ("SFAS 157"), which defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. SFAS 157 is effective in fiscal years beginning after November 15, 2007. The Company is currently assessing the impact of adopting SFAS 157 on the financial condition, results of operations, and cash flows of the Company.

Note 4 – Related Parties

The Company remits payment for expenses on behalf of the Private Equity Funds and is reimbursed accordingly. During the six months ended June 30, 2005 and 2006, the Company disbursed $432, and $733, respectively, on behalf of these entities. Included in Receivable from Uncombined Affiliates on the Statements of Financial Condition as of December 31, 2005 and June 30, 2006 are accrued and unpaid management fees, reimbursable expenses relating to the Private Equity Funds and investment advances made to an affiliate in the amounts of $1,255 and $2,923, respectively. Payables to Uncombined Affiliates amounted to $440 and $18 as of December 31, 2005 and June 30, 2006, 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.

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Included in Receivable from Members and Employees on the Condensed Combined 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, 2005 and June 30, 2006 were $83 and $85, respectively. Interest on these loans was $3 and $3, for the quarters ended June 30, 2005, and 2006, respectively, and $4 and $4 for the six months ended June 30, 2005 and 2006. This interest included in Interest Income and Other Revenue on the Condensed Combined Statements of Income. Subsequent to June 30, 2006, the amounts receivable from Members were received by the Company. 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 Condensed Combined Statements of Financial Condition as of December 31, 2005 and June 30, 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 advances are non-interest bearing and the amounts outstanding as of December 31, 2005 and June 30, 2006 were $1,540 and $1,257, respectively. Subsequent to June 30, 2006, the amounts receivable from Members were received by the Company. Payable to Members and Employees for Private Equity distributions amounted to $659 and $0 as of December 31, 2005 and June 30, 2006.

Amounts due in connection with personal expenses paid by the Company on behalf of Members and employees totaled $51 and $17 as of December 31, 2005 and June 30, 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. Subsequent to June 30, 2006, these amounts were received by the Company.

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 collateralize their personal loans with a third party financial institution.

Effective October 28, 2005, EGH acquired (indirectly through a wholly owned subsidiary) the right to invest in EAM, a newly formed entity, engaged primarily in the asset management business. The Company's investment in EAM is accounted for under the equity method. Although EAM is considered a variable interest entity, the Company is not the primary beneficiary, and thus, not required to consolidate it.

Co-Operation Agreement with Braveheart Financial Services Limited – On April 19, 2006, EGL entered into a Co-Operation Agreement with Braveheart Financial Services Limited ("Braveheart"), 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, subject to 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. 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 terminate upon consummation of the Company's pending acquisition of Braveheart. See Note 15 – Subsequent Events.

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Note 5 – Deferred Offering and Acquisition Costs

The Company completed an initial public offering of its Class A Common Stock on August 16, 2006. The Company consummated a number of internal reorganization transactions to transition the Company to a corporate structure form. Costs directly attributable to the Company's initial public offering have been deferred and capitalized. These costs were charged against the proceeds of the offering once completed.

The Company also executed a definitive agreement to acquire all the outstanding capital stock of Protego Asesores S.A. de C.V, a foreign investment bank based in Mexico, in exchange for both cash and equity consideration. The transaction was consummated immediately prior to the initial public offering referred to above. The direct costs incurred in connection with the acquisition have been deferred and capitalized, and these costs will be allocated to the purchase price upon the completion of the acquisition.

The Company entered into a sale and purchase agreement to acquire Braveheart, an investment banking firm based in the U.K., in exchange for all or the outstanding share capital of Braveheart the Company would pay cash and equity consideration. The direct costs incurred in connection with the acquisition have been deferred and capitalized, and 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 Note 15, Subsequent Events.

As of December 31, 2005 and June 30, 2006, respectively, $5,138 and $9,892 of costs incurred in connection with the initial public offering and the acquisitions, described above, were capitalized and are shown on the Condensed Combined Statements of Financial Condition in Deferred Offering and Acquisition Costs.

Note 6 – Investments

Investments

The fair value of the Company's investments reported in the Condensed Combined Statements of Financial Condition are as follows:

	December 31, 2005	June 30, 2006
Investment in ECP I	$ 3,717	$ 4,363
Investment in ECP II	11,997	19,815
Investment in EVP	625	664
Total Private Equity Funds	16,339	24,842
Investments Available-For-Sale	416	333
Investments, Equity Method	—	838
Total Investments	$ 16,755	$26,013

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, 2005 and June 30, 2006, the Company's investment in ECP I represented 3.8% and 5.0%, respectively of the Private Equity Funds' capital. The Company's investments in ECP II and EVP were less than 5.0% of the respective Private Equity Funds' capital as of December 31, 2005 and June 30, 2006.

Net realized and unrealized gains and losses on Private Equity Fund investments, including Carried Interest and gains (losses) on investments, were $(2,554), and $4,935 for the six months ended June 30, 2005, and 2006, respectively, and are included on the Condensed Combined Statements of Income in Investment Management Revenue.

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See Note 10, 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, 2005	June 30, 2006
Energy	24%	30%
Media	20%	10%
Healthcare Services	17%	11%
Financial Services	9%	23%
Telecommunications	6%	5%
Industrials	6%	3%
Printing/Advertising	4%	4%
Transportation/Waste Management	0%	4%
Consumer Distributions	5%	3%
Other	9%	7%
Total	100%	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 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, 2005 and June 30, 2006, were valued at $416 and $333, respectively.

Investment, Equity Method – On January 5, 2006, the Company invested $1,137 in EAM. The Company holds a 41.7% interest in EAM. For the three and six months ended June 30, 2006, the investment resulted in an unrealized loss of $193 and $299, respectively, and is included on the Condensed Combined Statements of Income in Investment Management Revenue.

Securities

Trading Securities - On March 20, 2006, the Company invested $2,000 in an investment portfolio managed by EAM and an additional $1,000 on May 31, 2006 in the same portfolio. On June 8, 2006, the Company invested an additional $1,000 in an investment portfolio managed by EAM, of which, $848 remains in cash, and $1,000 in a separate fund product also managed by EAM,. These investments managed by EAM are reflected as Securities on the condensed combined statement of financial condition. For the three and six months ended June 30, 2006, the investments resulted in an unrealized loss of $82 and $75, respectively, and is included on the Condensed Combined Statements of Income in Investment Management Revenue.

Note 7 – Furniture, Equipment and Leasehold Improvements, Net

Furniture, equipment and leasehold improvements, net, consisted of the following:

	December 31, 2005	June 30, 2006
Furniture and Office Equipment	$ 1,138	$ 1,235
Leasehold Improvements	878	1,658
Computer and Computer-related Equipment	1,093	1,174
Capitalized Leases	729	729
Software	406	630
Total	4,244	5,426
Less: Accumulated Depreciation and Amortization	(1,981)	(2,526)
Furniture, Equipment and Leasehold Improvements, Net	$ 2,263	$ 2,900

Depreciation and amortization expense totaled $171, and $283 for the three months ended June 30, 2005 and 2006, respectively, and totaled $322, and $545 for the six months ended June 30, 2005 and 2006, respectively.

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Purchases of furniture, equipment and leasehold improvements totaled $80, and $1,030, for the three months ended June 30, 2005 and 2006, respectively, and totaled $337, and $1,182, for the six months ended June 30, 2005 and 2006, respectively.

Note 8 – 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 six months ended June 30, 2005 and 2006 totaled $135 and $303, respectively. Plan administration expenses incurred related to the retirement and profit sharing plans totaled $15 and $49 for the three months ended June 30, 2005 and 2006, respectively, and totaled $23 and $50 for the six months ended June 30, 2005, and 2006, respectively.

Note 9 – 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 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 ½ of 1% per annum for any unused portion. The Company is required to maintain liquid assets 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%. The Members have also pledged their beneficial interests in the Company as collateral for the Line of Credit. At June 30, 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 totaled $607, and such costs are included in Debt Issuance Costs on the Condensed Combined Statements of Financial Condition. The costs are being amortized over the expected life of the draw down. The Company amortized $401 of these costs for the six months ended June 30, 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%. On June 22, 2006, the Company drew down an additional $5,000 at an effective interest rate of 7.48%. For the six months ended June 30, 2006, the Company incurred $16 for the commitment fee expense and $797 for the interest expense.

The Line of Credit was repaid on August 16, 2006, subsequent to the initial public offering.

Note 10 – 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 Condensed Combined Statements of Income for the six months ended June 30, 2005, and 2006 includes $1,023 and $1,328, respectively, of rental expense relating to operating leases. As of June 30, 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

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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 December 31, 2005 and June 30, 2006. No amounts have been drawn down under the respective letters of credit.

As of June 30, 2006, the approximate aggregate minimum future payments required on the operating leases are as follows:

2006	$ 1,717
2007	2,517
2008	2,060
2009	2,164
2010	2,176
Thereafter	4,244
Total	$14,878

Capital Leases – The Company has entered into various capital leases for office equipment. As of June 30, 2006, the leases had an aggregate outstanding balance of $326 with $176 classified as current. Interest expense on capital leases for the three months ended June 30, 2005, and 2006 was $15 and $12, respectively. Interest expense on capital leases for the six months ended June 30, 2005, and 2006 was $22 and $18, respectively.

The Company's net investment in these leases, which is included in Furniture, Equipment and Leasehold Improvements, net, as of December 31, 2005 and June 30, 2006, was $393 and $302, respectively.

	December 31, 2005	June 30, 2006
Capitalized Office Equipment Leases	$ 729	$ 729
Accumulated Depreciation	(336)	(427)
Net Investment	$ 393	$ 302

As of June 30, 2006, the approximate aggregate minimum future payments required on the capital leases are as follows:

2006	$ 103
2007	146
2008	95
2009	2
2010	—
Total Future Minimum Lease Payments	346
Less Interest Discount	(20)
Total Present Value of Future Minimum Lease Payments	326
Less Current Portion	(176)
Long-term Portion	$ 150

Other Commitments – At June 30, 2006, the Company has commitments for capital contributions of $6,617 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 – In the past, the Company or its present personnel have been named as a defendant in civil litigation matters involving present or former clients.

In re High Voltage Engineering Corp. ("High Voltage") in the U.S. Bankruptcy Court for the District of Massachusetts and Stephen S. Gray, Trustee ("Trustee") of The High Voltage Engineering Liquidating Trust. v. Evercore Restructuring L.P. Evercore Restructuring L.L.C (collectively, "Evercore Restructuring") et. al., in the United States District Court of Massachusetts.

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In 2003, High Voltage engaged Evercore Restructuring to assist in its restructuring efforts. During the period of engagement, which ended in August 2004, High Voltage filed for Chapter 11 bankruptcy protection and later emerged from bankruptcy with new financing. However, in February 2005, High Voltage again filed for Chapter 11 bankruptcy protection. In addition, the Trustee conducted an informal investigation into the causes of the second bankruptcy and the knowledge of professionals who assisted High Voltage in its first bankruptcy.

On August 15, 2006, the Trustee filed a motion in the bankruptcy court seeking to undo an order entered in November 2004 approving $2.34 million in fees and expenses for Evercore Restructuring's services, alleging, among other matters, that Evercore Restructuring should have known that the projections prepared by High Voltage in connection with the first bankruptcy proceedings were inaccurate. On September 8, 2006, Evercore Restructuring responded in the bankruptcy court denying the factual allegations and asserting a variety of legal bases to deny the request. The bankruptcy court has not set a date for ruling on the dispute.

In addition, on August 15, 2006, the Trustee filed a complaint against Evercore Restructuring and Jefferies & Company, Inc., financial advisor to certain of High Voltage's creditors in the first bankruptcy, asserting claims against Evercore Restructuring for gross negligence and breach of fiduciary duty, based on the same underlying allegations included in the bankruptcy court motion. On September 15, 2006, High Voltage filed an amended complaint adding Fried, Frank, Harris, Shriver and Jacobson LLP, High Voltage's counsel in the first bankruptcy, as an additional defendant. The Company intends to move for judgment on the pleadings or summary judgment on a variety of affirmative defenses and other grounds, including failure to allege facts constituting gross negligence or breach of fiduciary duty, releases of Evercore Restructuring approved in the order confirming High Voltage's plan of reorganization, and acknowledgements by High Voltage in Evercore Restructuring's engagement letter, which was disclosed to the bankruptcy court prior to its approval of the retention of Evercore Restructuring, that Evercore Restructuring was not a fiduciary and would rely on management's representations when rendering its advisory services. Briefing of the motion will be concluded before the end of the year and no date has been set for a ruling on the motion. The Company believes the litigations against it are meritless and its defenses are substantial.

General

In addition to the proceedings set forth above, 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 and 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 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. When those circumstances arise, management will make what it believes are adequate provisions in the financial statements for any expected liabilities which may result from disposition of pending lawsuits. Nevertheless, litigation is subject to inherent uncertainties and unfavorable events could occur. If unfavorable events were to occur, there exists the possibility of a material adverse impact to the Company's operating results, financial position or liquidity as of and for the period in which such events occur.

Note 11 – Regulatory Authorities

EGL 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. EGL's regulatory net capital at December 31, 2005 and June 30, 2006 was $6,773 and $8,297, respectively, which exceeded the minimum net capital requirement by $6,609 and $8,268, respectively.

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Note 12 – Income Taxes

The Company has not historically been subject to U.S. Federal income tax. However, the Company has historically been 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, 2005 and June 30, 2006 in the amount of $1,711 and $947, respectively, include a reserve for taxes payable in the amount of $964 and $897, respectively, for any future tax liability related to these periods.

The components of the provision for income taxes reflected on the condensed Combined Statements of Income for the three months ended June 30, 2005, and 2006 consist of:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2005	2006	2005	2006
Current				
State and Local Tax Expense	$377	$905	$1,047	$1,884
Provision for Taxes	$377	$905	$1,047	$1,884

A reconciliation of the statutory U.S. Federal income tax rate of 35% to the Company's effective tax rate is set forth below:

	Three Months Ended		Six Months Ended	
	June 30, 2005	June 30, 2006	June 30, 2005	June 30, 2006
U.S. Statutory Tax Rate	35.0%	35.0%	35.0%	35.0%
Increase Related to State and Local Taxes	10.2%	3.9%	6.2%	3.9%
Rate before Benefits and Other Adjustments	45.2%	38.9%	41.2%	38.9%
Rate Benefit as a Limited Liability Company	(28.5%)	(35.3%)	(33.8%)	(35.3%)
Provision for Taxes	16.7%	3.6%	7.4%	3.6%

Note 13 – 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 June 30, 2006, three separate clients each individually accounted for 20.5%, 14.0% and 12.6%, respectively, of the Company's combined revenues. For the six months ended June 30, 2006, three separate clients each individually accounted for 9.4%, 7.4% and 7.4%, respectively, of the Company's combined revenues.

Accounts Receivable: As of June 30, 2006, three separate clients each individually accounted for 29.8%, 22.7% and 13.5%, respectively of the Company's combined Accounts Receivable balance.

Note 14 – 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, the Company's principal investments in the Private Equity Funds and the Company's share of the results of EAM and related investments.

EVERCORE HOLDINGS

NOTES TO UNAUDITED CONDENSED COMBINED FINANCIAL STATEMENTS—(Continued)
THREE AND SIX MONTHS ENDED JUNE 30, 2005 AND 2006

(dollars in thousands unless otherwise noted)

The accounting policies of the segments are consistent with those described in the Significant Accounting Policies in Note 2 above.

The Company's segment information for the six months ended June 30, 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 were not directly attributable to the initial public offering, and costs associated with our Line of Credit.

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.

EVERCORE HOLDINGS

NOTES TO UNAUDITED CONDENSED COMBINED FINANCIAL STATEMENTS—(Continued)
THREE AND SIX MONTHS ENDED JUNE 30, 2005 AND 2006

(dollars in thousands unless otherwise noted)

		Three Months Ended June 30,		Six Months Ended June 30,	
		2005	2006	2005	2006
Advisory	Net Revenue [1]	$ 12,266	$ 40,336	$30,570	$72,834
	Operating Expenses [2]	8,437	11,903	15,903	23,118
	Segment Operating Income	$ 3,829	$ 28,433	$14,667	$49,716
	Identifiable Segment Assets	$ 23,023	$ 54,081	$23,023	$54,081
Investment Management	Net Revenue [1]	$ 2,008	$ 3,154	$ 6,138	$16,282
	Operating Expenses [2]	2,056	3,572	5,176	9,213
	Segment Operating Income	($ 48)	($ 418)	$ 962	$ 7,069
	Identifiable Segment Assets	$ 18,030	$ 29,821	$18,030	$29,821
Corporate	Operating Expenses	$ 1,521	$ 2,451	$ 1,521	$ 4,301
Total	Net Revenue [1]	$ 14,274	$ 43,490	$36,708	$89,116
	Operating Expenses [2]	12,014	17,926	22,600	36,632
	Segment Operating Income	$ 2,260	$ 25,564	$14,108	$52,484
	Identifiable Segment Assets	$ 41,053	$ 83,902	$41,053	$83,902

[1] Net revenue includes Interest and Other Revenue, and Other Income as set forth in the table below:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2005	2006	2005	2006
Advisory	$ 23	$ 163	$ 57	$ 264
Investment Management	8	16	18	36
Total Interest and Other Income	$ 31	$ 179	$ 75	$ 300

[2] Operating expenses include Depreciation and Amortization as set forth in the table below:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2005	2006	2005	2006
Advisory	$ 136	$ 241	$ 256	$ 450
Investment Management	35	42	66	95
Total Depreciation and Amortization	$ 171	$ 283	$ 322	$ 545

EVERCORE HOLDINGS

NOTES TO UNAUDITED CONDENSED COMBINED FINANCIAL STATEMENTS—(Continued)
THREE AND SIX MONTHS ENDED JUNE 30, 2005 AND 2006

(dollars in thousands unless otherwise noted)

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 June 30,		Six Months Ended June 30,	
	2005	2006	2005	2006
Revenue:[1]				
United States	$15,316	$26,113	$38,490	$69,421
Netherlands	0	10,000	0	10,000
Switzerland	0	5,125	0	5,125
United Kingdom	0	2,757	0	2,757
Cayman Islands	(1,449)	(745)	(2,617)	1,433
Mexico	302	0	611	0
Other – Foreign	74	61	149	80
Total	$14,243	$43,311	$36,633	$88,816

(1) Excludes interest and other income.

Note 15 – Subsequent Events

Acquisition of Braveheart Financial Services Limited – On July 31, 2006, the Company entered into a sale and purchase agreement to acquire Braveheart. In exchange for 100% of the outstanding share capital 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. The initial consideration will be comprised of 1,181,213 shares of Evercore Partners Inc. 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 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 closing of the Braveheart acquisition is subject to a number of conditions, including the closing of the initial public 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. The closing of the Braveheart acquisition is expected to 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, the Company 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 the Company 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, the Company has agreed that, in order to fund the payment of any such tax liabilities by the Braveheart shareholders, Evercore 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).

EVERCORE HOLDINGS

NOTES TO UNAUDITED CONDENSED COMBINED FINANCIAL STATEMENTS—(Continued)
THREE AND SIX MONTHS ENDED JUNE 30, 2005 AND 2006

(dollars in thousands unless otherwise noted)

Acquisition of Protego **–** On August 10, 2006, the Company acquired all of the outstanding capital stock of Protego Asesores S.A. de C.V., a foreign investment bank based in Mexico, in exchange for $7.0 million of non-interest bearing notes ($6.05 million payable in cash and $0.95 million payable in shares of Evercore Partners Inc. Class A common stock) and 1,760,187 vested and 351,362 unvested partnerships units of Evercore LP.

Initial Public Offering **–** Evercore Partners Inc. completed an initial public offering of its Class A common stock on August 16, 2006 on the New York Stock Exchange under the ticker “EVR”. Pursuant to this initial public offering, the Company consummated a number of internal reorganization transactions to transition the Company to a corporate structure.

Line of Credit **–** Pursuant to its initial public offering, the Company repaid the $30 million credit line outstanding discussed above in Note 9.

Operating Lease **–** The Company has agreed to sublease an additional 124,000 square feet of office space at the Company’s principal executive offices at 55 East 52nd Street, New York, New York. The 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. Evercore intends to sublease a portion of this additional space The Company’s current annual lease expense is $3.2 million. In connection with the execution of the sublease, the Company delivered 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.

Braveheart Operating Lease – Braveheart entered into an agreement to sub-lease office space, which, subject to the reasonable consent of the property owner, will allow Braveheart to sub-lease approximately 5,100 square feet of office space for its principal executive office at 10 Hill Street in London, U.K. The sub-lease will expire on September 26, 2011. Annual rental payments under the sub-lease are £0.3 million per annum, exclusive of taxes, payable quarterly in advance. Braveheart is also responsible for 79.89% of the costs of maintaining and repairing the property, utilities and insurance costs, the aggregate of which is capped at an annual amount of £0.1 million, with subsequent year increases in such cap limited by changes in the U.K. retail price index. Evercore LP is acting as a guarantor of Braveheart’s obligations under the sub-lease, and at any time prior to the closing of the Braveheart acquisition, the Company may cause Braveheart to assign or sublease the property to an affiliate, subject to the landlord’s reasonable consent.

Partner Distributions – On August 9, 2006, the Company made distributions as part of its reorganization, and pursuant to the contribution and sale agreement among the Members, in the amount of $33.4 million.

PROTEGO ASESORES, S. A. DE C. V.
SUBSIDIARIES AND PROTEGO SI, S. C.

COMBINED AND CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
(UNAUDITED)

(dollars in thousands)

	December 31, 2005	June 30, 2006 (unaudited)
ASSETS		
CURRENT ASSETS:		
Cash and Cash Equivalents	$ 4,247	$ 4,169
Clients Accounts Receivable	1,147	2,791
Other Receivables	128	162
Recoverable Taxes	500	119
Total Current Assets	6,022	7,241
Furniture, Equipment and Leasehold Improvements	1,053	1,018
Long-Term Investment	1,350	1,267
Guaranty Deposits	49	28
Other Long-Term Assets	635	597
TOTAL ASSETS	$ 9,109	$ 10,151
LIABILITIES, MINORITY INTEREST AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts Payable and Accrued Liabilities	$ 638	$ 794
Bonus Payable	273	512
Income Tax Payable	837	390
Value Added Tax	92	438
Taxes Payable (withholding taxes)	299	142
Other Taxes	71	85
Total Current Liabilities	2,210	2,361
TOTAL LIABILITIES	2,210	2,361
Minority Interest	1,279	1,371
Commitment	—	—
STOCKHOLDERS' EQUITY:		
Capital Stock (fixed)	8	8
Retained Earnings	5,299	6,485
Currency Translation Adjustment	313	(74)
TOTAL STOCKHOLDERS' EQUITY	5,620	6,419
TOTAL LIABILITIES, MINORITY INTEREST AND STOCKHOLDERS' EQUITY	$ 9,109	$ 10,151

See accompanying notes to unaudited combined and consolidated financial statements.

PROTEGO ASESORES, S. A. DE C. V.
SUBSIDIARIES AND PROTEGO SI, S. C.

COMBINED AND CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)

(dollars in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2005	2006	2005	2006
REVENUES				
Advisory	$ 1,985	$ 3,546	$10,303	$5,835
Investment Management	539	572	1,101	1,361
Net Financial Gain	120	156	140	319
Total Revenues	2,644	4,274	11,544	7,515
EXPENSES				
Compensation and Benefits	2,072	2,262	5,395	3,841
Occupancy and Equipment Rental	136	121	245	255
Professional Fees	472	(30)	874	592
Travel and Related Expenses	139	173	241	315
Communications and Information Services	97	118	160	230
Depreciation and Amortization	56	125	107	243
Other Operating Expenses	297	255	805	499
Total Expenses	3,269	3,024	7,827	5,975
OPERATING INCOME	(625)	1,250	3,717	1,540
Income Tax	(311)	534	1,476	770
Minority Interest	(270)	(224)	(712)	(416)
NET INCOME	$ (44)	$ 940	$ 2,953	$1,186

See accompanying notes to unaudited 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
(UNAUDITED)

(dollars in thousands)

	Capital stock	Retained earnings	Accumulated other comprehensive income (loss)	Total
Balances at January 1, 2006	$ 8	$ 5,299	$ 313	$ 5,620
Currency Translation Adjustment			(387)	(387)
Net Income for the Period of Six Months		1,186		1,186
Balances at June 30, 2006	$ 8	$ 6,485	$ (74)	$ 6,419

See accompanying notes to unaudited combined and consolidated financial statements.

PROTEGO ASESORES, S. A. DE C. V.
SUBSIDIARIES AND PROTEGO SI, S. C.

COMBINED AND CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

(dollars in thousands)

	June 30, 2005	June 30, 2006
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income for the Year	$2,953	$ 1,186
Adjustments to Reconcile, Net Income to Net Cash From Operating Activities:		
Depreciation and Amortization	107	243
Minority Interest	1,705	178
Net Change in Working Capital, Excluding Cash and Cash Equivalent	(568)	(1,155)
Net Cash Provided by Operating Activities	4,197	452
INVESTING ACTIVITIES		
Long-Term Investment	(8)	1
Purchase of Furniture and Equipment	(251)	(228)
Net Cash Used in Investing Activities	(259)	(227)
EFFECT OF EXCHANGE RATE ON CASH	169	(303)
DECREASE (INCREASE) IN CASH AND CASH EQUIVALENTS	4,107	(78)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	492	4,247
CASH AND CASH EQUIVALENTS AT END OF PERIOD	4,599	4,169
ADDITIONAL DISCLOSURE OF CASH FLOWS INFORMATION:		
Taxes Paid:	$1,573	$ 1,307

See accompanying notes to unaudited combined and consolidated financial statements.

PROTEGO ASESORES, S. A. DE C. V.
SUBSIDIARIES AND PROTEGO SI, S. C.

NOTES TO THE UNAUDITED COMBINED AND CONSOLIDATED
FINANCIAL STATEMENTS

JUNE 30, 2005 AND 2006

(dollars in thousands)

NOTE 1 - PURPOSE AND BASIS OF PREPARATION OF THESE FINANCIAL STATEMENTS:

The accompanying unaudited interim financial data have been prepared by Protego Asesores, S. A. de C. V., subsidiaries and Protego SI, S. C. ("Asesores"). In the opinion of the management Asesores, they contain all adjustments (consisting of normal recurring accruals) necessary to present fairly the financial position as of June 30, 2006 and 2005, and the results of operations for the six-month periods ended June 30, 2006 and 2005.

NOTE 2 - 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 both entities are under common control of the shareholders of Asesores.

As of June 30, 2006, Asesores main activities are 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.

Following are Asesores' principal subsidiaries, which Asesores effectively controls and substantially wholly owns:

Company	Shares (%)	Main activities
Protego Administradores, 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.	51.00	Brokerage House
Protego CB Servicios, S. C.	51.00	Advisory Services

PROTEGO ASESORES, S. A. DE C. V.
SUBSIDIARIES AND PROTEGO SI, S. C.

NOTES TO THE UNAUDITED COMBINED AND CONSOLIDATED
FINANCIAL STATEMENTS

JUNE 30, 2005 AND 2006

(dollars in thousands)

NOTE 3 – RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

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 in the liability's fair value can be reasonably estimated. FIN 47 was effective for fiscal years ending after December 15, 2005. Asesores estimates that the adoption of FIN 47 had no potential impact on Asesores combined and consolidated 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. Asesores estimates that the adoption of SFAS 154 had no potential impact on Asesores combined and consolidated financial condition or results of operations.

Emerging Issues Task Force Issued No. 04-5 - In June 2005 the Emerging Issues Task Force reached a consensus on Issued 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. In 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, Issued 04-5 is effective after June 29, 2005. For general partners in all other limited partnerships, Issued 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 June 30, 2006 the company has determined that consolidation of the private equity fund will not be required pursuant to Issued 04-5.

SFAS 155 – In February 2006, the FASB issued SFAS No. 155 *"Accounting for Certain Hybrid Financial Instruments – an amendment of FASB Statements No. 133 and 140"* ("SFAS 155"). SFAS 155 permits an entity to measure at fair value any financial instrument that contains an embedded derivative that otherwise would require bifurcation. SFAS 155 is effective for all financial instruments acquired or issued in fiscal years beginning after September 15, 2006. Asesores is currently assessing the impact of adopting SFAS 155, but does not expect the standard to have a material impact on the financial condition, results of operations, and cash flows of Asesores.

SFAS 156 – In March 2006, the FASB issued SFAS No. 156 *"Accounting for Servicing of Financial Assets – an amendment of FASB Statement No. 140"* ("SFAS 156"), which requires all separately recognized servicing assets and servicing liabilities to be initially measured at fair value, if practicable, and for subsequent measurements, permits an entity to choose either the amortization method or the fair value measurement method for each class of separately recognized servicing assets and servicing liabilities. SFAS 156 also requires separate presentation of servicing assets and servicing liabilities subsequently measured at fair value in the statement of financial position and additional disclosures for all separately recognized servicing assets and servicing liabilities. SFAS 156 is effective in fiscal years beginning after September 15, 2006. Asesores is currently assessing the impact of adopting SFAS 156, but does not expect the standard to have a material impact on the financial condition, results of operations, and cash flows of Asesores.

FIN 48 – In July 2006, the FASB issued Financial Interpretation No. 48 *"Accounting for Uncertainty in Income Taxes—an interpretation of FASB Statement No. 109"* ("FIN 48"), which clarifies the criteria that must be met prior to recognition of the financial statement benefit of a position taken in a tax return. FIN 48 provides a benefit recognition model with a two-step approach consisting of a "more-likely-than-not" recognition criteria, and a measurement attribute that measures the position as the largest amount of tax benefit that is greater than 50 percent likely of being realized upon ultimate settlement. FIN 48 also requires the recognition of liabilities created by differences between tax positions taken in a tax return and amounts recognized in the financial statements. FIN 48 is effective as of the beginning of the first annual period beginning after December 15, 2006. Asesores is currently assessing the impact of adopting FIN 48 on the financial condition, results of operations, and cash flows of Asesores.

SFAS 157 – In September 2006, the FASB issued SFAS No. 157 "Fair Value Measurements" ("SFAS 157"), which defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. SFAS 157 is effective in fiscal years beginning after November 15, 2007. Asesores is currently assessing the impact of adopting SFAS 157 on the financial condition, results of operations, and cash flows of Asesores.

PROTEGO ASESORES, S. A. DE C. V.
SUBSIDIARIES AND PROTEGO SI, S. C.

NOTES TO THE UNAUDITED COMBINED AND CONSOLIDATED
FINANCIAL STATEMENTS

JUNE 30, 2005 AND 2006

(dollars in thousands)

NOTE 4 - COMMITMENTS:

Asesores leases certain office space. Future annual minimum lease payments under all non- cancelable operating leases are $117 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., an investment banking boutique in the US. Evercore Partners, Inc. provides 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.

On August 10, 2006 Asesores was acquired by Evercore Partners Inc. and Evercore Partners Inc. completed an initial public offering of its Class A common stock on August 16, 2006.

Asesores has incurred in certain expenses that should be reimbursed by Evercore Partners Inc. once the combination is achieved. As of July 31, 2006, these expenses are estimate at $1,269.

Asesores has signed a service agreement with a former Senior Managing Director whose employment terminated in June of 2006. Once certain conditions are met, this agreement could represent an expense for Protego of $2,289, including VAT.

Item 1A. Pro Forma Financial Information (Unaudited)

	Page
Unaudited Condensed Consolidated Pro Forma Statements of Income For The Three Month and The Six Month Periods Ended June 30, 2006	32
Unaudited Condensed Consolidated Pro Forma Statements of Financial Condition at June 30, 2006	34

As described below and elsewhere in this quarterly report on Form 10-Q, the historical results of operations for periods prior to August 10, 2006, the date of the Reorganization, are not comparable to results of operations for subsequent periods. Accordingly, for periods prior to August 10, 2006, Evercore believes that pro forma results provide the most meaningful basis for comparison of historical periods.

