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As filed with the Securities and Exchange Commission on June 26, 2006.

Registration No. 333-134087

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 1

to

FORM S-1
REGISTRATION STATEMENT

Under

THE SECURITIES ACT OF 1933

EVERCORE PARTNERS INC.

(Exact name of Registrant as specified in its charter)

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

55 East 52nd Street
43rd Floor
New York, NY 10055
Telephone: (212) 857-3100

(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

David E. Wezdenko
Chief Financial Officer
Evercore Partners Inc.
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Approximate date of commencement of the proposed sale of the securities to the public: As soon as practicable after the Registration Statement becomes effective.

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

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

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

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

CALCULATION OF REGISTRATION FEE

Title Of Each Class Of Securities To Be Registered	Proposed Maximum Aggregate Offering Price(1)(2)	Amount of Registration Fee
Class A Common Stock, par value $.01 per share	$ 86,250,000	$ 9,228.75(3)

(1) Estimated solely for the purpose of calculating the amount of the registration fee pursuant to Rule 457(o) under the Securities Act.
(2) Includes shares subject to the underwriters' option to purchase additional shares.
(3) Previously paid.

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

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

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

Subject to Completion, dated June 26, 2006

PROSPECTUS

Shares

Evercore Partners Inc.

Class A Common Stock

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

We expect the public offering price to be between $ and $ per share. Currently, no public market exists for the shares. After pricing of this offering, we expect that the shares will trade on the New York Stock Exchange under the symbol "EVR".

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

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

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

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

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

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

LEHMAN BROTHERS

GOLDMAN, SACHS & CO. JPMORGAN

KEEFE, BRUYETTE & WOODS

FOX-PITT, KELTON

E*TRADE FINANCIAL

, 2006.

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EVERCORE PARTNERS

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

Selected Advisory Transactions

June 14, 2006 Advised **Credit Suisse** on its pending $9.9 billion sale of **Winterthur**	*April 3, 2006* Advised **General Motors** on its pending $7.9 billion sale of a 51% interest in **GMAC**	*March 5, 2006* Advised **AT&T** on its pending $89.4 billion acquisition of **BellSouth**	*January 23, 2006* Advised **CVS** on its acquisitions of Osco Drug and Sav-on Drug as part of the $17.4 billion asset sale of **Albertsons**
January 16, 2006 Advised **VNU** on its $11.6 billion sale to a private equity consortium	*January 13, 2006* Advised **Tyco International** on its pending split-up	*October 24, 2005* Advised **Cendant** on its pending split-up	*October 3, 2005* Advised **NTL** on its $8.8 billion acquisition of **Telewest**
January 31, 2005 Advised **SBC Communications** on its $21.7 billion acquisition of **AT&T**	*February 17, 2004* Advised **SBC Communications** on Cingular Wireless's $47.1 billion acquisition of **AT&T Wireless**	*July 17, 2000* Advised **General Mills** on its $10.5 billion acquisition of **Pillsbury**	*September 7, 1999* Advised **CBS Corporation** on its $40.9 billion sale

Private Equity Funds†
as of March 31, 2006

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

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

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

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

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

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

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

SUMMARY

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

Evercore Partners

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

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

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

We have grown from three Senior Managing Directors at our inception to 22 today. With the pending Protego combination, we will add another seven Senior Managing Directors. We expect to continue our growth by hiring additional highly qualified professionals with a broad range of product and industry expertise, expanding into new geographic areas, raising additional private equity funds and diversifying our investment management services.

Advisory

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

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

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

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

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

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

Investment Management

Our investment management business manages three private equity funds with aggregate capital commitments of over $1.2 billion as of March 31, 2006. Mr. Beutner is the Chief Investment Officer of Evercore and a majority of the investment team's Senior Managing Directors has worked together since 1999. Our team brings a diverse set of skills and experiences to the investment process and includes experienced investors,

former senior executives from Fortune 100 companies, buy-side research analysts and strategic consultants. Our investment management business principally manages and invests capital on behalf of third parties. A broad range of institutional and high net worth investors, including corporate and public pension funds, endowments, foundations, insurance companies and family offices, have committed capital to the funds we manage. The investments made by our Evercore Capital Partners private equity funds are typically control or significant influence investments while the investments made by our Evercore Ventures private equity fund are typically minority investments.

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

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

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

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

The Evercore entities entitled to the management and portfolio company fees from the private equity funds we manage are being contributed to us as part of our reorganization prior to this offering. Accordingly, we will continue to receive these fees from all of the funds we manage following this offering. However, with the exception of a non-managing minority equity interest in the general partner of the Evercore Capital Partners II fund, the general partners of the private equity funds we currently manage and certain other entities through which Messrs. Altman and Beutner have invested capital in the Evercore Capital Partners I fund are not being contributed to us and will continue to be owned by our Senior Managing Directors and other third parties.

Accordingly, following this offering we will no longer receive any carried interest from the Evercore Capital Partners I or Evercore Venture funds or any gains or losses arising from investments in those funds. However, through our equity interest in the general partner of the Evercore Capital Partners II fund, we will receive 8% to 9% (depending on the particular fund investment) of any carried interest realized from that fund following this offering, as well as gains (or losses) on investment based on the amount of capital in that fund which is contributed to, or is subsequently funded by, us. We also expect to receive a portion of the carried interest realized from any future private equity funds we manage and gains (or losses) on investment based on the amount of capital we contribute in respect of any such future fund. Please see "Unaudited Pro Forma Financial Information" for a presentation of our income and financial condition adjusted to give pro forma effect to the elimination of carried interest and investment gains or losses associated with uncontributed investments, the elimination of $19.4 million of the investments recorded on our statement of financial condition and other items.

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

Our Combination with Protego

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

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

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

Our Growth Strategy

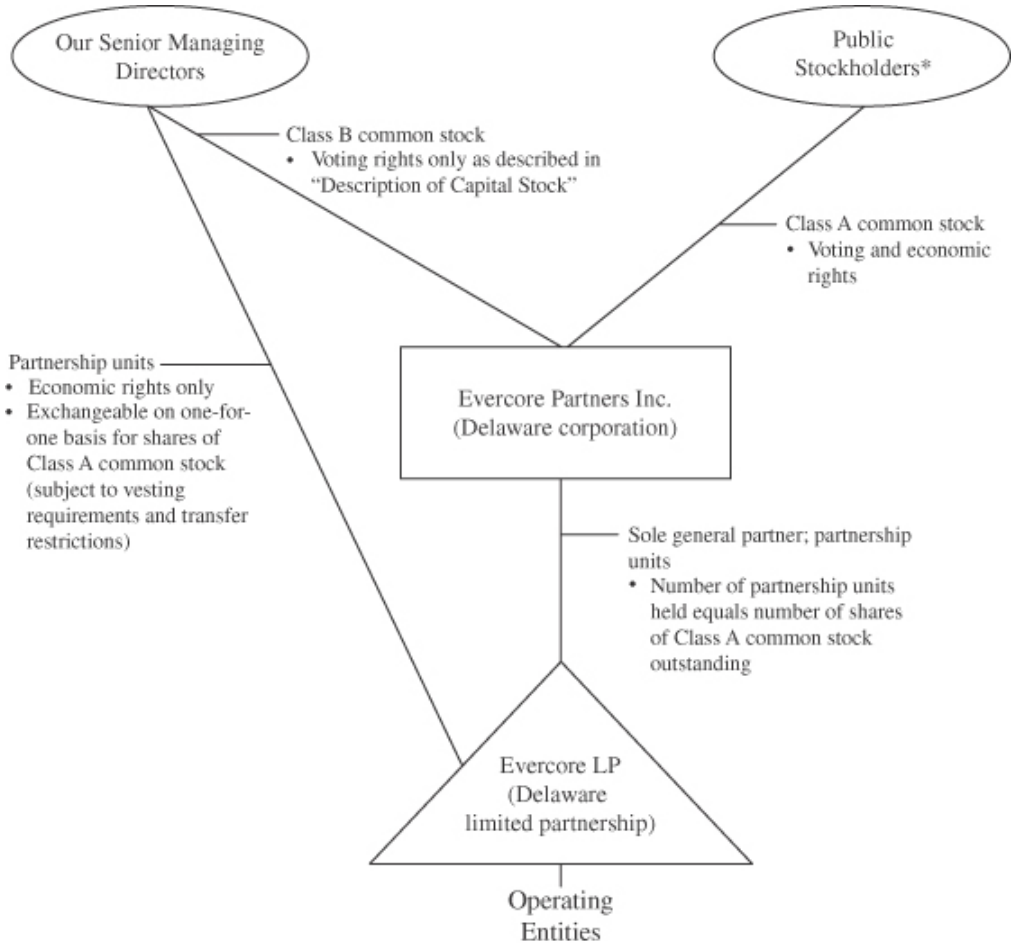
We believe this offering will allow us to grow and diversify our advisory and investment management businesses and further enhance our profile and position. We seek to achieve these objectives through three primary strategies:

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

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

Organizational Structure

Prior to this offering we will effect the reorganization described in "Organizational Structure" beginning on page 28. Following the reorganization and this offering, Evercore Partners Inc. will be a holding company and its sole asset will be a controlling equity interest in Evercore LP. As the sole general partner of Evercore LP, Evercore Partners Inc. will operate and control all of the business and affairs of Evercore LP and, through Evercore LP and its operating entity subsidiaries, it will conduct the business conducted prior to this offering by the operating entities included in our historical combined financial statements (excluding the general partners of the private equity funds we currently manage and certain other entities through which Messrs. Altman and Beutner have invested capital in the Evercore Capital Partners I fund), as well as the business of Protego. Evercore Partners Inc. will consolidate the financial results of Evercore LP and its subsidiaries. Our Senior Managing Directors and their estate planning vehicles will be the only limited partners of Evercore LP at the time of this offering and their ownership interest in Evercore LP will be reflected as minority interest in Evercore Partners Inc.'s consolidated financial statements. The diagram below depicts our organizational structure following this offering.



* Includes certain former stockholders of Protego

Immediately following this offering (1) Evercore Partners Inc. will hold partnership units in Evercore LP representing % of the total number of vested and unvested Evercore LP partnership units, or % if the underwriters exercise in full their option to purchase additional shares, (2) our public stockholders will have % of the voting power in Evercore Partners Inc., or % if the underwriters exercise in full their option to purchase additional shares and (3) Messrs. Altman, Beutner and Aspe will have % of the voting power in Evercore Partners Inc. (of which % will be held by Messrs. Altman and Beutner), or % if the underwriters exercise in full their option to purchase additional shares (of which % will be held by Messrs. Altman and Beutner).

The Offering

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

Dividend policy	Following this offering and subject to legally available funds, we intend to pay a quarterly cash dividend initially equal to $ per share of Class A common stock, commencing with the quarter of 2006. However, there is no assurance that sufficient cash will be available to pay such dividends. If we pay such dividends, our Senior Managing Directors will be entitled to receive equivalent distributions from Evercore LP on their vested partnership units. 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.
Risk factors	See “Risk Factors” for a discussion of risks you should carefully consider before deciding to invest in our Class A common stock.
Proposed New York Stock Exchange symbol	EVR

Class A common stock outstanding and the other information based thereon in this prospectus reflects:

- shares of Class A common stock offered in this offering;
- shares of Class A common stock to be issued in the Protego Combination as a component of the purchase consideration. See “Organizational Structure—Combination with Protego”; and
- shares of Class A common stock underlying fully vested restricted stock units we expect to grant to our non-Senior Managing Director employees at the time of this offering. See “Management—IPO Date Restricted Stock Unit Awards”.

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

- shares of Class A common stock issuable upon exercise of the underwriters’ option to purchase additional shares;
- shares of Class A common stock underlying unvested restricted stock units we expect to grant to our non-Senior Managing Director employees at the time of this offering. See “Management—IPO Date Restricted Stock Unit Awards”; and
- additional shares of Class A common stock reserved for issuance under our 2006 Stock Incentive Plan.

Summary Historical and Pro Forma Financial and Other Data

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

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

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

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

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

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

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

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

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

	As of March 31, 2006		
	Evercore Holdings Historical	Evercore LP Pro Forma	Evercore Partners Inc. Pro Forma
($ in thousands)			
Statement of Financial Condition Data			
Total Assets	$ 73,476	$ 90,133	$
Total Liabilities	44,772	69,061	
Minority Interest	267	1,000	
Members' Equity	28,437	20,072	

(a) See "Unaudited Pro Forma Financial Information".
(b) Because the entities that form Evercore have been limited liability companies, partnerships or sub-chapter S entities, payments for services rendered by our Senior Managing Directors generally have been accounted for as distributions of members' capital rather than as compensation expense. Following this offering, we will include all payments for services rendered by our Senior Managing Directors in compensation and benefits expense. Accordingly, our historical operating expenses are not comparable to, and are lower than, the operating expenses we expect to incur after this offering. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Financial Measures—Operating Expenses—Employee Compensation and Benefits Expense".
(c) We have historically operated as a partnership or, in the case of certain combined subsidiaries, an S corporation, for U.S. federal income tax purposes. As a result, our income has not been subject to U.S. federal and state income taxes. Following this offering, Evercore Partners Inc. will be subject to additional entity-level taxes that will be reflected in our consolidated financial statements. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Financial Measures—Provision for Income Taxes".
(d) For the purposes of the Evercore Partners Inc. pro forma net income per share of Class A common stock calculation, the weighted average shares of Class A common stock outstanding, basic and diluted, are calculated based on:

	Year Ended December 31, 2005 Pro Forma		Three Months Ended March 31, 2006 Pro Forma	
	Basic	Diluted	Basic	Diluted
Evercore Partners Inc. Shares of Class A Common Stock				
Evercore Partners Inc. Restricted Stock Units – vested				
Evercore LP Partnership Units – vested				
New Shares from Offering				
Weighted Average Shares of Class A Common Stock Outstanding				

Of the Evercore LP partnership units to be held by parties other than Evercore Partners Inc. immediately following this offering, will be fully vested and 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 included in our weighted average shares outstanding for purposes of calculating our basic or diluted net income per share. Any vesting of these unvested partnership units would have a significant dilutive effect on our 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".

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

	Year Ended December 31, 2005 Pro Forma	Three Months Ended March 31, 2006 Pro Forma
Basic Net Income Per Share		
Net Income Available to Holders of Shares of Class A Common Stock	$	$
Weighted Average Shares of Class A Common Stock Outstanding		
Basic Net Income Per Share of Class A Common Stock	$	$
Diluted Net Income Per Share		
Net Income Available to Holders of Shares of Class A Common Stock	$	$
Adjustments:		
Minority Interest		
Income Before Minority Interest		
Weighted Average Shares of Class A Common Stock Outstanding		
Diluted Net Income Per Share of Class A Common Stock	$	$

The shares of Class B common stock have no economic rights and entitle the holder only to voting rights in accordance with the terms of our certificate of incorporation. Accordingly, pro forma basic and diluted net income per share of Class B common stock have not been calculated.

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

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

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

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

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

RISK FACTORS

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

Risks Related to Our Business

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

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

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

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

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

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

addition, some current or potential Senior Managing Directors and other employees may be more attracted to the benefits of working at a private partnership and the prospects of becoming a partner at such a firm, or at one of our larger competitors.

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

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

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

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

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

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

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

We earn a majority of our revenue from advisory engagements, and, in many cases, we are not paid until the successful consummation of the underlying merger or acquisition transaction or restructuring. As a result, our advisory revenue is highly dependent on market conditions and the decisions and actions of our clients, interested

third parties and governmental authorities. For example, a client could delay or terminate an acquisition transaction because of a failure to agree upon final terms with the counterparty, failure to obtain necessary regulatory consents or board or stockholder approvals, failure to secure necessary financing, adverse market conditions or because the target's business is experiencing unexpected operating or financial problems. Anticipated bidders for assets of a client during a restructuring transaction may not materialize or our client may not be able to restructure its operations or indebtedness due to a failure to reach agreement with its principal creditors. In these circumstances, we often do not receive any advisory fees other than the reimbursement of certain out-of-pocket expenses, despite the fact that we have devoted considerable resources to these transactions.

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

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

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

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

Our internal control over financial reporting does not currently meet all the standards contemplated by Section 404 of the Sarbanes-Oxley Act that we will eventually be required to meet. Our management has identified material weaknesses in our internal control over financial reporting, as defined in the standards established by the Public Company Accounting Oversight Board. Areas of material weaknesses in our internal control over financial reporting include a lack of an enterprise-wide, executive-driven internal control environment that documents key processes related to financial reporting and the lack of a formal, regular process designed to identify key financial reporting risks. We are in the process of addressing these material weaknesses; however, the existence of such material weaknesses may indicate a heightened risk that our annual or interim financial statements will include a material misstatement. In addition, the steps we have taken or intend to take may not remediate these material weaknesses and additional significant deficiencies, and material weaknesses in our internal control over financial reporting may be identified in the future.

Additionally, we are in the process of documenting and testing our internal control procedures to satisfy the requirements of Section 404, which requires annual management assessments of the effectiveness of our internal control over financial reporting and a report by our independent registered public accounting firm addressing these assessments. As a public company, we will be required to complete our initial assessment by the filing of our Annual Report on Form 10-K for the year ended December 31, 2007. If we are not able to implement the

requirements of Section 404 in a timely manner or with adequate compliance, our independent registered public accounting firm may not be able to certify as to the adequacy of our internal control over financial reporting. This result may cause us to be unable to report on a timely basis and thereby subject us to adverse regulatory consequences, including sanctions by the Securities and Exchange Commission or violations of applicable stock exchange listing rules. There could also be a negative reaction in the financial markets due to a loss of investor confidence in the reliability of our financial statements. We could also suffer a loss of confidence in the reliability of our financial statements if our independent registered public accounting firm reports a material weakness in our internal control over financial reporting. We will incur incremental costs in order to improve our internal control over financial reporting and comply with Section 404, including increased auditing and legal fees and costs associated with hiring additional accounting and administrative staff. This could harm our operating results and lead to a decline in our stock price.

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

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

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

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

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

Compliance failures and changes in regulation could adversely affect us.

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

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

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

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

Risks Related to Our Advisory Business

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

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

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

In addition, our advisory business operates in a highly competitive environment where typically there are no long-term contracted sources of revenue. Each revenue-generating engagement typically is separately solicited, awarded and negotiated. In addition, many businesses do not routinely engage in transactions requiring our services. As a consequence, our fee-paying engagements with many clients are not likely to be predictable and high levels of revenue in one quarter are not necessarily predictive of continued high levels of revenue in future periods. We also lose clients each year as a result of the sale or merger of a client, a change in a client’s senior

management, competition from other financial advisors and financial institutions and other causes. As a result, our advisory fees could decline materially due to such changes in the volume, nature and scope of our engagements.

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

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

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

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

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

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

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

We also face increased competition due to a trend toward consolidation. In recent years, there has been substantial consolidation and convergence among companies in the financial services industry. In particular, a number of large commercial banks, insurance companies and other broad-based financial services firms have established or acquired broker-dealers or have merged with other financial institutions. Unlike us, many of these

firms have the ability to offer a wide range of products, from loans, deposit-taking and insurance to brokerage, asset management and investment banking services, which may enhance their competitive position. They also have the ability to support investment banking, including financial advisory services, with commercial banking, insurance and other financial services revenue in an effort to gain market share, which could result in pricing pressure in our businesses.

Risks Relating to Our Investment Management Business

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

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

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

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

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

The investment management business is intensely competitive.

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

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

- a number of our competitors have more relevant experience, greater financial and other resources and more personnel than we do;
- there are relatively few barriers to entry impeding new private equity and venture capital firms, including a relatively low cost of entering these businesses, and the successful efforts of new entrants into our various lines of business, including major banks and other financial institutions, have resulted in increased competition;

- certain investors may prefer to invest with private partnerships; and
- other industry participants will from time to time seek to recruit our investment professionals and other employees away from us.

This competitive pressure could prevent us from increasing the capital committed to our funds as well as our ability to make successful investments, either of which would adversely impact our revenue and earnings.

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

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

Risks Related to Our Combination with Protego

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

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

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

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

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

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

Protego is a Mexican company, with all of its assets located in Mexico and most of its revenue derived from operations in Mexico. As a financial services firm, Protego's businesses are materially affected by Mexico's financial markets and economic conditions. Historically, interest rates in Mexico have been volatile, particularly in times of economic unrest and uncertainty. Mexico has had, and may continue to have, high real and nominal interest rates. The interest rates on 28-day Mexican government treasury securities averaged 9.1%, 6.8%, 6.2% and 7.1%, for 2005, 2004, 2003 and 2002, respectively. The Mexican economy has grown at varying rates over the past decade. For example, Mexico's GDP grew at a rate of approximately 5.45% between 1996 and 2000. Between 2001 and 2003, Mexico's GDP growth rates declined to approximately -0.2% in 2001, 0.8% in 2002, and 1.4% in 2003. Mexico's GDP grew at a rate of approximately 3.0% and 4.2% in 2005 and 2004, respectively. Economic crises have been recurrent in Mexico, particularly around election years. For example, in 1976, the Mexican peso was devalued by 60.0%. In 1982, the Mexican economy entered into a period of instability marked by sustained devaluation, inflation and high interest rates following a sharp decline in oil prices. In December 1994, weeks after the new government took office, the peso was devalued and the Mexican government abandoned the semi-fixed exchange rate after its foreign reserves were depleted.