The following unaudited condensed consolidated pro forma statements of income for the three month and the six month periods ended June 30, 2006, and the unaudited condensed consolidated pro forma statements of financial condition at June 30, 2006 present the consolidated results of operations and financial position of Evercore Partners assuming that the Reorganization had been completed as of January 1, 2006. 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 the reorganization transactions on the historical financial information of Evercore. The adjustments are described in the notes to the unaudited condensed consolidated pro forma statements of income and financial condition. The Evercore LP pro forma adjustments principally give effect to the following items:

- the Formation Transaction described in “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Reorganization”, 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 was not contributed to Evercore LP, and the cash distribution of pre-offering profits to our Senior Managing Directors; and
- the Protego Combination described in “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Reorganization”, 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 “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Reorganization” as well as the following items:

- in the case of the unaudited condensed consolidated pro forma statements of income data, total compensation and benefits expenses at 50% of our total revenue, which gives effect to our policy following the initial public 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 the initial public 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 statements 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
- the initial public offering and our use of a portion of the proceeds to repay debt as described in “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Operating Expenses—Liquidity and Capital Resources”.

The unaudited condensed consolidated pro forma financial information of Evercore Partners Inc. should be read together with “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 Form 10-Q.

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 Reorganization 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

Six Months Ended June 30, 2006

(dollars in thousands, except per share data)

	Evercore 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	72,570	—	72,570	5,835	—	5,835	78,405	—	78,405
Investment Management Revenue	16,246	(4,943)(a)	11,303	1,361	—	1,361	12,664	—	12,664
Interest Income and Other Revenue	300	—	300	319	—	319	619	—	619
Total Revenues	89,116	(4,943)	84,173	7,515	—	7,515	91,688	—	91,688
Compensation and Benefits	16,852	—	16,852	3,841	—	3,841	20,693	25,151(f)	45,844
Professional Fees	10,721	—	10,721	592	—	592	11,313	—	11,313
Other Operating Expense	9,059	(26)(a)	9,033	1,542	—	1,542	10,575	—	10,575
Amortization of Intangibles	—	—	—	—	2,739(c)	2,739	2,739	—	2,739
Total Expenses	36,632	(26)	36,606	5,975	2,739	8,714	45,320	25,151	70,471
Income Before Minority Interest and Income Tax	52,484	(4,917)	47,567	1,540	(2,739)	(1,199)	46,368	(25,151)	21,217
Minority Interest	(1)	1(a)	—	(416)	161(d)	(255)	(255)	15,365(g)	15,110
Income Before Income Taxes	52,485	(4,918)	47,567	1,956	(2,900)	(944)	46,623	(40,516)	6,107
Provision for Income Taxes	1,884	(106)(b)	1,778	770	— (e)	770	2,548	635(h)	3,183
Net Income	50,601	(4,812)	45,789	1,186	(2,900)	(1,714)	44,075	(41,151)	2,924
Weighted Average Shares of Class A Common Stock Outstanding									
Basic	—	—	—	—	—	—	—	—	4,795(i)
Diluted	—	—	—	—	—	—	—	—	4,795(i)
Net Income Available to Holders of Shares of Class A Common Stock Per Share:									
Basic	—	—	—	—	—	—	—	—	$ 0.61(i)
Diluted	—	—	—	—	—	—	—	—	$ 0.61(i)

See Notes to Unaudited Condensed Consolidated Pro Forma Statements of Income

Three Months Ended June 30, 2006
(dollars in thousands, except per share data)

	Evercore Historical	Adjustment 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	40,173	—	40,173	3,546	—	3,546	43,719	—	43,719
Investment Management Revenue	3,138	173(a)	3,311	572	—	572	3,883	—	3,883
Interest Income and Other Revenue	179	—	179	156	—	156	335	—	335
Total Revenues	43,490	173	43,663	4,274	—	4,274	47,937	—	47,937
Compensation and Benefits	8,093	—	8,093	2,262	—	2,262	10,355	13,614(f)	23,969
Professional Fees	5,053	—	5,053	—	—	—	5,053	—	5,053
Other Operating Expenses	4,780	(11)(a)	4,769	762	—	762	5,531	—	5,531
Amortization of Intangibles	—	—	—	—	1,370(c)	1,370	1,370	—	1,370
Total Expenses	17,926	(11)	17,915	3,024	1,370	4,394	22,309	13,614	35,923
Income Before Minority Interest and Income Tax	25,564	184	25,748	1,250	(1,370)	(120)	25,628	(13,614)	12,014
Minority Interest	6	(6)(a)	—	(224)	87(d)	(137)	(137)	8,697(g)	8,560
Income Before Income Taxes	25,558	190	25,748	1,474	(1,457)	17	25,765	(22,311)	3,454
Provision for Income Taxes	905	(35)(b)	870	534	— (e)	534	1,404	397(h)	1,801
Net Income	24,653	225	24,878	940	(1,457)	(517)	24,361	(22,708)	1,653
Weighted Average Shares of Class A Common Stock Outstanding									
Basic									4,795(i)
Diluted									4,795(i)
Net Income Available to Holders of Shares of Class A Common Stock Per Share:									
Basic									$ 0.34(i)
Diluted									$ 0.34(i)

See Notes to Unaudited Condensed Consolidated Pro Forma Statements of Income

UNAUDITED CONDENSED CONSOLIDATED PRO FORMA STATEMENTS OF FINANCIAL CONDITION AS OF JUNE 30, 2006

(dollars in thousands, except per share data)

	Evercore Historical	Adjustments for Formation	Evercore Post Formation	Protego Historical	Protego Combination Adj.(m)	Protego as Adjusted	Evercore LP Pro Forma	Adjustments for Offering	Evercore Partners Inc. Pro Forma
Cash and Cash Equivalents	16,357	(14,838)(j)(k)	1,519	4,169	(4,169)(m)	—	1,519	49,606(u)(v)	51,125
Accounts Receivable	17,519	(4,545)(k)	12,974	2,791	(400)(m)	2,391	15,365		15,365
Investments	30,096	(16,757)(j)	13,339	1,267		1,267	14,606		14,606
Goodwill	—	—	—		31,470(n)	31,470	31,470		31,470
Intangible Assets			—		3,770(o)	3,770	3,770		3,770
Other Assets	19,930	(2)(j)	19,928	1,924	(3,112)(p)	(1,188)	18,740	(5,416)(w)	13,324
Total Assets	83,902	(36,142)	47,760	10,151	27,559	37,710	85,470	44,190	129,660
Short-Term Borrowings	30,000	—	30,000				30,000	(30,000)(v)	—
Accrued Compensation and Benefits	10,607	—	10,607	512		512	11,119		11,119
Accounts Payable and Accrued Expenses	12,882	—	12,882	794		794	13,676		13,676
Notes Payable	—	—	—		7,000(q)	7,000	7,000	(7,000)(v)	—
Other Liabilities	1,900	(89)(j)	1,811	1,055		1,055	2,866		2,866
Total Liabilities	55,389	(89)	55,300	2,361	7,000	9,361	64,661	(37,000)	27,661
Minority Interest	273	(273)(j)	—	1,371	(532)(r)	839	839	19,970(x)	20,809
Members' Capital	28,119	(35,780)(j)(k)	(7,661)(l)		27,510(s)	27,510	19,849	(19,849)(x)	—
Retained Earnings				6,485	(6,485)(t)(m)	—	—	(4,338)(y)	(4,338)
Accumulated Other Comprehensive Income	121	—	121	(74)	74(t)	—	121	(121)(x)	—
Class A common Stock, $0.01 par value per share		—	—			—	—	45(u)(v)	45
Class B Common Stock, $0.01 par value per share	—	—	—			—	—		—
Restricted Stock Units								4,338(y)	4,338
Additional Paid-in-Capital	—	—	—	8	(8)(t)	—	—	81,145(u)(v)(w)	81,145
Total Stockholders' Equity	28,240	(35,780)	(7,540)	6,419	21,091	27,510	19,970	61,220	81,190
Total Liabilities and Stockholders' Equity	83,902	(36,142)	47,760	10,151	27,559	37,710	85,470	44,190	129,660

See Notes to Unaudited Condensed Consolidated Pro Forma Statement of Financial Condition

Notes to Unaudited Condensed Consolidated Pro Forma Statements of Income ($ in thousands):

(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.. For the six months ended June 30, 2006, this adjustment reflects $4,943 of net gains associated with carried interest and portfolio investments, $1 minority interest, and $26 of general partnership level expenses. For the three months ended June 30, 2006, this adjustment reflects $173 of net losses associated with carried interest and portfolio investments, $(6) of minority interest and $11 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 the initial public 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 the initial public offering, we are including all payments for services rendered by our Senior Managing Directors in compensation and benefits expense. Our policy is 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 the initial public 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 the initial public 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".

	Three Months Ended June 30, 2006			Six Months Ended June 30, 2006		
	Evercore	Protego	Total	Evercore	Protego	Total
Post Formation Total Revenues	$43,663		$ 43,663	$ 84,173		$ 84,173
Historical Total Revenues		$ 4,274	4,274		$ 7,515	7,515
Compensation Expense Threshold – 50%	21,832	2,137	23,969	42,087	3,758	45,844
Historical Compensation and Benefits	(8,093)	(2,262)	(10,355)	(16,852)	(3,841)	(20,693)
Total Pro Forma Compensation and Benefits Expense Adjustment	$13,739	$ (125)	$ 13,614	$ 25,235	$ (83)	$ 25,151

(g) Reflects an adjustment to record the 74.5% minority interest ownership of our Senior Managing Directors in Evercore LP relating to their vested partnership units, assuming 4,587,738 shares of Class A common stock are outstanding after the initial public 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."

(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%, which 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.:

	Three Months Ended June 30, 2006	Six Months Ended June 30, 2006
Operating Income	$ 12,014	$ 21,217
Less Minority Interest	8,560	15,110
Total Income	$ 3,454	$ 6,107

(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:

	Three Months Ended June 30, 2006		Six Months Ended June 30, 2006	
	Evercore Partners Inc Pro Forma		Evercore Partners Inc. Pro Forma	
	Basic	Diluted	Basic	Diluted
Evercore Partners Inc. Shares of Class A Common Stock	45,238	45,238	45,238	45,238
Evercore Partners Inc. Restricted Stock Units – vested	207,116	207,116	207,116	207,116
Evercore LP Partnership Units – vested (1)	—	—	—	—
New Shares from Offering	4,542,500	4,542,500	4,542,500	4,542,500
Weighted Average Shares of Class A Common Stock Outstanding	4,794,854	4,794,854	4,794,854	4,794,854

(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 the initial public 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:

	Three Months Ended June 30, 2006	Six Months Ended June 30, 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	$ 1,653	$ 2,924
Basic and Diluted Weighted Average Shares of Class A Common Stock Outstanding	4,794,854	4,794,854
Basic and Diluted Net Income Per Share of Class A Common Stock	$ 0.34	$ 0.61

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 increase in net income available to holders of shares of Class A common stock due to the elimination of the minority interest associated with vested Evercore LP partnership units (offset by the associated tax effect) that is implied in calculating diluted net income per share assuming the exchange of Evercore LP partnership units for shares of Class A common stock is antidilutive notwithstanding the corresponding increase in weighted average shares of Class A common stock outstanding. We do not expect dilution to result from the exchange of Evercore LP partnership units for shares of Class A common stock.

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.

Notes to Unaudited Condensed Consolidated Pro Forma Statements of Financial Condition ($ in thousands):

(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.

(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 note (j) above for the period January 1 through the closing of the Formation Transaction, in the amount of $19,327 as of June 30, 2006 to our Senior Managing Directors to be effected prior to the initial public 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 year-to-date 2006 profits as of June 30, 2006.

	Six months ended June 30, 2006
Pre-incorporation Profits	
Evercore Holdings Historical Net Income	$ 50,601
Less: Net Income of General Partner Not Distributed	(4,918)
Pre-incorporation Profits to be Distributed	$ 45,683
Partner Distribution made in Q2 2006 Pertaining to Pre-incorporation Profits	(26,356)
Net Pre-incorporation profits distribution	$ 19,327

	Six months ended June 30, 2006
Pre-incorporation Profits Consideration	
Accounts Receivable	$ 4,545
Cash	14,782
Total	$ 19,327

(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 issued in consideration for the Protego Combination, $6.05 million we paid in cash and $0.95 million we paid in shares of Class A common stock valued at the initial public offering price of $21. We would issue 45,238 shares of Class A common stock upon repayment of such notes at the closing of the initial public 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 the initial public 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. Evercore's 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, Evercore does 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, Evercore does not expect any material changes in the value of any of the other assets acquired and liabilities assumed in conjunction with the Protego Combination. Evercore does 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	3,112
Estimated Purchase Price	$37,622
Estimated Purchase Price Allocation	
Cash	$ 4,169
Less: Pre-Protego Combination Profits Distribution in Cash	(4,169)
Net Cash	—
Accounts Receivable	2,791
Less: Pre Protego Combination Profits Distribution Paid with Interest in Accounts Receivable	(400)
Net Accounts Receivable	2,391
Investments	1,267
Intangible Assets	3,770
Other Assets	1,924
Current Liabilities	(2,361)
Minority Interest	(839)
Identifiable Net Assets	6,152
Goodwill	$31,470

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 the initial public 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 June 30, 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 statements of financial condition, associated with the acquisition of Protego incurred prior to June 30, 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 the initial public 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 Evercore Partners Inc. of 4,542,500 shares of Class A common stock pursuant to the initial public offering, at an initial public offering price of $21.00 per share of Class A common stock, less estimated underwriting discounts and commissions and expenses payable in connection with the initial public offering and the related transactions.

(v) Reflects repayment of the Evercore LP Notes issued to effect the Protego Combination using net proceeds from the initial public 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 $30 million.

(w) Reflects the elimination of direct costs incurred through June 30, 2006 of the initial public offering.

(x) Reflects a minority interest adjustment for the ownership of vested Evercore LP partnership units held directly by Evercore's Senior Managing Directors, 4,542,500 shares of Class A common stock are issued in connection with the initial public 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. Evercore granted 2,286,055 restricted stock units to its non-Senior Managing Director employees at the time of the initial public offering. 207,116 of the restricted stock units are fully vested and, as a result, Evercore will record compensation and benefits expense at the time of the initial public offering equal to the value of these fully vested restricted stock units. Such expense has been excluded from the unaudited condensed consolidated pro forma statements of income as the charge is a non-recurring charge directly attributable to the acquisition. The remaining 2,078,939 of these restricted stock units are 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 in "Management's Discussion and Analysis of Financial Condition and Results of Operations – Reorganization". If and when these unvested restricted stock units vest, Evercore 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 of $21.00 per share. As a result, based on the initial public offering price of $21.00 per share, we recorded compensation expense equal to the fair value of the vested restricted stock units issued of $4.3 million and would record additional compensation expense at the time of vesting of the unvested restricted stock units of $43.7 million if all such unvested restricted stock units were to vest.

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

The following discussion should be read in conjunction with Evercore Holdings' unaudited condensed combined financial statements and the related notes included elsewhere in this Form 10-Q.

Forward-Looking Statements and Certain Factors that May Affect Our Business

This discussion contains forward-looking statements and the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, 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" discussed in our Registration Statement, which was declared effective August 10, 2006. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this discussion. We undertake no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

We operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for our management to predict all risks and uncertainties, nor can management assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

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 $72.6 million, or 81.4%, of our revenue in the six months ended June 30, 2006, $30.5 million, or 83.1%, of our revenue in the six months ended June 30, 2005 and $40.2 million, or 92.4%, of our revenue in the second quarter of 2006.
- 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 $16.3 million, or 18.2%, of our revenue in the six months ended June 30, 2006, $6.1 million, or 16.7%, of our revenue in the six months ended June 30, 2005 and $3.2 million, or 7.2%, of our revenue in the second quarter of 2006.

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 were contributed to Evercore LP. Accordingly, we will continue to reflect the management fees from all of these funds in our condensed combined financial statements following the initial public offering, such fees are expected to total $3,882 during the second half of 2006.
- *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. This policy does not yield results that are materially different compared to recording revenue when services are provided, as required by U.S GAAP. 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 and, as a result, we estimate the future Management Fee offset will be $3,882 for the next six months of 2006. The entities which are entitled to the portfolio company fees from the private equity funds we manage were contributed to Evercore LP. Accordingly, we will continue to reflect the portfolio company fees from all of these funds in our condensed combined financial statements following the initial public 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 the initial public 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 the initial public 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 two of our founding Senior Managing Directors have invested capital in the Evercore Capital Partners I fund, our historical results include such realized or unrealized gains or losses. Following the initial public 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 June 30, 2006, giving pro forma effect to the Reorganization, we had $8.0 million of investments in, and $1.7 million of commitments to, the Evercore Capital Partners II fund. The remaining $16.8 million of investments and $4.9 million of commitments associated with all of the general partners' investments in the private equity funds we currently manage as of June 30, 2006 was not contributed to or assumed by us following the initial public 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 condensed combined statements of income on the later of the date an engagement letter is executed or the date we pay or accrue the expense. For the three months ended June 30, 2006 and 2005, we recorded $0.6 million and $0.5 million, respectively, of revenue and $1.4 million and $0.8 million, respectively, of expenses in our Advisory segment and approximately $(0.1) million and $(0.2) million, respectively, of revenue and $0.4 million and $0.2 million, respectively, of expenses in our Investment Management segment in connection with these reimbursements and the underlying expenditures. For the six months ended June 30, 2006 and 2005, we recorded $1.6 million and $1.1 million, respectively, of revenue and $2.2 million and $1.8 million, respectively, of expenses in our Advisory segment, and $0.9 million and $0.0 million, respectively, of revenue and $1.7 million and $0.6 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 the initial public offering, our employee compensation and benefits expense reflected 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 had not reflected payments for services rendered by our Senior Managing Directors. Following the initial public offering, we include all payments for services rendered by our Senior Managing Directors in employee compensation and benefits expense.

Since the initial public offering, our policy is 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 the initial public 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 held by our Senior Managing Directors in the Reorganization or the restricted stock units to be received by our employees at the time of the initial public 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 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 received by the current Directors of Protego (who became 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 was 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 at the time of the Reorganization;
- 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 the initial public 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 of $21.00 per share 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 the initial public offering price of the Class A common stock of $21.00 per share, the total amount of compensation expense that we will record in connection with the vesting of these unvested partnership units would be $203.8 million.

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 three months and six months ended June 30, 2006 would have been $1.1 million and $2.0 million, respectively.

We granted 2,286,055 restricted stock units to our non-Senior Managing Director employees at the time of the initial public offering. 207,116 of the restricted stock units are fully vested and, as a result, we recorded compensation expense at the time of the initial public offering equal to the value of these fully vested restricted stock units. The remaining 2,078,939 of these restricted stock units are 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 although on a different vesting schedule. At the time of grant, generally 10% of the units granted will vest and upon each subsequent vesting, an additional 45% of the units will vest. 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 the initial public offering price of $21.00 per share, we will record compensation expense at the time of the offering equal to the fair value of the vested restricted stock units granted of $4.3 million and will record additional compensation expense at the time of vesting of the unvested restricted stock units of $43.7 million if all such unvested restricted stock units were to vest. 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 the initial public 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.

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 condensed combined statements 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.

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

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 the initial public 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 above, 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.

Reorganization

Formation Transaction

Our business has historically been owned by our Senior Managing Directors. On August 10, 2006, pursuant to a contribution and sale agreement, dated as of May 12, 2006, our Senior Managing Directors contributed 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 contributed 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., though its non-managing membership in the general partner of the Evercore Capital Partners II fund, had $8.0 million of investments in and $1.7 million of commitments to that fund as of June 30, 2006;
- Evercore Advisors Inc., the advisor to the Evercore Capital Partners I fund, which was converted into a limited liability company;
- Evercore Group L.L.C., Evercore's registered broker-dealer;
- Evercore Properties Inc., Evercore's leaseholding entity, which was converted into a limited liability company; and
- Evercore GP Holdings L.L.C., which became a non-managing member of the general partner of the Evercore Capital Partners II fund and is entitled to 8% to 9% (depending on the particular fund investment) of any carried interest realized from that fund following the Reorganization, which represented 10% of the carried interest then 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 received 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 was effected. 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 at the time of the Reorganization;
- 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 the initial public 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 $21.00 per partnership unit, i.e., the initial public offering price per share of the Class A common stock into which these partnership units are exchangeable. In addition, we distributed to our Senior Managing Directors cash 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".

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 issued in the Formation Transaction as future compensation expense.

Combination with Protego

Protego's business has historically been owned by its directors and other stockholders and conducted by Protego Asesores and its subsidiaries and Protego SI. 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 issued in consideration for the Protego Combination, $6.05 million was payable in cash and $0.95 million was payable in shares of our Class A common stock valued at the initial public offering price of $21.00 per share. We issued 45,238 shares of Class A common stock upon repayment of such notes. In addition, Protego distributed to its Directors cash and, to the extent cash was not available, notes or interest 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 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.

Initial Public Offering

On August 16, 2006, Evercore Partners Inc. completed the initial public offering of its Class A common stock by issuing 4,542,500 shares of its Class A common stock, including shares issued to its underwriters pursuant to their election to exercise in full their overallotment option, for cash consideration of $19.53 per share (net of underwriting discounts) to a syndicate of underwriters. Evercore Partners Inc. contributed all of the proceeds from the initial public offering to Evercore LP, and Evercore LP issued to Evercore Partners Inc. a number of partnership units equal to the number of shares of Class A common stock that Evercore Partners Inc. issued in connection with the Protego Combination and in the initial public offering. Evercore Partners Inc. also became 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" and is presented in Item 1A—Pro Forma Financial Information (Unaudited), immediately following the initial public offering:

- Evercore Partners Inc. became the sole general partner of Evercore LP and, through Evercore LP and its subsidiaries, operates 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 hold 51 shares of our Class B common stock and 23,136,829 partnership units in Evercore LP; and
- our public stockholders (including certain former stockholders of Protego who received $0.95 million payable in shares of our Class A common stock as described above) collectively own 4,587,738 shares of Class A common stock; and
- our public stockholders collectively have 16.5% of the voting power in Evercore Partners Inc and, through their holdings of our Class B common stock, Messrs. Altman, Beutner and Aspe have 83.5% of the voting power in Evercore Partners Inc., of which 68.0% is held by Messrs. Altman and Beutner.

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 are 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 are, 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, are fully vested as of the date of issuance.

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.

We anticipate that the incremental revenue that we will generate as a result of the Braveheart acquisition will consist primarily of advisory fees that will be recorded in our Advisory segment. We do not expect that the acquisition of Braveheart will result in a significant change in the composition of the expenses of our Advisory segment. We expect that Braveheart's revenue and expenses will be denominated primarily in British pounds sterling and Euro, which may expose us to fluctuations in the value of the dollar relative to these foreign currencies. We have not made any determination as to whether we will hedge our exposure to these foreign exchange fluctuations through the use of derivative instruments or otherwise.

It is a primary strategy of ours to expand into new geographic markets, and our acquisition of Braveheart is a key step in furtherance of that strategy. The employee-shareholders of Braveheart have extensive contacts and established relationships within the European business community that they are using in active pursuit of revenue-generating activities, although Braveheart has not generated material revenues to date, and we expect that the future success of Braveheart will depend in large measure upon these key employee-shareholders. The nature and terms of

the consideration payable in connection with the Braveheart acquisition were determined through arm's-length negotiations between Evercore and the Braveheart employee-shareholder.

Combined Results of Operations

Following is a discussion of our combined results of operations for the three and six months ended June 30, 2005 and 2006. For a more detailed 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.

The following table sets forth information regarding our combined revenue for the three and six months ended June 30, 2005 and 2006.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2005	2006	2005	2006
	($ in thousands)			
Revenue:				
Advisory	$12,243	$40,173	$30,513	$72,570
Investment Management	2,000	3,138	6,120	16,246
Interest & Other Income	31	179	75	300
Revenue	14,274	43,490	36,708	89,116
Operating Expenses:				
Compensation and benefits	5,204	8,093	10,614	16,852
Non-compensation expense	6,810	9,833	11,986	19,780
Total operating expenses	12,014	17,926	22,600	36,632
Operating Income	2,260	25,564	14,108	52,484
Minority interest	8	6	10	(1)
Provision for income taxes	377	905	1,047	1,884
Net Income	1,875	24,653	13,051	50,601

Selected ratios and headcount information for the three month and six month periods ended June 30, 2006 and 2005 are set forth below:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2005	2006	2005	2006
As a % of Revenue:				
Advisory	85.8%	92.4%	83.1%	81.4%
Investment Management	14.0	7.2	16.7	18.3
Interest & Other Income	0.2	0.4	0.2	0.3
Revenue	100%	100%	100%	100%

	As of June 30, 2005	2006
Headcount:		
Senior Managing Directors:		
Advisory	8	13
Investment Management	7	7
Corporate	1	2
Other Employees:		
Other Professionals and all Other Support Staff	78	108
Total	94	130

Three Months Ended June 30, 2006 versus June 30, 2005

Revenue was $43.5 million for the three month period ended June 30, 2006, up $29.2 million, or 204.7%, versus revenue of $14.3 million in the corresponding period in 2005. During the 2006 period, Advisory revenue was $40.2 million, an increase of $27.9 million or 228.1% versus revenue of $12.2 million in the corresponding period in 2005. Investment Management revenue was $3.1 million, an increase of $1.1 million or 56.9%, versus revenue of approximately $2.0 million in the corresponding period in 2005. Client expense reimbursements for transaction-related expenses recorded as revenue in the three months ended June 30, 2006 were $0.5 million, or $0.2 million greater than the same period in 2005.

Compensation and benefits expense was $8.1 million for the three month period ended June 30, 2006, an increase of $2.9 million, or 55.5%, versus expense of $5.2 million in the corresponding period in 2005. The increase was primarily due to increased headcount, increase in base salaries, and higher anticipated performance-based bonus awards. Compensation and benefits expense was 18.6% and 36.5% of revenue for the three months ended June 30, 2006 and 2005, respectively.

Non-compensation expense was $9.8 million in 2006, compared with $6.8 million in the same period of 2005.

For the three month period ended June 30, 2006, non-compensation expenses increased primarily due to increases in professional fees, travel and related expenses, financing costs and other operating expenses. The increase of $0.4 million in professional fees, versus the 2005 period, was principally due to consulting fees related to the day to day operations, and legal fees. The increase of $0.8 million in travel and related expenses, versus the 2005 period, can be primarily attributed to transaction related expenses. The increase of $0.6 million in financing costs, versus the 2005 period, is principally due to debt and other financing fees associated with our line of credit. The increase of $0.5 million in other operating expenses, versus the 2005 period, is principally due to state incorporation related filing fees. Increases in all other expenses were driven by increased headcount and transaction related activity.

Transaction-related expenses incurred for the three months ended June 30, 2006 were $1.8 million as compared to $1.0 million for the same period in 2005. We may be reimbursed for such transaction-related expenses, and such clients expense reimbursements are recorded as revenue on the condensed combined statements of income on the later of the date of an executed engagement letter or the date the expense is incurred.

For the three month period ended June 30, 2006, the provision for income taxes was $0.9 million, an increase of $0.5 million versus $0.4 million for the corresponding period in 2005. This increase was principally due to increased operating income overall.

Six Months Ended June 30, 2006 versus June 30, 2005

Revenue was $89.1 million for the six month period ended June 30, 2006, up $52.4 million, or 142.8%, versus revenue of $36.7 million in the corresponding period in 2005. During the 2006 period, Advisory revenue was $72.6 million, an increase of $42.1 million or 137.8% versus revenue of $30.5 million in the corresponding period in 2005. Investment Management revenue was $16.2 million, an increase of approximately $10.1 million or 165.5%, versus revenue of approximately $6.1 million in the corresponding period in 2005. Client expenses reimbursements for

transaction-related expenses recorded as revenue in the six months ended June 30, 2006 were $2.5 million, or $1.4 million greater than the same period in 2005.

Compensation and benefits expense was $16.9 million for the six month period ended June 30, 2006, an increase of $6.2 million, or 58.8%, versus expense of $10.6 million in the corresponding period in 2005. The increase was primarily due to increases in headcount, increased base salaries, and higher anticipated performance-based bonus awards and an increase in sign-on bonus awards. As of June 30, 2006, overall headcount was 130, up 36 versus headcount as of June 30, 2005, representing additions principally in Advisory and support personnel. Compensation and benefits expense was 18.9% and 28.9% of revenue for the six months ended June 30, 2006 and 2005, respectively.

Non-compensation expense was $19.8 million in the six month period ended June 30, 2006, compared with $12.0 million for the corresponding period in 2005. For the six month period ended June 30, 2006, non-compensation expenses increased versus the comparable period in 2005 primarily due to increases in professional fees, travel and related expenses, financing costs and other operating expenses. The increase of $3.5 million in professional fees was due to consulting fees and legal fees. The increase in consulting can be attributed to temporary services used for day to day operations, and costs incurred in connection with the preparation of historical financial statements and upgrades to our reporting and accounting systems plus an increase in transaction related expenses. The increase of $1.3 million in travel and related expenses, versus the corresponding period in 2005, is largely associated with transaction related expense. The increase of $1.2 million in financing costs, versus the period in 2005, is principally due to debt and other financing costs incurred with connection to our line of credit. The increase of $0.6 million in other operating expenses, versus the 2005 period, is principally due to filing fees. Increases in all other expenses were driven by increased headcount and transaction related activity.

Transaction-related expenses incurred for the six months ended June 30, 2006 were $3.9 million as compared to $2.4 million for the same period of 2005. We may be reimbursed for such transaction-related expenses, and such clients expense reimbursements are recorded as revenue on the condensed combined statement of income on the later of the date of an executed engagement letter or the date the expense is incurred.

For the six month period ended June 30, 2006, the provision for income taxes was $1.9 million, an increase of $0.8 million versus $1.0 million for the corresponding period in 2005. This increase was principally due to increased operating income overall.

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 (2) non-compensation expenses, which include directly incurred expenses for premises and occupancy, professional fees, travel and entertainment, communications and information services, equipment, and (3) indirect support costs (including compensation and other operating expenses related thereto) for administrative services. These administrative services include certain 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. Other corporate expenses such as costs related to our line of credit and audit fees, are not allocated to the business segments and are reflected in a Corporate segment in the notes to Evercore’s financials statements.

Advisory

The following table summarizes the operating results of the Advisory segment.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2005	2006	2005	2006
	($ in thousands)			
Advisory Revenues:				
Advisory Revenue	12,243	40,173	30,513	72,570
Interest Income and Other	23	163	57	264
Total Advisory Revenue	12,266	40,336	30,570	72,834
Advisory Expenses:				
Compensation and Benefits	4,201	6,896	8,532	13,707
Non-Compensation Expenses	4,236	5,007	7,371	9,411
Total Advisory Operating Expenses	8,437	11,903	15,903	23,118
Advisory Operating Income	$ 3,829	$28,433	$14,667	$49,716
Advisory Operating Income as a Percentage of Total Advisory Revenue	31.2%	70.5%	48.0%	68.3%

	As of June 30,	
	2005	2006
Headcount:		
Senior Managing Directors	8	13
Other Advisory Professionals and Support Staff	48	60
Total	56	73

	Three Months Ended June 30,		Six Months Ended June 30,	
	2005	2006	2005	2006
Number of Advisory Clients				
Total	23	21	33	34
With Fees Greater than $1 million	4	9	13	17
Percentage of Total Fees from Top 5 Clients	71.9%	65.6%	50.3%	47.3%

For the six month period ended June 30, 2006, activity in the North American M&A industry continued to be strong as evidenced by the following industry statistics regarding the volume of transactions:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2005	2006	2005	2006
Industry Statistics ($in billions)				
Value of North American M&A Deals Announced	314	451	601	796
Value of North American M&A Deals Completed	186	276	357	624

Source: Thomson Financial

We expect that our Advisory business should continue to benefit from any sustained increase in M&A volume.

Advisory Results of Operations

Three Months Ended June 30, 2006 versus June 30, 2005

In the 2006 period, Advisory revenue was $40.3 million, an increase of $28.1 million or 228.8% versus revenue of $12.3 million in the corresponding period in 2005. Advisory client expense reimbursements billed as revenue were $0.6 million and $0.5 million for the three months ended June 30, 2006 and 2005, respectively.

The increase in M&A revenue is a result of both strong M&A performance, consistent with increased industry-wide completed M&A activity, and by greater productivity from our Senior Managing Directors. Evercore's Advisory group advised on a number of the second quarter of 2006's significant transactions. We earned Advisory revenue from 21 different clients during the three months ended June 30, 2006, compared to 23 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 June 30, 2006, compared to 4 in the same period in 2005. Five clients accounted for more than 65.6% of Advisory revenue for the three months ended June 30, 2006, as compared to 71.9% of Advisory revenue during the same period in 2005.

Operating expenses were $11.9 million in the 2006 period, an increase of approximately $3.5 million, or 41.1%, versus operating expenses of $8.4 million in the corresponding period in 2005. Compensation and benefits expense increased by $2.7 million or 64.2% as compared to the corresponding period in 2005, reflecting increased headcount, increased base salaries and higher anticipated performance-based bonus awards. Non-compensation expenses increased by $0.8 million or 18.2% principally due to expenses driven by increased headcount and transaction related activity, principally travel and related expenses

Included in Advisory non-compensation expenses for the three months ended June 30, 2006 of $5.0 are transaction-related expenses of $1.4 million principally for travel and related expenses incurred in the conduct of financial advisory activity. Advisory transaction-related expenses incurred for the three months ended June 30, 2005 were $0.8 million.

Advisory operating income was $28.4 million for the 2006 period, an increase of $24.6 million, or 642.6%, versus the same period in 2005. Operating income as a percentage of segment revenue was 70.5% for 2006 versus 31.2% in the corresponding period in 2005, with operating leverage resulting from higher revenues being partially offset by the increase in recorded compensation expense in the 2006 period.

Six Months Ended June 30, 2006 versus June 30, 2005

In the 2006 period, Advisory revenue was $72.8 million, an increase of $42.3 million or 138.3% versus revenue of $30.6 million in the corresponding period in 2005, driven by the continued strength of the mergers and acquisitions environment and by improved productivity of our senior managing directors. Advisory client expense reimbursements billed as revenue were $1.6 million and $1.1 million for the six months ended June 30, 2006, and 2005, respectively.

We earned Advisory revenue from 34 different clients during the six months ended June 30, 2006, compared to 33 different clients during the same period in 2005. We earned in excess of $1 million from 17 of those clients in the six months ended June 30, 2006, compared to 13 in the same period in 2005. Five clients accounted for more than 47.3% of Advisory revenue for the six months ended June 30, 2006, as compared to 50.3% of Advisory revenue during the same period in 2005.

Operating expenses were $23.1 million in 2006 period, an increase of $7.2 million, or 45.4%, versus operating expenses of $15.9 million in the corresponding period in 2005. Compensation and benefits expense increased by $5.2 million or 60.7%, as compared to the corresponding period in 2005, reflecting increased headcount, increased base salaries and higher anticipated performance-based bonus awards.

Non-compensation expenses increased by $2.0 million or 27.7% principally due to expenses driven by increased headcount and transaction related activity, principally travel and related expenses.

Included in Advisory non-compensation expenses for the six months ended June 30, 2006 of $9.4 are transaction-related expenses of $2.2 million for travel, meals and professional fees incurred in the conduct of financial advisory activity. Advisory transaction-related expenses incurred for the six months ended June 30, 2005 were $1.8 million.

Advisory operating income was $49.7 million for the 2006 period, an increase of $35.0 million, or 239.0%, versus operating income in the corresponding period in 2005. Operating income as a percentage of segment revenue was 68.3% for 2006 versus 48.0% in the corresponding period in 2005, with the operating leverage resulting from higher revenues being partially offset by the increase in recorded compensation expense in the 2006 period.

Investment Management

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 Condensed Consolidated Pro Forma Financial Information".

The following table summarizes the operating results of the Investment Management segment.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2005	2006	2005	2006
	($ in thousands)			
Revenue:				
Management Fees	$ 3,751	$ 3,324	$ 7,537	$ 6,670
Placement Fees	(621)	—	(1,243)	—
Net Management Fees	3,130	3,324	6,294	6,670
Portfolio Company Fees	276	356	2,374	5,002
Total Management & Portfolio Company Fees	3,406	3,680	8,668	11,672
Carried Interest & Gains/(Loss) on Investments	(1,406)	(542)	(2,548)	4,574
Investment Management Revenue	2,000	3,138	6,120	16,246
Interest Income & other Revenue	8	16	18	36
Total Investment Management Revenue	2,008	3,154	6,138	16,282
Expenses:				
Employee Compensation & Benefits Expense	1,003	1,197	2,082	3,145
Non-Compensation Expense	1,053	2,375	3,094	6,068
Total Investment Management Operating Expenses	2,056	3,572	5,176	9,213
Investment Management Operating Income	$ (48)	$ (418)	$ 962	$ 7,069

	As of June 30,	
	2005	2006
Headcount:		
Senior Managing Directors	7	7
Other Investment Management Professionals and Support Staff	17	16
Total	24	23

Investment Management Results of Operations

Three Months Ended June 30, 2006 versus June 30, 2005

Investment Management revenue was $3.1 million for the 2006 period, an increase of $1.1 million, or 57.1%, versus revenue of approximately $2.0 million for the corresponding period in 2005. Net management fees for the 2006 period were $3.3 million, down $0.4 million, or 11.4%, for the corresponding period in 2005. There were no placement fees for the 2006 period as there will no longer be any placement fees paid related to ECP II, while approximately $0.6 million was recorded for the corresponding period in 2005. In addition, during the three month period ended June 30, 2006, there were net unrealized and realized gains and losses, including carried interest and pro rata share of the loss on EAM, of approximately ($0.5) million from Portfolio Investments as compared to net unrealized and realized gains and losses of ($1.4) million in the same period in 2005. Investment Management client expense reimbursements billed as revenue were $(0.1) million and $(0.2) million for the three months ended June 30, 2006, and 2005, respectively.

Operating expenses were $3.6 million for the 2006 period, an increase of $1.5 million, or 73.7%, versus operating expenses of $2.1 million for the corresponding period in 2005 principally due to increases in non-compensation expenses. Due to new initiatives and travel, non-compensation expenses increased to $2.4 million for the 2006 period, an increase of $1.3 million or 125.3%, versus non-compensation operating expenses of $1.1 million for the corresponding period in 2005.

Included in Investment Management non-compensation expenses for the three months ended June 30, 2006 of $2.4 million are transaction-related expenses of $0.4 million for travel, meals and professional fees incurred in the conduct of Investment Management activity. Investment Management transaction-related expenses incurred for the three months ended June 30, 2005 were $0.2 million.

Investment Management operating income was flat compared to the corresponding period in 2005. Operating loss as a percentage of segment revenue was (13.3)% for the 2006 period versus (2.4)% for the corresponding period in 2005 as a result of the items discussed above.

Six Months Ended June 30, 2006 versus June 30, 2005

Investment Management revenue was $16.3 million for the 2006 period, an increase of $10.1 million, or 165.3%, versus revenue of approximately $6.1 million for the corresponding period in 2005. Net management fees for the 2006 period were $6.7 million, down $0.9 million, or 11.5%, versus management fees of $7.5 million, for the corresponding period in 2005. There were no placement fees for the 2006 period as there will no longer be any placement fees paid related to ECP II, while $1.2 million was recorded for the corresponding period in 2005. In addition, during the six month period ended June 30, 2006, net unrealized and realized gains and losses, including carried interest and pro rata share of the loss on EAM, were $4.6 million, as compared to net unrealized and realized gains and losses of ($2.5) million for the same period in 2005. Portfolio company fees for the 2006 period were $5.0 million, an increase of $2.6 million, or 110.7%, versus portfolio company fees of $2.4 million for the corresponding period in 2005. Investment Management client expense reimbursement billed as revenue were $0.9 million and $0.0 million for the six months ended June 30, 2006 and 2005, respectively.

Operating expenses were $9.2 million for the 2006 period, an increase of $4.0 million, or 78.0%, versus operating expenses of $5.2 million for the corresponding period in 2005. Compensation and benefits expenses increased by 51.1% in 2006 versus the same period in 2005, principally due to increased base salaries and higher anticipated performance-based bonus awards attributable to allocated new hires. Non-compensation expenses increased by $3.0 million, or 96.1%, versus the corresponding period in 2005, principally due to higher professional fees, relating to new business initiatives, transaction related expenses and travel related expenses.

Included in Investment Management non-compensation expenses for the six months ended June 30, 2006 of $6.1 are transaction-related expenses of $1.7 million for travel, meals and professional fees incurred in the conduct of Investment Management activity. Investment Management transaction-related expenses incurred for the six months ended June 30, 2005 were $0.6 million.

Investment Management operating income was $7.1 million for the 2006 period, an increase of $6.1 million, or 634.8%, versus operating income of $1.0 million for the corresponding period in 2005. Operating income as a percentage of segment revenue was 43.4% for the 2006 period versus 15.7% for the corresponding period in 2005.

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.

Cash and cash equivalents were $14.8 million at June 30, 2006, a decrease of approximately $23.0 million versus cash and cash equivalents of $37.9 million at December 31, 2005. During the six month period ended June 30, 2006, cash of $30.9 million was provided by operating activities, comprised of net income allocable to members, which was offset primarily by increases in deferred offering and acquisition costs and accounts receivable, non-cash charges, principally consisting of net gains on investments, and net changes in other operating assets and operating liabilities. Cash of $10.0 million was used for investing activities, principally for net purchases of investments, which were offset by proceeds on existing investments. Financing activities during the period used cash of $43.9 million, primarily for distributions to members, which were offset by short term borrowings.

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. We traditionally make payments for employee bonuses primarily in the first month of the year with respect to the prior year's results. 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 matured on the earlier of the consummation of the initial public 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%. On June 22, 2006, we drew down an additional $5.0 million at a effective interest rate of 7.48%. We recognized $0.4 million of debt issuance cost expense and $0.8 million of interest expense for the six months ended June 30, 2006. The proceeds of this borrowing have been used for working capital purposes including funding of our ongoing investment management activities. We used a portion of the proceeds from the initial public offering to repay all outstanding borrowings under this line of credit, which has been terminated

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.

As of June 30, 2006, we had $14.8 million in cash on hand. We distributed $33.4 million of cash on August 9, 2006 to our Senior Managing Directors, representing a distribution of undistributed earnings for the period from January 1, 2006 to August 9, 2006.

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 condensed combined statements of financial condition) relating to future principal investments of $6.6 million as of June 30, 2006. We expect to fund $1.7 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.

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.

Contractual Obligations

The following table sets forth information relating to our contractual obligations as of June 30, 2006:

	Payment Due by Period				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
			($ in thousands)		
Capital Lease Obligations	$ 326	$ 176	$ 150	$ —	$ —
Operating Lease Obligations	14,878	3,181	4,192	4,352	3,153
Investment Management Commitments	6,617	3,949	—	235	2,433
Total	$21,821	$ 7,306	$ 4,342	$ 4,587	$ 5,586

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 to sublease a portion of this additional space. 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.

Braveheart entered into an agreement to sub-lease office space, which, subject to the reasonable consent of the property owner, will allow Braveheart to sub-lease approximately 5,100 square feet of office space for its principal executive office at 10 Hill Street in London, U.K. The sub-lease will expire on September 26, 2011. Annual rental payments under the sub-lease are £321,619 per annum, exclusive of taxes, payable quarterly in advance. Braveheart is also responsible for 79.89% of the costs of maintaining and repairing the property, utilities and insurance costs, the aggregate of which is capped at an annual amount of £62,634, with subsequent year increases in such cap limited by changes in the U.K. retail price index. Evercore LP is acting as a guarantor of Braveheart's obligations under the sub-lease, and at any time prior to the closing of the Braveheart acquisition, we may cause Braveheart to assign or sublease the property to an affiliate of Evercore, subject to the landlord's reasonable consent.

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 condensed combined financial statements.

Market Risk

Except for the items noted below in this section, 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, other than principal investments in our Funds and Evercore Asset Management, we believe we do not face any material interest rate risk, foreign currency exchange rate risk, equity price risk or other market risk.

Investment 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. In contrast, we have made investments in portfolios to be managed by Evercore Asset Management, which include investments in publicly traded equity securities.

Exchange Rate Risk

On August 10, 2006, we acquired Protego Asesores, a leading investment banking boutique in Mexico. A significant portion of Protego's revenues have been and will continue to be 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.

In addition, On July 31, 2006, we entered into a sale and purchase agreement to acquire Braveheart, an English company which provides corporate finance and private equity advisory services in Europe. We expect that Braveheart's revenue and expenses will be denominated primarily in British Pounds Sterling and Euro, which may expose us to fluctuations in the value of the dollar relative to these foreign currencies.

We have not entered into any transactions to hedge our exposure to these foreign exchange fluctuations through the use of derivative instruments or otherwise.

Critical Accounting Policies and Estimates

The condensed combined financial statements included in this report 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 notes, 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 Company's investments consist primarily of investments in the Private Equity Funds and assets managed by Evercore Asset Management, L.L.C. that are carried at fair value on the Condensed Combined Statements of Financial Condition, with realized and unrealized gains and losses included in Investment Management Revenue on the Condensed 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 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 and Trading 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.

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 Condensed Combined Financial Statements. Income taxes shown on the Company's Condensed Combined Statements of Income are attributable to the New York City Unincorporated Business Tax and the New York City general corporate tax.

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 June 30, 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 June 30, 2006 was $31.5 million.

Recently Issued Accounting Standards

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 Condensed 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 Company adopted SFAS 123(R) on January 1, 2006 and there was no material impact on the Company's condensed combined financial condition or results of operations.

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 condensed 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 did not have a material effect on our condensed combined financial condition or operating results.

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.

SFAS 155—In February 2006, the FASB issued SFAS No. 155 "*Accounting for Certain Hybrid Financial Instruments – an amendment of FASB Statements No. 133 and 140"* ("SFAS 155"). SFAS 155 permits an entity to measure at fair value any financial instrument that contains an embedded derivative that otherwise would require bifurcation. SFAS 155 is effective for all financial instruments acquired or issued in fiscal years beginning after September 15, 2006. We are currently assessing the impact of adopting SFAS 155, but do not expect the standard to have a material impact on our financial condition, operating results, and cash flows of the Company.

SFAS 156—In March 2006, the FASB issued SFAS No. 156 *"Accounting for Servicing of Financial Assets – an amendment of FASB Statement No. 140"* ("SFAS 156"), which requires all separately recognized servicing assets and servicing liabilities to be initially measured at fair value, if practicable, and for subsequent measurements, permits an entity to choose either the amortization method or the fair value measurement method for each class of separately recognized servicing assets and servicing liabilities. SFAS 156 also requires separate presentation of servicing assets and servicing liabilities subsequently measured at fair value in the statement of financial position and additional disclosures for all separately recognized servicing assets and servicing liabilities. SFAS 156 is effective in fiscal years beginning after September 15, 2006. We are currently assessing the impact of adopting SFAS 156, but do not expect the standard to have a material impact on the financial condition, operating results, and cash flows of the Company.

FIN 48—In July 2006, the FASB issued FIN No. 48 *"Accounting for Uncertainty in Income Taxes—an interpretation of FASB Statement No. 109"* ("FIN 48"), which clarifies the criteria that must be met prior to recognition of the financial statement benefit of a position taken in a tax return. FIN 48 provides a benefit recognition model with a two-step approach consisting of a "more-likely-than-not" recognition criteria, and a measurement attribute that measures the position as the largest amount of tax benefit that is greater than 50 percent likely of being realized upon ultimate settlement. FIN 48 also requires the recognition of liabilities created by differences between tax positions taken in a tax return and amounts recognized in the financial statements. FIN 48 is effective as of the beginning of the first annual period beginning after December 15, 2006. We are currently assessing the impact of adopting FIN 48 on our financial condition, operating results, and cash flows.

SFAS 157—In September 2006, the FASB issued SFAS No. 157 "Fair Value Measurements" ("SFAS 157"), which defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. SFAS 157 is effective in fiscal years beginning after November 15, 2007. The Company is currently assessing the impact of adopting SFAS 157 on the financial condition, results of operations, and cash flows of the Company.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Risk Management

Please see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Risk Management.” We do not believe we face any material interest rate risk, foreign currency exchange risk, equity price risk or other market risk except as disclosed in Item 2 — “Market Risk” above.

Item 4. Controls and Procedures

Our management, including our Co-Chief Executive Officers and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15 under the Exchange Act as of the end of the period covered by this report. Based on that evaluation, our Co-Chief Executive Officers and Chief Financial Officer have concluded that, as of the end of the period covered by this quarterly report, our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) are effective, in all material respects, to ensure that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms, and that such information is accumulated and communicated to our management, including our Co-Chief Executive Officers and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

In addition, no change in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) occurred during our most recent fiscal quarter that has materially affected, or is likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

In re High Voltage Engineering Corp. ("High Voltage") in the U.S. Bankruptcy Court for the District of Massachusetts and Stephen S. Gray, Trustee ("Trustee") of The High Voltage Engineering Liquidating Trust. v. Evercore Restructuring L.P. Evercore Restructuring L.L.C (collectively, "Evercore Restructuring") et. al., in the United States District Court of Massachusetts.

In 2003 High Voltage, engaged Evercore Restructuring to assist in its restructuring efforts. During the engagement, Evercore Restructuring assisted High Voltage negotiate a restructuring plan and related financing. During the period of engagement, which ended in August 2004, High Voltage filed for Chapter 11 bankruptcy protection and later emerged from bankruptcy with new financing. However, in February 2005, High Voltage again filed for Chapter 11 bankruptcy protection. In July 2006, as part of the second bankruptcy proceeding, High Voltage's businesses were sold and its creditors were repaid in full out of the proceeds of the sale. In addition, the Trustee conducted an informal investigation into the causes of the second bankruptcy and the knowledge of professionals who assisted High Voltage in its first bankruptcy.

On August 15, 2006, the Trustee filed a motion in the bankruptcy court seeking to undo an order entered in November 2004 approving $2.34 million in fees and expenses for Evercore Restructuring's services, alleging, among other matters, that Evercore Restructuring should have known that the projections prepared by High Voltage in connection with the first bankruptcy proceedings were inaccurate. On September 8, 2006, Evercore Restructuring responded in the bankruptcy court denying the factual allegations and asserting a variety of legal bases to deny the request. The bankruptcy court has not set a date for ruling on the dispute.

In addition, on August 15, 2006, the Trustee also filed a complaint against Evercore Restructuring and Jefferies & Company, Inc., financial advisor to certain of High Voltage's creditors in the first bankruptcy, asserting claims against Evercore Restructuring for gross negligence and breach of fiduciary duty, based on the same underlying allegations included in the bankruptcy court motion. On September 15, 2006, High Voltage filed an amended complaint adding Fried, Frank, Harris, Shriver and Jacobson LLP, High Voltage's counsel in the first bankruptcy, as an additional defendant. We intend to move for judgment on the pleadings or summary judgment on a variety of affirmative defenses and other grounds, including failure to allege facts constituting gross negligence or breach of fiduciary duty, releases of Evercore Restructuring approved in the order confirming High Voltage's plan of reorganization, and acknowledgements by High Voltage in Evercore Restructuring's engagement letter, which was disclosed to the bankruptcy court prior to its approval of the retention of Evercore Restructuring, that Evercore Restructuring was not a fiduciary and would rely on management's representations when rendering its advisory services. Briefing of the motion will be concluded before the end of the year and no date has been set for a ruling on the motion. Evercore believes the litigations against it are meritless and its defenses are substantial.

General

In addition to the proceedings set forth above, from time to time we may be involved in judicial, regulatory and arbitration proceedings concerning matters arising in connection with the conduct of our businesses and 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 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. When those circumstances arise, management will make what it believes are adequate provisions in the financial statements for any expected liabilities which may result from disposition of pending lawsuits. Nevertheless, litigation is subject to inherent uncertainties and unfavorable events could occur. Were such unfavorable events to occur, there exists the possibility of a material adverse impact to our operating results, financial position or liquidity as of and for the period in which such events occur.

Item 1A. Risk Factors

There have not been any material changes from the risk factors previously disclosed in our Registration Statement Form S-1 that was effective August 10, 2006.

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

(a) On May 12, 2006, Evercore Partners Inc. issued 100 shares of its Class B common stock, par value $0.01 per share, to Evercore LP for $1.00. On August 16, 2006, Evercore LP distributed 51 of such shares of Class B common stock to its limited partners as part of the Reorganization as described under "Management's Discussion and Analysis of Financial Condition and Results of Operations—Reorganization". The issuance and the subsequent distribution of such shares of Class B common stock were not registered under the Securities Act of 1933 because the shares were offered and sold in a transaction exempt from registration under Section 4(2) of the Securities Act of 1933.

On August 16, 2006, Evercore Partners Inc. issued 45,238 shares of its Class A common stock, par value $0.01 per share, to Banco Inbursa, S.A., Institucion de Banca Multiple, Grupo Financiero Inbursa, as Trustee of Inbursa Trust F/1338, a trust benefiting certain Directors and employees of Protego upon repayment of a $0.95 million note issued as consideration for the Protego Combination as described under "Management's Discussion and Analysis of Financial Condition and Results of Operations—Reorganization". The issuance of such shares of Class A common stock was not registered under the Securities Act of 1933 because the shares were offered and sold in a transaction exempt from registration under Section 4(2) of the Securities Act of 1933.

(b) The effective date of Evercore Partners Inc.'s first registration statement filed on Form S-1 under the Securities Act of 1933 (File No. 333-134087) ("Form S-1") relating to Evercore Partners Inc.'s initial public offering of shares of Class A common stock was August 10, 2006. A total of 4,542,500 shares of Evercore Partners Inc.'s shares of Class A common stock were sold. Lehman Brothers Inc. acted as representative of the underwriters and sole book-running manager of the offering.

The offering commenced on August 10, 2006 and has been completed. The aggregate offering price was $95,393. The underwriting discount was $6,677, none of which was paid to affiliates of Evercore. Evercore incurred approximately $6.9 million of other expenses in connection with the offering. The net proceeds to Evercore totaled approximately $81.8 million. Evercore used $30 million of these proceeds to repay all of its outstanding borrowings under its credit agreement, $6.05 million to repay the non-interest bearing notes issued as a portion of the consideration for the combination with Protego pursuant to the contribution and sale agreement among Evercore Partners Inc., Evercore LP, Roger C. Altman, Austin M. Beutner and Pedro Aspe and the other parties thereto (the "Contribution and Sale Agreement"), and intends to use the remaining proceeds to expand and diversify its advisory and investment management businesses and for general corporate purposes.

(c) Not applicable.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Submission of Matters to a Vote of Security Holders

On August 9, 2006, the sole stockholder of Evercore Partners Inc., by unanimous written consent (1) approved and adopted the amended and restated certificate of incorporation of Evercore Partners Inc.; (2)(a) elected Pedro Aspe as a director of Evercore Partners Inc. effective immediately prior to the time that the Form S-1 became effective under the Securities Act, (b) elected Gail Block Harris, Curt Hessler, Francois de Saint Phalle and Anthony N. Pritzker as directors of Evercore Partners Inc. effective upon the filing of the amended and restated certificate of incorporation of Evercore Partners Inc. with the Delaware Secretary of State, and (c) re-appointed Roger C. Altman and Austin M. Beutner as directors of Evercore Partners Inc.; (3) approved and adopted the Evercore Partners Inc. 2006 Stock Incentive Plan ("Stock Incentive Plan") and the Evercore Partners Inc. Annual Incentive Plan; and (4) approved, for the express purpose of exempting such transactions under Rule 16b-3 promulgated under the Exchange Act certain specified acquisitions and dispositions by certain directors and officers of Evercore Partners Inc. of shares of its Class A common stock, Class B common stock and restricted stock units and of partnership units in Evercore LP.

Item 5. Other Information

None.

Item 6. Exhibits

3.1	Amended and Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to Amendment No. 2 to the Registrant's Registration Statement on Form S-1 (File No. 333-134087) ("Form S-1") filed with the SEC on July 31, 2006)
3.2	Amended and Restated Bylaws (incorporated by reference to Exhibit 3.2 to the Form S-1 filed with the SEC on May 12, 2006)
10.1	Amended and Restated Limited Partnership Agreement of Evercore LP, dated as of August 7, 2006
10.1.1	Supplement to Amended and Restated Limited Partnership Agreement of Evercore LP, dated as of August 7, 2006
10.2	Tax Receivable Agreement, dated as of August 10, 2006
10.3	Registration Rights Agreement, dated as of August 10, 2006
10.4	Employment Agreement between Registrant and Austin M. Beutner, dated as of August 10, 2006
10.5	Employment Agreement between Registrant and Roger C. Altman, dated as of August 10, 2006
10.6	Employment Agreement between Registrant and Pedro Aspe, dated as of August 10, 2006
31.1	Certification of the co-Chief Executive Officer pursuant to Rule 13a-14(a).
31.2	Certification of the co-Chief Executive Officer pursuant to Rule 13a-14(a).
31.3	Certification of the Chief Financial Officer pursuant to Rule 13a-14(a).
32.1	Certification of the co-Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).
32.2	Certification of the co-Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).
32.3	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).

SIGNATURES

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

Date: September 25, 2006

Evercore Partners Inc.

By: /s/ Roger C. Altman
Name: Roger C. Altman
Title: Chairman and Co-Chief Executive Officer

By: /s/ Austin M. Beutner
Name: Austin M. Beutner
Title: Co-Chief Executive Officer and President

By: /s/ David E. Wezdenko
Name: David E. Wezdenko
Title: Chief Financial Officer

Exhibit 10.1

EXECUTION VERSION

AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT

OF

EVERCORE LP

Dated as of August 7, 2006

THE PARTNERSHIP UNITS OF EVERCORE LP HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED, THE SECURITIES LAWS OF ANY STATE OR ANY OTHER APPLICABLE SECURITIES LAWS AND ARE BEING SOLD IN RELIANCE UPON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND SUCH LAWS. SUCH UNITS 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 PARTNERSHIP AGREEMENT. THE UNITS MAY NOT BE TRANSFERRED OF RECORD EXCEPT IN COMPLIANCE WITH SUCH LAWS AND THIS LIMITED PARTNERSHIP AGREEMENT. THEREFORE, PURCHASERS OF SUCH UNITS WILL BE REQUIRED TO BEAR THE RISK OF THEIR INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

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AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT

OF

EVERCORE LP

This AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT (this "Agreement") of Evercore LP (the "Partnership") is made as of the 7th day of August, 2006, by and among Evercore Partners Inc., a corporation formed under the laws of the State of Delaware, as general partner, and the Limited Partners (as defined herein) of the Partnership.

W I T N E S S E T H:

WHEREAS, the Partnership was formed as a limited partnership pursuant to the Delaware Revised Uniform Limited Partnership Act, 6 Del. C. Section 17-101, et seq., as it may be amended from time to time (the "Act"), by the filing of a Certificate of Limited Partnership (the "Certificate") with the Office of the Secretary of State of the State of Delaware on May 12, 2006;

WHEREAS, the parties hereto desire to enter into this Agreement to amend and restate the Limited Partnership Agreement of the Partnership dated as of May 12, 2006; and

WHEREAS, the parties hereto desire to enter into this Amended and Restated Limited Partnership Agreement of the Partnership and to replace the general partner and permit the admission of the Limited Partners to the Partnership.

NOW, THEREFORE, in consideration of the mutual promises and agreements herein made and intending to be legally bound hereby, the parties hereto agree to amend and restate the Original Agreement (as defined herein) in its entirety to read as follows:

ARTICLE I

DEFINITIONS

SECTION 1.01. Definitions. Capitalized terms used herein without definition have the following meanings (such meanings being equally applicable to both the singular and plural form of the terms defined):

"Act" has the meaning set forth in the preamble of this Agreement.

"Additional Credit Amount" has the meaning set forth in Section 4.01(b)(ii).

"Adjusted Capital Account Balance" means, with respect to each Partner, the balance in such Partner'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)(c)(4), (5) and (6); and (ii) by adding to such balance such Partner's share of Partnership Minimum Gain and Partner Nonrecourse Debt Minimum Gain, determined

pursuant to Regulations Sections 1.704-2(g) and 1.704-2(i)(5) any amounts such Partner is obligated to restore pursuant to any provision of this Agreement or by applicable law. 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.

"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.

"Agreement" has the meaning set forth in the preamble of this Agreement.

"Amended Tax Amount" has the meaning set forth in Section 4.01(b)(ii).

"Assignee" has the meaning set forth in Section 8.08.

"Assumed Tax Rate" means the highest effective marginal combined U.S. federal, state and local income tax rate for a Fiscal Year prescribed for an individual or corporate resident in New York, New York (taking into account (a) the nondeductiblity of expenses subject to the limitation described in Section 67(a) of the Code and (b) the character (e.g., long-term or short-term capital gain or ordinary or exempt income) of the applicable income, but not taking into account the deductibility of state and local income taxes for U.S. federal income tax purposes). For the avoidance of doubt, the Assumed Tax Rate will be the same for all Partners.

"Available Cash" means, with respect to any fiscal period, the amount of cash on hand which the General Partner, in its reasonable discretion, deems available for distribution to the Partners, taking into account all debts, liabilities and obligations of the Partnership then due and amounts which the General Partner, in its reasonable discretion, deems necessary to expend or retain for working capital or to place into reserves for customary and usual claims with respect to the Partnership's operations.

"Beneficial Ownership" means such term as set forth in Rule 13d-3 under the Exchange Act.

"Capital Account" means the separate capital account maintained for each Partner in accordance with Section 5.03 hereof.

"Capital Contribution" means, with respect to any Partner, the aggregate amount of money contributed to the Partnership and the Carrying Value of any property (other than money), net of any liabilities assumed by the Partnership upon contribution or to which such property is subject, contributed to the Partnership pursuant to Article V.

"Carrying Value" means, with respect to any asset of the Partnership, the asset's adjusted basis for U.S. 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 General Partner) 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 Partner in exchange for more than a de minimis capital contribution to the Partnership, (b) the date of the distribution of more than a de minimis amount of Partnership property (other than a pro rata distribution) to a Partner or (c) the date of a grant of any additional Interest to any new or existing Partner as consideration for the provision of services to or for the benefit of the partnership; provided, that adjustments pursuant to clauses (a), (b) and (c) above shall be made only if the General Partner in good faith determines that such adjustments are necessary or appropriate to reflect the relative economic interests of the Partners or required by regulations. The Carrying Value of any asset distributed to any Partner shall be adjusted immediately prior to such distribution to equal its gross fair market value. The Carrying Value of any asset contributed by a Partner to the Partnership shall be the gross 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.

"Certificate" has the meaning set forth in the preamble of this Agreement.

"Certificate of Incorporation" means the Amended and Restated Certificate of Incorporation of the General Partner, to be filed on the closing date of the IPO, with the Secretary of State of the State of Delaware pursuant to the Delaware General Corporation Law, as such certificate may be amended from time to time.

"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 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 then outstanding voting securities; or (4) the consummation of any transaction subject to Rule 13e-3 under the Exchange Act.

"Charity" means any organization 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 or any organization that is organized and operates according to the Mexican Civil Code for each of the federal entities and is incorporated for the realization of a common goal, which should not be mainly of an economic nature.

"Class" means the classes of Units into which the interests in the Partnership may be classified or divided from time to time pursuant to the provisions of this Agreement.

"Class A Common Stock" means Class A common stock, par value $0.0001 per share, of the General Partner.

"Class A Units" means collectively, the Class A-1 Units and the Class A-2 Units.

"Class A-1 Units" means the Class A-1 Units of the Partnership representing the interests in the Partnership set forth in this Agreement.

"Class A-2 Units" means the Class A-2 Units of the Partnership representing the interests in the Partnership set forth in this Agreement.

"Class B Units" means, collectively, the Class B-1 Units and the Class B-2 Units.

"Class B-1 Units" means the Class B-1 Units of the Partnership representing the interests in the Partnership set forth in this Agreement.

"Class B-2 Units" means the Class B-2 Units of the Partnership representing the interests in the Partnership set forth in this Agreement.