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

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

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

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

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

The Mexican national elections held on July 2, 2000 ended 71 years of rule by the Institutional Revolutionary Party (*Partido Revolucionario Institucional*) with the election of President Vicente Fox Quesada, a member of the National Action Party (*Partido Acción Nacional*), and resulted in the increased representation of opposition parties in the Mexican national legislature and in municipal and gubernatorial positions. As a result, no political party has a majority in the Mexican Congress. This shift in political power has transformed Mexico

from a one-party state to a multi-party democracy. In June 2006, Mexico will hold its presidential election, the results of which may have an adverse effect on the Mexican economy and Protego's relationships with its public finance clients.

Multi-party rule is relatively new in Mexico and could result in economic or political conditions that could cause disruptions to Protego's business. The lack of a majority party in the legislature and the lack of alignment between the legislature and the executive branch could prevent the timely implementation of economic reforms or other legislative actions, which in turn could have a material adverse effect on the Mexican economy and cause disruptions to Protego's business and decrease its revenue.

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

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

Risks Related to Our Organizational Structure

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

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

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

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

We intend to enter into a tax receivable agreement with our Senior Managing Directors that will provide for the payment by us to our Senior Managing Directors of 85% of the amount of cash savings, if any, in U.S. federal, state and local income tax or franchise tax that we actually realize as a result of these increases in tax

basis. While the actual increase in tax basis, as well as the amount and timing of any payments under this agreement, will vary depending upon a number of factors, including the timing of exchanges, the price of shares of our Class A common stock at the time of the exchange, the extent to which such exchanges are taxable, and the amount and timing of our income, we expect that, as a result of the size of the increases in the tax basis of the tangible and intangible assets of Evercore LP attributable to our interest in Evercore LP, during the expected term of the tax receivable agreement, the payments that we may make to our Senior Managing Directors could be substantial.

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

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

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

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

Risks Related to Our Class A Common Stock and this Offering

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

FORWARD-LOOKING STATEMENTS

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

ORGANIZATIONAL STRUCTURE

Formation Transaction

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

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

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

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

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

The vested units will be reflected in our financial statements at the historical cost basis of the entities contributed. We intend to accrue for the unvested Evercore LP partnership units as compensation paid to our Senior Managing Directors in accordance with Statement of Financial Accounting Standards No. 123(R) "*Share-Based Payments*" or SFAS 123(R). The unvested Evercore LP partnership units will be charged to expense at the time a vesting event occurs or, if earlier, at the time that occurrence of an event related to the beneficial ownership, change of control or continued association conditions becomes probable or there is a change in the estimated forfeiture rate related to the death or disability condition. The expense will be based on the grant date

fair value of the Evercore LP partnership units, which will be the initial public offering price of the Class A common stock into which these partnership units are exchangeable. In addition, we will distribute to our Senior Managing Directors cash and, to the extent cash is not available, notes or interests in certain accounts receivable so as to distribute to our Senior Managing Directors all earnings for the period from January 1, 2006 to the date of the closing of the contribution and sale agreement. We refer to these transactions, collectively, as the "Formation Transaction".

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

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

Combination with Protego

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

- Evercore LP will acquire Protego Asesores and its subsidiaries (including a 70% interest in Protego Casa de Bolsa, Protego's asset management subsidiary) and Protego SI in exchange for $7.0 million aggregate principal amount of non-interest bearing notes; and
- Mr. Aspe and the other Protego Directors will become Senior Managing Directors of Evercore Partners and subscribe for vested and unvested partnership units of Evercore LP.

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

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

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

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

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

Incorporation of Evercore Partners Inc.

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

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

Offering Transactions

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

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

- Evercore Partners Inc. will become the sole general partner of Evercore LP and, through Evercore LP and its subsidiaries, operate our business, including the business of Protego;
- our Senior Managing Directors, including the former Directors of Protego, will hold shares of our Class B common stock and partnership units in Evercore LP and Evercore Partners Inc. will hold partnership units in Evercore LP (or partnership units in Evercore LP if the underwriters exercise in full their options to purchase additional shares);

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

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

Holding Company Structure

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

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

The holders of partnership units in Evercore LP, including Evercore Partners Inc., will incur U.S. federal, state and local income taxes on their proportionate share of any net taxable income of Evercore LP. Net profits and net losses of Evercore LP will generally be allocated to its partners (including Evercore Partners Inc.) pro rata in accordance with the percentages of their respective partnership interests. Because Evercore Partners Inc. will own % of the total partnership units in Evercore LP (or % if the underwriters exercise in full their option to purchase additional shares), Evercore Partners Inc. will be allocated % of the net profits and net losses of Evercore LP (or % if the underwriters exercise in full their option to purchase additional shares). The remaining net profits and net losses will be allocated to the limited partners of Evercore LP. These percentages

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

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

USE OF PROCEEDS

We estimate that our net proceeds from this offering, at an assumed initial public offering price of $ per share and after deducting estimated underwriting discounts, commissions and offering expenses, will be approximately $, or $ if the underwriters exercise in full their option to purchase additional shares. We intend to use $ of these proceeds to repay all of our outstanding borrowings under our credit agreement, $ to repay the non-interest bearing notes to be issued as a portion of the consideration for the Protego Combination and the remaining $ to expand and diversify our advisory and investment management businesses and for general corporate purposes. Pending specific application of the net proceeds, we expect to use the net proceeds to purchase U.S. Government securities, other short-term, highly-rated debt securities and money market funds.

Our credit agreement is a 364-day $30 million revolving line of credit that matures on the earlier of the consummation of this offering and December 31, 2006. As of March 31, 2006, we had outstanding borrowings of $25 million under our credit agreement bearing interest at a rate of 6.6%. Proceeds from these borrowings have been used for working capital purposes including funding of our ongoing investment management activities.

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

DIVIDEND POLICY

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

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

If we pay such dividends, our Senior Managing Directors will be entitled to receive equivalent distributions from Evercore LP on their vested partnership units.

CAPITALIZATION

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

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

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

	March 31, 2006		
($ in thousands, except par value)	**Evercore Holdings Historical**	**Evercore LP Pro Forma**	**Evercore Partners Inc. Pro Forma as Adjusted**
Short-Term Debt (secured)	$25,000	$ 25,000	$
Capital Leases	371	371	
Notes Payable	—	23,531	
Minority Interest	267	1,000	
Members' Capital	28,233	19,868	
Class A Common Stock, par value $0.01 per share, shares authorized; Class A shares of common stock issued and outstanding	—	—	
Class B Common Stock, par value $0.01 per share, shares authorized; Class B shares of common stock issued and outstanding	—	—	
Restricted Stock Units, restricted stock units issued and outstanding on a pro forma basis as adjusted for this offering	—	—	
Additional Paid-in-Capital	—	—	
Accumulated Other Comprehensive Income	204	204	
Total Capitalization	$54,075	$ 69,974	$

DILUTION

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

Our pro forma net tangible book deficit as of March 31, 2006 was approximately $12.6 million, or $ per share of our Class A common stock. Pro forma net tangible book value represents the amount of total tangible assets less total liabilities, after giving effect to the Formation Transaction and the Protego Combination, and pro forma net tangible book value per share represents pro forma net tangible book value divided by the number of shares of Class A common stock outstanding, after giving effect to the Formation Transaction and the Protego Combination and assuming that all of the limited partners of Evercore LP exchanged their vested partnership units for newly-issued shares of our Class A common stock on a one-for-one basis.

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

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

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

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

	Shares Purchased		Total Consideration		Average Price Per Share
	Number	Percent	Amount	Percent	
Existing Equity Holders					
New Investors					
Total					

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

UNAUDITED PRO FORMA FINANCIAL INFORMATION

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

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

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

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

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

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

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

Unaudited Condensed Consolidated Pro Forma Statements of Income

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

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

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

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

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

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

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

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

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

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

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

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

(h) As a limited liability company, partnership or sub-chapter S entity, we were generally not subject to income taxes except in foreign and local jurisdictions. An adjustment has been made to increase our effective tax rate to approximately 44%, that assumes that Evercore Partners Inc. is taxed as a C corporation at the highest statutory rates apportioned to each state, local and/or foreign tax jurisdiction and is reflected net of U.S. federal tax benefit. There is no foreign tax increase or benefits assumed with the Protego Combination. 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.:

Operating Income	$
Less Minority Interest (not subject to income tax)	
Total Income (subject to income tax)	$

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

	Year Ended December 31, 2005		Three Months Ended March 31, 2006	
	Evercore Partners Inc. Pro Forma		Evercore Partners Inc. Pro Forma	
	Basic	Diluted	Basic	Diluted
Evercore Partners Inc. Shares of Class A Common Stock				
Evercore Partners Inc. Restricted Stock Units – vested				
Evercore LP Partnership Units – vested				
New Shares from Offering				
Weighted Average Shares of Class A Common Stock Outstanding				

Of the Evercore LP partnership units to be held by parties other than Evercore Partners Inc. immediately following this offering, will be fully vested and 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 included in our weighted average shares outstanding for purposes of calculating our basic or diluted net income per share. Any vesting of these unvested partnership units would have a significant dilutive effect on our net income per share. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Financial Measures—Operating Expenses—Employee Compensation and Benefits Expense".

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

	Year Ended December 31, 2005	Three Months Ended March 31, 2006
	Evercore Partners Inc. Pro Forma	Evercore Partners Inc. Pro Forma
Basic Net Income Per Share		
Net Income Available to Holders of Shares of Class A Common Stock	$	$
Weighted Average Shares of Class A Common Stock Outstanding		
Basic Net Income Per Share of Class A Common Stock	$	$
Diluted Net Income Per Share		
Net Income Available to Holders of Shares of Class A Common Stock	$	$
Adjustments:		
Minority Interest		
Income Before Minority Interest		
Weighted Average Shares of Class A Common Stock Outstanding		
Diluted Net Income Per Share of Class A Common Stock	$	$

Unaudited Condensed Consolidated Pro Forma Statement of Financial Condition

($ in thousands, except per share data)	Evercore Holdings Historical	Adjustments for Formation	Evercore Post Formation	Protego Historical	Protego Combination Adjustments(m)	Protego As Adjusted	Evercore LP Pro Forma	Adjustments for Offering	Evercore Partners Inc. Pro Forma
	As of March 31, 2006								
Cash and Cash Equivalents	$ 13,804	$ (2,936)(j)(k)	$ 10,868	$ 4,082	$ (3,628)(m)	$ 454	$ 11,322	$ (u)(v)	$
Accounts Receivable	16,531	—	16,531	1,327		1,327	17,858		
Investments at Fair Value	28,191	(19,427)(j)	8,764	1,322		1,322	10,086		
Goodwill	—				29,874 (n)	29,874	29,874		
Intangible Assets	—				3,770 (o)	3,770	3,770		
Other Assets	14,950	1,743 (j)	16,693	2,441	(1,911)(p)	530	17,223	(w)	
Total Assets	$ 73,476	$ (20,620)	$ 52,856	$ 9,172	$ 28,105	$ 37,277	$ 90,133	$	$
Short-Term Borrowings	$ 25,000	$	$ 25,000	$ —	$	$	$ 25,000	$	$
Accrued Compensation and Benefits	5,549		5,549	529		529	6,078		$
Accounts Payable and Accrued Expenses	8,312		8,312	626		626	8,938		
Notes Payable	—	16,531 (k)	16,531	—	7,000 (q)	7,000	23,531	(v)	
Other Liabilities	5,911	(1,009)(j)	4,902	612		612	5,514		
Total Liabilities	44,772	15,522	60,294	1,767	7,000	8,767	69,061		
Minority Interest	267	(267) (j)	—	1,633	(633)(r)	1,000	1,000	(x)	
Members' Capital	28,233	(35,875)(j)(k)	(7,642)(l)		27,510 (s)	27,510	19,868		
Retained Earnings	—			5,545	(5,545)(m)(t)	—	—		
Accumulated Other Comprehensive Income	204		204	219	(219)(t)	—	204		
Class A Common Stock, $0.01 par value per share	—			—		—	—	(u)(v)	
Class B Common Stock, $0.01 par value per share	—			—		—	—	(u)	
Restricted Stock Units	—			—				(y)	
Additional Paid-in-Capital	—			8	(8)(t)	—	—	(u)(w)	
Total Stockholders' Equity	28,437	(35,875)	(7,438)	5,772	21,738	27,510	20,072		
Total Liabilities and Stockholders' Equity	$ 73,476	$ (20,620)	$ 52,856	$ 9,172	$ 28,105	$ 37,277	$ 90,133	$	$

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

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

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

(k) Reflects the pro forma cash distribution of pre-offering profits defined as net income less net income derived from the general partners and certain other entities as described in footnote (j) above for the period January 1 through the closing of the Formation Transaction, in the amount of $18,021 as of March 31, 2006 to our Senior Managing Directors to be effected prior to this offering. The distributions are to be funded with available cash, with the remainder to be funded by a non-interest bearing note (or interests in certain accounts receivable) equal to a portion of the accounts receivable at a date prior to the closing of this offering, to be repaid upon collection of such accounts receivable. For the purposes of this pro forma financial statement, a note is assumed to be issued equal to the accounts receivable outstanding as of March 31, 2006. The tables below reflect this pro forma cash distribution of first quarter 2006 profits as of March 31, 2006.

Pre-incorporation Profits	Three months ended March 31, 2006
Evercore Holdings Historical Net Income	$ 25,948
Less: Net Income of General Partner Not Distributed	(5,110)
Pre-incorporation Profits to be Distributed	$ 20,838
Partner Distribution made in Q1 2006 Pertaining to Pre-incorporation Profits	(2,817)
Net Pre-incorporation profits distribution	$ 18,021

Pre-incorporation Profits Consideration	Three months ended March 31, 2006
Notes Payable	$ 16,531
Cash	1,490
Total	$ 18,021

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

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

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

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

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

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

Pursuant to the agreement with Protego, the above calculation reflects a pro forma cash distribution of pre-Protego Combination profits to the Protego Directors prior to this offering. The distributions are to be funded with available cash, with any remainder to be funded with a non-interest bearing note equal to a portion of accounts receivable at a date prior to the closing of this offering, which would be repaid upon collection of such accounts receivable. The table above reflects this pro forma distribution as of March 31, 2006. Under a service agreement with a Director who ceased to be employed by Protego in June 2006, Protego will be required to make a payment of up to $2.6 million. The associated expense will reduce Protego's pre-Protego Combination profits and accordingly reduce Protego's pre-Protego Combination profits distribution.

(n) Reflects the residual value of goodwill attributable to the acquisition. Goodwill is based on a provisional purchase price allocation and is equal to the purchase price in excess of the estimated fair value of identifiable net assets acquired, as set forth in Note (m) above.

(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 purposes of these condensed consolidated pro forma financial statements.

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

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

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

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

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

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

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

(w) Reflects the elimination of direct costs of this offering.

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

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

SELECTED HISTORICAL FINANCIAL AND OTHER DATA

Evercore

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

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

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

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

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

Selected Historical Financial and Other Data

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

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

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

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

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

	Year Ended December 31, 2005 Pro Forma		Three Months Ended March 31, 2006 Pro Forma	
	Basic	Diluted	Basic	Diluted
Evercore Partners Inc. Class A common stock				
Evercore Partners Inc. Restricted Stock Units – vested				
Evercore LP Partnership Units – vested				
New Shares from Offering				
Weighted Average Shares of Class A Common Stock Outstanding				

Of the Evercore LP partnership units to be held by parties other than Evercore Partners Inc. immediately following this offering, will be fully vested and 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 included in our weighted average shares outstanding for purposes of calculating our basic or diluted net income per share. Any vesting of these unvested partnership units would have a significant dilutive effect on our 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".

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

	Year Ended December 31, 2005 Pro Forma	Three Months Ended March 31, 2006 Pro Forma
Basic Net Income Per Share		
Net Income Available to Holders of Shares of Class A Common Stock	$	$
Weighted Average Shares of Class A Common Stock Outstanding		
Basic Net Income Per Share of Class A Common Stock	$	$
Diluted Net Income Per Share		
Net Income Available to Holders of Shares of Class A Common Stock	$	$
Adjustments:		
Minority Interest		
Income Before Minority Interest		
Weighted Average Shares of Class A Common Stock Outstanding		
Diluted Net Income Per Share of Class A Common Stock	$	$

The shares of Class B common stock have no economic rights and entitle the holder only to voting rights in accordance with the terms of our certificate of incorporation. Accordingly, pro forma basic and diluted net income per share of Class B common stock have not been calculated.

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

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

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

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

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

Protego Asesores

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

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

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

	Year Ended December 31,			Three Months Ended March 31,	
	2003	2004	2005	2005	2006
($ in thousands)					
Operating Metrics					
Number of Advisory Clients	47	36	48	27	42
Advisory Senior Managing Director Headcount	5	5	5	5	5
Advisory Revenue per Advisory Senior Managing Director	$1,817	$2,446	$3,278	$ 1,664	$ 458

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

(a) Minority interest reflects the pro-rata share of the losses in Protego's asset management entity Protego Casa de Bolsa allocated to third party ownership of 49%.
(b) Pursuant to a contribution and sale agreement, pre-incorporation profits will be distributed to the Protego Directors prior to this offering. The profits distribution will equal net income for the period from January 1, 2005 to the closing of the contribution and sale agreement.

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

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

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

Overview

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

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

Key Financial Measures

Revenue

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

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

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

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

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

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

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

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

Operating Expenses

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

Following this offering, our policy will be to set our total employee compensation and benefits expense at a level not to exceed 50% of our total revenue each year (excluding for purposes of this calculation, any revenue or compensation and benefits expense relating to gains (or losses) on investments or carried interest), and we initially expect to accrue compensation and benefits expense equal to 50% of our total revenue following this offering. However, we may record compensation and benefits expense in excess of this percentage to the extent

that such expense is incurred due to a significant expansion of our business or to any vesting of the partnership units to be held by our Senior Managing Directors in the Reorganization or the restricted stock units to be received by our non-Senior Managing Director employees at the time of the offering. Moreover, we retain the ability to change this policy in the future. We intend to achieve this target primarily by reducing payments for services rendered by our Senior Managing Directors, while continuing to maintain overall compensation and benefits packages that we believe are competitive in the marketplace.

Under the terms of the Evercore LP partnership agreement, 66 2/3% of the partnership units to be received by our Senior Managing Directors, other than Mr. Altman and Mr. Beutner, in the Formation Transaction and 66 2/3% of the partnership units to be subscribed for by the current Directors of Protego (who will become our Senior Managing Directors), other than Mr. Aspe, 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. , or 50%, of these unvested partnership units will vest if and when Messrs. Altman, Beutner and Aspe, and trusts benefiting their families and permitted transferees, collectively, cease to beneficially own at least 90% of the aggregate Evercore LP partnership units owned by them on the date the Reorganization is effected. , or 100% of the unvested Evercore LP partnership units issued will vest upon the earliest to occur of the following events:

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

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

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

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

The unvested partnership units are not included in our weighted average shares outstanding for purposes of calculating our basic or diluted net income per share. Any vesting of these unvested partnership units would have a significant dilutive effect on our net income per share. For example, if these unvested units were included in our weighted average shares outstanding, our pro forma basic net income per share and pro forma diluted net income per share for the year ended December 31, 2005 would have been $ and $, respectively, and our pro forma basic weighted average Class A common shares and our pro forma diluted weighted average Class A common shares for the period would have been and , respectively. Similarly, our pro forma basic net income per share and pro forma diluted net income per share for the three months ended March 31, 2006 would have been $ and $, respectively, and our pro forma basic weighted average Class A common shares and our pro forma diluted weighted average Class A common shares for the period would have been and , respectively. We believe that information regarding our net income per share that gives effect to the vesting of the unvested partnership units enhances understanding as to this dilutive effect.

We expect to grant restricted stock units with an aggregate value of $ million to our non-Senior Managing Director employees at the time of this offering. $ million of these restricted stock units will be fully vested and, as a result, we will record compensation expense at the time of this offering equal to the value of these fully vested restricted stock units. The remaining $ million of these restricted stock units will be unvested and will vest upon the same conditions as the unvested partnership units of Evercore LP issued in connection with the Formation Transaction and the Protego Combination described above. If and when these restricted stock units vest, we will record compensation expense at the time of vesting equal to the grant date fair value of the Class A common stock of Evercore Partners Inc. deliverable pursuant to such restricted stock units, which would be calculated based on the initial public offering price of the Class A common stock.