"Class C Units" means the Class C Units of the Partnership representing the interests in the Partnership set forth in this Agreement.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Contingencies" has the meaning set forth in Section 9.03(b).

"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.

"Credit Amount" has the meaning set forth in Section 4.01(b)(ii) of this Agreement.

"Creditable Foreign Tax" means a foreign tax paid or accrued for United States federal income tax purposes by the Partnership, 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.

"Disability" means, as to any Person, such Person's inability to perform in all material respects his or her duties and responsibilities to the General Partner, 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 Equity Committee may reasonably determine in good faith.

"Disabling Event" means the General Partner ceasing to be the general partner of the Partnership pursuant to Section 17-402 of the Act.

"Dissolution Event" has the meaning set forth in Section 9.02 of this Agreement.

"Employed Initial Non-Founding Limited Partner" has the meaning set forth in Section 8.03(d) of this Agreement; provided, however, that for the purposes of Sections 8.03 and 8.04 of this Agreement only, Ms. M. Sharon Lewellen shall be considered an Employed Initial Non-Founding Limited Partner regardless of whether she is then employed by the General Partner, the Partnership or any of its subsidiaries.

"Encumbrance" means any mortgage, claim, lien, encumbrance, conditional sales or other title retention agreement, right of first refusal, preemptive right, pledge, option, charge, security interest or other similar interest, easement, judgment or imperfection of title of any nature whatsoever.

"Equity Committee" has the meaning set forth in Section 3.02.

"Exchange Act" means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Exchange Notice" has the meaning set forth in Section 8.04(b).

"Family Trust" means, in respect of any Limited Partner, any trust, provided that (i) such trust is governed by the law of the state of New York or Alaska or the United States of Mexico; (ii) any trustee of such trust, during the period in which such trust holds Units, is a director or Senior Managing Director-level employee of the General Partner, the Partnership or any of its subsidiaries; (iii) the beneficiaries (other than remote contingent beneficiaries) of such trust are limited to the transferor, the transferor's spouse, and the ancestors and lineal descendants of the transferor; and (iv) such trust prohibits distributions of Units to the beneficiaries, other than distributions to the transferor to satisfy required annuity payments.

"Final Tax Amount" has the meaning set forth in Section 4.01(b)(ii).

"Fiscal Year" means (i) the period commencing upon the formation of the Partnership and ending on December 31, 2005 or (ii) any subsequent twelve-month period commencing on January 1 and ending on December 31.

"Forfeited Initial Unvested Units" has the meaning set forth in Section 8.02(a).

"Founding Limited Partner" means each of Mr. Roger C. Altman, Mr. Austin M. Beutner, Mr. Pedro Aspe, the Roger C. Altman 2005 Grantor Retained Annuity Trust, Roger C. Altman 1997 Family Limited Partnership, the Austin M. Beutner 2005 Grantor

Retained Annuity Trust, A & N Associates, LP, the Beutner Family 2001 Long-Term Trust, the Paspro Trust and Fideicomiso F/147S, Banco Inbursa, S.A. Institucion de Banco Multiple, Grupo Financiero Imbursa, as Trustee of Inbrusa Trust F/1475.

"GAAP" means accounting principles generally accepted in the United States of America as in effect from time to time.

"General Partner" means Evercore Partners Inc. or any successor general partner admitted to the Partnership in accordance with the terms of this Agreement.

"Incapacity" means, with respect to any Person, the bankruptcy, dissolution, termination, entry of an order of incompetence, or the insanity, permanent disability or death of such Person.

"Incentive Plan" means any equity incentive or similar plan pursuant to which the General Partner may issue shares of Class A Common Stock from time to time.

"Initial Founding Limited Partner Units" means the aggregate number of Class A Units owned by the Founding Limited Partners on the date of this Agreement.

"Initial Non-Founding Limited Partner" means each Limited Partner as of the date of this Agreement other than the Founding Partners.

"Initial Limited Partner" means each Limited Partner as of the date of this Agreement.

"IPO" has the meaning set forth in Section 8.01(a).

"Initial Units" means, with respect to any Initial Limited Partner, the aggregate number of Units owned by such Initial Limited Partner as of the date of this Agreement.

"Initial Unvested Units" means, with respect to any Non-Founding Limited Partner, the aggregate number of Unvested Units owned by such Non-Founding Limited Partner as of the date of this Agreement.

"Intangible Assets" means the assets of the Partnership that are described in Section 197(d) of the Code.

"Intangible Asset Gain" means the net gain recognized by the Partnership with respect to the Partnership's Intangible Assets in connection with the actual or hypothetical sale of all or substantially all of the assets of the Partnership, including but not limited to net capital gain realized in connection with an adjustment to the Carrying Value of Partnership assets; provided, however, that any such gain shall constitute "Intangible Asset Gain" only to the extent that any such gain exceeds losses previously recognized in an actual or hypothetical sale of Intangible Assets.

"Law" means any statute, law, ordinance, regulation, rule, code, executive order, injunction, judgment, decree or other order issued or promulgated by any national,

supranational, state, federal, provincial, local or municipal government or any administrative or regulatory body with authority therefrom with jurisdiction over the Partnership or any Partner, as the case may be.

"Limited Partner" means each of the Persons from time to time listed as a limited partner in the books and records of the Partnership.

"Liquidation Agent" has the meaning set forth in Section 9.03 of this Agreement.

"Maximum Exchangeable Units" has the meaning set forth in Section 8.04(a).

"Net Taxable Income" has the meaning set forth in Section 4.01(b)(i).

"Non-Employed Initial Non-Founding Limited Partner" has the meaning set forth in Section 8.02(b)(i).

"Non-Founding Limited Partner" means each Limited Partner other than the Founding Partners.

"Nonrecourse Deductions" has the meaning set forth in Treasury Regulations Section 1.704-2(b). The amount of Nonrecourse Deductions of the Partnership for a fiscal year equals the net increase, if any, in the amount of Partnership Minimum Gain of the Partnership during that fiscal year, determined according to the provisions of Treasury Regulations Section 1.704-2(c).

"Original Agreement" has the meaning set forth in the preamble of this Agreement.

"Partners" means, at any time, each person listed as a Partner (including the General Partner) on the books and records of the Partnership, in each case for so long as he, she or it remains a Partner as provided hereunder.

"Partnership" has the meaning set forth in the preamble of this Agreement.

"Partnership Minimum Gain" has the meaning set forth in Treasury Regulations Sections 1.704-2(b)(2) and 1.704-2(d).

"Partner 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 Partnership 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).

"Partner Nonrecourse Deductions" has the meaning ascribed to the term "partner nonrecourse deductions" set forth in Treasury Regulations Section 1.704-2(i)(2).

"Permitted Exchange" has the meaning set forth in Section 8.03(d) of this Agreement.

"Permitted Exchange Party" has the meaning set forth in Section 8.03(d) of this Agreement.

"Permitted Transferee" has the meaning set forth in Section 8.05 of this Agreement.

"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.

"Profits" and "Losses" means, for each Fiscal Year or other period, the taxable income or loss of the Partnership, or particular items thereof, determined in accordance with the accounting method used by the Partnership for U.S. federal income tax purposes with the following adjustments: (a) all items of income, gain, loss or deduction allocated pursuant to Section 5.05 shall not be taken into account in computing such taxable income or loss; (b) any income of the Partnership that is exempt from U.S. 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 U.S. 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 U.S. 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 U.S. federal income tax depreciation, amortization or other cost recovery deductions bears to such adjusted tax basis (provided, that if the U.S. federal income tax depreciation, amortization or other cost recovery deduction is zero, the General Partner 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 Partnership 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.

"Related Partner" means (1) with respect to Mr. Roger C. Altman, each of the Roger C. Altman 2005 Grantor Retained Annuity Trust and the Roger C. Altman 1997 Family Limited Partnership, (2) with respect to Mr. Austin M. Beutner, each of the Austin M. Beutner 2005 Grantor Retained Annuity Trust, A & N Associates, LP and the Beutner Family 2001 Long-Term Trust and (3) with respect to Mr. Pedro Aspe, each of the Paspro Trust and the Fideicomiso F/147S, Banco Inbursa, S.A. Institucion de Banco Multiple, Grupo Financiero Imbursa, as Trustee of Inbrusa Trust F/1475.

"Securities Act" means the U.S. Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Tax Advance" has the meaning set forth in Section 5.07.

"Tax Amount" has the meaning set forth in Section 4.01(b)(i).

"Tax Distribution" has the meaning set forth in Section 4.01(b)(i).

"Tax Matters Partner" has the meaning set forth in Section 5.08.

"Total Percentage Interest" means, with respect to any Partner, the quotient obtained by dividing the number of Units (vested or unvested) then owned by such Partner by the number of Units then owned by all Partners.

"Transfer" means, in respect of any Unit, 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 Unit for any other security.

"Transferee" means any Person that is a transferee of a Partner's interest in the Partnership, or part thereof.

"Treasury Regulations" means the income tax regulations, including temporary regulations, promulgated under the Code, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

"Units" means the Class A Units, the Class B Units, the Class C Units and any other class of units authorized in accordance with this Agreement, which shall constitute interests in the Partnership as provided in this Agreement and under the Act, entitling the holders thereof to the relative rights, title and interests in the profits, losses, deductions and credits of the Partnership at any particular time as set forth in this Agreement, and any and all other benefits to which a holder thereof may be entitled as a Partner as provided in this Agreement, together with the obligations of such Partner to comply with all terms and provisions of this Agreement.

"Unvested Units" means those Class B Units, Class C Units and any other Class of Units listed as unvested Units in Schedule I attached hereto, as the same may be amended from time to time in accordance with this Agreement.

"Vested Percentage Interest" means, with respect to any Partner, the quotient obtained by dividing the number of Vested Units then owned by such Partner by the number of Vested Units then owned by all Partners.

"Vested Initial Units" means those Units listed either as Class A Units, vested Class B Units, vested Class C Units in Schedule I attached hereto as of the date of this Agreement, and any additional Initial Units that have vested from time to time in accordance with Section 8.01 of this Agreement.

"Vested Units" means those Units listed either as Class A Units, vested Class B Units, vested Class C Units or any other Class of Units listed as vested in Schedule I attached hereto, as the same may be amended from time to time in accordance with this Agreement.

ARTICLE II

FORMATION, TERM, PURPOSE AND POWERS

SECTION 2.01. Formation. The Partnership was formed as a limited partnership under the provisions of the Act by the filing on May 12, 2006 of the Certificate with the Secretary of State of the State of Delaware. If requested by the General Partner, the Limited Partners shall promptly execute all certificates and other documents consistent with the terms of this Agreement necessary for the General Partner to accomplish all filing, recording, publishing and other acts as may be appropriate to comply with all requirements for (a) the formation and operation of a limited partnership under the laws of the State of Delaware, (b) if the General Partner deems it advisable, the operation of the Partnership as a limited partnership, or partnership in which the Limited Partners have limited liability, in all jurisdictions where the Partnership proposes to operate and (c) all other filings required to be made by the Partnership.

SECTION 2.02. Name. The name of the Partnership shall be, and the business of the Partnership shall be conducted under the name of, Evercore LP.

SECTION 2.03. Term. The term of the Partnership commenced on the date of the filing of the Certificate, and the term shall continue for a term as set forth in the Certificate, subject to the provisions set forth in Article IX and applicable Law. The existence of the Partnership as a separate legal entity shall continue until cancellation of the Certificate in the manner required by the Act.

SECTION 2.04. Offices. The Partnership may have offices at such places within or without the State of Delaware as the General Partner from time to time may select.

SECTION 2.05. Agent for Service of Process. The Partnership's registered agent for service of process in the State of Delaware shall be as set forth in the Certificate, as the same may be amended by the General Partner from time to time.

SECTION 2.06. Business Purpose. The Partnership was formed for the object and purpose of, and the nature of the business to be conducted by the Partnership is, engaging in any lawful act or activity for which limited partnerships may be formed under the Act.

SECTION 2.07. Powers of the Partnership. Subject to the limitations set forth in this Agreement, the Partnership will possess and may exercise all of the powers and privileges granted to it by the Act, by any other Law or this Agreement, together with all powers incidental thereto, so far as such powers are necessary or convenient to the conduct, promotion or attainment of the purpose of the Partnership set forth in Section 2.06.

SECTION 2.08. Partners; Admission of New Partners. Each of the Persons listed on Schedule I attached hereto, as the same may be amended from time to time in accordance with this Agreement, by virtue of the execution of this Agreement, are Partners of the Partnership. The rights and liabilities of the Partners shall be as provided in the Act, except as is otherwise expressly provided herein. A Person may be admitted from time to time as a new Partner in accordance with Section 8.09; provided, however, that each new Partner shall execute an appropriate supplement to this Agreement pursuant to which the new Partner agrees to be bound by the terms and conditions of the Agreement, as it may be amended from time to time.

SECTION 2.09. Withdrawal. No Partner shall have the right to withdraw as a Partner of the Partnership other than following the Transfer of all Units owned by such Partner in accordance with Article VIII; provided, however, that a new General Partner or substitute General Partner may be admitted to the Partnership in accordance with Section 8.09.

ARTICLE III

MANAGEMENT

SECTION 3.01. General Partner. (a) The business, property and affairs of the Partnership shall be managed under the sole, absolute and exclusive direction of the General Partner, which may from time to time delegate authority to officers or to others to act on behalf of the Partnership.

(b) Without limiting the foregoing provisions of this Section 3.01, the General Partner shall have the general power to manage or cause the management of the Partnership, which may be delegated to officers of the Partnership, including, without limitation, the following powers:

(i) to develop and prepare a business plan each year which will set forth the operating goals and plans for the Partnership;

(ii) to execute and deliver or to authorize the execution and delivery of contracts, deeds, leases, licenses, instruments of transfer and other documents on behalf of the Partnership;

(iii) to employ, retain, consult with and dismiss personnel;

(iv) to establish and enforce limits of authority and internal controls with respect to all personnel and functions;

(v) to engage attorneys, consultants and accountants for the Partnership;

(vi) to develop or cause to be developed accounting procedures for the maintenance of the Partnership's books of account; and

(vii) to do all such other acts as shall be authorized in this Agreement or by the Partners in writing from time to time.

(c) If the General Partner is an entity, it shall be organized under the laws of the United States or any political subdivision thereof. If the General Partner is an individual, it shall be a citizen of the United States.

SECTION 3.02. Equity Committee. The General Partner shall establish a committee initially comprised of Roger C. Altman, Austin M. Beutner and Pedro Aspe (the "Equity

Committee"). The Equity Committee shall have the sole authority to take the actions permitted to be taken by the Equity Committee pursuant to this Agreement. All decisions made by the Equity Committee must be unanimously decided by the members of the Equity Committee. The General Partner may not appoint additional members to serve on the Equity Committee without the unanimous prior approval of the Equity Committee. At such time as an Equity Committee member is not employed by, or does not serve as a director of, the General Partner, the Partnership or its subsidiaries, such member shall no longer serve as a member of the Equity Committee.

SECTION 3.03. Compensation. The General Partner shall not be entitled to any compensation for services rendered to the Partnership in its capacity as General Partner.

SECTION 3.04. Expenses. The Partnership shall bear and/or reimburse the General Partner for any expenses incurred by the General Partner.

SECTION 3.05. Officers. Subject to the direction of the General Partner, the day-to-day administration of the business of the Partnership may be carried out by employees and agents who may be designated as officers by the General Partner, with titles including but not limited to "chief executive officer," "president," "vice president," "treasurer," "assistant treasurer," "secretary," "assistant secretary," "general manager," "senior managing director," "managing director," "general counsel," "director" and "chief financial officer," as and to the extent authorized by the General Partner. The officers of the Partnership shall have such titles and powers and perform such duties as shall be determined from time to time by the General Partner and otherwise as shall customarily pertain to such offices. Any number of offices may be held by the same person. All officers shall be subject to the supervision and direction of the General Partner and may be removed from such office by the General Partner and the authority, duties or responsibilities of any officer of the Partnership may be suspended by the General Partner from time to time, in each case in the sole discretion of the General Partner.

SECTION 3.06. Authority of Partners. No Limited Partner, in its capacity as such, shall participate in or have any control over the business of the Partnership. Except as expressly provided herein, the Units do not confer any rights upon the Limited Partners to participate in the conduct, control or management of the business of the Partnership described in this Agreement, which conduct, control and management shall be vested exclusively in the General Partner. In all matters relating to or arising out of the conduct of the operation of the Partnership, the decision of the General Partner shall be the decision of the Partnership. Except as required or permitted by Law, or expressly provided in the ultimate sentence of this Section 3.06 or by separate agreement with the Partnership, no Partner who is not also a General Partner (and acting in such capacity) shall take any part in the management or control of the operation or business of the Partnership in its capacity as a Partner, nor shall any Partner who is not also a General Partner (and acting in such capacity) have any right, authority or power to act for or on behalf of or bind the Partnership in his or its capacity as a Partner in any respect or assume any obligation or responsibility of the Partnership or of any other Partner. Notwithstanding the foregoing, the Partnership may employ one or more Partners from time to time, and such Partners, in their capacity as employees of the Partnership, may take part in the control and management of the business of the Partnership to the extent such authority and power to act for or on behalf of the Partnership has been delegated to them by the General Partner.

SECTION 3.07. Action by Written Consent. Any action required or permitted to be taken by the Partners pursuant to this Agreement shall be taken if all Partners whose consent is required consent thereto in writing.

ARTICLE IV

DISTRIBUTIONS

SECTION 4.01. Distributions. (a) The General Partner, in its discretion, may authorize distributions by the Partnership to the Partners, which distributions shall be made *pro rata* in accordance with the Partners' respective Vested Percentage Interests. Notwithstanding the immediately preceding sentence, in the event of an extraordinary dividend, refinancing, recapitalization, merger or other restructuring transaction, the General Partner, in its discretion, may also authorize distributions to the Partners that shall be made *pro rata* in accordance with the Partners' respective Total Percentage Interests.

(b) (i) In addition to the foregoing, if the General Partner reasonably determines that the taxable income of the Partnership for a Fiscal Year will give rise to taxable income for the Partners ("Net Taxable Income"), the General Partner shall cause the Partnership to distribute Available Cash for purposes of allowing those Partners that hold Vested Units to fund their respective income tax liabilities (the "Tax Distributions"). The Tax Distributions payable to each such Partner with respect to any Fiscal Year shall be computed based upon the General Partner's estimate of the Net Taxable Income allocable to such Partner in accordance with Article V, multiplied by the Assumed Tax Rate (the "Tax Amount"). For purposes of computing the Tax Amount, the effect of any benefit to a Partner under Section 743(b) of the Code will be ignored. Tax distributions shall only be effected through distributions on, and only be made to Partners that hold, Vested Units.

(ii) Tax Distributions shall be calculated and paid no later than one day prior to each quarterly due date for the payment by corporations of estimated taxes under the Code in the following manner (A) for the first quarterly period, 25% of the Tax Amount, (B) for the second quarterly period, 50% of the Tax Amount, less the prior Tax Distributions for the Fiscal Year, (C) for the third quarterly period, 75% of the Tax Amount, less the prior Tax Distributions for the Fiscal Year and (D) for the fourth quarterly period, 100% of the Tax Amount, less the prior Tax Distributions for the Fiscal Year. Following each Fiscal Year, and no later than one day prior to the due date for the payment by corporations of income taxes for such Fiscal Year, the General Partner shall make an amended calculation of the Tax Amount for such Fiscal Year (the "Amended Tax Amount"), and shall cause the Partnership to distribute a Tax Distribution, out of Available Cash, to the extent that the Amended Tax Amount so calculated exceeds the cumulative Tax Distributions previously made by the Partnership in respect of such Fiscal Year. If the Amended Tax Amount is less than the cumulative Tax Distributions previously made by the Partnership in respect of the relevant Fiscal Year, then the difference (the "Credit Amount") shall be applied against, and shall reduce, the amount of Tax Distributions made to the Partners for subsequent Fiscal Years. Within 30 days following the date on which the Partnership files a tax return on Form 1065, the General Partner shall make a final calculation of the Tax Amount of such Fiscal Year (the "Final Tax Amount") and shall cause the Partnership to distribute a Tax

Distribution, out of Available Cash, to the extent that the Final Tax Amount so calculated exceeds the Amended Tax Amount. If the Final Tax Amount is less than the Amended Tax Amount in respect of the relevant Fiscal Year, then the difference ("Additional Credit Amount") shall be applied against, and shall reduce, the amount of Tax Distributions made to the Partners for subsequent Fiscal Years. Any Credit Amount and Additional Credit Amount applied against future Tax Distributions shall be treated as an amount actually distributed pursuant to this Section 4.01(b) for purposes of the computations herein.

SECTION 4.02. Liquidation Distribution. Distributions made upon liquidation of the Partnership shall be made as provided in Section 9.03.

SECTION 4.03. Limitations on Distribution. Notwithstanding any provision to the contrary contained in this Agreement, the General Partner shall not make a Partnership distribution to any Partner if such distribution would violate Section 17-607 of the Act or other applicable Law.

ARTICLE V

CAPITAL CONTRIBUTIONS; CAPITAL ACCOUNTS; TAX ALLOCATIONS; TAX MATTERS

SECTION 5.01. Initial Capital Contributions. The Partners have made, on or prior to the date hereof, Capital Contributions and have acquired the number of Class A Units, Class B Units and Class C Units as specified opposite their respective names on Schedule I.

SECTION 5.02. No Additional Capital Contributions. Except as otherwise provided in this Article V or Article VII, no Partner shall be required to make additional Capital Contributions to the Partnership without the consent of such Partner or permitted to make additional capital contributions to the Partnership without the consent of the General Partner.

SECTION 5.03. Capital Accounts. A separate capital account (a "Capital Account") shall be established and maintained for each Partner in accordance with the provisions of Treasury Regulations Section 1.704-1(b)(2)(iv). The Capital Account of each Partner shall be credited with such Partner's Capital Contributions, if any, all Profits allocated to such Partner pursuant to Section 5.04 and any items of income or gain which are specially allocated pursuant to Section 5.05; and shall be debited with all Losses allocated to such Partner pursuant to Section 5.04, any items of loss or deduction of the Partnership specially allocated to such Partner pursuant to Section 5.05, and all cash and the Carrying Value of any property (net of liabilities assumed by such Partner and the liabilities to which such property is subject) distributed by the Partnership to such Partner. Any references in any section of this Agreement to the Capital Account of a Partner 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 Partnership 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 5.04. 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 or loss or deduction of the Partnership) shall be allocated in a manner such that the Capital

Account of each Partner after giving effect to the Special Allocations set forth in Section 5.05 is, as nearly as possible, equal (proportionately) to (i) the distributions that would be made pursuant to Article IV if the Partnership were dissolved, its affairs wound up and its assets sold for cash equal to their Carrying Value, all Partnership liabilities were satisfied (limited with respect to each non-recourse liability to the Carrying Value of the assets securing such liability) and the net assets of the Partnership were distributed to the Partners pursuant to this Agreement, minus (ii) such Partner's share of Partnership Minimum Gain and Partner Nonrecourse Debt Minimum Gain, computed immediately prior to the hypothetical sale of assets. For purposes of this Article V, each Unvested Unit shall be treated as a Vested Unit.

SECTION 5.05. 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 Partnership taxable year, the Partners shall be specially allocated items of Partnership 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 5.05(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 Partner 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 Partnership income and gain shall be specially allocated to such Partner in an amount and manner sufficient to eliminate the deficit balance in such Partner's Adjusted Capital Account Balance created by such adjustments, allocations or distributions as promptly as possible; provided, that an allocation pursuant to this Section 5.05(b) shall be made only to the extent that a Partner 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 5.05(b) were not in this Agreement. This Section 5.05(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 Partner has a deficit Capital Account at the end of any Fiscal Year which is in excess of the sum of (i) the amount such Partner is obligated to restore, if any, pursuant to any provision of this Agreement, and (ii) the amount such Partner 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 Partner shall be specially allocated items of Partnership income and gain in the amount of such excess as quickly as possible; provided, that an allocation pursuant to this Section 5.05(c) shall be made only if and to the extent that a Partner 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 5.05(b) and this Section 5.05(c) were not in this Agreement.

(d) Nonrecourse Deductions. Nonrecourse Deductions shall be allocated to the Partners in accordance with their respective Total Percentage Interests.

(e) Partner Nonrecourse Deductions. Partner Nonrecourse Deductions for any taxable period shall be allocated to the Partner 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).

(f) Creditable Foreign Taxes. Creditable Foreign Taxes for any taxable period attributable to the Partnership, or an entity owned directly or indirectly by the Partnership, shall be allocated to the Partners in proportion to the partners' 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 5.05(f) are intended to comply with the provisions of Temporary Treasury Regulations Section 1.704-1T(b)(4)(xi), and shall be interpreted consistently therewith.

(g) Intangible Asset Gain. Intangible Asset Gain shall be allocated to each Class C holder, pro rata in accordance with their ownership of Class C Units, in an amount equal to the excess of (i) the amount distributable to such holder pursuant to Section 9.03(c)(ii) (without regard to the proviso at the end of Section 9.03(c)(ii)) over (ii) amounts previously allocated pursuant to this Section 5.05(g).

(h) Ameliorative Allocations. Any special allocations of income or gain pursuant to Sections 5.05(b) or 5.05(c) hereof shall be taken into account in computing subsequent allocations pursuant to Section 5.04 and this Section 5.05(h), so that the net amount of any items so allocated and all other items allocated to each Partner shall, to the extent possible, be equal to the net amount that would have been allocated to each Partner if such allocations pursuant to Sections 5.05(b) or 5.05(c) had not occurred.

SECTION 5.06. Tax Allocations. For income tax purposes, each item of income, gain, loss and deduction of the Partnership shall be allocated among the Partners 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 U.S. 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 Equity Committee and permitted by the Code and Treasury Regulations) so as to take account of the difference between Carrying Value and adjusted basis of such asset; provided, further, that the Partnership 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".

SECTION 5.07. Tax Advances. To the extent the Partnership reasonably believes that it is required by law to withhold or to make tax payments on behalf of or with respect to any Partner or the Partnership is subjected to tax itself by reason of the status of any Partner ("Tax Advances"), the General Partner may withhold such amounts and make such tax payments as so required. All Tax Advances made on behalf of a Partner shall be repaid by reducing the amount of the current or next succeeding distribution or distributions which would otherwise have been made

to such Partner or, if such distributions are not sufficient for that purpose, by so reducing the proceeds of liquidation otherwise payable to such Partner. For all purposes of this Agreement such Partner shall be treated as having received the amount of the distribution that is equal to the Tax Advance. Each Partner hereby agrees to indemnify and hold harmless the Partnership and the other Partners from and against any liability (including, without limitation, any liability for taxes, penalties, additions to tax or interest other than any penalties, additions to tax or interest imposed as a result of the Partnership's failure to withhold or make a tax payment on behalf of such Partner which withholding or payment is required pursuant to applicable law but only to the extent amounts sufficient to pay such taxes were not timely distributed to the Partner pursuant to Section 4.01(b)) with respect to income attributable to or distributions or other payments to such Partner.

SECTION 5.08. Tax Matters. The General Partner shall be the initial "tax matters partner" within the meaning of Section 6231(a)(7) of the Code (the "Tax Matters Partner"). The Partnership shall file as a partnership for federal, state and local income tax purposes, except where otherwise required by Law. All elections required or permitted to be made by the Partnership, and all other tax decisions and determinations relating to federal, state or local tax matters of the Partnership, shall be made by the Tax Matters Partner, in consultation with the Partnership's attorneys and/or accountants. Tax audits, controversies and litigations shall be conducted under the direction of the Tax Matters Partner. The Tax Matters Partner shall keep the other Partners reasonably informed as to any tax actions, examinations or proceedings relating to the Partnership and shall submit to the other Partners, for their review and comment, any settlement or compromise offer with respect to any disputed item of income, gain, loss, deduction or credit of the Partnership. As soon as reasonably practicable after the end of each Fiscal Year, the Partnership shall send to each Partner a copy of U.S. Internal Revenue Service Schedule K-1, and any comparable statements required by applicable state or local income tax Law, with respect to such Fiscal Year. The Partnership also shall provide the Partners with such other information as may be reasonably requested for purposes of allowing the Partners to prepare and file their own tax returns. The General Partner shall file (or cause to be filed) an election pursuant to Section 754 for the Partnership and each of the other entities treated as a partnership for U.S. federal income tax purposes in which it is the General Partner for the year in which a qualifying transfer or disposition occurs.

SECTION 5.09. Other Allocation Provisions. Certain of the foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Treasury Regulations Section 1.704-1(b) and shall be interpreted and applied in a manner consistent with such regulations. Sections 5.03, 5.04 and 5.05 may be amended at any time by the General Partner if necessary, in the opinion of tax counsel to the Partnership, to comply with such regulations, so long as any such amendment does not materially change the relative economic interests of the Partners.

SECTION 5.10. Section 83(b) Elections. The holders of Class B Units will timely file elections under Section 83(b) of the Code.

ARTICLE VI

BOOKS AND RECORDS; REPORTS

SECTION 6.01. Books and Records. At all times during the continuance of the Partnership, the Partnership shall prepare and maintain separate books of account for the Partnership in accordance with GAAP. The Partnership shall keep at its principal office the following:

(a) a current list of the full name and the last known street address of each Partner;

(b) a copy of the Certificate and this Agreement and all amendments thereto;

(c) copies of the Partnership's federal, state and local income tax returns and reports, if any, for the three most recent years; and

(d) copies of any financial statements, if any, of the Partnership for the six most recent Fiscal Years.

ARTICLE VII

PARTNERSHIP UNITS

SECTION 7.01. Units. Interests in the Partnership shall be represented by Units. The Units initially are divided into three Classes: Class A Units, Class B Units and Class C Units. The General Partner may establish other Classes from time to time in accordance with such procedures and subject to such conditions and restrictions as the General Partner shall determine from time to time. Except as expressly provided in this Agreement to the contrary, any reference to "Units" shall include the Class A Units, the Class B Units, the Class C Units and any other Classes that may be established in accordance with this Agreement. All Units of a particular Class shall have identical rights in all respects as all other Units of such Class, except in each case as otherwise specified in this Agreement.

SECTION 7.02. Register. The register of the Partnership shall be the definitive record of ownership of each Unit and all relevant information with respect to each Partner. Unless the General Partner shall determine otherwise, Units shall be uncertificated and recorded in the books and records of the Partnership.

SECTION 7.03. Splits, Distributions and Reclassifications. The Partnership shall not in any manner subdivide (by any Unit split, Unit distribution, reclassification, recapitalization or otherwise) or combine (by reverse Unit split, reclassification, recapitalization or otherwise) the outstanding Units unless an identical event is occurring with respect to the Class A Common Stock, in which event the Units shall be subdivided or combined concurrently with and in the same manner as the Class A Common Stock.

SECTION 7.04. Cancellation of Class A Common Stock and Units. At any time a share of Class A Common Stock is redeemed, repurchased, acquired, cancelled or terminated by the

General Partner, one (1) Unit registered in the name of the General Partner will automatically be cancelled for no consideration by the Partnership so that the number of Units held by the General Partner at all times equals the number of shares of Class A Common Stock outstanding.

SECTION 7.05. Incentive Plans. At any time the General Partner issues a share of Class A Common Stock pursuant to an Incentive Plan (whether pursuant to the exercise of a stock option or the grant of a restricted share award or otherwise), the following shall occur: (a) the General Partner shall be deemed to contribute to the capital of the Partnership an amount of cash equal to the current per share market price of a share of Class A Common Stock on the date such share is issued (or, if earlier, the date the related option is exercised) and the Capital Account of the General Partner shall be adjusted accordingly; (b) the Partnership shall be deemed to purchase from the General Partner a share of Class A Common Stock for an amount of cash equal to the amount of cash deemed contributed by the General Partner to the Partnership in clause (a) above (and such share is deemed delivered to its owner under the Incentive Plan); (c) the net proceeds (including the amount of any payments made on a loan with respect to a stock purchase award) received by the General Partner with respect to such share, if any, shall be concurrently transferred and paid to the Partnership (and such net proceeds so transferred shall not constitute a Capital Contribution); and (d) the Partnership shall issue to the General Partner one (1) Class A Unit registered in the name of the General Partner. The Partnership shall retain any net proceeds that are paid directly to the Partnership.