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

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

Equity in Income of Affiliate

On October 28, 2005 we began our expansion into the traditional asset management business by forming Evercore Asset Management LLC, in which we own a 41.7% equity interest, with the balance of EAM's equity held by its senior management team. We account for our investment in EAM under the equity method of

accounting whereby we recognize our share of earnings and losses. Accordingly, we do not consolidate EAM and do not record any revenue or incur expenses in connection with EAM. We do, however, recognize an investment on our statement of financial condition at the carrying value of our commitments and allocations of profits and losses from EAM. We would be required to consolidate EAM if we were to gain control of the entity or become the primary beneficiary. See "Business—Evercore Asset Management".

Provision for Income Taxes

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

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

Minority Interest

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

Combination with Protego

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

We intend to consummate our combination with Protego (including the acquisition by us of a 70% interest in Protego's asset management subsidiary) prior to this offering. In this combination, we will acquire the Protego companies for $7.0 million aggregate principal amount of non-interest bearing notes, of which $6.05 million will be payable in cash and $0.95 million will be payable in shares of Class A common stock (such shares being valued at the initial public offering price per share in this offering). In addition, we will issue an aggregate of vested and unvested partnership units in Evercore LP to Mr. Aspe and the other Protego Directors who will become Senior Managing Directors of Evercore. For U.S. GAAP and financial purposes, we will account for the vested partnership units of Evercore LP to be issued in the Protego Combination as a component of the estimated purchase price pursuant to Statement of Financial Accounting Standards No. 141

Business Combinations. For U.S. GAAP and financial purposes, we will account for the unvested partnership units to be issued in the Protego Combination as future compensation expense and not as part of the purchase consideration. See "Unaudited Pro Forma Financial Information" for a discussion of the estimated purchase price related to the Protego Combination.

Combined Results of Operations

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

Revenue

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

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

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

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

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

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

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

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

Operating Expenses

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

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

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

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

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

- Employee compensation and benefits expense was $24.1 million in 2005, an increase of $7.0 million, or 41.2%, versus employee compensation and benefits expense of $17.1 million in 2004. The 2005 compensation expense increase was primarily due to a net increase in headcount and an increase in

bonus compensation. Base compensation in 2005 increased by $2.3 million to $8.6 million, an increase of 36.5% relative to 2004 base compensation, primarily as a result of the net increase in headcount. Total bonus compensation for 2005 was $13.5 million, reflecting an increase of $4.2 million, or 45.2% compared to 2004 bonuses. Employee compensation, which is highly correlated with total revenue, represented 19.2% of total revenue in 2005 versus 19.8% in 2004. At December 31, 2005 and December 31, 2004, headcount for employees other than Senior Managing Directors was 93 and 77, respectively.

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

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

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

Provision for Income Taxes

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

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

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

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

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

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

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

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

Business Segments

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

Advisory Results of Operations

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

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

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

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

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

- Advisory revenue, including interest and other revenue allocated to this segment, was $32.5 million for the three months ended March 31, 2006, compared to $18.3 million for the same period in 2005, which represents an increase of 77.6%. The increase represents an overall increase in the M&A market, our continued business development and the continued addition to our Advisory headcount. Advisory client expense reimbursements billed as revenue were $1.0 million and $0.6 million for the three months ended March 31, 2006 and 2005, respectively.
- We earned Advisory revenue from 20 different clients during the three months ended March 31, 2006, compared to 26 different clients during the same period in 2005. We earned in excess of $1 million from 9 of those clients in the three months ended March 31, 2006, compared to 7 in the same period in 2005. Five clients accounted for more than 71.3% of Advisory revenue for the three months ended March 31, 2006, as compared to five clients accounting for more than 63.2% of Advisory revenue during the same

period in 2005. Additionally, one client accounted for 21% of Advisory revenue for the three months ended March 31, 2006 and 27% for the same period in 2005.

- Advisory operating expenses were $11.2 million for the three months ended March 31, 2006, an increase of $3.7 million, or 50.2%, from the same period in 2005. This increase is largely due to an increase in employee compensation, which rose from $4.3 million for the three months ended March 31, 2005 to $6.8 million for the three months ended March 31, 2006. In addition, the $1.3 million increase in non-compensation expense, from $3.1 million as of March 31, 2005 to $4.4 million as of March 31, 2006, is primarily attributable to professional fees and other allocated expenses such as costs due to our line of credit discussed below.
- Advisory base compensation for the three months ended March 31, 2006 was $1.9 million, an increase of $0.5 million, or 31.3%, relative to the same period in 2005. This increase can be directly attributed to the increase in headcount within the Advisory segment as well as an increase in allocated compensation costs. Total Advisory bonus compensation for the three months ended March 31, 2006 was $4.1 million, which represents an increase of $1.6 million related to the increased headcount and higher estimated year-end bonus accruals versus $2.5 million of bonus compensation for the same period in 2005.
- Non-compensation expenses increased principally due to allocated costs of $0.5 million for our line of credit and $0.5 million for temporary staffing and some professional fees.
- Included in Advisory non-compensation expenses for the three months ended March 31, 2006 of $4.4 million are transaction-related expenses of $0.8 million for travel, meals, and professional fees incurred in the conduct of financial advisory activity. Advisory transaction-related expenses incurred for the three months ended March 31, 2005 were $1.0 million.

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

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

borne by this segment and an increase in executive search fees to recruit Advisory professionals of $1.2 million. Included in Advisory 2005 non-compensation expense of $17.6 million are transaction-related expenses of $4.2 million for travel, meals, and professional fees incurred in the conduct of financial advisory activity. Advisory transaction-related expenses incurred in 2004 were $2.9 million.

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

- We earned Advisory revenue of $69.3 million in 2004, an increase of 163.2% compared to 2003. The increase reflects the recovery of the M&A market, additions to the M&A team and our continued business development efforts. Our revenue per Senior Managing Director increased by 97.7% from $4.4 million in 2003 to $8.7 million in 2004. Advisory client expense reimbursements billed as revenue were $2.1 million and $1.9 million in 2004 and 2003, respectively.
- We earned Advisory revenue from 45 different clients in 2004 compared to 35 in 2003. We earned in excess of $1 million from 15 of those clients in 2004 and nine in 2003. Two clients each accounted for more than 10% of Advisory revenue in 2004 and no single client accounted for more than 10% of Advisory revenue in 2003. Our top five clients accounted for 64.6% of Advisory revenue in 2004 and 37.5% of advisory revenue in 2003.
- Advisory operating expenses were $24.5 million in 2004, an increase of $8.5 million from 2003, primarily due to higher employee compensation and benefits expense, which rose from $8.2 million in 2003 to $13.3 million in 2004 and an increase in non-compensation expense from $7.8 million in 2003 to $11.2 million in 2004, an increase of $3.4 million, or 43.0%.
- Advisory base compensation in 2004 was $4.2 million, an increase of $1.0 million or 31.3% relative to 2003. The majority of this increase relates to net increases in Advisory headcount for direct hires and compensation costs of allocated support staff. Total Advisory bonus compensation for 2004 was $8.1 million, which represents an increase of $4.0 million compared to $4.1 million in 2003.
- Non-compensation expense increased due to client development efforts and transaction-related expenses. Included in Advisory 2004 non-compensation expense of $11.2 million are transaction-related expenses of $2.9 million for travel, meals, and professional fees incurred in the conduct of financial advisory activity. Advisory transaction-related expenses incurred in 2003 were $2.5 million.

Investment Management Results of Operations

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

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

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

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

- Investment Management revenue was $13.1 million in the three months ended March 31, 2006, an increase of $9.0 million or 217.9%, compared to revenue of $4.1 million in the three months ended March 31, 2005. The increase in revenue was driven primarily by an increase in transaction fees and unrealized gains on portfolio investments. Investment Management client expense reimbursements billed as revenue were $1.0 million and $0.2 million in the three months ended March 31, 2006 and 2005, respectively.
- Investment Management operating expenses were $5.6 million in the three months ended March 31, 2006, an increase of $2.5 million, or 80.8%, versus operating expenses of $3.1 million in the three months ended March 31, 2005. This increase is primarily due to an increase in employee compensation and benefits expense and higher professional fees.
- Investment Management employee compensation and benefits expense increased by $0.9 million, or 80.5% in the first quarter of 2006 relative to the first quarter of 2005. This increase is principally due to an increase in allocated employee compensation and benefits expenses associated with new hires.
- Professional fees for the Investment Management business increased $1.4 million in the three months ended March 31, 2006 from the three months ended March 31, 2005 primarily due to an increase in

transaction-related fees described below, new business initiatives and fees related to the implementation of a new private equity accounting system.

- Included in the Investment Management non-compensation expenses of $3.7 million for the first quarter of 2006 are transaction-related expenses of $1.3 million for travel, meals, and professional fees incurred in the conduct of financial Investment Management activity. Investment Management transaction-related expenses incurred in the first quarter of 2005 were $0.4 million.

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

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

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

- Investment Management revenue was $17.1 million in 2004, a decrease of $16.7 million, or 49.5%, versus revenue of $33.8 million in 2003. A significant decrease in transaction activity and related fees as well as realizations in 2004 drove a decline in both total management and portfolio company fees from $20.8 million to $13.8 million as well as a decline in investment performance related revenue from $12.7 million to $3.1 million. Investment Management client expense reimbursements billed as revenue were $0.3 million and $0.6 million in 2004 and 2003, respectively.
- Investment Management operating expenses were $10.0 million in 2004, an increase of $1.1 million, or 12.2%, versus operating expenses of $8.9 million in 2003. This increase is primarily due to increases in professional fees.
- Professional fees increased by $1.1 million from $1.9 million in 2003 to $3.0 million in 2004 due to expenses associated with our attempted launch of a business development corporation.

- Included in the Investment Management 2004 non-compensation expenses of $6.2 million are transaction-related expenses of $0.8 million for travel, meals, and professional fees incurred in the conduct of Investment Management activity. Investment Management transaction related expenses incurred in 2003 were $1.2 million.

Cash Flows

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

Three Months Ended March 31, 2006

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

2005

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

2004

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

2003

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

Liquidity and Capital Resources

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

On December 30, 2005, we entered into a $30 million credit agreement with affiliates of Lehman Brothers, JPMorgan Chase and Goldman, Sachs & Co. that matures on the earlier of the consummation of this offering and

December 31, 2006. The agreement is a 364-day revolving line of credit. Borrowings under the agreement bear interest at a rate of LIBOR plus 200 basis points for any amount drawn and a commitment fee of 1/2 of 1% per annum for any unused portion. On January 12, 2006, we borrowed $25.0 million on the line of credit at an interest rate of 6.6% and, at March 31, 2006, $25.0 million was outstanding. We recognized $0.2 million of debt issuance cost expense and $0.4 million of interest expense for the three months ended March 31, 2006. The proceeds of this borrowing have been used for working capital purposes including funding of our ongoing investment management activities. We intend to use a portion of the proceeds from this offering to repay all outstanding borrowings under this line of credit.

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

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

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

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

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

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

Although we are not aware of any issue that would cause the IRS to challenge a tax basis increase, our Senior Managing Directors will not reimburse us for any payments previously made under the tax receivable agreement. As a result, in certain circumstances we could make payments to the Senior Managing Directors

under the tax receivable agreement in excess of our cash tax savings. However, our Senior Managing Directors receive 85% of our cash tax savings, leaving us with 15% of the benefits of the tax savings. While the actual amount and timing of any payments under this agreement will vary depending upon a number of factors, including the timing of exchanges, the extent to which such exchanges are taxable and the amount and timing of our income, we expect that, as a result of the size of the increases of the tangible and intangible assets of Evercore LP attributable to our interest in Evercore LP, during the expected term of the tax receivable agreement, the payments that we may make to our Senior Managing Directors could be substantial.

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

Contractual Obligations

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

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

Off-Balance Sheet Arrangements

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

Market Risk

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

Critical Accounting Policies and Estimates

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

Investments

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

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

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

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

Revenue Recognition

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

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

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

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

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

Goodwill

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

Recently Issued Accounting Pronouncements

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

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

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

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

BUSINESS

Overview

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

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

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

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

We have grown from three Senior Managing Directors at our inception to 22 today. With the pending Protego combination, we will add another seven Senior Managing Directors. We expect to continue our growth by hiring additional highly qualified professionals with a broad range of product and industry expertise, expanding into new geographic areas, raising additional private equity funds and diversifying our investment management services. We opened our first office in New York in 1996, our first office on the West Coast in 2000, and settled in our current New York City headquarters in 2004.

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

Why We Are Going Public

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

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

Industry Trends

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

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

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

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

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

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

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

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

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

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

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

Our Growth Strategy

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

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

Business Segments

Our two business segments are advisory and investment management.

Advisory

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

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

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

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

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

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

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

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

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

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

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

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

Investment Management

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

Our Investment Management business has four principal sources of revenue: (1) management fees; (2) portfolio company fees; (3) carried interest; and (4) gains (or losses) on investments of our own capital in the private equity funds we manage. The entities which are entitled to the management and portfolio company fees from the private equity funds we manage are being contributed to Evercore LP. Accordingly, we will continue to reflect the management and portfolio company fees from all of these funds in our consolidated financial statements following this offering. However, with the exception of a non-managing minority equity interest in the general partner of our Evercore Capital Partners II fund, the general partners of the private equity funds we currently manage and certain other entities through which Messrs. Altman and Beutner have invested capital in the Evercore Capital Partners I Fund are not being contributed to Evercore LP and will continue to be owned by

our Senior Managing Directors and other third parties. Following this offering, because we will no longer consolidate the results of the general partners of the Evercore Capital Partners I or Evercore Ventures funds, we will no longer recognize as revenue any carried interest earned by these entities or any of the gains or losses arising from these entities' investments in the Evercore Capital Partners I or Evercore Ventures funds. However, through our equity interest in the general partner of the Evercore Capital Partners II fund, we will recognize as revenue 8% to 9% (depending on the particular fund investment) of any carried interest realized from that fund following this offering, as well as realized or unrealized gains and losses based on the amount of capital in that fund which is being contributed to, or which is subsequently funded by, us. As of March 31, 2006, $6.2 million of investments and $3.7 million of commitments are to be contributed or assumed by us as part of the Formation Transaction.

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

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

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

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

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

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

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

Investment Process

We evaluate potential investments at a prudent and deliberate pace, targeting a limited number of investments per year. The funds' investment guidelines are flexible with respect to both industry exposure and investment size, though we have chosen to avoid undue concentration in any particular industry or segment. We typically seek investments with total enterprise value of at least $100 million but have completed individual transactions that exceed $4 billion in value in partnership with other investors. Given the range of transaction

sizes we pursue, we seek to commit an average of approximately $50 million to $150 million of equity to each investment. As of March 31, 2006, the Evercore Capital Partners I and Evercore Capital Partners II private equity funds have invested over $897 million in 18 companies. The funds typically hold investments for three to seven years and systematically evaluate exit opportunities throughout the holding period.

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

Investment Management Business Model

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

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

Evercore Capital Partners I

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

Evercore Capital Partners II

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

Evercore Ventures

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

Combination with Protego

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

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

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

($ in thousands)	Year of Initial Closing	Total Capital Commitments	Capital Invested as of December 31, 2005	Gross Realizations as of December 31, 2005	Carrying Value as of December 31, 2005	Status
Discovery Americas I LP	2003	$ 68,355	$ 29,582	$ 0	$ 29,582	Investing

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

Evercore Asset Management

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

EAM's approach to investing is classic value and the firm will seek to make value investments in small- and mid-capitalization publicly-traded companies. Business development will be focused on the institutional pension, endowment and foundation market. The firm's first product offering, a concentrated small-cap value service, is

now being formally marketed to the investment community. A second investment service, a concentrated small/ mid value equity portfolio, has also been launched. Marketing of this service will commence over the course of the second quarter of 2006. We intend to cross-market our other services with EAM in a variety of ways, and to seek additional operational and back-office synergies with the rest of our lines of business. EAM is registered as an investment adviser under the Investment Advisers Act of 1940. See "—Regulation" for a discussion of Investment Advisers Act regulatory matters.

Alliance with Mizuho Securities

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

Co-Operation Agreement with Braveheart Financial Services Limited

On April 19, 2006, we entered into a Co-Operation Agreement with Braveheart Financial Services Limited, a private company limited by shares incorporated in England, which provides for a business referral arrangement. Braveheart was recently organized to provide corporate finance and private equity advisory services, 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. The Co-Operation Agreement may be terminated by either party at any time on or after December 31, 2007.

People

As of June 15, 2006, we employed a total of 128 people, including our 22 Senior Managing Directors. We use the title Senior Managing Director to refer to our senior investment banking and investment management professionals; this title does not imply that these individuals are directors of Evercore Partners Inc. None of our employees is subject to any collective bargaining agreements and we believe we have good relations with our employees.

As an investment banking boutique, our core asset is our professional staff, their intellectual capital, and their dedication to providing the highest quality services to our clients. Prior to joining Evercore Partners, our Senior Managing Directors held positions with other leading financial services firms, law firms or investment firms. Roger Altman, Austin Beutner, Eduardo Mestre and David Wezdenko are our executive officers and biographical information relating to each of these four Senior Managing Directors is found in "Management". The following individuals are our other 18 Senior Managing Directors and our Principal Accounting Officer:

Advisory

Saul Goodman, 38, is a Senior Managing Director in our advisory business with 15 years of relevant experience. Prior to joining Evercore, Mr. Goodman was a Vice President in the Investment Banking Division of Lehman Brothers, where he focused on media and telecommunications clients. Since joining Evercore,

Mr. Goodman was involved in advising The Hearst Corporation on its investment in Fitch Ratings, CBS on its merger with Viacom Inc., ACNielsen Corporation on its sale to VNU N.V., Robert Mondavi Corporation on its sale to Constellation Brands and Spectrasite Inc. on its merger with American Towers Corporation. He also was involved with Evercore Capital Partners' investments in American Media, Inc. and Telenet Holding N.V. Mr. Goodman currently serves on the Boards of Directors of Telenet Holding N.V and of American Media, Inc. Mr. Goodman has a B.S. from the University of Florida and an M.B.A. from the Columbia University Graduate School of Business.

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

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

Timothy LaLonde, 44, is a Senior Managing Director and the Chief Operating Officer of our advisory business. Mr. LaLonde has 17 years of relevant experience. Prior to joining Evercore, he was an Executive Director at UBS Warburg. Since joining Evercore, Mr. LaLonde has advised on General Motors' sale of a 51% interest in GMAC, AT&T's acquisition of BellSouth, NTL's acquisition of Telewest, SBC's acquisition of AT&T, EDS' sale of UGS PLM, the sale of PanAmSat to an investor group and Cingular's acquisition of AT&T Wireless. Mr. LaLonde has a B.S.B. from the University of Minnesota, an M.Sc. from the London School of Economics and an M.B.A. from the Amos Tuck School of Business Administration at Dartmouth College.

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

William Repko, 56, is a Senior Managing Director in our advisory business with 33 years of relevant experience. He is co-head of the firm's restructuring practice. Prior to joining Evercore, Mr. Repko served as a Managing Director and head of The Restructuring Group at J.P. Morgan Chase & Co., where he focused on providing comprehensive solutions to clients' liquidity and reorganization challenges. Mr. Repko entered the banking world in 1973 with Manufacturers Hanover Trust, which after a series of mergers became J.P. Morgan Chase. Mr. Repko has a B.S. from Lehigh University.

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

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

Jane Wheeler, 37, is a Senior Managing Director in our advisory business with 15 years of relevant experience. Prior to joining Evercore, Ms. Wheeler was the Managing Director heading the securities industry and financial technology investment banking business at Morgan Stanley. She spent twelve years at Morgan Stanley in New York on a variety of financings as well as mergers and acquisitions. Before that, she spent two years working at JO Hambro Magan + Co. in London working on European mergers and acquisitions. Ms. Wheeler was named to the Institutional Investor Online Finance 40 in both 2005 and 2006. She currently serves on the Board of Trustees of the Brearley School. Ms. Wheeler has a B.A. from the University of Virginia.

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

Investment Management

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

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

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

Neeraj Mital, 39, is a Senior Managing Director in our investment management business with 18 years of relevant experience. Prior to joining Evercore, he was a Managing Director at The Blackstone Group. Since joining Evercore, Mr. Mital has been involved in our investments in Diagnostic Imaging Group and Michigan Electric Transmission Company (METC), among other transactions. He currently serves on the Boards of Directors of American Media, Inc., METC and Diagnostic Imaging Group. Mr. Mital has a B.S. from The Wharton School at the University of Pennsylvania.

Sangam Pant, 41, is a Senior Managing Director in our investment management business with 18 years of relevant experience. He runs our Venture Capital business, and additionally focuses on India-related private equity. Prior to joining Evercore, Mr. Pant was Executive Vice President, General Manager and Chief Technology Officer of the eCompanies Incubator, where he was responsible for product, creative, technology and business development functions plus the wireless joint-venture with Sprint. Previously, he was Vice President of Integration and Operations for Lycos. Mr. Pant currently serves on the Boards of Directors of Certus, Sierra Design Automation and StrongMail. He received has a BS from Maharaja Sayajirao University in Baroda, India, an MS from the University of Florida, and an M.B.A. from the Wharton School at the University of Pennsylvania. He holds four patents and has published numerous research papers and articles.