SECTION 7.06. Offerings of Class A Common Stock. At any time the General Partner issues a share of Class A Common Stock other than pursuant to an Incentive Plan, the net proceeds received by the General Partner with respect to such share, if any, shall be concurrently transferred to the Partnership and the Partnership shall issue to the General Partner one (1) Class A Unit registered in the name of the General Partner.

SECTION 7.07. Registered Partners. The Partnership shall be entitled to recognize the exclusive right of a Person registered on its records as the owner of Units for all purposes and shall not be bound to recognize any equitable or other claim to or interest in Units on the part of any other Person, whether or not it shall have express or other notice thereof, except as otherwise provided by the Act.

ARTICLE VIII

VESTING; FORFEITURE AND ALLOCATION OF INTERESTS; TRANSFER RESTRICTIONS

SECTION 8.01. Vesting of Initial Unvested Units. (a) Subject to Section 8.02, the Initial Unvested Units shall vest and shall thereafter be Vested Units for all purposes of this Agreement as follows:

(i) with respect to each Initial Non-Founding Limited Partner, 50% of the Initial Unvested Units owned by such Initial Non-Founding Limited Partner at the time in question shall vest and thereafter be Vested Units for all purposes of this Agreement at such time as the Founding Limited Partners and their Permitted Transferees, collectively, cease to Beneficially Own, in the aggregate, at least 90% of the Initial Founding Limited Partner Units;

(ii) with respect to each Initial Non-Founding Limited Partner, all of the Initial Unvested Units owned by such Initial Non-Founding Limited Partner at the time in question shall vest and thereafter be Vested Units for all purposes of this Agreement upon the earliest to occur of:

(A) the Founding Limited Partners and their Permitted Transferees, collectively, cease to Beneficially Own, in the aggregate, at least 50% of Initial Founding Limited Partner Units;

(B) a Change of Control;

(C) that date on which, at any time from the date of this Agreement until the tenth anniversary of the consummation of an initial public offering by the General Partner of shares of Class A Common Stock (an "IPO"), at least two of Roger Altman, Austin Beutner and Pedro Aspe are not employed by, or do not serve as a director of, the General Partner, the Partnership or any of its subsidiaries; and

(D) the death or Disability of such Initial Non-Founding Limited Partner on or after the date of the consummation of the IPO.

(b) In addition, the Equity Committee, in consultation with the General Partner, may authorize the earlier vesting of all or a portion of the Initial Unvested Units owned by any one or more Limited Partners at any time and from time to time, and in such event, such Initial Unvested Units shall vest and thereafter be Vested Units for all purposes of this Agreement. Any such determination in respect of Initial Unvested Units shall be final and binding. Such determinations need not be uniform and may be made selectively among Limited Partners, whether or not such Limited Partners are similarly situated.

(c) Upon the vesting of any Initial Unvested Units in accordance with this Section 8.01, the General Partner shall amend Schedule I to this Agreement to reflect such vesting.

SECTION 8.02. Forfeiture; Recapitalization of Unvested Units Held by Initial Non-Founding Limited Partners. (a) If the employment of any Non-Founding Limited Partner by the General Partner, the Partnership or any of its subsidiaries terminates for any reason other than such Limited Partner's death or Disability, such Non-Founding Limited Partner's Unvested Units shall be immediately forfeited without any consideration, and such Non-Founding Limited Partner shall cease to own or have any rights with respect to such Unvested Units. Immediately following the forfeiture of any Initial Unvested Units, the Partnership shall cancel the Initial Unvested Units that have been so forfeited ("Forfeited Initial Unvested Units").

(b) (i) Immediately following the forfeiture of any Initial Unvested Units that are Class B-1 Units or Class C Units pursuant to clause (a) above, the Partnership shall effect a recapitalization of the then-outstanding Units owned by the Initial Non-Founding Limited Partners that as of the date of the date of this Agreement own Class B-1 Units or Class C Units (other than any Units owned by an Initial Non-Founding Limited Partner who is not employed by the General Partner, the Partnership or any of its subsidiaries at the time of the recapitalization (a "Non-Employed Initial Non-Founding Limited Partner")) so that additional Class B-1 Units (to the extent the Forfeited Initial Unvested Units are Class B-1 Units) or Class C Units (to the extent the

Forfeited Initial Unvested Units are Class C Units), as the case may, are held by the Initial Non-Founding Limited Partners (other than any Non-Employed Initial Non-Founding Limited Partners) that as of the date of this Agreement own Class B-1 Units or Class C Units as described in the following sentence. As a result of any such recapitalization, each Initial Non-Founding Limited Partner (other than any Non-Employed Initial Non-Founding Limited Partner) that as of the date of this Agreement owns Class B-1 Units or Class C Units shall hold a number of additional Units (which shall be Class B-1 Units to the extent the Forfeited Initial Unvested Units are Class B-1 Units and Class C Units to the extent the Forfeited Initial Unvested Units are Class C Units), which shall be deemed to be Initial Unvested Units for all purposes of this Agreement until such time as such Units vest pursuant to Section 8.01 or are forfeited pursuant to Section 8.02(a), that is equal to the product of (x) the number of Forfeited Initial Unvested Units multiplied by (y) the fraction obtained by dividing the number of Class B-1 and Class C Units owned by such Initial Non-Founding Limited Partner as of the date of this Agreement by the total number of Class B-1 and Class C Units owned as of the date of this Agreement by all of the Initial Non-Founding Limited Partners (other than any Non-Employed Initial Non-Founding Limited Partners). In the event that any Non-Founding Limited Partner forfeits Initial Unvested Units which are Class B-1 Units or Class C Units pursuant to clause (a) above at a time when there is no other Initial Non-Founding Limited Partner that owns Class B-1 Units or Class C Units as of the date of this Agreement and is not a Non-Employed Initial Non-Founding Limited Partner, such Non-Founding Limited Partner's Unvested Units shall be cancelled and there shall be no corresponding recapitalization.

(ii) Immediately following the forfeiture of any Initial Unvested Units that are Class B-2 Units pursuant to clause (a) above, the Partnership shall effect a recapitalization of the then-outstanding Units owned by the Initial Non-Founding Limited Partners that as of the date of the date of this Agreement own Class B-2 Units (other than any Units owned by a Non-Employed Initial Non-Founding Limited Partner) so that additional Class B-2 Units are held by the Initial Non-Founding Limited Partners (other than any Non-Employed Initial Non-Founding Limited Partners) that as of the date of this Agreement own Class B-2 Units as described in the following sentence. As a result of any such recapitalization, each Initial Non-Founding Limited Partner (other than any Non-Employed Initial Non-Founding Limited Partner) that as of the date of this Agreement owns Class B-2 Units shall hold a number of additional Class B-2 Units, which shall be deemed to be Initial Unvested Units for all purposes of this Agreement until such time as such Units vest pursuant to Section 8.01 or are forfeited pursuant to Section 8.02(a), that is equal to the product of (x) the number of Forfeited Initial Unvested Units multiplied by (y) the fraction obtained by dividing the number of Class B-2 Units owned by such Initial Non-Founding Limited Partner as of the date of this Agreement by the total number of Class B-2 Units owned as of the date of this Agreement by the Initial Non-Founding Limited Partners (other than any Non-Employed Initial Non-Founding Limited Partners). In the event that any Non-Founding Limited Partner forfeits Initial Unvested Units which are Class B-2 Units pursuant to clause (a) above at a time when there is no other Initial Non-Founding Limited Partner that owns Class B-2 Units as of the date of this Agreement and is not a Non-Employed Initial Non-Founding Limited Partner, such Non-Founding Limited Partner's Unvested Units shall be cancelled and there shall be no corresponding recapitalization.

(c) Upon the forfeiture and/or recapitalization of any Unvested Units in accordance with this Section 8.02, the General Partner shall amend Schedule I to this Agreement to reflect such forfeiture and/or recapitalization.

SECTION 8.03. Limited Partner Transfers. (a) Except as provided in clauses (b), (c) and (d) of this Section 8.03 or in Section 8.05, no Limited Partner or Assignee thereof may Transfer all or any portion of its Units (or beneficial interest therein) without the prior written consent of the General Partner, 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 General Partner may require) as are determined by the General Partner, in each case in the General Partner's sole discretion. Any purported Transfer of Units that is not in accordance with, or subsequently violates, this Agreement shall be null and void.

(b) Notwithstanding clause (a) above, each Founding Limited Partner (and each Permitted Transferee of such Founding Limited Partner) and each Initial Non-Founding Limited Partner that is an Employed Initial Non-Founding Limited Partner on the fifth anniversary of the IPO (and each Permitted Transferee of such Initial Non-Founding Limited Partner) may exchange all or a portion of the Vested Initial Units owned by such Limited Partner or such Permitted Transferee for shares of Class A Common Stock pursuant to, and in accordance with, Article V of the Certificate of Incorporation or, if the General Partner and the exchanging Limited Partner or Permitted Transferee shall mutually agree, Transfer such Vested Initial Units to the General Partner, the Partnership or any of its subsidiaries for other consideration (in each case, an "Exchange Transaction") at any time following the fifth anniversary of the consummation of the IPO.

(c) Notwithstanding clause (a) above, each Initial Non-Founding Limited Partner that is not employed by the General Partner, the Partnership or any of its subsidiaries on the fifth anniversary of the IPO (and each Permitted Transferee of such Initial Non-Founding Limited Partner) may Transfer all or a portion of the Vested Initial Units owned by such Limited Partner or such Permitted Transferee in an Exchange Transaction at any time following the later to occur of (i) the eighth anniversary of the IPO and (ii) the fifth anniversary of the date such Initial Non-Founding Limited Partner ceased to be employed by the General Partner, the Partnership or any of its subsidiaries.

(d) Notwithstanding clause (a) above and without limiting the foregoing provisions of clauses (b) and (c) above, the Equity Committee may authorize, in its sole discretion, at any time and from time to time, any Founding Limited Partner (and/or any Permitted Transferee of a Founding Limited Partner) and/or any Initial Non-Founding Limited Partner that is employed by the General Partner, the Partnership or any of its subsidiaries at the time in question (an "Employed Initial Non-Founding Limited Partner") (and/or any Permitted Transferee of an Employed Initial Non-Founding Limited Partner) (such Limited Partner or Permitted Transferee, the "Permitted Exchange Party") to Transfer all or a portion of the Vested Initial Units held by such Permitted Exchange Party in an Exchange Transaction (a "Permitted Exchange") in accordance with Section 8.04.

SECTION 8.04. Participation in Permitted Exchanges. (a) At any time the Equity Committee authorizes a Permitted Exchange, each Founding Limited Partner and each Employed Initial Non-Founding Limited Partner shall have the right and option, but not the obligation, to Transfer in an Exchange Transaction the number of Vested Initial Units owned by such Limited Partner that is equal to the lesser of (x) the total number of Vested Initial Units owned by such Limited Partner at the time in question and (y) the product of (1) the number of Initial Units owned

by such Limited Partner as of the date of this Agreement multiplied by (2) the fraction obtained by dividing the aggregate number of Vested Initial Units that the Equity Committee permits the Permitted Exchange Party to Transfer in such Permitted Exchange by the aggregate number of Initial Units owned the Permitted Exchange Party (or, if the Permitted Exchange Party is a Permitted Transferee, the Limited Partner of which such Permitted Transferee is a Permitted Transferee) as of the date of this Agreement (the number so calculated in respect of any such Limited Partner being referred to as such Limited Partner's "Maximum Exchangeable Units"). Each Founding Limited Partner and each Employed Initial Non-Founding Limited Partner may, at such Limited Partner's discretion, allocate any or all of such Limited Partner's Maximum Exchangeable Units to one or more Permitted Transferees of such Limited Partner, whereupon such Permitted Transferees shall have the right and option, but not the obligation, to Transfer in an Exchange Transaction the number of Vested Initial Units so allocated and the number of Vested Initial Units that such Limited Partner may Transfer in an Exchange Transaction shall be correspondingly reduced.

(b) The Equity Committee shall notify each Founding Limited Partner and each Employed Initial Non-Founding Limited Partner each time that the Equity Committee authorizes a Permitted Exchange, which notice shall set forth such Limited Partner's Maximum Exchangeable Units (an "Exchange Notice"). Each such Limited Partner shall advise the Equity Committee in writing within five days following the issuance of such Exchange Notice whether such Limited Partner or any Permitted Transferee thereof elects to participate in such Permitted Exchange and, if so, of the number of Vested Initial Units that such Limited Partner and each such Permitted Transferee elects to Transfer in such Permitted Exchange.

(c) Subject to the foregoing provisions of this Section 8.04 relating to the number of Vested Initial Units that each Founding Limited Partner (and any Permitted Transferees thereof) and each Employed Initial Non-Founding Limited Partner (and any Permitted Transferees thereof) may Transfer in any Permitted Exchange, the Equity Committee may impose upon the participants in any Permitted Exchange such conditions and procedures in relation thereto as it may determine in its sole discretion.

SECTION 8.05. Permitted Transferees. Notwithstanding clause (a) of Section 8.03 and subject to Section 8.07, upon 30 days prior written notice to the Equity Committee and subject to the policies and procedures that the Equity Committee may promulgate from time to time in its sole discretion, each Founding Limited Partner and each Employed Initial Non-Founding Limited Partner may Transfer all or a portion of the Vested Units owned by such Limited Partner to a Family Trust of such Limited Partner for estate or tax planning purposes, or as a gratuitous transfer to any Charity (any such Family Trust or Charity, in relation to such Limited Partner, being referred to herein as such Limited Partner's "Permitted Transferee"); provided, however, that no Limited Partner may Transfer to any Charity during any calendar year more than the number of Vested Units that is equal to the product of (x) . 10 multiplied by (y) the remainder of (A) the number of Initial Units owned by such Limited Partner as of the date of this Agreement minus (B) the number of Initial Unvested Units owned by such Limited Partner as of the date of this Agreement that have not, subsequent to the date of this Agreement, become Vested Units. Any Vested Units Transferred by a Founding Limited Partner or an Employed Initial Non-Founding Limited Partner to a Permitted Transferee of such Limited Partner pursuant to the preceding sentence shall remain subject to the same restrictions on Transfer to which such Units would be subject if such Units had

not been so Transferred. Before any Permitted Transferee ceases to be a Permitted Transferee of the relevant Limited Partner, it shall transfer full legal and beneficial ownership of such Vested Units to the relevant Limited Partner or, subject to this Article 8, another Permitted Transferee of the relevant Limited Partner. Furthermore, before any transfer of Vested Units by any Limited Partner (or any Permitted Transferee of any Limited Partner), the proposed transferee of such Vested Units must enter into a written acknowledgement and agreement with the General Partner and the Partnership that such transferee will receive such Vested Units subject to, and such transferee will be bound by, the transfer restrictions set forth in this Article 8.

SECTION 8.06. Encumbrances. No Limited Partner or Assignee may create an Encumbrance with respect to all or any portion of its Units (or any beneficial interest therein) unless the General Partner consents in writing thereto, which consent may be given or withheld, or made subject to such conditions as are determined by the General Partner, in the General Partner's sole discretion. Any purported Encumbrance that is not in accordance with this Agreement shall be null and void.

SECTION 8.07. Further Restrictions. Notwithstanding any contrary provision in this Agreement, in no event may any Transfer of a Unit be made by any Limited Partner or Assignee if:

(a) such Transfer is made to any Person who lacks the legal right, power or capacity to own such Unit;

(b) such Transfer would require the registration of such transferred Unit or of any class of Unit pursuant to any applicable United States federal or state securities laws (including, without limitation, the Securities Act or the Exchange Act) or other foreign securities laws or would constitute a non-exempt distribution pursuant to applicable state securities laws;

(c) such Transfer would cause any portion of the assets of the Partnership to constitute assets of any employee benefit plan pursuant to the regulations issued by the U.S. Department of Labor at Section 2510.3-101 of Part 2510 of Chapter XXV, Title 29 of the Code of Federal Regulations, or any successor regulations;

(d) such Transfer would cause any portion of the assets of the Partnership to become "plan assets" of any benefit plan investor within the meaning of regulations issued by the U.S. Department of Labor at Section 2510.3-101 of Part 2510 of Chapter XXV, Title 29 of the Code of Federal Regulations, or any successor regulations, or to be regulated under the Employee Retirement Income Security Act of 1974, as amended from time to time; or

(e) to the extent requested by the General Partner, the Partnership does not receive such legal and/or tax opinions and written instruments (including, without limitation, copies of any instruments of Transfer and such Assignee's consent to be bound by this Agreement as an Assignee) that are in a form satisfactory to the General Partner, as determined in the General Partner's sole discretion.

SECTION 8.08. Rights of Assignees. Subject to Section 8.07, the transferee of any permitted Transfer pursuant to this Article VIII (other than a Transfer in a Permitted Exchange) will be an assignee only ("Assignee"), and only will receive, to the extent transferred, the distributions and allocations of income, gain, loss, deduction, credit or similar item to which the Partner which transferred its Units would be entitled, and such Assignee will not be entitled or enabled to exercise any other rights or powers of a Partner, such other rights, and all obligations relating to, or in connection with, such Interest remaining with the transferring Partner. The transferring Partner will remain a Partner even if it has transferred all of its Units to one or more Assignees until such time as the Assignee(s) is admitted to the Partnership as a Partner pursuant to Section 8.10.

SECTION 8.09. Admissions, Withdrawals and Removals. No Person may be admitted to the Partnership as an additional General Partner or substitute General Partner without the prior written consent or ratification of all the Limited Partners. The consent of all the Limited Partners shall be deemed to have been given in the event (and each Limited Partner agrees to provide a written consent or ratification to such admission of substitution as requested by the General Partner) such additional general partner, substitute general partner or Transfer has been approved of by Partners whose Percentage Interests exceed 50% of the Vested Percentage Interests of the Partners. No Limited Partner will be removed or entitled to withdraw from being a Partner of the Partnership except in accordance with Section 8.10 or Section 8.11. A General Partner will not be entitled to Transfer all of its Units or to withdraw from being a General Partner of the Partnership unless another General Partner shall have been admitted hereunder (and not have previously been removed or withdrawn). Except as otherwise provided in Article IX, no admission, substitution, withdrawal or removal of a Partner will cause the dissolution of the Partnership. To the fullest extent permitted by law, any purported admission, withdrawal or removal that is not in accordance with this Agreement shall be null and void.

SECTION 8.10. Admission of Assignees as Substitute Limited Partners. An Assignee will become a substitute Limited Partner only if and when each of the following conditions is satisfied:

(a) the General Partner consents in writing to such admission, which consent may be given or withheld, or made subject to such conditions as are determined by the General Partner, in each case in the General Partner's sole discretion;

(b) if required by the General Partner, the General Partner receives written instruments (including, without limitation, copies of any instruments of Transfer and such Assignee's consent to be bound by this Agreement as a substitute Limited Partner) that are in a form satisfactory to the General Partner (as determined in its sole discretion);

(c) if required by the General Partner, the General Partner receives an opinion of counsel satisfactory to the General Partner to the effect that such Transfer is in compliance with this Agreement and all applicable laws; and

(d) if required by the General Partner, the parties to the Transfer, or any one of them, pays all of the Partnership's reasonable expenses connected with such Transfer (including, but not limited to, the reasonable legal and accounting fees of the Partnership).

SECTION 8.11. Withdrawal of Certain Partners. If a Partner ceases to hold any Units, then such Partner shall withdraw from the Partnership and shall cease to be a Partner and to have the power to exercise any rights or powers of a Partner when all of such Partner's Assignees have been admitted as Partners in accordance with Section 8.05 or Section 8.10.

SECTION 8.12. Conversion of Class C Units to Class B Units. The Class C Units shall convert to Class B-1 Units when the amount of Intangible Asset Gain that has been allocated pursuant to Section 5.05(g) (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 Class C Unit Holders pursuant to Section 9.03(c)(ii) (without regard to the proviso at the end of Section 9.03(c)(ii)).

ARTICLE IX

DISSOLUTION, LIQUIDATION AND TERMINATION

SECTION 9.01. No Dissolution. The Partnership shall not be dissolved by the admission of additional Partners in accordance with the terms of this Agreement. The Partnership may be dissolved, liquidated and terminated only pursuant to the provisions of this Article IX, and the Partners hereby irrevocably waive any and all other rights they may have to cause a dissolution of the Partnership or a sale or partition of any or all of the Partnership assets.

SECTION 9.02. Events Causing Dissolution. The Partnership shall be dissolved and its affairs shall be wound up upon the occurrence of any of the following events (each, a "Dissolution Event"):

(a) the expiration of the term of the Partnership as provided in Section 2.03;

(b) the entry of a decree of judicial dissolution under Section 17-802 of the Act;

(c) any other event not inconsistent with any provision hereof causing a dissolution of the Partnership under the Act; or

(d) the Incapacity or removal of the General Partner or the occurrence of a Disabling Event with respect to the General Partner; provided, that the Partnership will not be dissolved or required to be wound up in connection with any of the events specified in this Section 9.02(f) if: (i) at the time of the occurrence of such event there is at least one other general partner of the Partnership who is hereby authorized to, and elects to, carry on the business of the Partnership; or (ii) all remaining Limited Partners consent to or ratify the continuation of the business of the Partnership and the appointment of another general partner of the Partnership within 90 days following the occurrence of any such Incapacity or removal, which consent shall be deemed (and if requested each Limited Partner shall provide a written consent for ratification) to have been given for all Limited Partners if the holders of more than two-thirds of the Vested Units then outstanding agree in writing to so continue the business of the Partnership.

SECTION 9.03. Distribution upon Dissolution. Upon dissolution, the Partnership shall not be terminated and shall continue until the winding up of the affairs of the Partnership is

completed. Upon the winding up of the Partnership, the General Partner, or any other Person designated by the General Partner (the "Liquidation Agent"), shall take full account of the assets and liabilities of the Partnership and shall, unless the General Partner determines otherwise, liquidate the assets of the Partnership as promptly as is consistent with obtaining the fair value thereof. The proceeds of any liquidation shall be applied and distributed in the following order:

(a) First, to the payment of debts and liabilities of the Partnership (including payment of all indebtedness to Partners and/or their Affiliates) and the expenses of liquidation;

(b) Second, to the establishment of any reserve which the Liquidation Agent shall deem reasonably necessary for any contingent or unforeseen liabilities or obligations of the Partnership ("Contingencies"). Such reserve may be paid over by the Liquidation Agent to any attorney-at-law, or acceptable party, as escrow agent, to be held for disbursement in payment of any Contingencies and, at the expiration of such period as shall be deemed advisable by the Liquidation Agent for distribution of the balance in the manner hereinafter provided in this Section 9.03; and

(c) The balance, if any, to the Partners, shall be applied and distributed as follows:

(i) *First*, pro rata to holders of Class A Units and Class B Units in accordance with such holder's Vested Percentage Interest in an amount equal to the capital balance on Schedule II;

(ii) *Second*, pro rata to holders of Class C Units in an amount equal to the product of (A) such holder's Vested Percentage Interest and (B) a fraction the numerator of which is equal to the aggregate amount distributed pursuant to the foregoing clause (i) and the denominator of which is equal to the difference between one (1) minus such holder's Vested Percentage Interest; provided, however, that the holders of Class C Units shall not be distributed any amounts under this clause (ii) in excess of the amount equal to Intangible Asset Gain allocated or available for allocation pursuant to Section 5.05(g);

(iii) *Third*, pro rata to each of the Partners in accordance with their Vested Percentage Interests.

(d) Distribution Upon Liquidation Solely in Respect of Vested Units. Upon liquidation of the Partnership, the Partners shall be entitled to distributions solely in respect of Vested Units held by the Partners at such time. No Partner shall be entitled to any distribution upon liquidation of the Partnership in respect of any Unvested Units held by such Partner at such time.

(e) Limitations on Distributions to Holders of Class C Units. It is the intention of the parties to this Agreement that distributions to the holders of Class C Units be limited to the extent necessary so that the Class C 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 9.04. Time for Liquidation. A reasonable amount of time shall be allowed for the orderly liquidation of the assets of the Partnership and the discharge of liabilities to creditors so as to enable the Liquidation Agent to minimize the losses attendant upon such liquidation.

SECTION 9.05. Termination. The Partnership shall terminate when all of the assets of the Partnership, after payment of or due provision for all debts, liabilities and obligations of the Partnership, shall have been distributed to the holders of Units in the manner provided for in this Article IX, and the Certificate shall have been cancelled in the manner required by the Act.

SECTION 9.06. Claims of the Partners. The Partners shall look solely to the Partnership's assets for the return of their Capital Contributions, and if the assets of the Partnership remaining after payment of or due provision for all debts, liabilities and obligations of the Partnership are insufficient to return such Capital Contributions, the Partners shall have no recourse against the Partnership or any other Partner or any other Person. No Partner with a negative balance in such Partner's Capital Account shall have any obligation to the Partnership or to the other Partners or to any creditor or other Person to restore such negative balance during the existence of the Partnership, upon dissolution or termination of the Partnership or otherwise.

SECTION 9.07. Survival of Certain Provisions. Notwithstanding anything to the contrary in this Agreement, the provisions of Section 10.03 and Section 11.09 shall survive the termination of the Partnership.

ARTICLE X

LIABILITY AND INDEMNIFICATION

SECTION 10.01. Liability of Partners.

(a) No Limited Partner shall be liable for any debt obligation or liability of the Partnership or of any other Partner or have any obligation to restore any deficit balance in its Capital Account solely by reason of being a Partner of the Partnership.

(b) This Agreement is not intended to, and does not, create or impose any fiduciary duty on any of the Partners (including without limitation, the General Partner) hereto or on their respective Affiliates. Further, the Partners hereby waive any and all fiduciary duties that, absent such waiver, may be implied by Law, and in doing so, recognize, acknowledge and agree that their duties and obligations to one another and to the Partnership are only as expressly set forth in this Agreement.

(c) To the extent that, at law or in equity, any Partner (including without limitation, the General Partner) has duties (including fiduciary duties) and liabilities relating thereto to the Partnership or to another Partner, the Partners (including without limitation, the General Partner) acting under this Agreement will not be liable to the Partnership or to any such other Partner for their 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 any Partner (including without limitation, the General Partner) otherwise existing at law or in equity, are agreed by the Partners to modify to that extent such other duties and liabilities of the Partners (including without limitation, the General Partner).

(d) The General Partner may consult with legal counsel, accountants and financial or other advisors and any act or omission suffered or taken by the General Partner on behalf of the Partnership or in furtherance of the interests of the Partnership in good faith in reliance upon and in accordance with the advice of such counsel, accountants or financial or other advisors will be full justification for any such act or omission, and the General Partner will be fully protected in so acting or omitting to act so long as such counsel or accountants or financial or other advisors were selected with reasonable care.

SECTION 10.02. Indemnification.

(a) Indemnification. To the fullest extent permitted by law, the Partnership 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 Partnership 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 Partner (including without limitation, the General Partner) or a director, officer or agent of a Partner (including without limitation, the General Partner) or the Partnership or, while a director, officer or agent of a Partner (including without limitation, the General Partner) or the Partnership, is or was serving at the request of the Partnership 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; provided that such person shall not be entitled to indemnification hereunder only to the extent such person's conduct constituted fraud, bad faith or willful misconduct. Notwithstanding the preceding sentence, except as otherwise provided in Section 10.02(c), the Partnership 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 General Partner.

(b) Advancement of Expenses. To the fullest extent permitted by law, the Partnership shall promptly pay expenses (including attorneys' fees) incurred by any person described in Section 10.02(a) 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 Section 10.02 or otherwise. Notwithstanding the preceding sentence, except as otherwise provided in Section 10.02(c), the Partnership 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 General Partner.

(c) Unpaid Claims. If a claim for indemnification (following the final disposition of such action, suit or proceeding) or advancement of expenses under this Section 10.02 is not paid in full within thirty (30) days after a written claim therefor by any person described in Section 10.02(a) has been received by the Partnership, 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 Partnership shall have the burden of proving that such person is not entitled to the requested indemnification or advancement of expenses under applicable law.

(d) Insurance. To the fullest extent permitted by law, the Partnership may purchase and maintain insurance on behalf of any person described in Section 10.02(a) against any liability asserted against such person, whether or not the Partnership would have the power to indemnify such person against such liability under the provisions of this Section 10.02 or otherwise.

(e) Non-Exclusivity of Rights. The provisions of this Section 10.02 shall be applicable to all actions, claims, suits or proceedings made or commenced after the date of this Agreement, whether arising from acts or omissions to act occurring before or after its adoption. The provisions of this Section 10.02 shall be deemed to be a contract between the Partnership and each person entitled to indemnification under this Section 10.02 (or legal representative thereof) who serves in such capacity at any time while this Section 10.02 and the relevant provisions of applicable law, if any, are in effect, and any amendment, modification 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 Section 10.02 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 Section 10.02 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 Partnership Agreement 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 Partnership that indemnification of any person whom the Partnership is obligated to indemnify pursuant to Section 10.02(a) shall be made to the fullest extent permitted by law.

For purposes of this Section 10.02, 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 Partnership" shall include any service as a director, officer, employee or agent of the Partnership 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 Section 10.02 shall not limit the right of the Partnership, 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 10.02(a).

ARTICLE XI

MISCELLANEOUS

SECTION 11.01. Severability. If any term or other provision of this Agreement is held to be invalid, illegal or incapable of being enforced by any rule of Law, or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions is not affected in any manner materially adverse to any party. Upon a determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the fullest extent possible.

SECTION 11.02. Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given (and shall be deemed to have been duly given upon receipt) by delivery in person, by courier service, by fax or by registered or certified mail (postage prepaid, return receipt requested) to the respective parties at the following addresses (or at such other address for a party as shall be specification notice given in accordance with this Section 11.02):

(a) If to the Partnership, to:

Evercore LP
c/o Evercore Partners Inc.
55 East 52nd Street, 43rd Floor
New York, New York 10055
Attention: Chief Financial Officer
Fax: (212) 857-3101

(b) If to any Partner, to:

Evercore LP
c/o Evercore Partners Inc.
55 East 52nd Street, 43rd Floor
New York, New York 10055
Attention: Chief Financial Officer
Fax: (212) 857-3101

(c) If to the General Partner, to:

Evercore Partners Inc.
55 East 52nd Street, 43rd Floor
New York, New York 10055
Attention: Chief Financial Officer
Fax: (212) 857-3101

SECTION 11.03. Cumulative Remedies. The rights and remedies provided by this Agreement are cumulative and the use of any one right or remedy by any party shall not preclude or waive its right to use any or all other remedies. Said rights and remedies are given in addition to any other rights the parties may have by Law.

SECTION 11.04. Binding Effect. This Agreement shall be binding upon and inure to the benefit of all of the parties and, to the extent permitted by this Agreement, their successors, executors, administrators, heirs, legal representatives and assigns.

SECTION 11.05. Interpretation. Throughout this Agreement, nouns, pronouns and verbs shall be construed as masculine, feminine, neuter, singular or plural, whichever shall be applicable. Unless otherwise specified, all references herein to "Articles," "Sections" and paragraphs shall refer to corresponding provisions of this Agreement.

SECTION 11.06. Counterparts. This Agreement may be executed and delivered (including by facsimile transmission) in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed and delivered shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. Copies of executed counterparts transmitted by telecopy or other electronic transmission service shall be considered original executed counterparts for purposes of this Section 11.06.

SECTION 11.07. Further Assurances. Each Limited Partner shall perform all other acts and execute and deliver all other documents as may be necessary or appropriate to carry out the purposes and intent of this Agreement.

SECTION 11.08. Entire Agreement. This Agreement constitutes the entire agreement among the parties hereto pertaining to the subject matter hereof and supersedes all prior agreements and understandings pertaining thereto.

SECTION 11.09. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware.

SECTION 11.10. Submission to Jurisdiction; Waiver of Jury Trial.