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

Administrative and Marketing

Thomas J. Gavenda, 37, Controller, is responsible for all aspects of the accounting functions of the firm. Mr. Gavenda joined Evercore in December 2005 after spending three years at Primus Guaranty, Ltd. as the controller, and five years at Deutsche Bank Securities as the Chief Financial Officer for the US investment bank.

Previously, Mr. Gavenda spent several years at Morgan Stanley in their controlling and treasury areas and began his career at Deloitte & Touche. Mr. Gavenda has a B.B.A. from the University of Notre Dame and a J.D. from Brooklyn Law School. Mr. Gavenda is a C.P.A. and has been admitted to the New Jersey State Bar.

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

M. Sharon Lewellen, 47, is a Senior Managing Director. Prior to joining Evercore, Ms. Lewellen was a Managing Director at The Blackstone Group from 1995 to 2002, where she was responsible for the firm's internal accounting, tax and financial reporting for the private equity, real estate and mezzanine funds. From 1989 to 1995, Ms. Lewellen was the Vice President of Finance and Operations at Financo, Inc. Ms. Lewellen has a B.S. from The Wharton School at the University of Pennsylvania and an M.B.A. from Temple University.

Protego

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

Advisory

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

Augusto Arellano, 31, is a Director responsible for Protego's real estate group. Mr. Arellano has seven years of relevant experience. In 1996, he joined Protego as an analyst, in 2003 he became Deputy Director and in 2006 Managing Director. Prior to that he was a staff member of the Director of Financial Engineering and Sector Projects for Banobras. Mr. Arellano has also been a Research Scholar at the Stern School of Business at New York University and Professor of Economics in the MBA program of the Instituto Tecnologico Autonomo de Mexico (ITAM). Mr. Arellano received a B.A. from ITAM and a Ph.D from the Carlos III University in Spain.

Hugo Garza, 41, is a Director responsible for Protego's restructuring and refinancing groups. Mr. Garza has 12 years of relevant experience. Prior to joining Protego in 1996, he was Chief Information & Technology Officer at Banco Regional de Monterrey, and co-founder and General Manager of two software and automation companies. Since 1987, Mr. Garza has founded several health and technology associations. Mr. Garza received a B.A. from Instituto Tecnológico de Estudios Superiores de Monterrey (ITESM) and a Masters degree from DUXX Graduate School of Business Leadership.

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

Antonio Souza, 51, is a Director in Protego's advisory business responsible for Protego's energy group with 25 years of relevant experience. Prior to joining Protego in 1998, Mr. Souza was Vice President of Project Finance for energy projects at Banamex, Vice President of Project Development in the Business Promotion division of Banamex, and Senior Partner in Servicios Industriales Peña Verde. He has held a variety of roles at PEMEX, including Chief Economist in the Refining and Petrochemical Division. Prior to joining Pemex, he worked in the Mexican Government in the energy department of the Secretary of the Patrimony. Mr. Souza received a Masters degree and a Ph.D. from the French Institute of Petroleum. He also holds a degree from the L'Ecole Superior des Art et Metiers in Paris.

Investment Management

Sergio Sánchez, 47, is a Director and the Chief Executive Officer of Protego's asset management business with 20 years of relevant experience. Prior to joining Protego, Mr. Sánchez served as Chief Executive Officer of Vector Casa de Bolsa from 1996 to May 2001. Prior to that, he was Senior Vice President at Santander Investment Securities in New York, where he was responsible for fixed income. Mr. Sánchez also worked as head of risk management for Grupo Inverlat in Mexico, and as a consultant for the Ambrosetti Group in Madrid, Spain. He has been an advisor to several companies involved in antitrust cases in the transportation and telecommunications sectors. Mr. Sánchez has served as a Member of the Board of the Mexican Stock Exchange. Mr. Sánchez received a B.A. from Instituto Tecnológico Autónomo de México (ITAM) and a Ph.D. from the Massachusetts Institute of Technology.

Advisor to the Chairman

Antonio Bassols Zaleta, 63, has served as Advisor to the Chairman and Chief Executive Officer of Protego since 1996 and has 36 years of relevant experience. Mr. Bassols is a Professor Emeritus at the Instituto Tecnológico Autónomo de México (ITAM) and a member of the Board of the National Association of Research and Education Schools. Previously, he served as an advisor to the Minister of Finance of Mexico and was responsible for the liquidation of the Mexican Institute of Coffee and the Institute of Mexican Tobacco (TABAMEX). Mr. Bassols received a B.A. from ITAM and an M.B.A. from Instituto Tecnológico de Estudios Superiores de Monterrey (ITESM).

Competition

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

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

We believe our competition in the investment management business includes private equity funds of all sizes. As we seek to expand our investment management business, we expect to face competition both in the pursuit of outside investors for our private equity funds and in acquiring investments in attractive portfolio companies.

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

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

Regulation

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

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

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

business under certain circumstances. Additionally, the SEC's uniform net capital rule imposes certain requirements that may have the effect of prohibiting a broker-dealer from distributing or withdrawing capital and requiring prior notice to the SEC for certain withdrawals of capital.

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

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

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

Facilities

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

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

Legal Proceedings

We are not party to any material legal proceedings.

MANAGEMENT

Directors and Executive Officers

The following table sets forth the names, ages and positions of our current directors and executive officers. We expect to add additional, independent directors prior to the closing of this offering.

Name	Age	Position
Roger C. Altman	60	Chairman, Co-Chief Executive Officer and Director
Austin M. Beutner	46	President, Co-Chief Executive Officer, Chief Investment Officer and Director
Eduardo Mestre	57	Vice Chairman
David E. Wezdenko	42	Chief Financial Officer

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

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

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

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

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

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

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

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

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

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

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

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

Composition of the Board of Directors after this Offering

Prior to the closing of this offering, we intend to appoint a number of additional, independent directors to our board of directors.

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

Committees of the Board of Directors

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

Audit Committee. The purpose of the Audit Committee will be to assist our board of directors in overseeing and monitoring (1) the quality and integrity of our financial statements, (2) our compliance with legal and regulatory requirements, (3) the independent registered public accounting firm's qualifications and independence and (4) the performance of the independent registered public accounting firm. The Audit Committee will also be responsible for preparing the Audit Committee report that is included in our annual proxy statement.

Compensation Committee. The Compensation Committee will be responsible for approving, administering and interpreting our compensation and benefit policies, including our executive officer incentive programs. It will review and make recommendations to our board of directors to ensure that our compensation and benefit policies are consistent with our compensation philosophy and corporate governance guidelines. The Compensation Committee will also be responsible for establishing the compensation of our Co-Chief Executive Officers.

Nominating and Corporate Governance Committee. The purpose of the Nominating and Corporate Governance Committee will be to oversee our governance policies, nominate directors for election by stockholders, nominate committee chairpersons and, in consultation with the committee chairpersons, nominate directors for membership on the committees of the board. In addition, the Nominating and Corporate Governance Committee will assist our board of directors with the development of our Corporate Governance Guidelines.

Compensation Committee Interlocks and Insider Participation

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

Director Compensation

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

Executive Compensation

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

Summary Compensation Table

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

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

2005 Compensation Information

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

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

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

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

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

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

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

Employment Agreements with Messrs. Altman, Beutner and Aspe

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

Each employment agreement would provide for an annual base salary of $500,000 and a guaranteed annual bonus payment of $500,000 on a fixed date following the end of each fiscal year (the "guaranteed annual bonus"). The employment agreements for Messrs. Altman and Beutner will also provide for a "profit annual bonus" in the amount of $ in respect of fiscal year 2006, and a profit annual bonus in subsequent years determined by a formula relating to the level of growth, if any, in our income. For Mr. Aspe, his profit annual

bonus would be calculated as an amount such that his total annual compensation for the applicable fiscal year is equal to the product of (x) the average of the total cash compensation earned by Messrs. Altman and Beutner for such fiscal year and (y) the ratio that his share ownership interest in the company as of this offering bears to 0.5 times the total share ownership of Messrs. Altman and Beutner in the Company as of this offering, as set forth more fully in his employment agreement. In any event, Mr. Aspe's compensation will never be less than the sum of his annual base salary and guaranteed annual bonus. In the event either of Messrs. Altman or Beutner ceases to serve as a Co-Chief Executive Officer, the value of "(x)," above, used for purposes of calculating Mr. Aspe's profit annual bonus, will instead be deemed to equal total cash compensation earned by our Chief Executive Officer for the applicable fiscal period.

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

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

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

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

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

Employment Agreement with Mr. Wezdenko

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

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

IPO Date Restricted Stock Unit Awards

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

On the date of the offering, each participant will be granted a number of restricted stock units. Based on an assumed initial public offering price per share of $, we expect to grant an aggregate of restricted stock units to these participants. If the initial public offering price per share is greater than $, the number of restricted stock units we will grant to these participants will be lower.

10% of the restricted stock units granted will be vested on the date of the consummation of the offering. Subject to a participant's continued employment with us or our affiliates, an additional 45% of the restricted stock units will vest if and when Messrs. Altman, Beutner and Aspe, and trusts benefiting their families and permitted transferees, collectively, cease to beneficially own at least 90% of their aggregate equity interest in our company. Subject to a participant's continued employment with us or our affiliates, all of the participant's restricted stock units will vest upon the earliest to occur of the following events:

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

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

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

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

1) engage in any competitive business;

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

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

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

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

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

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

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

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

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

2006 Stock Incentive Plan

Our board of directors intends to adopt the 2006 Evercore Partners Inc. Stock Incentive Plan, or the "2006 Plan," and receive shareholder approval of the 2006 Plan, before the effective date of this offering. The following

description of the 2006 Plan is not complete and is qualified by reference to the full text of the 2006 Plan, which has been filed as an exhibit to the registration statement of which this prospectus forms a part. The 2006 Plan will be the source of new equity-based awards permitting us to grant to our key employees, directors and consultants incentive stock options (within the meaning of Section 422 of the Code), non-qualified stock options, stock appreciation rights, restricted stock and other awards based on our Class A common stock.

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

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

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

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

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

The Compensation Committee may grant stock appreciation rights independent of or in conjunction with a stock option. The exercise price of a stock appreciation right will not be less than the greater of (i) the fair market value of a share of our Class A common stock on the date the stock appreciation right is granted and (ii) the minimum amount permitted by applicable laws, rules, by-laws or policies of regulatory authorities or stock exchanges; except that, in the case of a stock appreciation right granted in conjunction with a stock option, the exercise price will not be less than the exercise price of the related stock option. Each stock appreciation right granted independent of a stock option shall entitle a participant upon exercise to an amount equal to (i) the excess of (A) the fair market value on the exercise date of one share of our Class A common stock over (B) the exercise

price per share of our Class A common stock, multiplied by (ii) the number of shares of our Class A common stock covered by the stock appreciation right, and each stock appreciation right granted in conjunction with a stock option will entitle a participant to surrender to us the stock option and to receive such amount. Payment will be made in shares of our Class A common stock and/or cash (any share of our common stock valued at fair market value), as determined by the Compensation Committee.

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

Certain stock awards, stock-based awards and non-stock denominated awards granted under the 2006 Plan may be granted in a manner designed to make them deductible by us under Section 162(m) of the Code. Such awards, "performance-based awards", shall be based upon one or more of the following performance criteria: (i) net income; (ii) net income per share; (iii) book value per share; (iv) stock price; (v) return on equity; (vi) expense management; (vii) return on investment; (viii) improvements in capitalization; (ix) profitability of an identifiable business unit or product; (x) profit margins; (xi) budget comparisons; (xii) total return to stockholders; (xiii) revenues or sales; (xiv) working capital; (xv) market share; (xvi) costs; and (xvii) cash flow. The foregoing criteria may relate to us, one or more of our subsidiaries or one or more of our divisions or units, or any combination of the foregoing, and may be applied on an absolute basis and/or be relative to one or more peer group companies or indices, or any combination thereof, as the Compensation Committee shall determine. The Compensation Committee shall determine whether, with respect to a performance period, the applicable performance goals have been met with respect to a given participant and, if they have, shall so certify and ascertain the amount of the applicable performance-based award. No performance-based awards will be paid to any participant for a given period of service until the Compensation Committee certifies that the objective performance goals (and any other material terms) applicable to such period have been satisfied. The amount of the performance-based award actually paid to a given participant may be less than the amount determined by the applicable performance goal formula, at the discretion of the Compensation Committee. The amount of the performance-based award determined by the Compensation Committee for a performance period shall be paid to the participant at such time as determined by the Compensation Committee in its sole discretion after the end of such performance period; provided, however, that a participant may, if and to the extent permitted by the Compensation Committee and consistent with the provisions of Section 409A of the Code, elect to defer payment of a performance-based award. The maximum amount of performance-based awards that may be granted during a fiscal year to any participant shall be (i) with respect to performance-based awards that are stock options, shares, and (ii) with respect to performance-based awards that are not stock options, $.

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

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

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

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

Annual Incentive Plan

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

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

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

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

Performance Goals. The Compensation Committee will establish the performance periods over which performance objectives will be measured. A performance period may be for a fiscal year or a multi-year cycle, as determined by the Compensation Committee. Within 90 days after each performance period begins (or such other

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

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

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

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

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

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

Confidentiality, Non-Solicitation and Proprietary Information Agreements

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

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

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

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

- engage in any business activity in which we operate, including any competitive business that we or our affiliates are actively considering conducting at the time of termination of employment;
- render any services to any competitive business; and
- acquire a financial interest in or become actively involved with any competitive business.

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

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

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

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

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

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

RELATED PARTY TRANSACTIONS

The Formation Transaction

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

Tax Receivable Agreement

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

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

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

Registration Rights Agreement

We will enter into a registration rights agreement pursuant to which we may be required to register the sale of shares of our Class A common stock held by our Senior Managing Directors upon exchange of partnership units of Evercore LP held by our Senior Managing Directors. Under the registration rights agreement, our Senior Managing Directors have the right to request us to register the sale of their shares and may require us to make

available shelf registration statements permitting sales of shares into the market from time to time over an extended period. In addition, our Senior Managing Directors will have the ability to exercise certain piggyback registration rights in connection with registered offerings requested by our other Senior Managing Directors or initiated by us.

Relationship with the Evercore Capital Partners Funds

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

Protego Combination

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

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

The contribution and sale agreement may be terminated at any time prior to the completion of the combination transaction by mutual written consent of Messrs. Altman and Beutner, on behalf of our Senior Managing Directors, and Mr. Aspe, on behalf of Protego’s Directors, or by either Messrs. Altman and Beutner, on behalf of our Senior Managing Directors, and Mr. Aspe, on behalf of Protego’s Directors, if: (i) any governmental authority issues an order, decree or ruling or takes any other action permanently restraining, enjoining or otherwise prohibiting the combination transaction, (ii) the partners of the other party are in breach of their representations, warranties, covenants or obligations set forth in the contribution and sale agreement and the

breach would prevent satisfaction by such partners of the relevant closing condition, (iii) the combination transaction is not completed by December 31, 2006, or (iv) such party has determined that its partners will not proceed with the consummation of this offering.

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

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

Evercore LP Partnership Agreement

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

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

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

The holders of partnership units in Evercore LP, including Evercore Partners Inc., will incur U.S. federal, state and local income taxes on their proportionate share of any net taxable income of Evercore LP. Net profits and net losses of Evercore LP will generally be allocated to its partners pro rata in accordance with the percentages of their respective partnership units. The partnership agreement will provide for cash distributions to

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

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

Under the terms of the Evercore LP partnership agreement, 66 2/3% of the partnership units to be received by our Senior Managing Directors, other than Mr. Altman and Mr. Beutner, in the Formation Transaction and 66 2/3% of the partnership units to be subscribed for by the current Directors of Protego (who will become our Senior Managing Directors), other than Mr. Aspe, 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. , or 50%, of these unvested partnership units will vest if and when Messrs. Altman, Beutner and Aspe, and trusts benefitting their families and permitted transferees, collectively, cease to beneficially own at least 90% of the aggregate Evercore LP partnership units owned by them on the date of the Evercore LP partnership agreement. , 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 benefitting their families and permitted transferees, collectively, cease to beneficially own at least 50% of the aggregate Evercore LP partnership units owned by them on the date of the partnership agreement;
- a change of control of Evercore; or
- two of Messrs. Altman, Beutner and Aspe are not employed by, or do not serve as a director of, Evercore Partners Inc., Evercore LP or any of its subsidiaries within a 10-year period following this offering.

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

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

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

Equity Committee

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

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

Dissolution

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

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

PRINCIPAL STOCKHOLDERS

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

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

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

	Shares of Class A Common Stock Beneficially Owned†					Evercore LP Partnership Units Beneficially Owned†							
				After the Closing of Class A Common Stock Assuming the Underwriters' Option Is Not Exercised(1)					After the Offering of Class A Common Stock Assuming the Underwriters' Option Is Not Exercised(1)				
Name of Beneficial Owner	Number	Percentage Prior to the Offering of Class A Common Stock	Percentage After the Offering of Class A Common Stock Assuming the Under-writers' Option Is Not Exercised	Number	Percentage Owned	Number	Percentage Prior to the Offering of Class A Common Stock	Percentage After the Offering of Class A Common Stock Assuming the Under-writers' Option is Exercised in Full	Number	Percentage Owned	Number of Shares of Class B Common Stock Beneficially Owned††	Percentage of Combined Voting Power of Evercore Partners Inc. prior to the Offering of Class A Common Stock	Percentage of Combined Voting Power after the Offering Assuming the Under-writers' Option is Not Exercised(1)(2)	Percentage of Combined Voting Power after the Offering Assuming the Under-writers' Option Is Exercised in Full(1)(2)
Roger Altman(1)(2)														
Austin Beutner(1)(2)														
Pedro Aspe(1)														
Eduardo Mestre(1)														
David Wezdenko(1)														
Directors and executive officers as a group (persons)														

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

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

(1) c/o Evercore Partners Inc., 55 East 52nd Street, 43rd floor, New York, NY 10055.

(2) Includes shares of common stock Mr. Altman and Mr. Beutner have agreed to vote together. See "Description of Capital Stock—Common Stock".

DESCRIPTION OF CAPITAL STOCK

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

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

Common Stock

Immediately following the closing of this offering, there will be shares of Class A common stock, assuming no exercise of the underwriters' option to purchase additional shares, and shares of Class B common stock outstanding.

Class A common stock

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

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

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

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

Class B common stock

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

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

provided, however, that, from and after the time that Messrs. Altman, Beutner and Aspe, and certain trusts benefiting their families, collectively, cease to beneficially own, in the aggregate, at least 90% of the Class A partnership units in Evercore LP held by them on the date of this offering, each holder of Class B Common Stock shall be entitled, without regard to the number of shares of Class B Common Stock held by such holder, to one vote for each partnership unit in Evercore LP held by such holder. Class A partnership units in Evercore LP are partnership units held by Messrs. Altman, Beutner and Aspe, and certain trusts benefiting their families, on the

date of this offering. As a result of this formula, the limited partners of Evercore LP will collectively have a number of votes in Evercore Partners Inc. that is equal to the aggregate number of vested and unvested partnership units that they hold. However, the formula operates in such a way that, until such time as Messrs. Altman, Beutner and Aspe and certain trusts benefiting their families collectively cease to beneficially own, in the aggregate, at least 90% of the Evercore LP partnership units they hold on the date of this offering, these three individuals will have all of the voting power of the Class B common stock and the other limited partners of Evercore LP will have no voting power. A reduction in the collective beneficial ownership of Evercore LP partnership units by Messrs. Altman, Beutner and Aspe and their family trusts could occur if these persons were to dispose of their Evercore LP partnership units for any reason, subject to the provisions of the Evercore LP partnership agreement and applicable securities laws.

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

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

Preferred Stock

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

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

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

Authorized but Unissued Capital Stock

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

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

Anti-Takeover Effects of Provisions of Delaware Law

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

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

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

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

Transfer Agent and Registrar

The transfer agent and registrar for our Class A common stock is .

Listing

We propose to list our Class A common stock on the New York Stock Exchange, subject to official notice of issuance, under the symbol "EVR".

SHARES ELIGIBLE FOR FUTURE SALE

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

Upon completion of this offering we will have a total of shares of our Class A common stock outstanding, or shares assuming the underwriters exercise in full their option to purchase additional shares, all of which shall be issued in connection with this offering. All of these shares sold in this offering will be freely tradable without restriction or further registration under the Securities Act by persons other than our "affiliates". Under the Securities Act, an "affiliate" of a company is a person that directly or indirectly controls, is controlled by or is under common control with that company.

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

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

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

Registration Rights

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

Lock-Up Arrangements

We and all of our directors and executive officers have agreed that, without the prior written consent of Lehman Brothers Inc. on behalf of the underwriters, we and they will not, subject to some exceptions, and limited extensions in certain circumstances, directly or indirectly, offer, pledge, announce the intention to sell, sell, contract to sell, sell an option or contract to purchase, purchase any option or grant any option, right or warrant to purchase, or otherwise transfer or dispose of any of our common stock or any securities which may be converted into or exchanged for any of our common stock or enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of any of our common stock for a period of 180 days from the date of this prospectus other than permitted transfers.

Rule 144

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

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

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

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

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

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

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

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

Dividends

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

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

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

Gain on Disposition of Class A Common Stock

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

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

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

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

Federal Estate Tax

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

Information Reporting and Backup Withholding

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

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

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

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

UNDERWRITING

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

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

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

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

Commissions and Expenses

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

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

	No Exercise	Full Exercise
Per share		
Total		

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

Option to Purchase Additional Shares

We have granted the underwriters an option exercisable for 30 days after the date of this prospectus to purchase, from time to time, in whole or in part, up to an aggregate of shares of Class A common stock at the initial public offering price less underwriting discounts and commissions. This option may be exercised if the

underwriters sell more than shares of Class A common stock in connection with this offering. To the extent that this option is exercised, each underwriter will be obligated, subject to certain conditions, to purchase its pro rata portion of these additional shares based on the underwriter's percentage underwriting commitment in this offering as indicated in the table at the beginning of this Underwriting section.

Directed Share Program

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

Lock-Up Agreements

We, all of our directors, officers and Senior Managing Directors and other third parties have agreed that, without the prior written consent of Lehman Brothers Inc., we and they will not, subject to some exceptions, directly or indirectly, offer, pledge, announce the intention to sell, sell, contract to sell, sell an option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of any of our Class A common stock or any securities that may be converted into or exchanged for any of our Class A common stock or enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of any of our Class A common stock for a period of 180 days from the date of this prospectus other than permitted transfers.

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

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

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

Offering Price Determination

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

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

Indemnification

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

Stabilization, Short Positions and Penalty Bids

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

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

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

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

Electronic Distribution

A prospectus in electronic format may be made available on the Internet sites or through other online services maintained by one or more of the underwriters or selling group members participating in this offering, or by their affiliates. In those cases, prospective investors may view offering terms online and, depending upon the particular underwriter or selling group member, prospective investors may be allowed to place orders online. The

underwriters may agree with us to allocate a specific number of shares for sale to online brokerage account holders. Any such allocation for online distributions will be made by the representatives on the same basis as other allocations.

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

Listing on New York Stock Exchange

We intend to apply to have our Class A common stock authorized for trading on the New York Stock Exchange under the symbol "EVR". In connection with that listing, the underwriters will undertake to sell the minimum number of shares to the minimum number of beneficial owners necessary to meet the New York Stock Exchange listing requirements.

Discretionary Sales

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

Stamp Taxes

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

Relationships

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

Because the shares of Class A common stock are being offered by Evercore Partners Inc., a parent of a member of the NASD, this offering is being made in compliance with the applicable requirements of Rule 2720 of the Conduct Rules of the NASD. Also, because we intend to use more than 10% of the net proceeds from this offering to repay indebtedness owed by us to affiliates of some of the underwriters, this offering is being made in compliance with the applicable requirements of Rule 2710(h) of the Conduct Rules of the NASD. These rules provide generally that the initial public offering price of the Class A common stock may not be higher than that recommended by a "qualified independent underwriter" meeting certain standards. Accordingly, Keefe, Bruyette & Woods, Inc. is assuming the responsibilities of acting as the qualified independent underwriter in pricing the offering and conducting due diligence. The initial public offering price of the Class A common stock, when sold to the public at the public offering price set forth on the cover page of this prospectus, is no higher than that recommended by Keefe, Bruyette & Woods, Inc.

Selling Restrictions

United Kingdom

Each of the underwriters has represented and agreed that:

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

European Economic Area

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

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

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

Hong Kong

The shares may not be offered or sold by means of any document other than to persons whose ordinary business is to buy or sell shares or debentures, whether as principal or agent, or in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong, and no

advertisement, invitation or document relating to the shares may be issued, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made thereunder.

Singapore

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

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

Japan

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

LEGAL MATTERS

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

EXPERTS

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

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

WHERE YOU CAN FIND MORE INFORMATION

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

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

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Evercore Partners Inc.:

Evercore Holdings:

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

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholder of Evercore Partners Inc.:

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

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

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

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

EVERCORE PARTNERS INC.

STATEMENT OF FINANCIAL CONDITION

May 12, 2006

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

NOTES TO STATEMENT OF FINANCIAL CONDITION

Note 1—Organization

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

Note 2—Significant Accounting Policies

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

Note 3—Stockholder's Equity

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

Note 4—Significant Events

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

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

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

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

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

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

Holders of Class A common stock will be entitled to one vote for each share held of record on all matters submitted to a vote of stockholders and will be entitled to receive dividends when and if declared by the Company's board of directors out of funds legally available therefor, subject to any statutory or contractual restrictions on the payment of dividends and to any restrictions on the payment of dividends imposed by the terms of any outstanding preferred stock. Upon the Company's dissolution or liquidation or the sale of all or substantially all of the Company's assets, after payment in full of all amounts required to be paid to creditors and to the holders of preferred stock having liquidation preferences, if any, the holders of Class A common stock will be entitled to receive pro rata our remaining assets available for distribution. Holders of Class A common stock do not have preemptive, subscription, redemption or conversion rights.

The amended and restated certificate of incorporation will provide that partnership units held by the Company's Senior Managing Directors in Evercore LP may be exchanged for shares of Class A common stock on a one-for-one basis, subject to customary conversion rate adjustments for stock splits, stock dividends and reclassifications.

Holders of Class B common stock will be entitled (other than the Company), without regard to the number of Class B common stock held, to a number of votes that is equal to the product of:

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

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

Holders of Class A common stock and Class B common stock will vote together as a single class on all matters presented to the Company's stockholders for their vote or approval, except as otherwise required by applicable law. Messrs. Altman and Beutner, who through their ownership of our Class B common stock will together hold a majority of the voting power in Evercore Partners Inc. immediately following the Offering, have agreed to vote as a group with respect to all matters submitted to stockholders. Holders of Class B common stock will not have any right to receive dividends or to receive a distribution upon a liquidation or winding up of the Company.

Tax Receivable Agreement—The Company intends to enter into a tax receivable agreement with its Senior Managing Directors prior to the Offering. Evercore LP intends to make an election under Section 754 of the Internal Revenue Code effective for each taxable year in which an exchange of partnership units for shares occurs, which may result in an adjustment to the tax basis of the assets owned by Evercore LP at the time of an exchange of partnership units. The exchanges may result in increases in the tax basis of the tangible and intangible assets of Evercore LP that otherwise would not have been available. These increases in tax basis would reduce the amount of tax that the Company would otherwise be required to pay in the future.

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

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Members of Evercore Holdings:

We have audited the accompanying combined statements of financial condition of Evercore Holdings (the "Company"), as of December 31, 2004 and 2005, and the related combined statements of income, changes in members' equity and of cash flows for each of the three years in the period ended December 31, 2005. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, such combined financial statements present fairly, in all material respects, the combined financial position of Evercore Holding as of December 31, 2004 and 2005, and the combined results of their operations and their combined cash flows for each of the three years in the period ended December 31, 2005, in conformity with accounting principles generally accepted in the United States of America.

/s/ Deloitte & Touche LLP
New York, New York

April 28, 2006

EVERCORE HOLDINGS

COMBINED STATEMENTS OF FINANCIAL CONDITION
(dollars in thousands)

	December 31, 2004	December 31, 2005
ASSETS		
Current Assets		
Cash and Cash Equivalents	$37,379	$37,855
Restricted Cash	840	1,519
Accounts Receivable (net of allowances of $0 in 2004 and $256 in 2005)	7,653	12,921
Placement Fees Receivable	2,487	—
Receivable from Members and Employees	2,092	1,739
Receivable from Uncombined Affiliates	2,063	1,255
Debt Issuance Costs	—	607
Prepaid Expenses	298	604
Accounts Receivable—Other	18	353
Total Current Assets	52,830	56,853
Investments, at Fair Value	16,925	16,755
Deferred Offering and Acquisition Costs	—	5,138
Furniture, Equipment and Leasehold Improvements, Net	1,893	2,263
Other Assets	33	403
TOTAL ASSETS	$71,681	$81,412
LIABILITIES AND MEMBERS' EQUITY		
Current Liabilities		
Accrued Compensation and Benefits	$ 8,810	$13,165
Accounts Payable and Accrued Expenses	4,111	11,672
Placement Fees Payable	2,487	—
Deferred Revenue	1,413	935
Payable to Members and Employees	906	659
Payable to Uncombined Affiliates	336	440
Capital Leases Payable—Current	115	193
Taxes Payable	1,423	1,711
Other Current Liabilities	203	626
Total Current Liabilities	19,804	29,401
Capital Leases Payable—Long-term	333	232
TOTAL LIABILITIES	20,137	29,633
Minority Interest	265	274
Members' Equity		
Members' Capital	51,116	51,301
Accumulated Other Comprehensive Income	163	204
TOTAL MEMBERS' EQUITY	51,279	51,505
TOTAL LIABILITIES AND MEMBERS' EQUITY	$71,681	$81,412

See accompanying notes to combined financial statements

EVERCORE HOLDINGS

COMBINED STATEMENTS OF INCOME
(dollars in thousands)

	Fiscal Year Ended December 31,		
	2003	2004	2005
REVENUES			
Advisory Revenue	$ 26,302	$ 69,205	$ 110,842
Investment Management Revenue	33,568	16,967	14,584
Interest Income and Other Revenue	250	145	209
TOTAL REVENUES	60,120	86,317	125,635
EXPENSES			
Employee Compensation and Benefits	12,448	17,084	24,115
Occupancy and Equipment Rental	2,780	3,090	3,071
Professional Fees	4,406	8,031	23,892
Travel and Related Expenses	3,143	3,352	4,478
Communications and Information Services	841	812	898
Depreciation and Amortization	626	667	778
Other Operating Expenses	636	1,437	1,871
TOTAL EXPENSES	24,880	34,473	59,103
OTHER INCOME	—	76	—
OPERATING INCOME	35,240	51,920	66,532
Minority Interest	(9)	29	8
Provision for Income Taxes	905	2,114	3,372
NET INCOME	$ 34,344	$ 49,777	$ 63,152

See accompanying notes to combined financial statements

EVERCORE HOLDINGS

COMBINED STATEMENTS OF CHANGES IN MEMBERS' EQUITY
(dollars in thousands)

	Members' Capital	Accumulated Other Comprehensive Income	Total Members' Equity
BALANCE—at January 1, 2003	$ 25,734	$ (26)	$ 25,708
Net Income	34,344	—	34,344
Other Comprehensive Income:			
Unrealized Gains on Available-For-Sale Securities (net of tax of $11)	—	116	116
Total Comprehensive Income			34,460
Members' Contributions	6,264	—	6,264
Members' Distributions	(39,379)	—	(39,379)
BALANCE—at December 31, 2003	26,963	90	27,053
Net Income	49,777	—	49,777
Other Comprehensive Income:			
Unrealized Gains on Available-For-Sale Securities (net of tax of $15)	—	157	157
Less Reclass for Unrealized Gains included in Net Income (net of tax of $8)	—	(84)	(84)
Net Other Comprehensive Income	—	73	73
Total Comprehensive Income			49,850
Members' Contributions	900	—	900
Members' Distributions	(26,524)	—	(26,524)
BALANCE—at December 31, 2004	51,116	163	51,279
Net Income	63,152	—	63,152
Other Comprehensive Income:			
Unrealized Gains on Available-For-Sale Securities (net of tax of $4)	—	41	41
Total Comprehensive Income			63,193
Members' Contributions	2,291	—	2,291
Members' Distributions	(65,258)	—	(65,258)
BALANCE—at December 31, 2005	$ 51,301	$ 204	$ 51,505

See accompanying notes to combined financial statements

EVERCORE HOLDINGS

COMBINED STATEMENTS OF CASH FLOWS
(dollars in thousands)

	Year Ended December 31,		
	2003	2004	2005
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Income	$ 34,344	$ 49,777	$ 63,152
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:			
Depreciation and Amortization	626	667	778
(Gain) Loss on Disposal of Equipment	(5)	69	—
Minority Interest	(9)	29	8
Bad Debt Expense	—	50	330
Securities Received in Lieu of Fees	(369)	—	—
Realized Gain on Investment	—	(76)	—
Net Gains and Losses on Private Equity Investments	(12,708)	(3,122)	998
(Increase) Decrease in Operating Assets:			
Accounts Receivable	1,488	(5,515)	(5,598)
Placement Fees Receivable	(1,596)	2,487	2,487
Receivable from Members and Employees—Current	(156)	(1,138)	353
Receivable from Uncombined Affiliates	740	(1,800)	808
Prepaid Expenses	116	(54)	(306)
Accounts Receivable—Other	141	—	(335)
Deferred Offering and Acquisition Costs	—	—	(5,138)
Receivable from Members and Employees—Long-term	(106)	134	—
Other Assets	88	3	(370)
Increase (Decrease) in Operating Liabilities:			
Accrued Compensation and Benefits	192	3,601	4,355
Accounts Payable and Accrued Expenses	288	2,346	7,561
Placement Fees Payable	1,596	(2,487)	(2,487)
Deferred Revenue	(6,517)	253	(478)
Payable to Members and Employees	(218)	237	(247)
Payable to Uncombined Affiliates	131	141	104
Taxes Payable	(36)	813	288
Other Current Liabilities	(224)	142	419
Net Cash Provided by Operating Activities	17,806	46,557	66,682
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from Investments	9,024	3,056	5,010
Investments Purchased	(3,808)	(545)	(5,793)
Purchase of Furniture, Equipment and Leasehold Improvements	(602)	(1,048)	(1,024)
Restricted Cash Deposits	(116)	(724)	(679)
Net Cash (Used in) Provided By Investment Management Activities	4,498	739	(2,486)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments for Capital Lease Obligations	(62)	(107)	(147)
Contributions from Members	3,788	900	2,291
Net Capital Contributions from Minority Interest Members	42	81	1
Debt Issuance Costs	—	—	(607)
Distributions to Members	(28,075)	(26,524)	(65,258)
Net Cash Used in Financing Activities	(24,307)	(25,650)	(63,720)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,003)	21,646	476
CASH AND CASH EQUIVALENTS—Beginning of period	17,736	15,733	37,379
CASH AND CASH EQUIVALENTS—End of period	$ 15,733	$ 37,379	$ 37,855
SUPPLEMENTAL CASH FLOW DISCLOSURE			
Payments for Interest	$ 90	$ 145	$ 99
Payments for Income Taxes	$ 659	$ 1,284	$ 3,276
Non-Cash Distributions to Members	$ 11,304	$ —	$ —
Non-Cash Contributions From Members	$ 2,476	$ —	$ —
Non-Cash Investment Purchase	$ 2,476	$ —	$ —
Fixed Assets Acquired Under Capital Leases	$ 390	$ 55	$ 124
Non-Cash Proceeds From Investments	$ 11,049	$ —	$ —

See accompanying notes to combined financial statements

EVERCORE HOLDINGS

NOTES TO COMBINED FINANCIAL STATEMENTS

Years Ended December 31, 2003, 2004 and 2005

Note 1—Organization

Evercore Holdings (the "Company") is an investment banking firm, headquartered in New York, New York, which is comprised of certain consolidated and combined entities under the common ownership of the Evercore Senior Managing Directors (the "Members") and common control of two of the founding Evercore Senior Managing Directors (the "Founding Members"). These entities are as follows:

- Evercore Group Holdings L.P. ("EGH") indirectly owns all interests in each of the following entities:
  - Evercore Financial Advisors L.L.C. and Evercore Restructuring L.L.C. provide financial advisory services to public and private companies and restructuring advisory services to companies in financial transition as well as to their creditors.
  - Evercore Advisors L.L.C. provides investment advisory services to Evercore Capital Partners II L.P. and its affiliated entities (collectively, "ECP II"), a Company sponsored private equity fund.
  - Evercore Venture Advisors L.L.C. provides investment advisory services to Evercore Venture Partners L.P. and its affiliated entities (collectively, "EVP"), a Company sponsored private equity fund.
- Evercore Group Holdings L.L.C. is the general partner of EGH.

  In December 2003, the above entities were reorganized. Prior to the reorganization, these entities were operated as a series of limited partnerships with their own general partner entities. Under the terms of the reorganization, these limited partnerships were converted to limited liability companies. Pursuant to such conversions, the limited partnership interests were cancelled and, in consideration therefore, the holders of such limited partnership interests received limited partnership interest of EGH that corresponded to the respective limited liability companies into which such limited partnership were converted and were equivalent to the respective limited partnership interests held immediately prior to such conversions. The resulting limited liability companies are held by Evercore Partners Services East L.L.C., a wholly owned subsidiary of EGH. Subsequent to the reorganization, the former general partner entities were dissolved. The transaction was accounted for as a reorganization of entities under common control at historical cost.
- Evercore Advisors Inc. provides investment advisory services to Evercore Capital Partners L.P. and its affiliated entities (collectively "ECP I"), a Company sponsored private equity fund.
- Evercore Group Inc. ("EGI") is a registered broker-dealer under the Securities Exchange Act of 1934, as amended, and is registered with the National Association of Securities Dealers, Inc. EGI is a limited service entity, which specializes in rendering selected financial advisory services. See Footnote 17, Subsequent Events.
- Evercore Properties Inc. is a lease holding entity for the Company's New York offices. With respect to the Company's California offices, such leases are held by Evercore Partners Services East L.L.C.
- Evercore Partners L.L.C., Evercore Offshore Partners Ltd., and Evercore Partners Cayman L.P. are the general partners of various ECP I entities.
- Evercore Partners II L.L.C. and Evercore Venture Management L.L.C. ("EVM") are the general partners of ECP II and EVP, respectively.
- Evercore Founders L.L.C. and Evercore Founders Cayman Ltd. are the entities through which the Company funds its additional commitments to ECP I (collectively, the "Founders").

EVERCORE HOLDINGS

NOTES TO COMBINED FINANCIAL STATEMENTS—(Continued)

Years Ended December 31, 2003, 2004 and 2005

The Company's principal activities are divided into two business segments:

- Advisory—includes advice on mergers, acquisitions, divestitures, leveraged buyouts, restructurings and similar corporate finance matters; and
- Investment Management—includes the management of outside capital invested in the Company's sponsored private equity funds: ECP I, ECP II and EVP, (collectively referred to as the "Private Equity Funds"); and the Company's principal investments in such Private Equity Funds. Each of the Private Equity Funds is managed by its own general partners and outside investors participate in the Private Equity Funds as limited partners.

The Combined Financial Statements include the accounts of the following entities, all of which are under the common control and management of the Founding Members:

Entity	Type of Entity	Date of Formation	Percentage Ownership
Evercore Group Holdings L.P. and subsidiaries	Delaware Limited Partnership	12/31/02	100%
Evercore Group Holdings L.L.C.	Delaware Limited Liability Company	12/31/02	100%
Evercore Advisors Inc.	Delaware S-Corporation	06/18/96	100%
Evercore Group Inc.	Delaware S-Corporation	03/21/96	100%
Evercore Properties Inc.	Delaware S-Corporation	04/16/97	100%
Evercore Partners L.L.C.	Delaware Limited Liability Company	11/20/95	100%
Evercore Offshore Partners Ltd.	Cayman Islands Limited Liability Company	03/25/97	100%
Evercore Partners Cayman L.P.	Cayman Islands Limited Partnership	03/28/01	100%
Evercore Partners II L.L.C.	Delaware Limited Liability Company	10/24/01	100%
Evercore Venture Management L.L.C.(1)	Delaware Limited Liability Company	10/12/00	47%
Evercore Founders L.L.C.	Delaware Limited Liability Company	03/25/97	100%
Evercore Founders Cayman Ltd.	Cayman Islands Limited Liability Company	03/27/01	100%

(1) EVM is combined at 100% with a 53% minority interest recorded.

Note 2—Significant Accounting Policies

Basis of Presentation—The Combined Financial Statements of the Company comprise the consolidation of EGH and its wholly owned subsidiaries with Evercore Group Holdings L.L.C., Evercore Advisors Inc., Evercore Properties Inc. and Evercore Group Inc., and the general partners of the Private Equity Funds and Founders entities that are wholly owned or controlled by the Company.

EGH has consolidated all operating companies in which it has a controlling financial interest, in accordance with Statement of Financial Accounting Standards ("SFAS") No. 94, "*Consolidation of All Majority-Owned Subsidiaries*," ("SFAS 94") which requires the consolidation of all majority-owned subsidiaries.