(a) Any and all disputes which cannot be settled amicably, including any ancillary claims of any party, arising out of, relating to or in connection with the validity, negotiation, execution, interpretation, performance or non-performance of this Agreement (including the validity, scope and enforceability of this arbitration provision) shall be finally settled by arbitration conducted by a single arbitrator in New York in accordance with the then-existing Rules of Arbitration of the International Chamber of Commerce. If the parties to the dispute fail to agree on the selection of an arbitrator within thirty (30) days of the receipt of the request for arbitration, the International Chamber of Commerce shall make the appointment. The arbitrator shall be a lawyer and shall conduct the proceedings in the English language. Performance under this Agreement shall continue if reasonably possible during any arbitration proceedings.

(b) Notwithstanding the provisions of paragraph (a), the General Partner may bring, or may cause the Partnership to bring, on behalf of the General Partner or the Partnership or on behalf of one or more Partners, an action or special proceeding in any court of competent jurisdiction for the purpose of compelling a party to arbitrate, seeking temporary or preliminary relief in aid of an arbitration hereunder, and/or enforcing an arbitration award and, for the purposes of this paragraph (b), each Partner (i) expressly consents to the application of paragraph (c) of this Section 11.10 to any such action or proceeding, (ii) agrees that proof shall not be required that monetary damages for breach of the provisions of this Agreement would be difficult to calculate

and that remedies at law would be inadequate, and (iii) irrevocably appoints the General Partner as such Partner's agent for service of process in connection with any such action or proceeding and agrees that service of process upon such agent, who shall promptly advise such Partner of any such service of process, shall be deemed in every respect effective service of process upon the Partner in any such action or proceeding.

(i) EACH PARTNER HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF COURTS LOCATED IN NEW YORK, NEW YORK FOR THE PURPOSE OF ANY JUDICIAL PROCEEDING BROUGHT IN ACCORDANCE WITH THE PROVISIONS OF PARAGRAPH (B) OF THIS SECTION 11.10, OR ANY JUDICIAL PROCEEDING ANCILLARY TO AN ARBITRATION OR CONTEMPLATED ARBITRATION ARISING OUT OF OR RELATING TO OR CONCERNING THIS AGREEMENT. Such ancillary judicial proceedings include any suit, action or proceeding to compel arbitration, to obtain temporary or preliminary judicial relief in aid of arbitration, or to confirm an arbitration award. The parties acknowledge that the fora designated by this paragraph (c) have a reasonable relation to this Agreement, and to the parties' relationship with one another.

(ii) The parties hereby waive, to the fullest extent permitted by applicable law, any objection which they now or hereafter may have to personal jurisdiction or to the laying of venue of any such ancillary suit, action or proceeding brought in any court referred to in paragraph (c) (i) of this Section 11.10 and such parties agree not to plead or claim the same.

SECTION 11.11. Expenses. Except as otherwise specified in this Agreement, the Partnership shall be responsible for all costs and expenses, including, without limitation, fees and disbursements of counsel, financial advisors and accountants, incurred in connection with its operation.

SECTION 11.12. Amendments and Waivers. (a) This Agreement (including the Annexes hereto) may be amended, supplemented, waived or modified by the written consent of the General Partner; provided that no such amendment, supplement, waiver or modification shall adversely affect a Limited Partner's Units in any material respect without the written consent of the Limited Partner so affected; provided further, that Schedule I to this Agreement shall be deemed amended from time to time to reflect the admission of a new Partner, the withdrawal or resignation of a Partner, the adjustment of the Units resulting from any forfeiture and reallocation of Unvested Units, the vesting of Unvested Units, and the adjustment of the Units resulting from any Transfer or other disposition of a Unit, in each case that is made in accordance with the provisions hereof.

(b) No failure or delay by any party in exercising any right, power or privilege hereunder (other than a failure or delay beyond a period of time specified herein) shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by Law.

(c) The General Partner may, in its sole discretion, unilaterally amend this Agreement on or before the effective date of the final regulations to provide for (i) the election of a safe harbor under Proposed Treasury Regulation Section 1.83-3(l) (or any similar provision) under

which the fair market value of a partnership interest that is transferred is treated as being equal to the liquidation value of that interest, (ii) an agreement by the Partnership and each of its Partners to comply with all of the requirements set forth in such regulations and Notice 2005-43 (and any other guidance provided by the Internal Revenue Service with respect to such election) with respect to all partnership interests transferred in connection with the performance of services while the election remains effective, (iii) the allocation of items of income, gains, deductions and losses required by the final regulations similar to Proposed Treasury Regulation Section 1.704-1(b)(4)(xii)(b) and (c), and (iv) any other related amendments.

(d) Except as may be otherwise required by law in connection with the winding-up, liquidation, or dissolution of the Partnership, each Partner 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 Partnership's property.

(e) In the event of a property settlement or separation agreement between a Limited Partner and his or her spouse, such Limited Partner agrees that he or she shall use reasonable efforts to retain all of his or her Units and shall reimburse his or her spouse for any interest he or she may have in the Partnership out of funds, assets or proceeds separate and distinct from his or her interest in the Partnership. To the extent that such Limited Partner is unable, despite his or her exercise of reasonable efforts, to retain all of his or her Units, such Limited Partner shall use reasonable efforts to transfer to his or her spouse only the economic interests of such Limited Partner's Units, retaining for himself or herself all voting rights relating to his or her Units. Notwithstanding the foregoing, if a spouse or former spouse of a Limited Partner acquires any Units as a registered owner 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 Units and shall have no right to vote his or her Units, to participate in the management of the Partnership or to any accounting or information concerning the affairs of the Partnership and shall not have any other rights of a Partner under this Agreement.

SECTION 11.13. No Third Party Beneficiaries. This Agreement shall be binding upon and inure solely to the benefit of the parties hereto and their permitted assigns and successors and nothing herein, express or implied, is intended to or shall confer upon any other Person or entity, any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement. Without limiting the foregoing, any obligation of the Partners to make Capital Contributions to the Partnership under this Agreement is an agreement only between the Partners and no other person or entity, including the Partnership, shall have any rights to enforce such obligations.

SECTION 11.14. Headings. The headings and subheadings in this Agreement are included for convenience and identification only and are in no way intended to describe, interpret, define or limit the scope, extent or intent of this Agreement or any provision hereof.

SECTION 11.15. Construction. Each party hereto acknowledges and agrees it has had the opportunity to draft, review and edit the language of this Agreement and that no presumption for or against any party arising out of drafting all or any part of this Agreement will be applied in any dispute relating to, in connection with or involving this Agreement. Accordingly, the parties hereby waive the benefit of any rule of Law or any legal decision that would require that in cases of uncertainty, the language of a contract should be interpreted most strongly against the party who drafted such language.

SECTION 11.16. Power of Attorney. Each Limited Partner, by its execution hereof, hereby irrevocably makes, constitutes and appoints the General Partner as its true and lawful agent and attorney in fact, with full power of substitution and full power and authority in its name, place and stead, to make, execute, sign, acknowledge, swear to, record and file (a) this Agreement and any amendment to this Agreement that has been adopted as herein provided; (b) the original certificate of limited partnership of the Partnership and all amendments thereto required or permitted by law or the provisions of this Agreement; (c) all certificates and other instruments (including consents and ratifications which the Limited Partners have agreed to provide upon a matter receiving the agreed support of Limited Partners) deemed advisable by the General Partner to carry out the provisions of this Agreement and Law or to permit the Partnership to become or to continue as a limited partnership or partnership wherein the Limited Partners have limited liability in each jurisdiction where the Partnership may be doing business; (d) all instruments that the General Partner deems appropriate to reflect a change or modification of this Agreement or the Partnership in accordance with this Agreement, including, without limitation, the admission of additional Limited Partners or substituted Limited Partners pursuant to the provisions of this Agreement; (e) all conveyances and other instruments or papers deemed advisable by the General Partner to effect the liquidation and termination of the Partnership; and (f) all fictitious or assumed name certificates required or permitted (in light of the Partnership's activities) to be filed on behalf of the Partnership.

SECTION 11.17. Partnership Status. The parties intend to treat the Partnership as a partnership for U.S. federal income tax purposes.

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement or have caused this Agreement to be duly executed by their respective authorized officers, in each case as of the date first above stated.

EVERCORE PARTNERS INC.

By: /s/ Roger C. Altman
Name: Roger C. Altman
Title: Co-Chief Executive Officer

EVERCORE TEMPORARY GP INC., solely for purposes of withdrawal

By: /s/ Roger C. Altman
Name: Roger C. Altman
Title: Co-Chief Executive Officer

ROGER C. ALTMAN

By: /s/ Roger C. Altman

A&N ASSOCIATES L.P.

By: /s/ Jurate Kazickas
Name: Jurate Kazickas
Title: General Partner

ROGER C. ALTMAN 1997 FAMILY LIMITED PARTNERSHIP

By: /s/ Jurate Kazickas
Name: Jurate Kazickas
Title: Managing General Partner

THE ROGER C. ALTMAN 2005 GRANTOR RETAINED ANNUITY TRUST

By: /s/ Roger C. Altman
Name: Roger C. Altman

AUSTIN M. BEUTNER

By: /s/ Austin M. Beutner

BEUTNER FAMILY 2001 LONG-TERM TRUST

By: /s/ Austin M. Beutner
Name: Austin M. Beutner

THE AUSTIN M. BEUTNER 2005 GRANTOR RETAINED ANNUITY TRUST

By: /s/ Austin M. Beutner
Name: Austin M. Beutner

CIARA A. BURNHAM

By: /s/ Ciara A. Burnham

PHILIPPE CAMUS

By: /s/ Philippe Camus

JOHN T. DILLON

By: /s/ John T. Dillon

RICHARD P. EMERSON

By: /s/ Richard P. Emerson

ADAM FRANKEL

By: /s/ Adam Frankel

SAUL GOODMAN

By: /s/ Saul Goodman

GIL HA

By: /s/ Gil Ha

WILLIAM O. HILTZ

By: /s/ William O. Hiltz

JONATHAN A. KNEE

By: /s/ Jonathan A. Knee

TIMOTHY G. LALONDE
By: /s/ Timothy G. Lalonde

GAIL LANDIS

By: /s/ Gail Landis

M. SHARON LEWELLEN

By: /s/ M. Sharon Lewellen

EDUARDO G. MESTRE

By: /s/ Eduardo G. Mestre

NEERAJ MITAL

By: /s/ Neeraj Mital

THE NEERAJ MITAL 1997 INSURANCE TRUST

By: /s/ John R. Varughese
Name: John R. Varughese
Title: Trustee

SANGAM PANT

By: /s/ Sangam Pant

MICHAEL J. PRICE

By: /s/ Michael J. Price

KATHLEEN G. REILAND

By: /s/ Kathleen G. Reiland

WILLIAM C. REPKO

By: /s/ William C. Repko

BRIAN ROBERTS

By: /s/ Brian Roberts

JANE SADOWSKY

By: /s/ Jane Sadowsky

WILLIAM A. SHUTZER

By: /s/ William A. Shutzer

DAVID WEZDENKO

By: /s/ David Wezdenko

JANE WHEELER

By: /s/ Jane Wheeler

DAVID YING

By: /s/ David Ying

PEDRO CARLOS ASPE ARMELLA

By: /s/ Pedro Aspe

PASPRO TRUST

By: /s/ Javier Bernstein Iturbide
Name: Javier Bernstein Iturbide
Title: Investment Trustee

FIDEICOMISO F/1475

By: /s/ HD Guadalupe Terreros Barros
Name: HD Guadalupe Terreros Barros
Title: Trust Delegate on Behalf Fideicomiso F/1475

JANESANCO, S. DE R.L.

By: /s/ Sergio Sánchez García
Name: Sergio Sánchez García
Title: Legal Representative

SUDARTE, S. DE R.L.

By: /s/ Hugo Garza
Name: Hugo A. Garza Medina
Title: Legal Representative

APORTELA, S. DE R.L.

By: /s/ Maria Eugenia Biana Escalera
Name: Maria Eugenia Biana Escalera

ADMINISTRADORA HDI, S. DE R.L. DE C.V.

By: /s/ Armando Jorge Marcos Penilla
Name: Armando Jorge Marcos Penilla
Title: Legal Representative

ANROSALE, S. DE R.L.

By: /s/ Antonio Souza
Name: Antonio Souza

AUGUSTO ARELLANO OSTOA

By: /s/ Augusto Arellano Ostoa

ANTONIO BASSOLS ZALETA

By: /s/ Antonio Bassols Zaleta

TRUSTEES OF THE ADAM B. FRANKEL 2006 TRUST

By: /s/ Adam B. Frankel
Name: Adam B. Frankel
Title: Investment Trustee

TRUSTEES OF THE JONATHAN ARYE KNEE 2006 TRUST

By: /s/ Jonathan Arye Knee
Name: Jonathan Arye Knee
Title: Investment Trustee

TRUSTEES OF THE JOHN TERRANCE DILLON 2006 TRUST

By: /s/ John Terrence Dillon
Name: John Terrence Dillon
Title: Investment Trustee

TRUSTEES OF THE GAIL S. LANDIS 2006 TRUST

By: /s/ Gail S. Landis
Name: Gail S. Landis
Title: Investment Trustee

TRUSTEES OF THE NEERAJ MITAL 2006 TRUST

By: /s/ Neeraj Mital
Name: Neeraj Mital
Title: Investment Trustee

TRUSTEES OF THE WILLIAM O. HILTZ 2006 TRUST

By: /s/ William O. Hiltz
Name: William O. Hiltz
Title: Investment Trustee

TRUSTEES OF THE M. SHARON LEWELLEN 2006 TRUST

By: /s/ M. Sharon Lewellen
Name: M. Sharon Lewellen
Title: Investment Trustee

TRUSTEES OF MESTRE 2006 EVERCORE GRAT

By: /s/ Eduardo G. Mestre
Name: Eduardo G. Mestre
Title: Trustee

TRUSTEES OF PRICE 2006 EVERCORE GRAT

By: /s/ Michael J. Price
Name: Michael J. Price
Title: Trustee

Exhibit 10.1.1

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 August 7, 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 7th day of August, 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: /s/ Austin M. Beutner
Name: Austin M. Beutner
Title: President and Co-Chief Executive Officer

Acknowledged:

EVERCORE LP

By: Evercore Partners Inc., its General Partner

By: /s/ Austin M. Beutner
Name: Austin M. Beutner
Title: President and Co-Chief Executive Officer

Exhibit 10.2

EXECUTION VERSION

TAX RECEIVABLE AGREEMENT (as amended from time to time, this "Agreement"), dated as of August 10, 2006, by and among Evercore Partners Inc., a Delaware corporation (the "Corporation"), and each of the Partners from time to time party hereto.

RECITALS

WHEREAS, the Partners hold partnership units ("Partnership Units") in Evercore LP, a limited partnership organized under the laws of Delaware (the "Partnership");

WHEREAS, the Partnership Units are exchangeable on a one-for-one basis for shares of Class A common stock of the Corporation, par value $0.01 per share (the "Shares"), as provided in the Certificate of Incorporation of the Corporation, as amended or restated, and the Partnership Agreement, as amended or restated;

WHEREAS, the Partnership, and each of its direct and indirect subsidiaries, will have in effect an election under Section 754 of the Internal Revenue Code of 1986, as amended (the "Code"), for each Taxable Year in which an exchange of Partnership Units for Shares occurs, which election is intended to result in an adjustment to the tax basis of the assets owned by the Partnership (solely with respect to the Corporation) at the time of an exchange of Partnership Units for Shares (an "Exchange") (such time, the "Exchange Date") (such assets and any asset whose tax basis is determined, in whole or in part, by reference to the adjusted basis of any such asset, the "Original Assets") by reason of such Exchange and the receipt of payments under this Agreement;

WHEREAS, the income, gain, loss, expense and other Tax items of (i) the Partnership solely with respect to the Corporation may be affected by the Basis Adjustment (defined below) and (ii) the Corporation may be affected by the Imputed Interest (as defined below); and

WHEREAS, the parties to this Agreement desire to make certain arrangements with respect to the effect of the Basis Adjustment and Imputed Interest on the actual liability for Taxes of the Corporation.

NOW, THEREFORE, in consideration of the foregoing and the respective covenants and agreements set forth herein, and intending to be legally bound hereby, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS

Definitions. As used in this Agreement, the terms set forth in this Article I shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined).

"Advisory Firm" means accounting or law firm that is nationally recognized as being expert in Tax matters and that is agreed to by the Equity Committee (as defined in the Partnership Agreement).

"Advisory Firm Letter" shall mean a letter from the Advisory Firm stating that the relevant schedule, notice or other information to be provided by the Corporation to the applicable Partner and all supporting schedules and work papers were prepared in a manner consistent with the terms of this Agreement and, to the extent not expressly provided in this Agreement, on a reasonable basis in light of the facts and law in existence on the date such schedule, notice or other information is delivered to the applicable Partner.

"Agreed Rate" means LIBOR plus 200 basis points.

"Agreement" is defined in the preamble of this Agreement.

"Amended Schedule" is defined in Section 2.04(b) of this Agreement.

"Applicable Treasury Rate" means a rate equal to (1) if an Early Termination Notice is delivered prior to the third anniversary of the date of this Agreement, 5.36% or (2) the yield to maturity as of the date an Early Termination Notice is delivered of United States Treasury securities with a constant maturity (the "Applicable Maturity") (as compiled and published in the most recent Federal Reserve Statistical Release H 15 (519)) equal to (a) if such Early Termination Notice is delivered on or after the third anniversary of the date of this Agreement but prior to the fifth anniversary of the date of this Agreement, 10 years, (b) if such Early Termination Notice is delivered on or after the fifth anniversary of the date of this Agreement but prior to the fifteenth anniversary of the date of this Agreement, the number of years from the date such Early Termination Notice is delivered through the fifteenth anniversary of the date of this Agreement, or (c) if such Early Termination Notice is delivered on or after the fifteenth anniversary of the date of this Agreement, two years. If there are no United States Treasury securities with a constant maturity equal to the Applicable Maturity, the yield to maturity shall be interpolated from the United States Treasury securities with constant maturities that are most nearly longer than and shorter than the Applicable Maturity.

"Basis Adjustment" means the adjustment to the tax basis of an Original Asset under Sections 743(b) and 754 of the Code and comparable sections of state and local tax laws (as calculated under Section 2.01 of this Agreement) as a result of an Exchange and the payments made pursuant to this Agreement.

"Business Day" means any calendar day that is not a Saturday, Sunday or other calendar day on which banks are required or authorized to be closed in the City of New York or Mexico City.

"Code" is defined in the Recitals of this Agreement.

"Corporation" is defined in the Preamble of this Agreement.

"Corporation Return" means the federal Tax Return and/or state and/or local Tax Return, as applicable, of the Corporation filed with respect to Taxes of any Taxable Year.

"Determination" shall have the meaning ascribed to such term in Section 1313(a) of the Code or similar provision of state and local tax law, as applicable.

"Early Termination Date" means the date of an Early Termination Notice for purposes of determining the Early Termination Payment.

"Early Termination Notice" is defined in Section 4.02 of this Agreement.

"Early Termination Schedule" is defined in Section 4.02 of this Agreement.

"Early Termination Payment" is defined in Section 4.03(b) of this Agreement.

"Early Termination Rate" means the Applicable Treasury Rate plus 300 basis points.

"Exchange" is defined in the Recitals of this Agreement.

"Exchange Basis Schedule" is defined in Section 2.02 of this Agreement.

"Exchange Date" is defined in the Recitals of this Agreement.

"Expert" is defined in Section 7.09 of this Agreement.

"Imputed Interest" shall mean any interest imputed under Section 1272, 1274 or 483 or other provision of the Code and any similar provision of state and local tax law with respect to the Corporation's payment obligations under this Agreement.

"IRS" means the United States Internal Revenue Service.

"LIBOR" means for each month (or portion thereof) during any period, an interest rate per annum equal to the rate per annum reported, on the date two days prior to the first day of such month, on the Telerate Page 3750 (or if such screen shall cease to be publicly available, as reported on Reuters Screen page "LIBO" or by any other publicly available source of such market rate) for London interbank offered rates for U.S. dollar deposits for such month (or portion thereof).

"Market Value" shall mean the closing price of the Shares on the applicable Exchange Date on the national securities exchange or interdealer quotation system on which such Shares are then traded or listed, as reported by the *Wall Street Journal*; provided that if the closing price is not reported by the *Wall Street Journal* for the applicable Exchange Date, then the Market Value shall mean the closing price of the Shares on the Business Day immediately preceding such Exchange Date on the national securities exchange or interdealer quotation system on which such Shares are then traded or listed, as reported by the *Wall Street Journal*.

"Non-Stepped Up Tax Basis" means, with respect to any asset at any time, the tax basis that such asset would have had at such time if no Basis Adjustment had been made.

"Non-Stepped Up Tax Liability" means, with respect to any Taxable Year, the liability for Taxes of the Corporation using the same methods, elections, conventions and similar practices used on the relevant Corporation Return, but using the Non-Stepped Up Tax Basis instead of the tax basis of the Original Assets and excluding any deduction attributable to the Imputed Interest.

"Original Assets" is defined in the Recitals of this Agreement.

"Partner" means the parties hereto other than the Corporation and each other individual who from time to time executes a Joinder Agreement in the form attached hereto as Exhibit A.

"Partnership" is defined in the Recitals of this Agreement.

"Partnership Agreement" means the Amended and Restated Limited Partnership Agreement of Evercore LP dated as of August 7, 2006.

"Partnership Units" is defined in the Recitals of this Agreement.

"Payment Date" means any date on which a payment is made pursuant to this Agreement.

"Person" means and includes any individual, firm, corporation, partnership (including, without limitation, any limited, general or limited liability partnership), company, limited liability company, trust, joint venture, association, joint stock company, unincorporated organization or similar entity or governmental entity.

"Proportionate Share" means an amount equal to a fractional share of the transferring Partner's Receivable, the numerator of which shall be the number of Partnership Units that have been transferred to such transferee by the Partner and the denominator of which shall be the total number of Partnership Units held by the Partner as of the date of this Agreement.

"Realized Tax Benefit" means, for a Taxable Year, the excess, if any, of the Non-Stepped Up Tax Liability over the actual liability for Taxes of the Corporation for such Taxable Year using the "with or without" methodology. If all or a portion of the actual tax liability for Taxes for the Taxable Year arises as a result of an audit by a Taxing Authority of any Taxable Year, such liability shall not be included in determining the Realized Tax Benefit unless and until there has been a Determination.

"Realized Tax Detriment" means, for a Taxable Year, the excess, if any, of the actual liability for Taxes of the Corporation over the Non-Stepped Up Tax Liability for such Taxable Year using the "with or without" methodology. If all or a portion of the actual tax liability for Taxes for the Taxable Year arises as a result of an audit by a Taxing Authority of any Taxable Year, such liability shall not be included in determining the Realized Tax Detriment unless and until there has been a Determination.

"Receivable" of a Partner means such Partner's rights, interests, and entitlements hereunder as of the date of this Agreement.

"Reconciliation Procedures" shall mean those procedures set forth in Section 7.09 of this Agreement.

"Schedule" means any of the Exchange Basis Schedule, Tax Benefit Schedule and the Early Termination Schedule.

"Shares" is defined in the Recitals of this Agreement.

"Tax Benefit Payment" is defined in Section 3.01(b) of this Agreement.

"Tax Benefit Schedule" is defined in Section 2.03 of this Agreement.

"Tax Return" means any return, declaration, report or similar statement required to be filed with respect to Taxes (including any attached schedules), including, without limitation, any information return, claim for refund, amended return and declaration of estimated Tax.

"Taxable Year" means a taxable year as defined in Section 441(b) of the Code or comparable section of state or local tax law, as applicable, (and, therefore, for the avoidance of doubt, may include a period of less than 12 months for which a Tax Return is made) ending on or after the Exchange Date in which there is a Basis Adjustment due to an Exchange.

"Taxes" means any and all U.S. federal, state, local and foreign taxes, assessments or similar charges measured with respect to net income or profits and any interest, additions to Tax or penalties applicable or related to such Tax.

"Taxing Authority" shall mean any domestic, foreign, federal, national, state, county or municipal or other local government, any subdivision, agency, commission or authority thereof, or any quasi-governmental body exercising any taxing authority or any other authority exercising Tax regulatory authority.

"Treasury Regulations" means the final, temporary and proposed regulations under the Code promulgated from time to time (including corresponding provisions and succeeding provisions) as in effect for the relevant taxable period.

"Valuation Assumptions" shall mean, as of an Early Termination Date, the assumptions that (1) in each Taxable Year ending on or after such Early Termination Date, the Corporation will have taxable income sufficient to fully utilize the deductions arising from the Basis Adjustment and the Imputed Interest during such Taxable Year, (2) the federal income tax rates and state and local income tax rates that will be in effect for each such Taxable Year will be those specified for each such Taxable Year by the Code and other law as in effect on the Early Termination Date, (3) any loss carryovers generated by the Basis Adjustment or the Imputed Interest and available as of the date of the Early Termination Schedule will be utilized by the Corporation on a pro rata basis from the date of the Early Termination Schedule through the twentieth anniversary of the Exchange Date and (4) if an Early Termination is effected prior to an Exchange of Partnership Units, clause (i) of Section 2.01 shall be read to include the Market Value of the Shares and cash that would be transferred if the Exchange occurred on the Early Termination Date.

ARTICLE II
DETERMINATION OF REALIZED TAX BENEFIT

SECTION 2.01. Basis Adjustment. The Corporation and the applicable Partner agree that, as a result of an Exchange, the Corporation's basis in the applicable Original Assets shall be increased by the excess, if any, of (i) the Market Value of the Shares and cash transferred to the applicable Partner pursuant to the Exchange plus the amount of payments received pursuant to this Agreement over (ii) the Corporation's share of the basis of the Original Assets immediately after the Exchange attributable to the Partnership Units exchanged as provided in Section 743(b) of the Code and the Treasury Regulations promulgated thereunder. For the avoidance of doubt, payments made under this Agreement shall not be treated as resulting in a Basis Adjustment to the extent such payments are treated as Imputed Interest.

SECTION 2.02. Exchange Basis Schedule. Within 45 calendar days after the filing of the U.S. federal income tax return of the Corporation for each Taxable Year in which any Exchange has been effected, the Corporation shall deliver to the applicable Partner a schedule (the "Exchange Basis Schedule") that shows, in reasonable detail, for purposes of Taxes, (i) the actual unadjusted tax basis of the Original Assets as of each applicable Exchange Date, (ii) the Basis Adjustment with respect to the Original Assets as a result of the Exchanges effected in such Taxable Year, calculated in the aggregate, (iii) the period or periods, if any, over which the Original Assets are amortizable and/or depreciable and (iv) the period or periods, if any, over which each Basis Adjustment is amortizable and/or depreciable.

SECTION 2.03. Tax Benefit Schedule. Within 45 calendar days after the filing of the U.S. federal income tax return of the Corporation for any Taxable Year in which there is a Realized Tax Benefit or Realized Tax Detriment, the Corporation shall provide to the applicable Partner a schedule showing, in reasonable detail, the calculation of the Realized Tax Benefit or Realized Tax Detriment for such Taxable Year (a "Tax Benefit Schedule"). The Schedule will become final as provided in Section 2.04(a) and may be amended as provided in Section 2.04(b) (subject to the procedures set forth in Section 2.04(b)).

SECTION 2.04. Procedures, Amendments

(a) Procedure. Every time the Corporation delivers to the applicable Partner an applicable Schedule under this Agreement, the Corporation shall also (x) deliver to the applicable Partner schedules and work papers providing reasonable detail regarding the preparation of the Schedule and an Advisory Firm Letter supporting such Schedule and (y) allow the applicable Partner reasonable access to the appropriate representatives at the Corporation and the Advisory Firm in connection with a review of such Schedule. The applicable Schedule shall become final and binding on all parties unless the applicable Partner, within 30 calendar days after receiving an Exchange Basis Schedule or

amendment thereto or 10 calendar days after receiving a Tax Benefit Schedule or amendment thereto, provides the Corporation with notice of a material objection to such Schedule made in good faith. If the parties, negotiating in good faith, are unable to successfully resolve the issues raised in such notice within 60 calendar days, if with respect to an Exchange Basis Schedule, or 30 calendar days, if with respect to a Tax Benefit Schedule, after such Schedule was delivered to the applicable Partner, the Corporation and the applicable Partner shall employ the Reconciliation Procedures as described in Section 7.09 of this Agreement.

(b) Amended Schedule. The applicable Schedule for any Taxable Year may be amended from time to time by the Corporation (i) in connection with a Determination affecting such Schedule, (ii) to correct material inaccuracies in the Schedule identified as a result of the receipt of additional factual information relating to a Taxable Year after the date the Schedule was provided to the applicable Partner, (iii) to comply with the Expert's determination under the Reconciliation Procedures, (iv) to reflect a material change in the Realized Tax Benefit or Realized Tax Detriment for such Taxable Year attributable to a carryback or carryforward of a loss or other tax item to such Taxable Year, (v) to reflect a material change in the Realized Tax Benefit or Realized Tax Detriment for such Taxable Year attributable to an amended Tax Return filed for such Taxable Year, or (vi) to adjust the Exchange Basis Schedule to take into account payments made pursuant to this Agreement (such schedule, an "Amended Schedule"); provided, however, that such a change under clause (i) attributable to an audit of a Tax Return by an applicable Taxing Authority shall not be taken into account on an amended Schedule unless and until there has been a Determination with respect to such change.

ARTICLE III
TAX BENEFIT PAYMENTS

SECTION 3.01. Payments

(a) Payments. Within five (5) calendar days of a Tax Benefit Schedule delivered to an applicable Partner becoming final, the Corporation shall pay to the applicable Partner for such Taxable Year the Tax Benefit Payment determined pursuant to Section 3.01(b). Each such Tax Benefit Payment shall be made by wire transfer of immediately available funds to a bank account of the applicable Partner previously designated by such Partner to the Corporation. For the avoidance of doubt, no Tax Benefit Payment shall be made in respect of estimated tax payments, including, without limitation, federal income tax payments. Notwithstanding anything herein to the contrary, in no event shall payments to an applicable Partner under this Agreement exceed an amount to be determined on the Exchange Date as agreed to by the Corporation and the applicable Partner.

(b) A "Tax Benefit Payment" means an amount, not less than zero, equal to 85% of the Corporation's Realized Tax Benefit, if any, for a Taxable Year, increased by, (1) interest calculated at the Agreed Rate from the due date (without extensions) for filing the

Corporation Return with respect to Taxes for such Taxable Year and (2) the amount of the excess Realized Tax Benefit reflected on an Amended Tax Benefit Schedule for a previous Taxable Year over the Realized Tax Benefit (or Realized Tax Detriment (expressed as a negative number)) reflected on the Tax Benefit Schedule for such previous Taxable Year; and decreased by, (3) an amount equal to the Corporation's Realized Tax Detriment (expressed as a negative number) (if any) for any previous Taxable Year, and (4) the amount of the excess Realized Tax Benefit reflected on a Tax Benefit Schedule for a previous Taxable Year over the Realized Tax Benefit (or Realized Tax Detriment (expressed as a negative number)) reflected on the Amended Tax Benefit Schedule for such previous Taxable Year; provided, however, that the amounts described in 3.01(b)(2), (3) and (4) shall not be taken into account in determining a Tax Benefit Payment attributable to any Taxable Year to the extent of such amounts were taken into account in determining any Tax Benefit Payment in a preceding Taxable Year.

SECTION 3.02. No Duplicative Payments. It is intended that the above provisions will not result in duplicative payment of any amount (including interest) required under this Agreement.

SECTION 3.03. Pro Rata Payments. For the avoidance of doubt, to the extent the Corporation's deduction with respect to the Basis Adjustment is limited in a particular Taxable Year, the limitation on the deduction shall be taken into account for each applicable Partner on a *pro rata* basis relative to the total amount of deductions with respect to the aggregate Basis Adjustments for all of the applicable Partners.