Investments in non-majority-owned companies in which the Company does not have a controlling financial interest are accounted for by the Company using the equity method.

These financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

EVERCORE HOLDINGS

NOTES TO COMBINED FINANCIAL STATEMENTS—(Continued)

Years Ended December 31, 2003, 2004 and 2005

All material intercompany transactions and balances have been eliminated.

Minority Interest—Minority interest recorded on the Combined Financial Statements relates to the minority interest of an unrelated third party in EVM, the general partner of EVP. EVM is owned by two members, an unrelated third-party, which owns approximately 53%, and Evercore Venture Partners LLC, which owns approximately 47%. Evercore Venture Partners LLC is under common ownership of the Members of the Company and is the managing member of EVM. As a result, the Company consolidates, including in its Combined Statements of Income all of the net income of EVM with an appropriate minority interest of approximately 53%.

Use of Estimates—The preparation of the Combined Financial Statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the combined financial statements and the reported amounts of revenues and expenses during the reporting period. Such estimates relate to the valuation of portfolio investments in companies owned by the Private Equity Funds (the "Portfolio Companies"), the allowance for doubtful accounts for accounts receivables, compensation liabilities, tax liabilities and other matters that affect reported amounts of assets and liabilities. Actual amounts could differ from those estimates and such differences could be material to the Combined Financial Statements.

Cash and Cash Equivalents—Cash and cash equivalents consist of short-term highly liquid investments with original maturities of three months or less.

Restricted Cash—At December 31, 2004 and 2005, the Company was required to maintain compensating balances of $840 and $1,519, respectively, as collateral for letters of credit issued, by a third party, in lieu of a cash security deposit, as required by the Company's lease for New York office space.

Accounts Receivable—Accounts receivable consists primarily of advisory fees and expense reimbursements charged to the Company's clients, and transaction and monitoring fees charged to Portfolio Companies. Accounts receivable as of December 31, 2004 and 2005 include unbilled client expense receivables in the amount of $616 and $1,451, respectively.

Accounts Receivable are reported net of any allowance for doubtful accounts. Management of the Company derives the estimate for the allowance for doubtful accounts by utilizing past client transaction history and an assessment of the client's creditworthiness, and has determined that an allowance for doubtful accounts was not required as of December 31, 2004 and was $256 as of December 31, 2005. The Company recorded bad debt expense of $0, $50 and $330 for the years ended December 31, 2003, 2004 and 2005, respectively.

Fair Value of Financial Instruments—The fair value of financial assets and liabilities, consisting of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities are considered to approximate their recorded value, as they are short-term in nature.

Investments—The Company's investments consist primarily of investments in the Private Equity Funds that are carried at fair value on the Combined Statements of Financial Condition, with realized and unrealized gains and losses included in Investment Management Revenue on the Combined Statements of Income.

The Private Equity Funds consist primarily of investments in marketable and non-marketable securities of the Portfolio Companies. The underlying investments held by the Private Equity Funds are valued based on quoted market prices or estimated fair value if there is no public market. The fair value of the Private Equity

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NOTES TO COMBINED FINANCIAL STATEMENTS—(Continued)

Years Ended December 31, 2003, 2004 and 2005

Funds' investments in non-marketable securities are ultimately determined by the Company in its capacity as general partner. The Company determines fair value of non-marketable securities by giving consideration to a range of factors, including but not limited to market conditions, operating performance (current and projected) and subsequent financing transactions. Due to the inherent uncertainty in the valuation of these non-marketable securities, estimated values may materially differ from the values that would have been used had a ready market existed for these investments.

Investments in publicly traded securities are valued using quoted market prices.

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

Furniture, Equipment and Leasehold Improvements—Fixed assets, including office equipment, hardware and software and leasehold improvements, are stated at cost, net of accumulated depreciation and amortization. Furniture, equipment and computer hardware and software are depreciated using the straight-line method over the estimated useful lives of the assets, ranging from three to seven years. Leasehold improvements are amortized over the shorter of the term of the lease or the useful life of the asset.

The Company capitalizes certain costs of computer software obtained for internal use and amortizes the amounts over the estimated useful life of the software, generally not exceeding three years. Capitalized internal-use software costs include only external direct costs of materials and services consumed in developing or obtaining the software. Capitalization of these costs ceases no later than the point at which software development projects are substantially complete and ready for their intended purposes.

Upon retirement or disposition of assets, the cost and related accumulated depreciation or amortization is removed from the accounts and the resulting gain or loss, if any, is recognized as a gain or loss on disposition of assets in other operating income or expense. Expenditures for maintenance and repairs are expensed as incurred.

Leases—Leases are accounted for in accordance with SFAS No. 13, "*Accounting for Leases*." Leases are classified as either capital or operating as appropriate. For capital leases, the present value of the future minimum lease payments is recorded as a liability. Amortization of capitalized leased assets is computed on the straight-line method over the lesser of the lease term or useful life of the asset.

Advisory Revenue—The Company earns advisory revenue through a) retainer arrangements, b) success fees based on the occurrence of certain events which may include announcements or completion of various types of financial transactions and c) fairness opinions.

The Company recognizes advisory revenue when the services related to the underlying transactions such as mergers, acquisitions, restructurings and divestitures are completed in accordance with the terms of its engagement agreements.

Fees that are paid in advance are initially recorded as deferred revenue and recognized as advisory revenue ratably over the period in which the related service is rendered.

Investment Management Revenue—Investment Management revenue consists of a) management fees from the Private Equity Funds, b) portfolio company fees, c) gains (losses) on investments in the Private Equity Funds and d) Carried Interest.

EVERCORE HOLDINGS

NOTES TO COMBINED FINANCIAL STATEMENTS—(Continued)

Years Ended December 31, 2003, 2004 and 2005

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

The Private Equity Funds partnership agreements provide for a reduction of management fees for certain portfolio company fees earned by the Company. Portfolio company fees are recorded as revenue when earned and are offset, in whole or in part, against future management fees. Such offsets amounted to $8,624, $742 and $2,004 for the years ended December 31, 2003, 2004 and 2005, respectively.

The ECP II partnership agreement also provides that placement fees paid by its limited partners are offset against future management fees. Such offsets amounted to $1,268, $2,487 and $2,487 for the years ended December 31, 2003, 2004 and 2005, respectively.

Portfolio Company Fees—Portfolio company fees include monitoring, director and transaction fees associated with services provided to the Portfolio Companies of the Private Equity Funds the Company manages.

Monitoring fees are earned by the Company for services provided to the portfolio companies with respect to the development and implementation of strategies for improving operating, marketing and financial performance. Monitoring fee revenue is recognized ratably over the period for which services are provided.

Director fees are earned by the Company for the services provided by Members who serve on the Board of Directors of portfolio companies. Director fees are recorded as revenue when payment is received.

Transaction fees are earned by the Company for providing advisory services to Portfolio Companies. These fees are earned and recognized on the same basis as advisory revenue.

Gains (Losses) on Investments in the Private Equity Funds—Investments in the Private Equity Funds consist of the Company's general partnership interest and related commitments in investment partnerships that it manages. These investments are accounted for on the fair value method based on the Company's percentage interest in the underlying partnerships. The Company recognizes revenue on investments in the Private Equity Funds based on its allocable share of realized and unrealized gains (or losses). See Footnote 7, Investments.

Carried Interest—The Company records incentive fee revenue from the Private Equity Funds when the returns on the Private Equity Funds' investments exceed certain threshold minimums. These incentive fees (or "Carried Interest") are computed in accordance with the underlying Private Equity Funds' partnership agreements and are based on investment performance over the life of each investment partnership. Future investment underperformance may require amounts previously distributed to the Company to be returned to the respective investment partnerships. As required by the Private Equity Funds' partnership agreements, the general partners of each Private Equity Fund maintain a defined amount in escrow in the event that distributions received by such general partner must be returned due to investment underperformance. These escrow funds are not included in the accounts of the Company. The Members, in their capacity as members of the general partners of the Private Equity Funds, have guaranteed the general partners' obligation (which may arise due to investment underperformance) to repay or refund to outside investors in the Private Equity Funds interim amounts previously distributed to the Company.

EVERCORE HOLDINGS

NOTES TO COMBINED FINANCIAL STATEMENTS—(Continued)

Years Ended December 31, 2003, 2004 and 2005

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 and recorded in accounts receivable on the later of a) the date of an executed engagement letter or b) the date the expense is incurred. The Company reported such expense reimbursement as revenue on the Combined Statements of Income in the amount of $2,481, $2,355 and $3,374 for the years ended December 31, 2003, 2004 and 2005, respectively.

Compensation and Benefits—Compensation includes salaries, bonuses (discretionary awards and guaranteed amounts) and severance and excludes any compensatory payments made to Members. Bonuses are accrued over the service period to which they relate. Benefits includes both Member and employee benefit expense.

Income Taxes—The Company accounts for income taxes in accordance with SFAS No. 109, “Accounting for Income Taxes,” which requires the recognition of tax benefits or expenses on the temporary differences between the financial reporting and tax bases of assets and liabilities. The Company’s operations are organized as a series of partnerships, limited liability companies and sub-chapter S corporations. Accordingly, the Company’s income is not subject to U.S. federal income taxes. Taxes related to income earned by these entities represent obligations of the individual members, partners or shareholders and have not been reflected in the accompanying Combined Financial Statements. Income taxes shown on the Company’s Combined Statements of Income are attributable to the New York City Unincorporated Business Tax and the New York City general corporate tax.

Earnings Per Share—The Company operates as a series of related partnerships, limited liability companies and sub-chapter S corporations under the common control of the Founding Members. There is no single capital structure upon which to calculate historical earnings per share information. Accordingly, historical earnings per share information has not been presented.

Comprehensive Income—Comprehensive income consists of net income and other comprehensive income. Other comprehensive income refers to revenue, expenses, gains and losses that are included in Accumulated Other Comprehensive Income as a separate component of Members’ Equity but are excluded from net income. The Company’s other comprehensive income is comprised of unrealized gains on Available-For-Sale Securities.

Net Income—As a result of the Company operating as a series of partnerships, limited liability companies and sub-chapter S corporations, payment for services rendered by the Members has historically been accounted for as a distribution from Members’ capital rather than as compensation and benefits expense. As a result, the Company’s operating income historically has not reflected payments for services rendered by its Members.

The Members receive periodic distributions of operating proceeds which are reported in the Statements of Changes in Members’ Equity as distributions. The amount of cash and non-cash distributions received by the Members was $39,379, $26,524 and $65,258 for the years ended December 31, 2003, 2004 and 2005, respectively. Non-cash distributions included marketable securities, warrants and other financial instruments.

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NOTES TO COMBINED FINANCIAL STATEMENTS—(Continued)

Years Ended December 31, 2003, 2004 and 2005

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 Combined Statements of Income based on their fair values. Pro forma disclosure is no longer an alternative. The Company has operated as a series of partnerships, limited liability companies and sub-chapter S corporations and has not historically issued stock-based compensation awards. The impact of adopting SFAS 123(R) cannot be predicted at this time because it will depend on the level of share-based awards granted in the future.

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

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

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

EVERCORE HOLDINGS

NOTES TO COMBINED FINANCIAL STATEMENTS—(Continued)

Years Ended December 31, 2003, 2004 and 2005

Note 4—Related Parties

The Company remits payment for expenses on behalf of the Private Equity Funds and is reimbursed accordingly. During the years ended December 31, 2003, 2004 and 2005, the Company disbursed $692, $744 and $794, respectively, on behalf of these entities. Included in Receivable from Uncombined Affiliates on the Statements of Financial Condition as of December 31, 2004 and 2005 are accrued and unpaid management fees, reimbursable expenses relating to the Private Equity Funds and other uncombined affiliates and investment advances made to an affiliate in the amounts of $2,063 and $1,255, respectively. Payables to Uncombined Affiliates amounted to $336 and $440 as of December 31, 2004 and 2005, respectively. These payables represent obligations of the general partner pursuant to the respective partnership agreements of the Private Equity Funds and are payable to the Private Equity Funds.

Included in Receivable from Members and Employees on the Statements of Financial Condition are loans to Members, employees and former employees of the Company. These loans are collateralized by the Members, employees, or former employees respective investments in the Private Equity Funds, are carried at face value and bear interest at the prime rate. The amount of such loans outstanding as of December 31, 2004 and 2005 were $149 and $83, respectively. Interest on these loans was $7, $12 and $4, for the years 2003, 2004 and 2005, respectively, and is included in Interest Income and Other Revenue on the Combined Statements of Income. Advances in the amount of $61, made to individuals who have accepted employment offers with the Company, are also included in Receivable from Members and Employees on the Statements of Financial Condition as of December 31, 2005.

Also, included in Receivable from Members and Employees are advances made by the Company on behalf of such individuals in connection with their general partner obligation to the Private Equity Funds. These advances are non-interest bearing and the amounts outstanding as of December 31, 2004 and 2005 were $903 and $1,540, respectively. Payable to Members and Employees for Private Equity distributions amounted to $906 and $659 as of December 31, 2004 and 2005.

Amounts due in connection with personal expenses paid by the Company on behalf of Members and employees totaled $1,040 and $51 as of December 31, 2004 and 2005, respectively, and are included in Receivable from Members and Employees. These receivables are non-interest bearing and are repaid to the Company on a periodic basis.

The general partner investment interests of one of the Members and the general partner and Founder interests of one of the founding members serve to collateralized their personal loans with a third party financial institution.

During the years ended December 31, 2003, 2004 and 2005, the Company paid commissions in the amount of $157, $61 and $1,710, respectively, to a former employee and Senior Advisor or an affiliate of such, for services provided in connection with obtaining an Advisory engagement. This commission is included in Professional Fees on the Combined Statements of Income.

Effective October 28, 2005, EGH acquired (indirectly through a wholly owned subsidiary) the right to invest in Evercore Asset Management, L.L.C. (“EAM”), a newly formed entity, engaged primarily in the asset management business. This investment is accounted for under the equity method and although a variable interest entity, the Company is not the primary beneficiary and thus not required to consolidate the entity. As of December 31, 2005, the Company is due $321 from the majority member of EAM, for expenditures remitted by

the Company in connection with the formation of EAM. This amount is included on the Combined Statements of Financial Condition in Accounts Receivable – Other. This entity has not entered into substantive operations for the period ended December 31, 2005. See Footnote 17, Subsequent Events.

Note 5—Placement Fees

Placement fees are earned by and payable to a placement agent for services rendered in connection with the successful solicitation of certain limited partners in ECP II.

Pursuant to the terms of the ECP II partnership agreement, the limited partners are responsible for reimbursing the Company for the placement fees the Company remits on their behalf. The limited partners of ECP II receive a reduction against future management fees payable to the Company equal to the amount of such placement fees.

Placement fees are payable and receivable in equal semi-annual installments. Interest accrues to the placement agent at the three-month LIBOR rate plus 1%. At December 31, 2004 and December 31, 2005, accrued interest payable relating to Placement fees was $26 and $0, respectively. Placement fees receivable from the limited partners of ECP II and payable to the placement agent are as follows:

	As of December 31,	
	2004	2005
Placement Fees Receivable	$ 2,487	—
Less Current Portion	(2,487)	—
Long-term Portion	$ —	—
Placement Fees Payable	$ 2,487	—
Less Current Portion	(2,487)	—
Long-term Portion	$ —	—

As of December 31, 2005, all amounts due from limited partners in connection with placement fees were received by the Company and all obligations due to the placement agent in connection with ECP II were satisfied.

Note 6—Deferred Offering and Acquisition Costs

The Company is contemplating an initial public offering of common equity. If an initial public offering by the Company does occur, the Company plans to consummate a number of internal reorganization transactions to transition the Company to a corporate structure form. Costs directly attributable to the Company's proposed initial public offering of its equity securities have been deferred and capitalized. These costs will be charged against the proceeds of the offering once completed. In the event the proposed initial offering of the Company's securities is not consummated, the deferred offering costs will be expensed.

The Company also plans to execute a definitive agreement to acquire all the outstanding capital stock of a foreign investment bank in exchange for total consideration that is still under negotiation. The transaction would be consummated immediately prior to the potential initial public offering referred to above. The direct costs

incurred in connection with the proposed acquisition have been deferred and capitalized. These costs will be allocated to the purchase price upon the completion of the acquisition. Costs related to an unsuccessful acquisition will be charged to operations at the termination date.

As of December 31, 2005, $5,138 of costs incurred in connection with the potential initial public offering and the potential acquisition were capitalized and are shown on the Combined Statements of Financial Condition in Deferred Offering and Acquisition Costs.

Note 7—Investments

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

	December 31,	
	2004	2005
Investment in ECP I	$ 10,033	$ 3,717
Investment in ECP II	5,981	11,997
Investment in EVP	540	625
Total Private Equity Funds	16,554	16,339
Investments Available-For–Sale	371	416
Total Investments	$ 16,925	$ 16,755

Investments in the Private Equity Funds—Investments in the Private Equity Funds primarily include the general partner and Founders' entities investments in the Private Equity Funds.

As of December 31, 2004 and 2005, the Company's investment in ECP I represented 5.8% and 3.8%, respectively of the Private Equity Funds' capital. The Company's investments in ECP II and EVP were less than 5% of the respective Private Equity Funds' capital as of December 31, 2004 and 2005.

Net realized and unrealized gains and losses on Private Equity Fund investments, including Carried Interest and gains (losses) on investments, were $12,708, $3,122 and $(998) for the years ended December 31, 2003, 2004 and 2005, respectively, and are included on the Combined Statements of Income in Investment Management Revenue.

In 2003, an affiliated entity of the Company, EMP Group L.L.C. ("EMP") was recapitalized. EMP held the interests of a portfolio company's existing investors, which included among others ECP I and the associated general partner entities. Pursuant to the recapitalization, the general partners of ECP I received an $11,049 in-kind distribution of portfolio company shares, with $2,476 of the distribution reinvested as a general partner non-cash contribution of ECP II.

See Footnote 11, Commitments and Contingencies, for commitments of future capital contributions to the Private Equity Funds.

EVERCORE HOLDINGS

NOTES TO COMBINED FINANCIAL STATEMENTS—(Continued)

Years Ended December 31, 2003, 2004 and 2005

The portfolio of investments in the Private Equity Funds at fair value by industry was as follows:

	December 31,	
	2004	2005
Energy	31%	24%
Media	26%	20%
Healthcare Services	—	17%
Financial Services	—	9%
Telecommunications	29%	6%
Industrials	—	6%
Consumer Distributions	—	5%
Other	14%	13%
Total	100%	100%

Investments in Available-For-Sale Securities—Investments in Available-For-Sale securities reflects the Company's investment in options for the purchase of additional shares of common stock of a Portfolio Company. The options were received at various dates, in lieu of cash payment for services rendered. Using the Black-Scholes Option Pricing Model, the options as of December 31, 2004 and 2005, were valued at $371 and $416, respectively.

Proceeds from sales of Available-For-Sale Securities during the year ended December 31, 2004 amounted to $293 with a realized gain recognized (based on average cost per share) of $76 for the year ended December 31, 2004. This gain is reflected in Other Income on the Combined Statements of Income. There were no sales of Available-For-Sale Securities during the year ended December 31, 2005.

See Footnote 16, Comprehensive Income (Loss), for unrealized gains on valuation of Available-For-Sale Securities reported in Members' Equity as Other Comprehensive Income.

Note 8—Furniture, Equipment and Leasehold Improvements, Net

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

	As of December 31,	
	2004	2005
Furniture and Office Equipment	$ 857	$ 1,138
Leasehold Improvements	642	878
Computer and Computer-related Equipment	646	1,093
Capitalized Leases	605	729
Software	346	406
Total	3,096	4,244
Less: Accumulated Depreciation and Amortization	(1,203)	(1,981)
Furniture, Equipment and Leasehold Improvements, Net	$ 1,893	$ 2,263

Depreciation and amortization expense totaled $626, $667 and $778 for the years ended December 31, 2003, 2004 and 2005, respectively.

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NOTES TO COMBINED FINANCIAL STATEMENTS—(Continued)

Years Ended December 31, 2003, 2004 and 2005

Purchases of furniture, equipment and leasehold improvements totaled $992, $1,103 and $1,148, which includes assets acquired via capital leases in the amounts of $390, $55 and $124, for the years ended December 31, 2003, 2004 and 2005, respectively.

Note 9—Employee Benefit Plans

Defined Contribution Retirement Plan—The Company, through a subsidiary, provides certain retirement benefits to employees through a qualified retirement plan. The Evercore Partners Services East L.L.C. Retirement Plan (the "Plan") is a discretionary profit sharing plan with a salary deferral feature under Section 401(k) of the Internal Revenue Code. The Plan was formed on February 1, 1996 and amended February 1, 1999, February 1, 2000, February 1, 2001, January 1, 2002 and June 1, 2002. The plan year ends on January 31 of each year. The Company, at its sole discretion, determines the amount, if any, of profit to be contributed to the Plan.

The retirement and profit sharing plan costs for the years ended December 31, 2003, 2004 and 2005 totaled $455, $501 and $603, respectively. Plan administration expenses incurred related to the retirement and profit sharing plans totaled $36, $100 and $97 for the years ended December 31, 2003, 2004 and 2005, respectively.

Note 10—Line of Credit

On December 30, 2005, the Company executed a $30,000 Credit Agreement with a syndicated group of lenders that matures on the earlier of the consummation of the proposed initial public offering or December 30, 2006 (the "Line of Credit"). The Line of Credit is a 364-day revolving facility that bears interest at a rate of either (i) Libor plus 200 basis points (the "Eurodollar Loan") or (ii) the greater of (a) the Prime Rate or (b) Federal Funds Effective Rate plus 100 basis points (the "Base Rate Loan") for any amount drawn. The Company may elect either the Eurodollar Loan or the Base Rate Loan and either election includes a commitment fee of 1/2 of 1% per annum for any unused portion. The Company is required to maintain collateral as a percentage of any amounts drawn on the facility based on the following schedule: From March 30, 2006 through June 30, 2006: 30%; From July 1, 2006 through September 30, 2006: 50% and; From October 1, 2006 through the termination date: 75%. In addition to the liquid collateral requirements, the Members have pledged their beneficial interests in the Company as collateral for the Line of Credit. At December 31, 2005, the Company was in compliance with all covenants under the Credit Agreement.

The Line of Credit will be used for additional working capital purposes including, but not limited to, funding of the Company's ongoing investment programs. Costs incurred in connection with obtaining this credit facility totaled $607, and such costs are included in Debt Issuance Costs on the Combined Statements of Financial Condition. See Footnote 17, Subsequent Events.

Note 11—Commitments and Contingencies

Operating Leases—The Company leases office space under non-cancelable lease agreements, which expire on various dates through 2013.

Occupancy lease agreements, in addition to base rentals, generally are subject to escalation provisions based on certain costs incurred by the landlord. Occupancy and Equipment Rental on the Combined Statements of Income for the years ended December 31, 2003, 2004 and 2005 includes $1,944, $2,315 and $2,151, respectively, of rental expense relating to operating leases. As of December 31, 2003, the Company obtained, as part of the

lease for office space in New York, an irrevocable standby letter of credit as security in the amount of $110 that expired October 30, 2004. As of December 31, 2004 and 2005, the Company obtained, as part of the leases for office space in New York, irrevocable standby letters of credit as security in the amount of $819 and $1,446, respectively. With respect to such letters of credit, $627 expires in 2007 and $819 expires each December 31, resetting annually through 2012. The Company maintained compensating balances of $840 and $1,519 as of December 31, 2004 and 2005, respectively. No amounts have been drawn down under the respective letters of credit.

The Company has entered into various operating leases for the use of certain office equipment and furniture. For the years ended December 31, 2003, 2004 and 2005, rental expense for office equipment and furniture is included in Occupancy and Equipment Rental on the Combined Statements of Income and totaled $80, $102 and $165, respectively.

The Company has entered into an operating lease for a fractional interest of a private corporate aircraft. For the years ended December 31, 2003, 2004 and 2005, rental expense for the fractional lease of the aircraft is included in Travel and Related Expenses on the Combined Statements of Income and totaled $114, $105 and $105, respectively.

As of December 31, 2005, the approximate aggregate minimum future payments required on the operating leases are as follows:

2006	$ 2,824
2007	2,229
2008	2,060
2009	2,164
2010	2,176
Thereafter	4,244
Total	$15,697

Capital Leases—The Company has entered into various capital leases for office equipment. As of December 31, 2005, the leases had an aggregate outstanding balance of $425 with $193 classified as current. Interest expense on capital leases for the years ended December 31, 2003, 2004 and 2005 was $19, $30 and $29, respectively.

The Company's net investment in these leases, which is included in Furniture, Equipment and Leasehold Improvements as of December 31, 2004 and 2005, was $431 and $393, respectively.

	December 31,	
	2004	2005
Capitalized Office Equipment Leases	$ 605	$ 729
Accumulated Depreciation	(174)	(336)
Net Investment	$ 431	$ 393

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NOTES TO COMBINED FINANCIAL STATEMENTS—(Continued)

Years Ended December 31, 2003, 2004 and 2005

As of December 31, 2005, the approximate aggregate minimum future payments required on the capital leases are as follows:

2006	$ 214
2007	146
2008	95
2009	2
2010	—
Total Future Minimum Lease Payments	457
Less Interest Discount	(32)
Total Present Value of Future Minimum Lease Payments	425
Less Current Portion	(193)
Long-term Portion	$ 232

Other Commitments—At December 31, 2005, the Company has commitments for capital contributions of $13,458 to the Private Equity Funds. These commitments primarily will be funded as required through the end of each Private Equity Funds' investment period, subject to certain conditions. Such commitments are satisfied in cash and are generally required to be made as investment opportunities are consummated by the Private Equity Funds.

Legal—From time to time, the Company may be involved in judicial, regulatory and arbitration proceedings concerning matters arising in connection with the conduct of its businesses.

In the past, the Company or its present personnel have been named as a defendant in civil litigation matters involving present or former clients. The Company received an informal request in 2004 for information related to a 2003 client engagement. Management believes that the ultimate resolution of these proceedings would not likely have a material effect on the results of operations, the financial position or cash flows of the Company.

Note 12—Regulatory Authorities

EGI is a U.S. registered broker-dealer and is subject to the net capital requirements of Rule 15c3-1 under the Securities Exchange Act of 1934. Rule 15c3-1 requires the maintenance of net capital, as defined, which shall be the greater of $5 or 6 2/3% of aggregate indebtedness, as defined. EGI's regulatory net capital at December 31, 2004 and 2005 was $851 and $6,773, respectively, which exceeded the minimum net capital requirement by $637 and $6,603, respectively.

Note 13—Income Taxes

The Company is not subject to U.S. Federal income tax. However, the Company is subject to the New York City Unincorporated Business tax on its U.S. earnings and certain taxes in other jurisdictions where the Company had registered offices and sourced income in those jurisdictions.

Taxes payable as of December 31, 2004 and 2005 in the amount of $1,423 and $1,711, respectively, include a reserve for taxes payable in the amount of $857 and $964, respectively, for any future tax liability related to these periods.

EVERCORE HOLDINGS

NOTES TO COMBINED FINANCIAL STATEMENTS—(Continued)

Years Ended December 31, 2003, 2004 and 2005

The components of the provision for income taxes reflected on the Combined Statements of Income for the years ended December 31, 2003, 2004 and 2005 consist of:

	Year ended December 31,		
	2003	2004	2005
Current			
State and Local Tax Expense	$905	$2,114	$ 3,372
Provision for Taxes	$905	$2,114	$ 3,372

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

	Year ended December 31,		
	2003	2004	2005
U.S. Statutory Tax Rate	35.0%	35.0%	35.0%
Increase Related to State and Local Taxes	2.6%	4.1%	5.1%
Rate before One-time Events	37.6%	39.1%	40.1%
Rate Benefit as a Limited Liability Company	(35.0%)	(35.0%)	(35.0%)
Provision for Taxes	2.6%	4.1%	5.1%

Note 14—Concentrations of Credit Risk

Financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents and receivables from clients. The Company has placed its cash and cash equivalents in interest-bearing deposits in U.S. banks and U.S. branches of Cayman banks that meet certain rating and capital requirements. Concentrations of credit risk are limited due to the quality of the Company's clients.

Revenues: For the year ended December 31, 2005, three separate clients each individually accounted for 16.5%, 12.2% and 10.2%, respectively, of the Company's combined revenues. For the year ended December 31, 2004, one client accounted for 26.6% of the Company's combined revenues. For the year ended December 31, 2003, no client individually constituted more than 10.0% of the Company's combined revenues.

Accounts Receivable: As of December 31, 2004 and 2005, one different client each year accounted for 70.1% and 37.4%, respectively, of the Company's combined Accounts Receivable balance.

Note 15—Segment Operating Results

Business Segments – The Company's business results are categorized into the following two segments: Advisory and Investment Management. Advisory includes providing advice on mergers, acquisitions, divestitures, leveraged buyouts, restructurings, and similar corporate finance matters. Investment Management includes the management of outside capital invested in the Private Equity Funds and the Company's principal investments in the Private Equity Funds.

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

EVERCORE HOLDINGS

NOTES TO COMBINED FINANCIAL STATEMENTS—(Continued)

Years Ended December 31, 2003, 2004 and 2005

The Company's segment information for the years ended December 31, 2003, 2004 and 2005 is prepared using the following methodology:

- Revenue and expenses directly associated with each segment are included in determining operating income.
- Expenses not directly associated with specific segments are allocated based on the most relevant measures applicable, including headcount and other factors.
- Segment assets are based on those directly associated with each segment, or for certain assets shared across segments, these assets are allocated based on the most relevant measures applicable, including headcount and other factors.
- Investment gains and losses, interest income, and interest expense are allocated between the segments based on the segment in which the underlying asset or liability is held.
- Each segment's operating expenses include: a) employee compensation and benefits expenses that are incurred directly in support of the segments and b) other operating expenses, which include expenses for premises and occupancy, professional fees, travel and entertainment, communications and information services, equipment and indirect support costs (including compensation and other operating expenses related thereto) for administrative services. Such administrative services include, but are not limited to, accounting, tax, legal, facilities management and senior management activities.

The Company evaluates segment results based on net revenue and operating income.

Corporate-level activity represents operating expenses not specifically attributable to a segment. These expenses primarily include professional fees relating to the preparation of the Company's historical financial statements that are not directly attributable to the potential initial public offering.

EVERCORE HOLDINGS

NOTES TO COMBINED FINANCIAL STATEMENTS—(Continued)

Years Ended December 31, 2003, 2004 and 2005

Management believes that the following information provides a reasonable representation of each segment's contribution to net revenue, operating expenses, operating income, and total assets.

		Year Ended December 31,		
		2003	2004	2005
Advisory	Net Revenue(1)	$26,333	$69,315	$ 111,012
	Operating Expenses(2)	15,992	24,502	36,605
	Segment Operating Income	$10,341	$44,813	$ 74,407
	Identifiable Segment Assets		$45,350	$ 61,137
Investment Management	Net Revenue(1)	$33,787	$17,078	$ 14,623
	Operating Expenses(2)	8,888	9,971	12,165
	Segment Operating Income	$24,899	$ 7,107	$ 2,458
	Identifiable Segment Assets		$26,331	$ 20,275
Corporate	Operating Expenses	$ —	$ —	$ 10,333
Total	Net Revenue(1)	$60,120	$86,393	$ 125,635
	Operating Expenses(2)	24,880	34,473	59,103
	Operating Income	$35,240	$51,920	$ 66,532
	Identifiable Segment Assets		$71,681	$ 81,412

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

	Year Ended December 31,		
	2003	2004	2005
Advisory	$ 31	$110	$170
Investment Management	219	111	39
Total Interest and Other Income	$250	$221	$209

(2) Operating expenses include Depreciation and Amortization as set forth in the table below:

	Year Ended December 31,		
	2003	2004	2005
Advisory	$424	$504	$615
Investment Management	202	163	163
Total Depreciation and Amortization	$626	$667	$778

EVERCORE HOLDINGS

NOTES TO COMBINED FINANCIAL STATEMENTS—(Continued)

Years Ended December 31, 2003, 2004 and 2005

Geographic Information—The Company manages its business based on the profitability of the enterprise as a whole. The Company's revenue was derived from clients and Private Equity Funds located in the following geographical areas:

	Year Ended December 31,		
	2003	2004	2005
Revenue:(1)			
United States	$ 54,487	$ 80,019	$ 127,513
Cayman Islands	4,347	4,147	(6,300)
Switzerland	75	—	1,500
Netherlands	—	—	1,400
Mexico	—	1,142	968
Other—Foreign	961	864	345
Total	$ 59,870	$ 86,172	$ 125,426

(1) Excludes interest and other income.

All Company assets relate to U.S. operations.

Note 16—Comprehensive Income (Loss)

The Company's Other Comprehensive Income (Loss) is comprised of unrealized gains and losses on Available-For-Sale-Securities. Unrealized gains were $116, $73 and $41 net of tax expense of $11, $7 and $4, for the years ended December 31, 2003, 2004 and 2005, respectively.

Note 17—Subsequent Events

Line of Credit—On January 12, 2006, the Company drew down $25,000 on the Line of Credit for additional working capital purposes. As of April 28, 2006, the Company had collateral in excess of the $7,500 required in connection with this draw. See Footnote 10, Line of Credit.

Distributions—During the period from January 1, 2006 through April 14, 2006, the Company made distributions to Members totaling $59,694.

Evercore Asset Management—On January 5, 2006, the Company invested $1,137 in EAM. The Company holds a 41.7% interest in EAM. On March 20, 2006, the Company invested $2,000 in an investment portfolio to be managed by EAM.

Investments—Through April 30, 2006, the Company made investments in the Private Equity funds totaling $6,778.

Evercore Group L.L.C.—EGI reorganized from an S corporation to a limited liability company, Evercore Group L.L.C.

Alliance with Mizuho Securities—On February 2, 2006, the Company entered into an alliance agreement with Mizuho Securities of Japan and its U.S. advisory subsidiary, The Bridgeford Group. The alliance calls for the Company, Mizuho, and Bridgeford to provide U.S.—Japan and Japan—U.S. cross-border M&A advisory services on a joint basis to U.S. clients of the Company and Japanese clients of Mizuho.

Potential Initial Public Offering—The Company is contemplating an initial public offering of common equity. If an initial public offering by the Company does occur, the Company also plans to consummate a number of internal reorganization transactions to transition the Company to a corporate structure form.

EVERCORE HOLDINGS

COMBINED STATEMENT OF FINANCIAL CONDITION
(dollars in thousands)

	March 31, 2006 (unaudited)
ASSETS	
Current Assets	
Cash and Cash Equivalents	$ 12,285
Restricted Cash	1,519
Accounts Receivable (net of allowance of $256 for 2006)	16,531
Receivable from Members and Employees	1,235
Receivable from Uncombined Affiliates	2,448
Debt Issuance Costs	404
Prepaid Expenses	997
Accounts Receivable—Other	83
Total Current Assets	35,502
Investments, at Fair Value	28,191
Investments, Equity Method	1,031
Deferred Offering and Acquisition Costs	6,196
Furniture, Equipment and Leasehold Improvements, Net	2,153
Other Assets	403
TOTAL ASSETS	$ 73,476
LIABILITIES AND MEMBERS' EQUITY	
Current Liabilities	
Short-Term Borrowings	$ 25,000
Accrued Compensation and Benefits	5,549
Accounts Payable and Accrued Expenses	8,312
Deferred Revenue	3,374
Payable to Members and Employees	657
Payable to Uncombined Affiliates	293
Capital Leases Payable—Current	184
Taxes Payable	1,191
Other Current Liabilities	25
Total Current Liabilities	44,585
Capital Leases Payable—Long-term	187
TOTAL LIABILITIES	44,772
Minority Interest	267
Members' Equity	
Members' Capital	28,233
Accumulated Other Comprehensive Income	204
TOTAL MEMBERS' EQUITY	28,437
TOTAL LIABILITIES AND MEMBERS' EQUITY	$ 73,476

See accompanying notes to combined financial statements

EVERCORE HOLDINGS

COMBINED STATEMENTS OF INCOME
(dollars in thousands)

	Three Months Ended March 31,	
	2005	2006
	(unaudited)	
REVENUES		
Advisory Revenue	$18,270	$32,397
Investment Management Revenue	4,120	13,108
Interest Income and Other Revenue	44	121
TOTAL REVENUES	22,434	45,626
EXPENSES		
Employee Compensation and Benefits	5,410	8,759
Occupancy and Equipment Rental	682	838
Professional Fees	2,596	5,668
Travel and Related Expenses	1,314	1,851
Communications and Information Services	177	416
Depreciation and Amortization	151	262
Other Operating Expenses	256	912
TOTAL EXPENSES	10,586	18,706
OTHER INCOME	—	—
OPERATING INCOME	11,848	26,920
Minority Interest	2	(7)
Provision for Income Taxes	670	979
NET INCOME	$11,176	$25,948

See accompanying notes to combined financial statements

EVERCORE HOLDINGS

COMBINED STATEMENTS OF CHANGES IN MEMBERS' EQUITY
(dollars in thousands)

	Members' Capital	Accumulated Other Comprehensive Income	Total Members' Equity
BALANCE—at January 1, 2006	$ 51,301	$ 204	$ 51,505
Net Income (unaudited)	25,948	—	25,948
Other Comprehensive Income (unaudited)	—	—	—
Net Other Comprehensive Income (unaudited)	—	—	—
Total Comprehensive Income (unaudited)			25,948
Members' Contributions (unaudited)	—	—	—
Members' Distributions (unaudited)	(49,016)	—	(49,016)
BALANCE—at March 31, 2006 (unaudited)	$ 28,233	$ 204	$ 28,437

See accompanying notes to combined financial statements

EVERCORE HOLDINGS

COMBINED STATEMENTS OF CASH FLOWS
(dollars in thousands)

	Three Months Ended March 31,	
	2005	2006
	(unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	$ 11,176	$ 25,948
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	151	465
Minority Interest	2	(7)
Net Gains and Losses on Investments	1,138	(5,012)
(Increase) Decrease in Operating Assets:		
Accounts Receivable	219	(3,610)
Placement Fees Receivable	1,244	—
Receivable from Members and Employees—Current	626	504
Receivable from Uncombined Affiliates	1,074	(1,193)
Prepaid Expenses	(366)	(393)
Accounts Receivable—Other	(28)	270
Deferred Offering and Acquisition Costs	(344)	(1,058)
Other Assets	(200)	—
Increase (Decrease) in Operating Liabilities:		
Accrued Compensation and Benefits	(4,945)	(7,616)
Accounts Payable and Accrued Expenses	486	(3,360)
Deferred Revenue	1,470	2,439
Payable to Members and Employees	(238)	(2)
Payable to Uncombined Affiliates	43	(147)
Taxes Payable	432	(520)
Other Current Liabilities	(215)	(601)
Net Cash Provided by Operating Activities	11,725	6,107
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Investments	—	206
Investments Purchased	(970)	(7,661)
Purchase of Furniture, Equipment and Leasehold Improvements	(257)	(152)
Restricted Cash Deposits	21	—
Net Cash (Used in) Provided By Investment Management Activities	(1,206)	(7,607)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments for Capital Lease Obligations	(28)	(54)
Contributions from Members	971	—
Distributions to Members	(34,251)	(49,016)
Short-Term Borrowings	—	25,000
Net Cash Used in Financing Activities	(33,308)	(24,070)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(22,789)	(25,570)
CASH AND CASH EQUIVALENTS—Beginning of period	37,379	37,855
CASH AND CASH EQUIVALENTS—End of period	$ 14,590	$ 12,285
SUPPLEMENTAL CASH FLOW DISCLOSURE		
Payments for Interest	$ 32	—
Payments for Income Taxes	$ 807	$ 1,737

See accompanying notes to combined financial statements

EVERCORE HOLDINGS

NOTES TO COMBINED FINANCIAL STATEMENTS

Three Months Ended March 31, 2005 and 2006
(Unaudited)
(dollars in thousands unless otherwise noted)

Note 1—Organization

Evercore Holdings (the "Company") is an investment banking firm, headquartered in New York, New York, which is comprised of certain consolidated and combined entities under the common ownership of the Evercore Senior Managing Directors (the "Members") and common control of two of the founding Evercore Senior Managing Directors (the "Founding Members"). These entities are as follows:

- Evercore Group Holdings L.P. ("EGH") indirectly owns all interests in each of the following entities:
  - Evercore Financial Advisors L.L.C. and Evercore Restructuring L.L.C. provide financial advisory services to public and private companies and restructuring advisory services to companies in financial transition as well as to their creditors.
  - Evercore Advisors L.L.C. provides investment advisory services to Evercore Capital Partners II L.P. and its affiliated entities (collectively, "ECP II"), a Company sponsored private equity fund.
  - Evercore Venture Advisors L.L.C. provides investment advisory services to Evercore Venture Partners L.P. and its affiliated entities (collectively, "EVP"), a Company sponsored private equity fund.
- Evercore Group Holdings L.L.C. is the general partner of EGH

  In December 2003, the above entities were reorganized. Prior to the reorganization, these entities were operated as a series of limited partnerships with their own general partner entities. Under the terms of the reorganization, these limited partnerships were converted to limited liability companies. Pursuant to such conversions, the limited partnership interests were cancelled and, in consideration therefore, the holders of such limited partnership interests received limited partnership interest of EGH that corresponded to the respective limited liability companies into which such limited partnership were converted and were equivalent to the respective limited partnership interests held immediately prior to such conversions. The resulting limited liability companies are held by Evercore Partners Services East L.L.C., a wholly owned subsidiary of EGH. Subsequent to the reorganization, the former general partner entities were dissolved. The transaction was accounted for as a reorganization of entities under common control at historical cost.
- Evercore Advisors Inc. provides investment advisory services to Evercore Capital Partners L.P. and its affiliated entities (collectively "ECP I"), a Company sponsored private equity fund.
- Evercore Group Inc. ("EGI") is a registered broker-dealer under the Securities Exchange Act of 1934, as amended, and is registered with the National Association of Securities Dealers, Inc. EGI is a limited service entity, which specializes in rendering selected financial advisory services. See Footnote 15— Subsequent Events.
- Evercore Properties Inc. is a lease holding entity for the Company's New York offices. With respect to the Company's California offices, such leases are held by Evercore Partners Services East L.L.C.
- Evercore Partners L.L.C., Evercore Offshore Partners Ltd., and Evercore Partners Cayman L.P. are the general partners of various ECP I entities.
- Evercore Partners II L.L.C. and Evercore Venture Management L.L.C. ("EVM") are the general partners of ECP II and EVP, respectively.
- Evercore Founders L.L.C. and Evercore Founders Cayman Ltd. are the entities through which the Company funds its additional commitments to ECP I (collectively, the "Founders").