ARTICLE IV
TERMINATION

SECTION 4.01. Early Termination of Agreement. The Corporation may terminate this Agreement with respect to some or all of the Partnership Units held (or previously held and exchanged) by the applicable Partner at any time by paying to the applicable Partner the Early Termination Payment; provided that the Corporation terminates this Agreement for a proportional amount of the relevant Partnership Units (whether or not exchanged for Shares) held by each Partner; provided, further, that the Corporation may not terminate this Agreement prior to the fifth anniversary of the date of this Agreement except in the event of a Change of Control (as such term is defined in the Partnership Agreement). Upon payment of the Early Termination Payment by the Corporation, neither the applicable Partner nor the Corporation shall have any further payment obligations under this Agreement in respect of such Partner, other than for any (a) Tax Benefit Payment agreed to by the Corporation and the applicable Partner as due and payable but unpaid as of the Early Termination Notice and (b) Tax Benefit Payment due for the Taxable Year ending with or including the date of the Early Termination Notice (except to the extent that the amount described in clause (b) is included in the Early Termination Payment).

SECTION 4.02. Early Termination Notice. If the Corporation chooses to exercise its right of early termination under Section 4.01 above, the Corporation shall deliver to the applicable Partner notice of such intention to exercise such right ("Early Termination Notice") and a schedule (the "Early Termination Schedule") specifying the Corporation's intention to

exercise such right and showing in reasonable detail the calculation of the Early Termination Payment. The applicable Early Termination Schedule shall become final and binding on all parties unless the applicable Partner, within 10 calendar days after receiving the Early Termination Schedule thereto provides the Corporation with notice of a material objection to such Schedule made in good faith. If the parties, negotiating in good faith, are unable to successfully resolve the issues raised in such notice within 30 calendar days after such Schedule was delivered to the applicable Partner, the Corporation and the applicable Partner shall employ the Reconciliation Procedures as described in Section 7.09 of this Agreement.

SECTION 4.03. Payment upon Early Termination. (a) Within three calendar days after agreement between the applicable Partner and the Corporation of the Early Termination Schedule, the Corporation shall pay to the applicable Partner an amount equal to the Early Termination Payment. Such payment shall be made by wire transfer of immediately available funds to a bank account designated by the applicable Partner.

(b) The "Early Termination Payment" as of the date of an Early Termination Schedule shall equal the present value, discounted at the Early Termination Rate, of all Tax Benefit Payments that would be required to be paid by the Corporation to the applicable Partner beginning from the Early Termination Date assuming the Valuation Assumptions are applied.

ARTICLE V
SUBORDINATION AND LATE PAYMENTS

SECTION 5.01. Subordination. Notwithstanding any other provision of this Agreement to the contrary, any Tax Benefit Payment or Early Termination Payment required to be made by the Corporation to the applicable Partner under this Agreement (an "Exchange Payment") shall rank subordinate and junior in right of payment to any principal, interest or other amounts due and payable in respect of any obligations in respect of indebtedness for borrowed money of the Corporation and its Subsidiaries ("Senior Obligations") and shall rank *pari passu* with all current or future unsecured obligations of the Corporation that are not Senior Obligations.

SECTION 5.02. Late Payments by the Corporation. The amount of all or any portion of an Exchange Payment not made to the applicable Partner when due under the terms of this Agreement shall be payable together with any interest thereon, computed at the Agreed Rate and commencing from the date on which such Exchange Payment was due and payable.

ARTICLE VI
NO DISPUTES; CONSISTENCY; COOPERATION

SECTION 6.01. Partner Participation in the Corporation's Tax Matters. Except as otherwise provided herein, the Corporation shall have full responsibility for, and sole discretion over, all Tax matters concerning the Corporation, including without limitation the preparation, filing or amending of any Tax Return and defending, contesting or settling any issue pertaining to Taxes. Notwithstanding the foregoing, the Corporation shall notify the applicable Partner of, and keep the applicable Partner reasonably informed with respect to the portion of any audit of

the Corporation by a Taxing Authority the outcome of which is reasonably expected to affect the applicable Partner's rights and obligations under this Agreement, and shall provide to the applicable Partner reasonable opportunity to provide information and other input to the Corporation and its advisors concerning the conduct of any such portion of such audit; provided, however, that the Corporation shall not be required to take any action that is inconsistent with any provision of the Partnership Agreement.

SECTION 6.02. Consistency. Unless there is a Determination to the contrary, the Corporation and the applicable Partner agree to report and cause to be reported for all purposes, including federal, state and local Tax purposes and financial reporting purposes, all Tax-related items (including without limitation the Basis Adjustment and each Tax Benefit Payment) in a manner consistent with that specified by the Corporation in any Schedule required to be provided by or on behalf of the Corporation under this Agreement. In the event that an Advisory Firm is replaced with another firm acceptable to the Corporation and the applicable Partner, such replacement Advisory Firm shall be required to perform its services under this Agreement using procedures and methodologies consistent with the previous Advisory Firm, unless otherwise required by law or the Corporation and the applicable Partner agree to the use of other procedures and methodologies.

SECTION 6.03. Cooperation. The applicable Partner shall (a) furnish to the Corporation in a timely manner such information, documents and other materials as the Corporation may reasonably request for purposes of making any determination or computation necessary or appropriate under this Agreement, preparing any Tax Return or contesting or defending any audit, examination or controversy with any Taxing Authority, (b) make itself available to the Corporation and its representatives to provide explanations of documents and materials and such other information as the Corporation or its representatives may reasonably request in connection with any of the matters described in clause (a) above, and (c) reasonably cooperate in connection with any such matter.

ARTICLE VII

SECTION 7.01. Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be deemed duly given and received (a) on the date of delivery if delivered personally, or by facsimile upon confirmation of transmission by the sender's fax machine if sent on a Business Day (or otherwise on the next Business Day) or (b) on the first Business Day following the date of dispatch if delivered by a recognized next-day courier service. All notices hereunder shall be delivered as set forth below, or pursuant to such other instructions as may be designated in writing by the party to receive such notice:

if to the Corporation, to:

Evercore Partners Inc.
55 East 52nd Street
43rd Floor
New York, NY 10055

Attention: Chief Financial Officer
Facsimile Number: (212) 857-3101

with a copy to:

Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, NY 10017
Attention: Joshua F. Bonnie, Esq.
Facsimile Number: (212) 455-2502

if to the applicable Partner, to:

Evercore Partners Inc.
55 East 52nd Street
43rd Floor
New York, NY 10055
Attention: Chief Financial Officer
Facsimile Number: (212) 857-3101

Any party may change its address or fax number by giving the other party written notice of its new address or fax number in the manner set forth above.

SECTION 7.02. Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties, it being understood that all parties need not sign the same counterpart. Delivery of an executed signature page to this Agreement by facsimile transmission shall be as effective as delivery of a manually signed counterpart of this Agreement.

SECTION 7.03. Entire Agreement; No Third Party Beneficiaries. This Agreement constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof. This Agreement shall be binding upon and inure solely to the benefit of each party hereto and their respective successors and permitted assigns, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

SECTION 7.04. Governing Law. This Agreement shall be governed by, and construed in accordance with, the law of the State of New York.

SECTION 7.05. Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any law or public policy, all other terms and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other

provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby are consummated as originally contemplated to the greatest extent possible.

SECTION 7.06. Successors; Assignment; Amendments. No Partner may assign this Agreement to any person without the prior written consent of the Corporation; provided, however, that, to the extent Partnership Units are effectively transferred in accordance with the terms of the Partnership Agreement, the Proportionate Share of the transferring Partner's Receivable shall automatically be assigned to the transferee of such Partnership Units and the transferee shall automatically become bound hereby, and such transferee shall execute this Agreement.

No amendment to this Agreement shall be effective unless it shall be in writing and signed by the Corporation and the Partners.

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, 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 7.07. Titles and Subtitles. The titles of the sections and subsections of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement.

SECTION 7.08. Resolution of Disputes.

(a) Any and all disputes which are not governed by Section 7.09 and which cannot settled amicably, including any ancillary claims of any party, arising out of, relating to or in connection with the validity, negotiation, execution, interpretation, performance or non-performance of this Agreement (including the validity, scope and enforceability of this arbitration provision) shall be finally settled by arbitration conducted by a single arbitrator in New York in accordance with the then-existing Rules of Arbitration of the International Chamber of Commerce. If the parties to the dispute fail to agree on the selection of an arbitrator within ten (10) days of the receipt of the request for arbitration, the International Chamber of Commerce shall make the appointment. The arbitrator shall be a lawyer and shall conduct the proceedings in the English language. Performance under this Agreement shall continue if reasonably possible during any arbitration proceedings.

(b) Notwithstanding the provisions of paragraph (a), the Corporation may bring an action or special proceeding in any court of competent jurisdiction for the

purpose of compelling a party to arbitrate, seeking temporary or preliminary relief in aid of an arbitration hereunder, and/or enforcing an arbitration award and, for the purposes of this paragraph (b), each Partner (i) expressly consents to the application of paragraph (c) of this Section 7.08 to any such action or proceeding, (ii) agrees that proof shall not be required that monetary damages for breach of the provisions of this Agreement would be difficult to calculate and that remedies at law would be inadequate, and (iii) irrevocably appoints the Corporation as such Partner's agent for service of process in connection with any such action or proceeding and agrees that service of process upon such agent, who shall promptly advise such Partner of any such service of process, shall be deemed in every respect effective service of process upon the Partner in any such action or proceeding.

(c)

(i) EACH PARTNER HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF COURTS LOCATED IN NEW YORK, NEW YORK FOR THE PURPOSE OF ANY JUDICIAL PROCEEDING BROUGHT IN ACCORDANCE WITH THE PROVISIONS OF PARAGRAPH (B) OF THIS SECTION 7.08, OR ANY JUDICIAL PROCEEDING ANCILLARY TO AN ARBITRATION OR CONTEMPLATED ARBITRATION ARISING OUT OF OR RELATING TO OR CONCERNING THIS AGREEMENT. Such ancillary judicial proceedings include any suit, action or proceeding to compel arbitration, to obtain temporary or preliminary judicial relief in aid of arbitration, or to confirm an arbitration award. The parties acknowledge that the fora designated by this paragraph (c) have a reasonable relation to this Agreement, and to the parties' relationship with one another; and

(ii) The parties hereby waive, to the fullest extent permitted by applicable law, any objection which they now or hereafter may have to personal jurisdiction or to the laying of venue of any such ancillary suit, action or proceeding brought in any court referred to in paragraph (c) (i) of this Section 7.08 and such parties agree not to plead or claim the same.

SECTION 7.09. Reconciliation. In the event that the Corporation and the applicable Partner are unable to resolve a disagreement within the relevant period designated in this Agreement, the matter shall be submitted for determination to a nationally recognized expert (the "Expert") in the particular area of disagreement mutually acceptable to both parties. The Expert shall be employed by a nationally recognized accounting firm or a law firm (other than the Advisory Firm), and the Expert shall not, and the firm that employs the Expert shall not, have any material relationship with either the Corporation or the applicable Partner or other actual or potential conflict of interest. The Expert shall resolve any matter relating to the Exchange Basis Schedule or an amendment thereto within 30 calendar days and shall resolve any matter relating to a Tax Benefit Schedule or an amendment thereto within 15 calendar days, in each case after the matter has been submitted to the Expert for resolution. Notwithstanding the preceding sentence, if the matter is not resolved before any payment that is the subject of a disagreement is due or any Tax Return reflecting the subject of a disagreement is due, such payment shall be made on the date prescribed by this Agreement and such Tax Return may be filed as prepared by

the Corporation, subject to adjustment or amendment upon resolution. The costs and expenses relating to the engagement of such expert or amending any Tax Return shall be borne by the party who did not have the prevailing position, or if a compromise is reached by the Corporation and the applicable Partner, the costs and expenses shall be borne equally by the parties. The Expert shall determine which party prevails. The determinations of the Expert pursuant to this Section 7.09 shall be binding on the Corporation and the applicable Partner absent manifest error.

SECTION 7.10. Withholding. The Corporation shall be entitled to deduct and withhold from any payment payable pursuant to this Agreement such amounts as the Corporation are required to deduct and withhold with respect to the making of such payment under the Code, or any provision of state, local or foreign tax law. To the extent that amounts are so withheld and paid over to the appropriate Taxing Authority by the Corporation, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the applicable Partner.

IN WITNESS WHEREOF, the Corporation and each Partner have duly executed this Agreement as of the date first written above.

EVERCORE PARTNERS INC.

By /s/ Austin M. Beutner
Name: Austin M. Beutner
Title: President and Co-Chief Executive Officer

Address: c/o Evercore Partners Inc.
55 East 52nd Street, 43rd Floor
New York, New York 10055

ROGER C. ALTMAN

By: /s/ Roger C. Altman

A&N ASSOCIATES L.P.

By: /s/ Jurate Kazickas
Name: Jurate Kazickas
Title: General Partner

ROGER C. ALTMAN 1997 FAMILY
LIMITED PARTNERSHIP

By: /s/ Jurate Kazickas
Name: Jurate Kazickas
Title: Managing General Partner

THE ROGER C. ALTMAN 2005 GRANTOR
RETAINED ANNUITY TRUST

By: /s/ Roger C. Altman
Name: Roger C. Altman

AUSTIN M. BEUTNER

By: /s/ Austin M. Beutner

BEUTNER FAMILY 2001 LONG-TERM TRUST

By: /s/ Austin M. Beutner
Name: Austin M. Beutner

THE AUSTIN M. BEUTNER 2005 GRANTOR
RETAINED ANNUITY TRUST

By: /s/ Austin M. Beutner
Name: Austin M. Beutner

CIARA A. BURNHAM

By: /s/ Ciara A. Burnham

PHILIPPE CAMUS

By: /s/ Philippe Camus

JOHN T. DILLON

By: /s/ John T. Dillon

RICHARD P. EMERSON

By: /s/ Richard P. Emerson

ADAM FRANKEL

By: /s/ Adam Frankel

SAUL GOODMAN

By: /s/ Saul Goodman

GIL HA

By: /s/ Gil Ha

WILLIAM O. HILTZ

By: /s/ William O. Hiltz

JONATHAN A. KNEE

By: /s/ Jonathan A. Knee

TIMOTHY G. LALONDE
By: /s/ Timothy G. Lalonde

GAIL LANDIS

By: /s/ Gail Landis

M. SHARON LEWELLEN

By: /s/ M. Sharon Lewellen

EDUARDO G. MESTRE

By: /s/ Eduardo G. Mestre

NEERAJ MITAL

By: /s/ Neeraj Mital

THE NEERAJ MITAL 1997 INSURANCE TRUST

By: /s/ John R. Varughese
Name: John R. Varughese
Title: Trustee

SANGAM PANT

By: /s/ Sangam Pant

MICHAEL J. PRICE

By: /s/ Michael J. Price

KATHLEEN G. REILAND

By: /s/ Kathleen G. Reiland

WILLIAM C. REPKO

By: /s/ William C. Repko

BRIAN ROBERTS

By: /s/ Brian Roberts

JANE SADOWSKY

By: /s/ Jane Sadowsky

WILLIAM A. SHUTZER

By: /s/ William A. Shutzer

DAVID WEZDENKO

By: /s/ David Wezdenko

JANE WHEELER

By: /s/ Jane Wheeler

DAVID YING

By: /s/ David Ying

PEDRO CARLOS ASPE ARMELLA

By: /s/ Pedro Aspe

PASPRO TRUST

By: /s/ Javier Bernstein Iturbide
Name: Javier Bernstein Iturbide
Title: Investment Trustee

FIDEICOMISO F/1475

By: /s/ HD Guadalupe Terreros Barros
Name: HD Guadalupe Terreros Barros
Title: Trust Delegate on Behalf Fideicomiso F/1475

JANESANCO, S. DE R.L.

By: /s/ Sergio Sánchez García
Name: Sergio Sánchez García
Title: Legal Representative

SUDARTE, S. DE R.L.

By: /s/ Hugo Garza
Name: Hugo A. Garza Medina
Title: Legal Representative

APORTELA, S. DE R.L.

By: /s/ Maria Eugenia Biana Escalera
Name: Maria Eugenia Biana Escalera

ADMINISTRADORA HDI, S. DE R.L. DE C.V.

By: /s/ Armando Jorge Marcos Penilla
Name: Armando Jorge Marcos Penilla
Title: Legal Representative

ANROSALE, S. DE R.L.

By: /s/ Antonio Souza
Name: Antonio Souza

AUGUSTO ARELLANO OSTOA

By: /s/ Augusto Arellano Ostoa

ANTONIO BASSOLS ZALETA

By: /s/ Antonio Bassols Zaleta

TRUSTEES OF THE ADAM B. FRANKEL 2006 TRUST

By: /s/ Adam B. Frankel
Name: Adam B. Frankel
Title: Investment Trustee

TRUSTEES OF THE JONATHAN ARYE KNEE 2006 TRUST

By: /s/ Jonathan Arye Knee
Name: Jonathan Arye Knee
Title: Investment Trustee

TRUSTEES OF THE JOHN TERRANCE DILLON 2006 TRUST

By: /s/ John Terrence Dillon
Name: John Terrence Dillon
Title: Investment Trustee

TRUSTEES OF THE GAIL S. LANDIS 2006 TRUST

By: /s/ Gail S. Landis
Name: Gail S. Landis
Title: Investment Trustee

TRUSTEES OF THE NEERAJ MITAL 2006 TRUST

By: /s/ Neeraj Mital
Name: Neeraj Mital
Title: Investment Trustee

TRUSTEES OF THE WILLIAM O. HILTZ 2006 TRUST

By: /s/ William O. Hiltz
Name: William O. Hiltz
Title: Investment Trustee

TRUSTEES OF THE M. SHARON LEWELLEN 2006 TRUST

By: /s/ M. Sharon Lewellen
Name: M. Sharon Lewellen
Title: Investment Trustee

TRUSTEES OF MESTRE 2006 EVERCORE GRAT

By: /s/ Eduardo G. Mestre
Name: Eduardo G. Mestre
Title: Trustee

TRUSTEES OF PRICE 2006 EVERCORE GRAT

By: /s/ Michael J. Price
Name: Michael J. Price
Title: Trustee

Exhibit A

FORM OF

JOINDER AGREEMENT

This Joinder Agreement ("Joinder Agreement") is a joinder letter to the Tax Receivable Agreement, dated as of [_____], 2006 (the "Agreement"), among Evercore Partners Inc., a Delaware corporation (the "Corporation"), and each of the Partners from time to time party thereto. Capitalized terms used but not defined in this Joinder Agreement shall have their respective meanings as defined in the Agreement. This Joinder Agreement shall be governed by, and construed in accordance with, the law of the State of New York. In the event of any conflict between this Joinder Agreement or the Agreement, the terms of this Joinder Agreement shall control.

The undersigned hereby agrees that the undersigned hereby joins and enters into the Agreement having acquired Partnership Units in the Partnership. By signing and returning this Joinder Agreement to the Corporation at 55 East 52nd Street, 43rd Floor, New York, NY 10055, Attention: Chief Financial Officer, the undersigned accepts and agrees to be bound by and subject to all of the terms and conditions of and agreements of a Partner contained in the Agreement, with all attendant rights, duties and obligations of a Partner thereunder. The parties to the Agreement shall treat the execution and delivery hereof by the undersigned as the execution and delivery of the Agreement by the undersigned and, upon receipt of this Joinder Agreement by the Corporation, the signature of the undersigned set forth below shall constitute a counterpart signature to the signature page of the Agreement.

Name:_____

Address for Notices:	With copies to:
_____	_____
_____	_____
_____	_____
_____	_____

IN WITNESS WHEREOF, the undersigned has executed this Joinder Agreement as of the date set forth below.

By: _____
Name: _____
Title: _____
Date: _____

Accepted:

EVERCORE PARTNERS INC.

By: _____
Name: _____
Title: _____
Date: _____

(*Signature Page to Joinder Agreement to Tax Receivable Agreement*)

Exhibit 10.3

REGISTRATION RIGHTS AGREEMENT

OF

EVERCORE PARTNERS INC.

Dated as of August 10, 2006

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REGISTRATION RIGHTS AGREEMENT

This REGISTRATION RIGHTS AGREEMENT (including Appendix A hereto, as such Appendix A may be amended from time to time pursuant to the provisions hereof, this "Agreement"), is made and entered into as of August 10, 2006, by and among Evercore Partners Inc., a Delaware corporation (the "Company"), and the Covered Persons (defined below) from time to time party hereto.

W I T N E S S E T H:

WHEREAS, the Company and the Covered Persons are beneficial owners of partnership units (the "Units") of Evercore LP, a Delaware limited partnership ("Evercore LP"), each of which is exchangeable for one share of the Company's Class A common stock, par value $0.01 per share (the "Class A Common Stock"), at the option of the holder thereof and subject to the provisions of the Partnership Agreement (defined below); and

WHEREAS, the Company desires to provide the Covered Persons with registration rights with respect to shares of Class A Common Stock underlying their Units.

NOW, THEREFORE, in consideration of the premises and of the mutual agreements, covenants and provisions herein contained, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS AND OTHER MATTERS

Section 1.1 Definitions. Capitalized terms used in this Agreement without other definition shall, unless expressly stated otherwise, have the meanings specified in this Section 1.1:

(a) "Agreement" has the meaning ascribed to such term in the Recitals.

(b) "Beneficial owner" has the meaning set forth in Rule 13d-3 under the Exchange Act.

(c) "Board" means the Board of Directors of the Company.

(d) "Class A Common Stock" has the meaning ascribed to such term in the Recitals.

(e) "Company" has the meaning ascribed to such term in the Recitals.

(f) "Covered Person" means those persons from time to time listed on Appendix A hereto, and all persons who may become parties to this Agreement and whose name is required to be listed on Appendix A hereto, in each case in accordance with the terms hereof.

(g) "Covered Units" means, with respect to a Covered Person, such Covered Person's Units.

(h) "Demand Notice" has the meaning ascribed to such term in Section 2.2(a).

(i) "Demand Registration" has the meaning ascribed to such term in Section 2.2(a).

(j) "Evercore LP" has the meaning ascribed to such term in the Recitals.

(k) "Exchange Act" means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

(l) "Equity Committee" has the meaning ascribed to such term in the Partnership Agreement.

(m) "Fifth Anniversary Registration" has the meaning ascribed to such term in Section 2.1(a).

(n) "Governmental Authority" means any national, local or foreign (including U.S. federal, state or local) or supranational (including European Union) governmental, judicial, administrative or regulatory (including self-regulatory) agency, commission, department, board, bureau, entity or authority of competent jurisdiction.

(o) "Indemnified Parties" has the meaning ascribed to such term in Section 2.6.

(p) "IPO Date" means the closing date of the initial public offering of the Class A Common Stock.

(q) "Partnership Agreement" means the Evercore LP Amended and Restated Partnership Agreement, dated August 7, 2006, among the Company and the limited partners of Evercore LP.

(r) "Permitted Transferee" means any transferee of a Unit after the date hereof the transfer of which is permitted by the Partnership Agreement.

(s) "Public Offering" means an underwritten public offering pursuant to an effective registration statement under the Securities Act, other than pursuant to a registration statement on Forms S-4 or S-8 or any similar or successor form.

(t) "Registering Covered Person" has the meaning ascribed to such term in Section 2.5(a).

(u) "Registration Expenses" means any and all expenses incident to the performance of or compliance with any registration or marketing of securities, including all (i) registration and filing fees, and all other fees and expenses payable in connection with the listing of securities on any securities exchange or automated interdealer quotation system, (ii) fees and expenses of compliance with any securities or "blue sky" laws (including reasonable fees and disbursements of counsel in connection with "blue

sky" qualifications of the securities registered), (iii) expenses in connection with the preparation, printing, mailing and delivery of any registration statements, prospectuses and other documents in connection therewith and any amendments or supplements thereto, (iv) security engraving and printing expenses, (v) internal expenses of the Company (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), (vi) reasonable fees and disbursements of counsel for the Company and customary fees and expenses for independent certified public accountants retained by the Company (including the expenses relating to any comfort letters or costs associated with the delivery by independent certified public accountants of any comfort letters requested pursuant to Section 2.5(h)), (vii) reasonable fees and expenses of any special experts retained by the Company in connection with such registration, (viii) reasonable fees, out-of-pocket costs and expenses of the Covered Persons, including one counsel for all of the Covered Persons participating in the offering selected by the Covered Persons holding the majority of the Registrable Securities to be sold for the account of all Covered Persons in the offering, (ix) fees and expenses in connection with any review by the NASD of the underwriting arrangements or other terms of the offering, and all fees and expenses of any "qualified independent underwriter," including the fees and expenses of any counsel thereto, (x) fees and disbursements underwriters customarily paid by issuers or sellers of securities, but excluding any underwriting fees, discounts and commissions attributable to the sale of Registrable Securities, (xi) costs of printing and producing any agreements among underwriters, underwriting agreements, any "blue sky" or legal investment memoranda and any selling agreements and other documents in connection with the offering, sale or delivery of the Registrable Securities, (xii) transfer agents' and registrars' fees and expenses and the fees and expenses of any other agent or trustee appointed in connection with such offering, (xiii) expenses relating to any analyst or investor presentations or any "road shows" undertaken in connection with the registration, marketing or selling of the Registrable Securities, (xiv) fees and expenses payable in connection with any ratings of the Registrable Securities, including expenses relating to any presentations to rating agencies and (xv) all out-of-pocket costs and expenses incurred by the Company or its appropriate officers in connection with their compliance with Section 2.5(l).

(v) "Registrable Securities" shall mean shares of Class A Common Stock deliverable or delivered in exchange for Units. For purposes of this Agreement, (i) Registrable Securities shall cease to be Registrable Securities when a Registration Statement covering such Registrable Securities has been declared effective under the Securities Act by the SEC and such Registrable Securities have been disposed of pursuant to such effective Registration Statement and (ii) the Registrable Securities of a holder shall not be deemed to be Registrable Securities at any time when the entire amount of such Registrable Securities proposed to be sold by such Covered Person in a single sale constitutes less than 1% of the then outstanding shares of Class A Common Stock or, in the opinion of counsel satisfactory to the Company and such Covered Person, each in their reasonable judgment, may be distributed to the public pursuant to Rule 144 (or any successor provision then in effect) under the Securities Act in any three-month period or any such Registrable Securities have been sold in a sale made pursuant to Rule 144 of the Securities Act.

(w) "SEC" means the Securities and Exchange Commission.

(x) "Securities Act" means the U.S. Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

(y) "Subsidiary" means, with respect to any person, any corporation, limited liability company, company, partnership, trust, association or other legal entity or organization of which such person (either directly or through one or more subsidiaries of such person) (a) owns, directly or indirectly, a majority of the capital stock or other equity interests the holders of which are generally entitled to vote for the election of the board of directors or other governing body of such corporation, limited liability company, partnership, trust, association or other legal entity or organization, or (b) is otherwise entitled to exercise (1) a majority of the voting power generally in the election of the board of directors or other governing body of such corporation, limited liability company, partnership, trust, association or other legal entity or organization or (2) control of such corporation, limited liability company, partnership, trust, association or other legal entity or organization.

(z) "Transfer" means, in respect of any Unit, share of Class A Common Stock, 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 Unit for any other security.

(aa) "Units" has the meaning ascribed to such term in the Recitals.

Section 1.2 Definitions Generally. Wherever required by the context of this Agreement, the singular shall include the plural and vice versa, and the masculine gender shall include the feminine and neuter genders and vice versa, and references to any agreement, document or instrument shall be deemed to refer to such agreement, document or instrument as amended, supplemented or modified from time to time. When used herein:

(a) the word "or" is not exclusive;

(b) the words "including," "includes," "included" and "include" are deemed to be followed by the words "without limitation";

(c) the terms "herein," "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular section, paragraph or subdivision;

(d) the word "person" means any individual, corporation, limited liability company, trust, joint venture, association, company, partnership or other legal entity or a government or any department or agency thereof or self-regulatory organization; and

(e) all section, paragraph or clause references not attributed to a particular document shall be references to such parts of this Agreement, and all exhibit, annex and schedule references not attributed to a particular document shall be references to exhibits, annexes and schedules to this Agreement.

ARTICLE II
REGISTRATION RIGHTS

Section 2.1 Fifth Anniversary Registration.

(a) The Company shall use its commercially reasonable efforts to cause to be declared effective under the Securities Act by the SEC, on or prior to the fifth anniversary of the IPO Date, a registration statement relating to all shares of the following Registrable Securities ("Fifth Anniversary Registration"): Registrable Securities to be delivered to Covered Persons by the Company in respect of the exchange of Units pursuant to the Partnership Agreement and all other Registrable Securities of any Covered Person which Registrable Securities are reasonably expected to continue to be Registrable Securities at the expected filing date for the registration statement with respect to such registration.

(b) The Company shall be liable for and pay all Registration Expenses in connection with any Fifth Anniversary Registration, regardless of whether such Registration is effected.

(c) Upon notice to each Covered Person participating in the Fifth Anniversary Registration, the Company may postpone effecting a registration pursuant to this Section 2.1 on one occasion during any period of six consecutive months for a reasonable time specified in the notice but not exceeding 120 days (which period may not be extended or renewed), if (i) the Company shall determine in good faith that effecting the registration would materially and adversely affect an offering of securities of such company the preparation of which had then been commenced or (ii) the Company is in possession of material non-public information the disclosure of which during the period specified in such notice the Company believes in good faith would not be in the best interests of the Company.

Section 2.2 Demand Registration.

(a) If at any time following the IPO, the Company shall receive a written request (a "Demand Notice") from the Equity Committee that the Company effect the registration under the Securities Act of all or any portion of the Registrable Securities specified in the Demand Notice (a "Demand Registration"), specifying the intended method of disposition thereof, then the Company shall use its commercially reasonable efforts to effect, as expeditiously as reasonably practicable, subject to the restrictions in Section 2.2(d), the registration under the Securities Act of the Registrable Securities for which the Equity Committee has requested registration under this Section 2.2, all to the extent necessary to permit the disposition (in accordance with the intended methods thereof as aforesaid) of the Registrable Securities so to be registered. Notwithstanding the foregoing, (i) the Equity Committee shall be entitled to ten Demand Registrations pursuant to this Section 2.2, (ii) the Equity Committee shall be entitled to no more than one demand registration during any six-month period, and (iii) the Company shall not be obligated to make a Demand Registration with respect to the Equity Committee in the event that a Fifth Anniversary Registration or Piggyback Registration (as defined below) had been available to the Equity Committee within the 180 days preceding the date of the Demand Notice.

(b) At any time prior to the effective date of the registration statement relating to such registration, the Equity Committee may revoke such Demand Registration request by providing a notice to the Company revoking such request. The Company shall be liable for and pay all Registration Expenses in connection with any Demand Registration.

(c) If a Demand Registration involves an underwritten Public Offering and the managing underwriter advises the Company and the Equity Committee that, in its view, the number of shares of Registrable Securities requested to be included in such registration exceeds the largest number of shares that can be sold without having an adverse effect on such offering, including the price at which such shares can be sold (the "Maximum Offering Size"), the Company shall include in such registration, in the priority listed below, up to the Maximum Offering Size:

(i) first, all Registrable Securities requested to be registered in the Demand Registration by the Equity Committee (allocated, if necessary for the offering not to exceed the Maximum Offering Size, pro rata among the Covered Persons whose Registrable Securities are included in the Demand Registration on the basis of the relative number of shares of Registrable Securities so requested to be included in such registration by each);

(ii) second, any securities proposed to be registered by the Company or any securities proposed to be registered for the account of any other persons, with such priorities among them as the Company shall determine.

(d) Upon notice to the Demand Requesting Covered Person, the Company may postpone effecting a registration pursuant to this Section 2.2 on one occasion during any period of six consecutive months for a reasonable time specified in the notice but not exceeding 120 days (which period may not be extended or renewed), if (i) the Company shall determine in good faith that effecting the registration would materially and adversely affect an offering of securities of such company the preparation of which had then been commenced or (ii) the Company is in possession of material non-public information the disclosure of which during the period specified in such notice the Company believes in good faith would not be in the best interests of the Company.

Section 2.3 Piggyback Registration.

(a) Subject to any contractual obligations to the contrary, if the Company proposes at any time to register any of the equity securities issued by it under the Securities Act (other than a registration on Form S-8 or S-4, or any successor forms, relating to shares of Class A Common Stock issuable in connection with any employee benefit or similar plan of the Company or in connection with a direct or indirect acquisition by the Company of another Person or as a recapitalization or reclassification of securities of the Company), whether or not for sale for its own account, the Company shall each such time give prompt notice at least 15 business days prior to the anticipated filing date of the registration statement relating to such

registration to the Covered Persons, which notice shall set forth such Covered Person's rights under this Section 2.3 and shall offer such Covered Person the opportunity to include in such registration statement the number of Registrable Securities of the same class or series as those proposed to be registered as such Covered Person may request (a "Piggyback Registration"), subject to the provisions of Section 2.3(b). Upon the request of such Covered Person made within five business days after the receipt of notice from the Company (which request shall specify the number of Registrable Securities intended to be registered by such Covered Person), the Company shall use its commercially reasonable efforts to effect the registration under the Securities Act of all Registrable Securities that the Company has been so requested to register by all such other Covered Persons, to the extent necessary to permit the disposition of the Registrable Securities so to be registered, provided that (i) if such registration involves an underwritten Public Offering, all such Covered Persons requesting to be included in the Company's registration must sell their Registrable Securities to the underwriters selected by the Company in on the same terms and conditions as apply to the Company or the Requesting Covered Persons, as applicable, and (ii) if, at any time after giving notice of its intention to register any securities pursuant to this Section 2.3(a) and prior to the effective date of the registration statement filed in connection with such registration, the Company shall determine for any reason not to register such securities, the Company shall give notice to all such Covered Persons and, thereupon, shall be relieved of its obligation to register any Registrable Securities in connection with such registration. No registration effected under this Section 2.3 shall relieve the Company of its obligations to effect a Fifth Anniversary Registration or Demand Registration to the extent required by Section 2.1 or Section 2.2, respectively. The Company shall pay all Registration Expenses in connection with each Piggyback Registration.

(b) Subject to any contractual obligations to the contrary, if a Piggyback Registration involves an underwritten Public Offering and the managing underwriter advises the Company that, in its view, the number of Registrable Securities that the Company and such Covered Persons intend to include in such registration exceeds the Maximum Offering Size, the Company shall include in such registration, in the following priority, up to the Maximum Offering Size:

(i) first, so much of the Company securities proposed to be registered for the account of the Company;

(ii) second, to the Company securities proposed to be registered pursuant to any demand registration rights of third parties;

(iii) third, all Registrable Securities requested to be included in such registration by any Covered Persons (allocated, if necessary for the offering not to exceed the Maximum Offering Size, pro rata among such Covered Persons on the basis of the relative number of shares of Registrable Securities so requested to be included in such registration by each); and

(iv) fourth, any securities proposed to be registered for the account of any other Persons with such priorities among them as the Company shall determine.

(c) Notwithstanding any provision in this Section 2.3 or elsewhere in this Agreement, no provision relating to the registration of Registrable Securities shall be construed as permitting any Covered Person to effect a transfer of securities that is otherwise prohibited by the terms of any agreement between such Covered Person and the Company or any of its subsidiaries. The Company shall not be obligated to provide notice or afford Piggyback Registration to any Covered Person pursuant to this Section 2.3 unless some or all of such Covered Person's Registrable Securities are permitted to be transferred under the terms of applicable agreements between such Covered Persons and the Company or any of its subsidiaries.

Section 2.4 Lock-Up Agreements. If any registration of Registrable Securities shall be effected in connection with a Public Offering, neither the Company nor the Covered Person shall effect any public sale or distribution, including any sale pursuant to Rule 144, of any shares of Common Stock or other security of the Company (except as part of such Public Offering) during the period beginning 14 days prior to the effective date of the applicable registration statement until the earlier of (i) such time as the Company and the lead managing underwriter shall agree and (ii) 180 days.

Section 2.5 Registration Procedures. Whenever a Covered Person requests that any Registrable Securities be registered pursuant to Section 2.2 or 2.3 or in respect of any Fifth Anniversary Registration pursuant to Section 2.1, subject to the provisions of such Sections, the Company shall use its commercially reasonable efforts to effect the registration and the sale of such Registrable Securities in accordance with the intended method of disposition thereof as promptly as practicable, and, in connection with any such request:

(a) The Company shall as expeditiously as reasonably practicable prepare and file with the SEC a registration statement on any form for which the Company then qualifies or that counsel for the Company shall deem appropriate and which form shall be available for the sale of the Registrable Securities to be registered thereunder in accordance with the intended method of distribution thereof, and use its commercially reasonable efforts to cause such filed registration statement to become and remain effective for a period of not less than 40 days, or in the case of a Fifth Anniversary Registration, until all of the Registrable Securities of the Covered Persons included in such registration statement (each, a "Registering Covered Person") shall have actually been sold thereunder.

(b) Prior to filing a registration statement or prospectus or any amendment or supplement thereto, the Company shall, if requested, furnish to each participating Covered Person and each underwriter, if any, of the Registrable Securities covered by such registration statement copies of such registration statement as proposed to be filed, and thereafter the Company shall furnish to such Covered Person and underwriter, if any, such number of copies of such registration statement, each amendment and supplement thereto (in each case including all exhibits thereto and documents incorporated by reference therein), the prospectus included in such registration statement (including each preliminary prospectus and any summary prospectus) and any other prospectus filed under Rule 424 or Rule 430A under the Securities Act and such other documents as such Covered Person or underwriter may reasonably request in order to facilitate the

disposition of the Registrable Securities owned by such Covered Person. The Covered Person shall have the right to request that the Company modify any information contained in such registration statement, amendment and supplement thereto pertaining to such Covered Person and the Company shall use its all commercially reasonable efforts to comply with such request, provided, however, that the Company shall not have any obligation so to modify any information if the Company reasonably expects that so doing would cause the prospectus to contain an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading.

(c) After the filing of the registration statement, the Company shall (i) cause the related prospectus to be supplemented by any required prospectus supplement, and, as so supplemented, to be filed pursuant to Rule 424 under the Securities Act, (ii) comply with the provisions of the Securities Act with respect to the disposition of all Registrable Securities covered by such registration statement during the applicable period in accordance with the intended methods of disposition by the Registering Covered Persons thereof set forth in such registration statement or supplement to such prospectus and (iii) promptly notify each Registering Covered Person holding Registrable Securities covered by such registration statement of any stop order issued or threatened by the SEC or any state securities commission and take all reasonable best efforts to prevent the entry of such stop order or to remove it if entered.

(d) The Company shall use its commercially reasonable best efforts to (i) register or qualify the Registrable Securities covered by such registration statement under such other securities or "blue sky" laws of such jurisdictions in the United States as any Registering Covered Person holding such Registrable Securities reasonably (in light of such Covered Person's intended plan of distribution) requests and (ii) cause such Registrable Securities to be registered with or approved by such other governmental agencies or authorities as may be necessary by virtue of the business and operations of the Company and do any and all other acts and things that may be reasonably necessary or advisable to enable such Covered Person to consummate the disposition of the Registrable Securities owned by such Covered Person, provided that the Company shall not be required to (A) qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this Section 2.5(d), (B) subject itself to taxation in any such jurisdiction or (C) consent to general service of process in any such jurisdiction.

(e) The Company shall immediately notify each Registering Covered Person holding such Registrable Securities covered by such registration statement, at any time when a prospectus relating thereto is required to be delivered under the Securities Act, of the occurrence of an event requiring the preparation of a supplement or amendment to such prospectus so that, as thereafter delivered to the purchasers of such Registrable Securities, such prospectus will not contain an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading and promptly prepare and make available to each such Covered Person and file with the SEC any such supplement or amendment.

(f) The Company shall select an underwriter or underwriters in connection with any Public Offering. In connection with any Public Offering, the Company shall enter into customary agreements (including an underwriting agreement in customary form) and take such all other actions as are reasonably required in order to expedite or facilitate the disposition of such Registrable Securities in any such Public Offering, including the engagement of a "qualified independent underwriter" in connection with the qualification of the underwriting arrangements with the NASD.

(g) Subject to the execution of confidentiality agreements satisfactory in form and substance to the Company in the exercise of its good faith judgment, the Company will give to each Registering Covered Person, its counsel and accountants (i) reasonable and customary access to its books and records and (ii) such opportunities to discuss the business of the Company with its directors, officers, employees, counsel and the independent public accountants who have certified its financial statements, as shall be appropriate, in the reasonable judgment of counsel, to such Registering Covered Person, to enable them to exercise their due diligence responsibility.

(h) The Company shall use its commercially reasonable efforts to furnish to each Registering Covered Person and to each such underwriter, if any, a signed counterpart, addressed to such Covered Person or underwriter, of (i) an opinion or opinions of counsel to the Company and (ii) a comfort letter or comfort letters from the Company's independent public accountants, each in customary form and covering such matters of the kind customarily covered by opinions or comfort letters, as the case may be, as a majority of the Registering Covered Persons therefor reasonably requests.

(i) Each such Covered Person registering securities under this Article II shall promptly furnish in writing to the Company such information regarding the distribution of the Registrable Securities as the Company may from time to time reasonably request and such other information as may be legally required or advisable in connection with such registration.

(j) The Covered Person agrees that, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 2.5(e), such Covered Person shall forthwith discontinue disposition of Registrable Securities pursuant to the registration statement covering such Registrable Securities until such Covered Person's receipt of the copies of the supplemented or amended prospectus contemplated by Section 2.5(e), and, if so directed by the Company, such Covered Person shall deliver to the Company all copies, other than any permanent file copies then in such Covered Person's possession, of the most recent prospectus covering such Registrable Securities at the time of receipt of such notice. If the Company shall give such notice, the Company shall extend the period during which such registration statement shall be maintained effective (including the period referred to in Section 2.5(a)) by the number of days during the period from and including the date of the giving of notice pursuant to Section 2.5(e) to the date when the Company shall make available to such Covered Person a prospectus supplemented or amended to conform with the requirements of Section 2.5(e).

(k) The Company shall use its commercially reasonable efforts to list all Registrable Securities covered by such registration statement on any securities exchange or quotation system on which any of the Registrable Securities are then listed or traded.

(l) The Company shall have appropriate officers of the Company (i) prepare and make presentations at any "road shows" and before analysts and rating agencies, as the case may be, (ii) take other actions to obtain ratings for any Registrable Securities and (iii) otherwise use their commercially reasonable efforts to cooperate as reasonably requested by the underwriters in the offering, marketing or selling of the Registrable Securities.

Section 2.6 Indemnification by the Company. In the event of any registration of any securities of the Company under the Securities Act pursuant to this Article II, the Company will, and it hereby does, indemnify and hold harmless, to the extent permitted by law, a Registering Covered Person, each affiliate of such Registering Covered Person and their respective directors and officers or general and limited partners or members and managing members (including any director, officer, affiliate, employee, agent and controlling Person of any of the foregoing), each other person who participates as an underwriter in the offering or sale of such securities and each other person, if any, who controls such seller or any such underwriter within the meaning of the Securities Act (collectively, the "Indemnified Parties"), against any and all losses, claims, damages or liabilities, joint or several, and expenses (including reasonable attorney's fees and reasonable expenses of investigation) to which such Indemnified Party may become subject under the Securities Act, common law or otherwise, insofar as such losses, claims, damages or liabilities (or actions or proceedings in respect thereof, whether or not such Indemnified Party is a party thereto) arise out of or are based upon (i) any untrue statement or alleged untrue statement of any material fact contained in any registration statement under which such securities were registered under the Securities Act, any preliminary, final or summary prospectus contained therein, or any amendment or supplement thereto, or (ii) any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein (in the case of a prospectus, in light of the circumstances under which they were made) not misleading, and the Company will reimburse such Indemnified Party for any legal or any other expenses reasonably incurred by it in connection with investigating or defending against any such loss, claim, liability, action or proceeding; provided, that the Company shall not be liable to any Indemnified Party in any such case to the extent that any such loss, claim, damage, liability (or action or proceeding in respect thereof) or expense arises out of or is based upon any untrue statement or alleged untrue statement or omission or alleged omission made in such registration statement or amendment or supplement thereto or in any such preliminary, final or summary prospectus in reliance upon and in conformity with written information furnished to the Company with respect to such seller through an instrument duly executed by such seller specifically stating that it is for use in the preparation thereof.

Section 2.7 Indemnification by Registering Covered Persons. The Company may require, as a condition to including any Registrable Securities in any registration statement filed in accordance with this Article II, that the Company shall have received an undertaking reasonably satisfactory to it from the Registering Covered Person or any underwriter to indemnify and hold harmless the Company and all other prospective sellers of Registrable Securities with respect to any untrue statement or alleged untrue statement in or omission or

alleged omission from such registration statement, any preliminary, final or summary prospectus contained therein, or any amendment or supplement, if such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company with respect to such seller through an instrument duly executed by such seller or underwriter specifically stating that it is for use in the preparation of such registration statement, preliminary, final or summary prospectus or amendment or supplement, or a document incorporated by reference into any of the foregoing. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of the Company or any of the Registering Covered Persons, or any of their respective affiliates, directors, officers or controlling persons and shall survive the transfer of such securities by such person. In no event shall the liability of any Registering Covered Person hereunder be greater in amount than the dollar amount of the proceeds received by such Registering Covered Person upon the sale of the Registrable Securities giving rise to such indemnification obligation.

Section 2.8 Conduct of Indemnification Proceedings. Promptly after receipt by an Indemnified Party hereunder of written notice of the commencement of any action or proceeding with respect to which a claim for indemnification may be made pursuant to this Article II, such Indemnified Party will, if a claim in respect thereof is to be made against an indemnifying party, give written notice to the latter of the commencement of such action; provided, that the failure of the Indemnified Party to give notice as provided herein shall not relieve the indemnifying party of its obligations under this Article II, except to the extent that the indemnifying party is actually prejudiced by such failure to give notice. In case any such action is brought against an Indemnified Party, unless in such Indemnified Party's reasonable judgment a conflict of interest between such Indemnified Party and indemnifying parties may exist in respect of such claim, the indemnifying party will be entitled to participate in and to assume the defense thereof, jointly with any other indemnifying party similarly notified to the extent that it may wish, with counsel reasonably satisfactory to such Indemnified Party, and after notice from the indemnifying party to such Indemnified Party of its election so to assume the defense thereof, the indemnifying party will not be liable to such Indemnified Party for any legal or other expenses subsequently incurred by the latter in connection with the defense thereof other than reasonable costs of investigation. No indemnifying party will consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof, the giving by the claimant or plaintiff to such Indemnified Party of a release from all liability in respect to such claim or litigation.

Section 2.9 Contribution. If the indemnification provided for in this Article II from the indemnifying party is unavailable to an Indemnified Party hereunder in respect of any losses, claims, damages, liabilities or expenses referred to herein, then the indemnifying party, in lieu of indemnifying such Indemnified Party, shall contribute to the amount paid or payable by such Indemnified Party as a result of such losses, claims, damages, liabilities or expenses in such proportion as is appropriate to reflect the relative fault of the indemnifying party and Indemnified Parties in connection with the actions which resulted in such losses, claims, damages, liabilities or expenses, as well as any other relevant equitable considerations. The relative fault of such indemnifying party and Indemnified Parties shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact, has been made by, or relates to information supplied by, such indemnifying party or Indemnified Parties, and the parties'

relative intent, knowledge, access to information and opportunity to correct or prevent such action. The amount paid or payable by a party under this Section 2.9 as a result of the losses, claims, damages, liabilities and expenses referred to above shall be deemed to include any legal or other fees or expenses reasonably incurred by such party in connection with any investigation or proceeding.

The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 2.9 were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to in the immediately preceding paragraph. 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.

Section 2.10 Participation in Public Offering. No Covered Person may participate in any Public Offering hereunder unless such Covered Person (a) agrees to sell such Covered Person's securities on the basis provided in any underwriting arrangements approved by the Covered Persons entitled hereunder to approve such arrangements and (b) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents reasonably required under the terms of such underwriting arrangements and the provisions of this Agreement in respect of registration rights.

Section 2.11 Other Indemnification. Indemnification similar to that specified herein (with appropriate modifications) shall be given by the Company and the Registering Covered Person participating therein with respect to any required registration or other qualification of securities under any federal or state law or regulation or Governmental Authority other than the Securities Act.

Section 2.12 Cooperation by the Company. If the Covered Person shall transfer any Registrable Securities pursuant to Rule 144, the Company shall use its commercially reasonable efforts to cooperate with the Covered Person and shall provide to the Covered Person such information as the Covered Person shall reasonably request.

Section 2.13 No Transfer of Registration Rights. Except as set forth in Section 2.14, none of the rights of the Covered Person under this Article II shall be assignable by any Covered Person to any person acquiring securities unless the person so acquiring such securities shall already be a Covered Person.

Section 2.14 Parties in Interest. Each Covered Person shall be entitled to receive the benefits of this Agreement and shall be bound by the terms and provisions of this Agreement by reason of such Covered Person's election to participate in a registration under this Article II. To the extent Units are effectively transferred in accordance with the terms of the Partnership Agreement, the transferee of such Units shall be entitled to receive the benefits of this Agreement and shall be bound by the terms and provisions of this Agreement upon becoming bound hereby pursuant to Section 3.1(c).

Section 2.15 Acknowledgement Regarding the Company. All determinations necessary or advisable under this Article II shall be made by the Company, the determinations of which shall be final and binding.

Section 2.16 Mergers, Recapitalizations, Exchanges or Other Transactions Affecting Registrable Securities. The provisions of this Agreement shall apply to the full extent set forth herein with respect to the Registrable Securities, to any and all securities or capital stock of Evercore LP or the Company or any successor or assign of any such person (whether by merger, amalgamation, consolidation, sale of assets or otherwise) that may be issued in respect of, in exchange for, or in substitution of such Registrable Securities, by reason of any dividend, split, issuance, reverse split, combination, recapitalization, reclassification, merger, amalgamation, consolidation or otherwise.

ARTICLE III
MISCELLANEOUS

Section 3.1 Term of the Agreement; Termination of Certain Provisions.

(a) The term of this Agreement shall continue until the first to occur of (i) such time as no Covered Person holds any Covered Units or Registrable Securities and (ii) such time as the Agreement is terminated by the affirmative vote of Covered Persons that beneficially own not less than 66 2/3% of the voting power of the Registrable Securities.

(b) Unless this Agreement is theretofore terminated pursuant to Section 3.1(a) hereof, a Covered Person shall be bound by the provisions of this Agreement with respect to any Covered Units or Registrable Security until such time as such Covered Person ceases to hold any Covered Units or Registrable Security. Thereafter, such Covered Person shall no longer be bound by the provisions of this Agreement other than Sections 2.7, 2.8, 2.9 and 2.11 and Article III, and such Covered Person's name shall be removed from Appendix A to this Agreement.

(c) Any Permitted Transferee shall be added to Appendix A as a Covered Person; provided, that, such Permitted Transferee shall first sign an agreement in the form approved by the Company acknowledging that such Permitted Transferee is bound by the terms and provisions of the Agreement.

Section 3.2 Amendments; Waiver.

(a) The provisions of this Agreement may be amended only by the affirmative vote of Covered Persons owning not less than 66 2/3% of the voting power of the Registrable Securities.

(b) In addition to any other vote or approval that may be required under this Section 3.2, any amendment of this Agreement that has the effect of changing the obligations of Evercore LP or the Company hereunder to make such obligations materially more onerous to the Evercore LP or Company shall require the approval of Evercore LP or the Company, as the case may be.

(c) Each Covered Person understands that from time to time certain other persons may become Covered Persons and certain Covered Persons will cease to be bound by the provisions of this Agreement pursuant to the terms hereof. This Agreement may be amended from time to time by the Equity Committee (without the approval of any other person), but solely for the purposes of (i) adding to Appendix A Permitted Transferees of the Covered Units as provided in Section 3.1(c) who sign this Agreement and (ii) removing from Appendix A such persons as shall cease to be bound by the provisions of this Agreement pursuant to Sections 3.1(b) hereof, which additions and removals shall be given effect from time to time by appropriate changes to Appendix A.

(d) No provision of this Agreement may be waived except by an instrument in writing executed by the party against whom the waiver is to be effective.

Section 3.3 Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

Section 3.4 Notices.

(a) Any communication, demand or notice to be given hereunder will be duly given (and shall be deemed to be received) when delivered in writing by hand or first class mail or by telecopy to a party at its address as indicated below:

If to a Covered Person,

c/o Evercore Partners Inc.
55 East 52nd Street, 43rd Floor
New York, New York 10055
Attention: Chief Financial Officer
Fax: (212) 857-3101

If to the Company, at

Evercore Partners Inc.
55 East 52nd Street, 43rd Floor
New York, New York 10055
Attention: Chief Financial Officer
Fax: (212) 857-3101

The Company shall be responsible for notifying each Covered Person of the receipt of a communication, demand or notice under this Agreement relevant to such Covered Person at the address of such Covered Person then in the records of Evercore LP (and each Covered Person shall notify the Company of any change in such address for communications, demands and notices).

(b) Unless otherwise provided to the contrary herein, any notice which is required to be given in writing pursuant to the terms of this Agreement may be given by telecopy.

Section 3.5 Severability. If any provision of this Agreement is finally held to be invalid, illegal or unenforceable, (a) the remaining terms and provisions hereof shall be unimpaired and (b) the invalid or unenforceable term or provision shall be deemed replaced by a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision.

Section 3.6 Specific Performance. Each party hereto acknowledges that the remedies at law of the other parties for a breach or threatened breach of this Agreement would be inadequate and, in recognition of this fact, any part to this Agreement, without posting any bond, and in addition to all other remedies that may be available, shall, subject to Section 3.4, be entitled to obtain equitable relief in the form of specific performance, a temporary restraining order, a temporary or permanent injunction or any other equitable remedy that may be then available.

Section 3.7 Assignment; Successors. This Agreement shall be binding upon and inure to the benefit of the respective legatees, legal representatives, successors and assigns of the Covered Persons; provided, however, that a Covered Person may not assign this Agreement or any of his rights or obligations hereunder, and any purported assignment in breach hereof by a Covered Person shall be void; and provided further that no assignment of this Agreement by the Company or to a successor of the Company (by operation of law or otherwise) shall be valid unless such assignment is made to a person which succeeds to the business of such Person substantially as an entirety.

Section 3.8 No Third-Party Rights. Other than as expressly provided herein, nothing in this Agreement will be construed to give any person other than the parties to this Agreement any legal or equitable right, remedy, or claim under or with respect to this Agreement or any provision of this Agreement. This Agreement and all of its provisions and conditions are for the sole and exclusive benefit of the parties to this Agreement and their successors and assigns.

Section 3.9 Section Headings. The headings of sections in this Agreement are provided for convenience only and will not affect its construction or interpretation.

Section 3.10 Execution in Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have duly executed or caused to be duly executed this Agreement as of the dates indicated.

EVERCORE PARTNERS INC.

By: /s/ Roger C. Altman
Name: Roger C. Altman
Title: Co-Chief Executive Officer

ROGER C. ALTMAN

By: /s/ Roger C. Altman

A&N ASSOCIATES L.P.

By: /s/ Jurate Kazickas
Name: Jurate Kazickas
Title: General Partner

ROGER C. ALTMAN 1997 FAMILY
LIMITED PARTNERSHIP

By: /s/ Jurate Kazickas
Name: Jurate Kazickas
Title: Managing General Partner

THE ROGER C. ALTMAN 2005 GRANTOR
RETAINED ANNUITY TRUST

By: /s/ Roger C. Altman
Name: Roger C. Altman

AUSTIN M. BEUTNER

By: /s/ Austin M. Beutner

BEUTNER FAMILY 2001 LONG-TERM TRUST

By: /s/ Austin M. Beutner
Name: Austin M. Beutner

THE AUSTIN M. BEUTNER 2005 GRANTOR
RETAINED ANNUITY TRUST

By: /s/ Austin M. Beutner
Name: Austin M. Beutner

CIARA A. BURNHAM

By: /s/ Ciara A. Burnham

PHILIPPE CAMUS

By: /s/ Philippe Camus

JOHN T. DILLON

By: /s/ John T. Dillon

RICHARD P. EMERSON

By: /s/ Richard P. Emerson

ADAM FRANKEL

By: /s/ Adam Frankel

SAUL GOODMAN

By: /s/ Saul Goodman

GIL HA

By: /s/ Gil Ha

WILLIAM O. HILTZ

By: /s/ William O. Hiltz

JONATHAN A. KNEE

By: /s/ Jonathan A. Knee

TIMOTHY G. LALONDE
By: /s/ Timothy G. Lalonde

GAIL LANDIS

By: /s/ Gail Landis

M. SHARON LEWELLEN

By: /s/ M. Sharon Lewellen

EDUARDO G. MESTRE

By: /s/ Eduardo G. Mestre

NEERAJ MITAL

By: /s/ Neeraj Mital

THE NEERAJ MITAL 1997 INSURANCE TRUST

By: /s/ John R. Varughese
Name: John R. Varughese
Title: Trustee

SANGAM PANT

By: /s/ Sangam Pant

MICHAEL J. PRICE

By: /s/ Michael J. Price

KATHLEEN G. REILAND

By: /s/ Kathleen G. Reiland

WILLIAM C. REPKO

By: /s/ William C. Repko

BRIAN ROBERTS

By: /s/ Brian Roberts

JANE SADOWSKY

By: /s/ Jane Sadowsky

WILLIAM A. SHUTZER

By: /s/ William A. Shutzer

DAVID WEZDENKO

By: /s/ David Wezdenko

JANE WHEELER

By: /s/ Jane Wheeler

DAVID YING

By: /s/ David Ying

PEDRO CARLOS ASPE ARMELLA

By: /s/ Pedro Aspe

PASPRO TRUST

By: /s/ Javier Bernstein Iturbide
Name: Javier Bernstein Iturbide
Title: Investment Trustee

FIDEICOMISO F/1475

By: /s/ HD Guadalupe Terreros Barros
Name: HD Guadalupe Terreros Barros
Title: Trust Delegate on Behalf Fideicomiso F/1475

JANESANCO, S. DE R.L.

By: /s/ Sergio Sánchez García
Name: Sergio Sánchez García
Title: Legal Representative

SUDARTE, S. DE R.L.

By: /s/ Hugo Garza
Name: Hugo A. Garza Medina
Title: Legal Representative

APORTELA, S. DE R.L.

By: /s/ Maria Eugenia Biana Escalera
Name: Maria Eugenia Biana Escalera

ADMINISTRADORA HDI, S. DE R.L. DE C.V.

By: /s/ Armando Jorge Marcos Penilla
Name: Armando Jorge Marcos Penilla
Title: Legal Representative

ANROSALE, S. DE R.L.

By: /s/ Antonio Souza
Name: Antonio Souza

AUGUSTO ARELLANO OSTOA

By: /s/ Augusto Arellano Ostoa

ANTONIO BASSOLS ZALETA

By: /s/ Antonio Bassols Zaleta

TRUSTEES OF THE ADAM B. FRANKEL 2006 TRUST

By: /s/ Adam B. Frankel
Name: Adam B. Frankel
Title: Investment Trustee

TRUSTEES OF THE JONATHAN ARYE KNEE 2006 TRUST

By: /s/ Jonathan Arye Knee
Name: Jonathan Arye Knee
Title: Investment Trustee

TRUSTEES OF THE JOHN TERRANCE DILLON 2006 TRUST

By: /s/ John Terrence Dillon
Name: John Terrence Dillon
Title: Investment Trustee

TRUSTEES OF THE GAIL S. LANDIS 2006 TRUST

By: /s/ Gail S. Landis
Name: Gail S. Landis
Title: Investment Trustee

TRUSTEES OF THE NEERAJ MITAL 2006 TRUST

By: /s/ Neeraj Mital
Name: Neeraj Mital
Title: Investment Trustee

TRUSTEES OF THE WILLIAM O. HILTZ 2006 TRUST

By: /s/ William O. Hiltz
Name: William O. Hiltz
Title: Investment Trustee

TRUSTEES OF THE M. SHARON LEWELLEN 2006 TRUST

By: /s/ M. Sharon Lewellen
Name: M. Sharon Lewellen
Title: Investment Trustee

TRUSTEES OF MESTRE 2006 EVERCORE GRAT

By: /s/ Eduardo G. Mestre
Name: Eduardo G. Mestre
Title: Trustee

TRUSTEES OF PRICE 2006 EVERCORE GRAT

By: /s/ Michael J. Price
Name: Michael J. Price
Title: Trustee

Exhibit 10.4

EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT (the "Agreement") dated as of August 10, 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 an 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: /s/ Roger C. Altman
Name: Roger C. Altman
Title: Co-Chief Executive Officer

EVERCORE L.P.

By: /s/ Roger C. Altman
Name: Roger C. Altman
Title: Co-Chief Executive Officer

/s/ Austin M. Beutner
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 10.5

EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT (the "Agreement") dated as of August 10, 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 an 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.

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IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

EVERCORE PARTNERS INC.

By: /s/ Austin M. Beutner
Name: Austin M. Beutner
Title: President and Co-Chief Executive Officer

EVERCORE L.P.

By: /s/ Austin M. Beutner
Name: Austin M. Beutner
Title: President and Co-Chief Executive Officer

/s/ Roger C. Altman
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 10.6

EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT (the "Agreement") dated as of August 10, 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. 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 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; provided 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. 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 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: /s/ Roger C. Altman
Name: Roger C. Altman
Title: Co-Chief Executive Officer

EVERCORE L.P.

By: /s/ Roger C. Altman
Name: Roger C. Altman
Title: Co-Chief Executive Officer

/s/ Pedro Carlos Aspe Armella
PEDRO CARLOS ASPE ARMELLA

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.

Exhibit 31.1

CHIEF EXECUTIVE OFFICER CERTIFICATION

I, Roger C. Altman Co-Chief Executive Officer of Evercore Partners Inc. (the "Registrant"), certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended June 30, 2006 of the Registrant;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the period presented in this report;

4. The Registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the Registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its combined subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   c) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal controls over financial reporting.

Dated: September 25, 2006

/s/ Roger C. Altman
Roger C. Altman
Co-Chief Executive Officer

Exhibit 31.2

CHIEF EXECUTIVE OFFICER CERTIFICATION

I, Austin M. Beutner, Co-Chief Executive Officer of Evercore Partners Inc. (the "Registrant"), certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended June 30, 2006 of the Registrant;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the period presented in this report;

4. The Registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the Registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its combined subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   c) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal controls over financial reporting.

Dated: September 25, 2006

/s/ Austin M. Beutner
Austin M. Beutner
Co-Chief Executive Officer

Exhibit 31.3

CHIEF FINANCIAL OFFICER CERTIFICATION

I, David E. Wezdenko, Chief Financial Officer of Evercore Partners Inc. (the "Registrant"), certify that:

1. I have reviewed the Registrant's Quarterly Report on Form 10-Q for the period ended June 30, 2006 as filed with the Securities and Exchange Commission on the date hereof;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the period presented in this report;

4. The Registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the Registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its combined subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   c) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting.

5. The Registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of Registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal controls over financial reporting.

Dated: September 25, 2006

/s/ David E. Wezdenko
David E. Wezdenko
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

Certification of the Co-Chief Executive Officers
Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Evercore Partners Inc. (the "Company") on Form 10-Q for the period ended June 30, 2006 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Roger C. Altman, Co-Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: September 25, 2006

/s/ Roger C. Altman
Roger C. Altman
Co-Chief Executive Officer

* The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

Exhibit 32.2

Certification of the Co-Chief Executive Officers
Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Evercore Partners Inc. (the "Company") on Form 10-Q for the period ended June 30, 2006 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Austin M. Beutner, Co-Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: September 25, 2006

/s/ Austin M. Beutner
Austin M. Beutner
Co-Chief Executive Officer

* The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

Exhibit 32.3

Certification of the Chief Financial Officer
Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Evercore Partners Inc. (the "Company") on Form 10-Q for the period ended June 30, 2006 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David E. Wezdenko, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: September 25, 2006

/s/ David E. Wezdenko
David E. Wezdenko
Chief Financial Officer

* The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.