EVERCORE HOLDINGS

NOTES TO COMBINED FINANCIAL STATEMENTS—(Continued)

Three Months Ended March 31, 2005 and 2006
(Unaudited)
(dollars in thousands unless otherwise noted)

The Company's principal activities are divided into two business segments:

- Advisory—includes advice on mergers, acquisitions, divestitures, leveraged buyouts, restructurings and similar corporate finance matters; and
- Investment Management—includes the management of outside capital invested in the Company's sponsored private equity funds: ECP I, ECP II and EVP, (collectively referred to as the "Private Equity Funds"); and the Company's principal investments in such Private Equity Funds. Each of the Private Equity Funds is managed by its own general partners and outside investors participate in the Private Equity Funds as limited partners.

The Combined Financial Statements include the accounts of the following entities, all of which are under the common control and management of the Founding Members:

Entity	Type of Entity	Date of Formation	Percentage Ownership
Evercore Group Holdings L.P. and subsidiaries	Delaware Limited Partnership	12/31/02	100%
Evercore Group Holdings L.L.C.	Delaware Limited Liability Company	12/31/02	100%
Evercore Advisors Inc.	Delaware S-Corporation	06/18/96	100%
Evercore Group Inc.	Delaware S-Corporation	03/21/96	100%
Evercore Properties Inc.	Delaware S-Corporation	04/16/97	100%
Evercore Partners L.L.C.	Delaware Limited Liability Company	11/20/95	100%
Evercore Offshore Partners Ltd.	Cayman Islands Limited Liability Company	03/25/97	100%
Evercore Partners Cayman L.P.	Cayman Islands Limited Partnership	03/28/01	100%
Evercore Partners II L.L.C.	Delaware Limited Liability Company	10/24/01	100%
Evercore Venture Management L.L.C.(1)	Delaware Limited Liability Company	10/12/00	47%
Evercore Founders L.L.C.	Delaware Limited Liability Company	03/25/97	100%
Evercore Founders Cayman Ltd.	Cayman Islands Limited Liability Company	03/27/01	100%

(1) EVM is combined at 100% with a 53% minority interest recorded.

Note 2—Significant Accounting Policies

Basis of Presentation—The Combined Financial Statements of the Company comprise the consolidation of EGH and its wholly owned subsidiaries with Evercore Group Holdings L.L.C., Evercore Advisors Inc., Evercore Properties Inc. and Evercore Group Inc., and the general partners of the Private Equity Funds and Founders, entities that are wholly owned or controlled by the Company.

EGH has consolidated all operating companies in which it has a controlling financial interest, in accordance with Statement of Financial Accounting Standards ("SFAS") No.94, "*Consolidation of All Majority-Owned Subsidiaries*," ("SFAS 94") which requires the consolidation of all majority-owned subsidiaries.

Investments in non-majority-owned companies in which the Company does not have a controlling financial interest are accounted for by the Company using the equity method.

These financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

EVERCORE HOLDINGS

NOTES TO COMBINED FINANCIAL STATEMENTS—(Continued)

Three Months Ended March 31, 2005 and 2006
(Unaudited)
(dollars in thousands unless otherwise noted)

All material intercompany transactions and balances have been eliminated.

Minority Interest—Minority interest recorded on the Combined Financial Statements relates to the minority interest of an unrelated third party in EVM, the general partner of EVP. EVM is owned by two members, an unrelated third-party, which owns approximately 53%, and Evercore Venture Partners LLC, which owns approximately 47%. Evercore Venture Partners LLC is under common ownership of the Members of the Company and is the managing member of EVM. As a result, the Company consolidates, including in its Combined Statements of Income all of the net income of EVM with an appropriate minority interest of approximately 53%.

Use of Estimates—The preparation of the Combined Financial Statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the combined financial statements and the reported amounts of revenues and expenses during the reporting period. Such estimates relate to the valuation of portfolio investments in companies owned by the Private Equity Funds (the "Portfolio Companies"), the allowance for doubtful accounts for accounts receivables, compensation liabilities, tax liabilities and other matters that affect reported amounts of assets and liabilities. Actual amounts could differ from those estimates and such differences could be material to the Combined Financial Statements.

Cash and Cash Equivalents—Cash and cash equivalents consist of short-term highly liquid investments with original maturities of three months or less.

Restricted Cash—At March 31, 2006, the Company was required to maintain compensating balances of $1,519, as collateral for letters of credit issued, by a third party, in lieu of a cash security deposit, as required by the Company's lease for New York office space.

Accounts Receivable—Accounts receivable consists primarily of advisory fees and expense reimbursements charged to the Company's clients, and transaction and monitoring fees charged to Portfolio Companies. Accounts receivable as of March 31, 2006 include unbilled client expense receivables in the amount of $1,101.

Accounts Receivable are reported net of any allowance for doubtful accounts. Management of the Company derives the estimate for the allowance for doubtful accounts by utilizing past client transaction history and an assessment of the client's creditworthiness, and has determined that an allowance for doubtful accounts was $256 as of March 31, 2006.

Fair Value of Financial Instruments—The fair value of financial assets and liabilities, consisting of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities are considered to approximate their recorded value, as they are short-term in nature.

Investments—The Company's investments consist primarily of investments in the Private Equity Funds that are carried at fair value on the Combined Statements of Financial Condition, with realized and unrealized gains and losses included in Investment Management Revenue on the Combined Statements of Income.

The Private Equity Funds consist primarily of investments in marketable and non-marketable securities of the Portfolio Companies. The underlying investments held by the Private Equity Funds are valued based on 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

EVERCORE HOLDINGS

NOTES TO COMBINED FINANCIAL STATEMENTS—(Continued)

Three Months Ended March 31, 2005 and 2006
(Unaudited)
(dollars in thousands unless otherwise noted)

range of factors, including but not limited to market conditions, operating performance (current and projected) and subsequent financing transactions. Due to the inherent uncertainty in the valuation of these non-marketable securities, estimated values may materially differ from the values that would have been used had a ready market existed for these investments.

Investments in publicly traded securities are valued using quoted market prices.

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

Furniture, Equipment and Leasehold Improvements—Fixed assets, including office equipment, hardware and software and leasehold improvements, are stated at cost, net of accumulated depreciation and amortization. Furniture, equipment and computer hardware and software are depreciated using the straight-line method over the estimated useful lives of the assets, ranging from three to seven years. Leasehold improvements are amortized over the shorter of the term of the lease or the useful life of the asset.

The Company capitalizes certain costs of computer software obtained for internal use and amortizes the amounts over the estimated useful life of the software, generally not exceeding three years. Capitalized internal-use software costs include only external direct costs of materials and services consumed in developing or obtaining the software. Capitalization of these costs ceases no later than the point at which software development projects are substantially complete and ready for their intended purposes.

Upon retirement or disposition of assets, the cost and related accumulated depreciation or amortization is removed from the accounts and the resulting gain or loss, if any, is recognized as a gain or loss on disposition of assets in other operating income or expense. Expenditures for maintenance and repairs are expensed as incurred.

Leases—Leases are accounted for in accordance with SFAS No. 13, "*Accounting for Leases.*" Leases are classified as either capital or operating as appropriate. For capital leases, the present value of the future minimum lease payments is recorded as a liability. Amortization of capitalized leased assets is computed on the straight-line method over the lesser of the lease term or useful life of the asset.

Advisory Revenue—The Company earns advisory revenue through a) retainer arrangements, b) success fees based on the occurrence of certain events which may include announcements or completion of various types of financial transactions and c) fairness opinions.

The Company recognizes advisory revenue when the services related to the underlying transactions such as mergers, acquisitions, restructurings and divestitures are completed in accordance with the terms of its engagement agreements.

Fees that are paid in advance are initially recorded as deferred revenue and recognized as advisory revenue ratably over the period in which the related service is rendered.

Investment Management Revenue—Investment Management revenue consists of a) management fees from the Private Equity Funds, b) portfolio company fees, c) gains (losses) on investments in the Private Equity Funds and d) Carried Interest.

Management Fees—Management fees are contractually based and are derived from investment management services provided in originating, recommending and consummating investment opportunities

EVERCORE HOLDINGS

NOTES TO COMBINED FINANCIAL STATEMENTS—(Continued)

Three Months Ended March 31, 2005 and 2006
(Unaudited)
(dollars in thousands unless otherwise noted)

to the Private Equity Funds. Management fees are payable semi-annually in advance on committed capital during the Private Equity Funds' investment period, and on invested capital, thereafter. Management fees are initially recorded as deferred revenue and revenue is recognized ratably, thereafter, over the period for which services are provided.

The Private Equity Funds partnership agreements provide for a reduction of management fees for certain portfolio company fees earned by the Company. Portfolio company fees are recorded as revenue when earned and are offset, in whole or in part, against future management fees. Such offsets amounted to $0 and $260 for the three months ended March 31, 2005, and 2006, respectively.

The ECP II partnership agreement also provides that placement fees paid by its limited partners are offset against future management fees. Such offsets amounted to $622 and $0 for the three months ended March 31, 2005, and 2006.

Portfolio Company Fees—Portfolio company fees include monitoring, director and transaction fees associated with services provided the Portfolio Companies of the Private Equity Funds the Company manages.

Monitoring fees are earned by the Company for services provided to the Portfolio Companies with respect to the development and implementation of strategies for improving operating, marketing and financial performance. Monitoring fee revenue is recognized ratably over the period for which services are provided.

Director fees are earned by the Company for the services provided by Members who serve on the Board of Directors of Portfolio Companies. Director fees are recorded as revenue when payment is received.

Transaction fees are earned by the Company for providing advisory services to Portfolio Companies. These fees are earned and recognized on the same basis as advisory revenue.

Gains (Losses) on Investments in the Private Equity Funds—Investments in the Private Equity Funds consist of the Company's general partnership interest and related commitments in investment partnerships that it manages. These investments are accounted for on the fair value method based on the Company's percentage interest in the underlying partnerships. The Company recognizes revenue on investments in the Private Equity Funds based on its allocable share of realized and unrealized gains (or losses). See Footnote 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.

EVERCORE HOLDINGS

NOTES TO COMBINED FINANCIAL STATEMENTS—(Continued)

Three Months Ended March 31, 2005 and 2006
(Unaudited)
(dollars in thousands unless otherwise noted)

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 were classified as either Advisory or Investment Management Revenues during 2005.

Transaction-related expenses, which are billable to clients, are recognized as revenue recorded in accounts receivable on the later of a) the date of an executed engagement letter or b) the date the expense is incurred. The Company reported such expense reimbursement as revenue on the Combined Statements of Income in the amount of $731 and $1,916 for the three months ended March 31, 2005, and 2006, respectively.

Compensation and Benefits—Compensation includes salaries, bonuses (discretionary awards and guaranteed amounts) and severance and excludes any compensatory payments made to Members. Bonuses are accrued over the service period to which they relate. Benefits includes both Member and employee benefit expense.

Income Taxes—The Company accounts for income taxes in accordance with SFAS No. 109, "*Accounting for Income Taxes*," which requires the recognition of tax benefits or expenses on the temporary differences between the financial reporting and tax bases of assets and liabilities. The Company's operations are organized as a series of partnerships, limited liability companies and sub-chapter S corporations. Accordingly, the Company's income is not subject to U.S. federal income taxes. Taxes related to income earned by these entities represent obligations of the individual members, partners or shareholders and have not been reflected in the accompanying Combined Financial Statements. Income taxes shown on the Company's Combined Statements of Income are attributable to the New York City Unincorporated Business Tax and the New York City general corporate tax.

Earnings Per Share—The Company operates as a series of related partnerships, limited liability companies and sub-chapter S corporations under the common control of the Founding Members. There is no single capital structure upon which to calculate historical earnings per share information. Accordingly, historical earnings per share information has not been presented.

Comprehensive Income—Comprehensive income consists of net income and other comprehensive income. Other comprehensive income refers to revenue, expenses, gains and losses that are included in Accumulated Other Comprehensive Income as a separate component of Members' Equity but are excluded from net income. The Company's other comprehensive income is comprised of unrealized gains on Available-For-Sale Securities.

Net Income—As a result of the Company operating as a series of partnerships, limited liability companies and sub-chapter S corporations, payment for services rendered by the Members has historically been accounted 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.

EVERCORE HOLDINGS

NOTES TO COMBINED FINANCIAL STATEMENTS—(Continued)

Three Months Ended March 31, 2005 and 2006
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The Members receive periodic distributions of operating proceeds which are reported in the Statements of Changes in Members' Equity as distributions. The amount of cash and non-cash distributions received by the Members was $49,016 for the three months ended March 31, 2006.

Note 3—Recently Issued Accounting Pronouncements

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

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

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

Emerging Issues Task Force Issue No. 04-5—In June 2005 the Emerging Issues Task Force reached a consensus on Issue No. 04-5, "*Determining Whether a General Partner, or the General Partners as a Group, Controls a Limited Partnership or Similar Entity When the Limited Partners Have Certain Rights.*" Under Issue 04-5, the general partners in a limited partnership or similar entity are presumed to control that limited partnership regardless of the extent of the general partners' ownership interest in the limited partnership. A general partner should assess the limited partners' rights and their impact on the presumption of control. If the limited partners have either a) the substantive ability to dissolve the limited partnership or otherwise remove the general partners without cause or b) substantive participating rights, the general partners do not control the limited partnership. For general partners of all new limited partnerships formed and for existing limited partnerships for which the partnership agreement is modified, Issue 04-5 is effective after June 29, 2005. For general partners in all other limited partnerships, Issue 04-5 is effective for the first reporting period in fiscal

EVERCORE HOLDINGS

NOTES TO COMBINED FINANCIAL STATEMENTS—(Continued)

Three Months Ended March 31, 2005 and 2006
(Unaudited)
(dollars in thousands unless otherwise noted)

years beginning after December 15, 2005, and allows either of two transition methods. As of March 31, 2006 the Company has determined that consolidation of the Private Equity Funds will not be required pursuant to Issue 04-5.

Note 4—Related Parties

The Company remits payment for expenses on behalf of the Private Equity Funds and is reimbursed accordingly. During the three months ended March 31, 2005 and 2006, the Company disbursed $101, and $46, respectively, on behalf of these entities. Included in Receivable from Uncombined Affiliates on the Statements of Financial Condition as of March 31, 2006 are accrued and unpaid management fees, reimbursable expenses relating to the Private Equity Funds and other uncombined affiliates and investment advances made to an affiliate in the amount of $2,448. Payables to Uncombined Affiliates amounted to $293 as of March 31, 2006. These payables represent obligations of the general partner pursuant to the respective partnership agreements of the Private Equity Funds and are payable to the Private Equity Funds.

Included in Receivable from Members and Employees on the Statements of Financial Condition are loans to Members, employees and former employees of the Company. These loans are collateralized by the Members, employees, or former employees respective investments in the Private Equity Funds, are carried at face value and bear interest at the prime rate. The amount of such loans outstanding as of March 31, 2006 were $84. Interest on these loans was $1 and $1, for the quarters ended March 31, 2005, and 2006, respectively, and is included in Interest Income and Other Revenue on the Combined Statements of Income. Advances in the amount of $61 made to individuals who have accepted employment offers with the Company, are also included in Receivable from Members and Employees on the Statement of Financial Condition as of March 31, 2006.

Also, included in Receivable from Members and Employees are advances made by the Company on behalf of such individuals in connection with their general partner obligation to the Private Equity Funds. These advances are non-interest bearing and the amounts outstanding as of March 31, 2006 were $1,021. Payable to Members and Employees for Private Equity distributions amounted to $657 as of March 31, 2006.

Amounts due in connection with personal expenses paid by the Company on behalf of Members and employees totaled $65 as of March 31, 2006, respectively, and are included in Receivable from Members and Employees. These receivables are non-interest bearing and are repaid to the Company on a periodic basis.

The general partner investment interests of one of the Members and the general partner and Founder interests of one of the founding members serve to collateralized their personal loans with a third party financial institution.

During the three months ended March 31, 2005 and 2006, the Company incurred commissions in the amount of $1,184 and $350, respectively, to former employees and Senior Advisor or affiliate of such, for services provided in connection with obtaining an Advisory engagement. This commission is included in Professional Fees on the Combined Statements of Income.

Effective October 28, 2005, EGH acquired (indirectly through a wholly owned subsidiary) the right to invest in Evercore Asset Management, L.L.C. (“EAM”), a newly formed entity, engaged primarily in the asset

EVERCORE HOLDINGS

NOTES TO COMBINED FINANCIAL STATEMENTS—(Continued)

Three Months Ended March 31, 2005 and 2006
(Unaudited)
(dollars in thousands unless otherwise noted)

management business. This investment is accounted for under the equity method and although a variable interest entity, the Company is not the primary beneficiary and thus not required to consolidate the entity. For the three month period ended March 31, 2006, there was a loss of $255 of which 41.7%, or $106, will be attributed to the minority partner, EGH, and is included in Investment Management Revenue on the Combined Statements of Income.

Note 5—Deferred Offering and Acquisition Costs

The Company is contemplating an initial public offering of common equity. If an initial public offering by the Company does occur, the Company plans to consummate a number of internal reorganization transactions to transition the Company to a corporate structure form. Costs directly attributable to the Company's proposed initial public offering of its equity securities have been deferred and capitalized. These costs will be charged against the proceeds of the offering once completed. In the event the proposed initial offering of the Company's securities is not consummated, the deferred offering costs will be expensed.

The Company also plans to execute a definitive agreement to acquire all the outstanding capital stock of a foreign investment bank in exchange for total consideration that is still under negotiation. The transaction would be consummated prior to the potential initial public offering referred to above. The direct costs incurred in connection with the proposed acquisition have been deferred and capitalized. These costs will be allocated to the purchase price upon the completion of the acquisition. Costs related to an unsuccessful acquisition will be charged to operations at the termination date. See Footnote 15, Subsequent Events.

As of March 31, 2006, $6,196 of costs incurred in connection with the potential initial public offering and the potential acquisition were capitalized and are shown on the Combined Statements of Financial Condition in Deferred Offering and Acquisition Costs.

Note 6—Investments

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

	March 31, 2006
Investment in ECP I	$ 8,381
Investment in ECP II	16,616
Investment in EVP	621
Total Private Equity Funds	25,618
Investments Available-For-Sale	2,573
Total Investments	$28,191

Investments in the Private Equity Funds—Investments in the Private Equity Funds primarily include the general partner and Founders' entities investments in the Private Equity Funds.

As of March 31, 2006, the Company's investment in ECP I represented 7.08% of the Private Equity Funds' capital. The Company's investments in ECP II and EVP were less than 5% of the respective Private Equity Funds' capital as of March 31, 2006.

EVERCORE HOLDINGS

NOTES TO COMBINED FINANCIAL STATEMENTS—(Continued)

Three Months Ended March 31, 2005 and 2006
(Unaudited)
(dollars in thousands unless otherwise noted)

Net realized and unrealized gains and losses on investments, including Carried Interest and gains (losses) on investments, were $(1,138), and $5,116 for the three months ended March 31, 2005, and 2006, respectively, and are included on the Combined Statements of Income in Investment Management Revenue.

See Footnote 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:

	March 31, 2006
Energy	33%
Media	11%
Healthcare Services	12%
Financial Services	19%
Telecommunications	6%
Industrials	4%
Consumer Distributions	4%
Other	11%
Total	100%

Investments in Available-For-Sale Securities—Investments in Available-For-Sale securities reflects the Company's investment in options for the purchase of additional shares of common stock of a former Portfolio Company. The options were received at various dates, in lieu of cash payment for services rendered. Using the Black-Scholes Option Pricing Model, the options as of March 31, 2006, were valued at $416.

Investment in EAM—On January 5, 2006, the Company invested $1,137 in EAM. The Company holds a 41.7% interest in EAM. On March 20, 2006, the Company invested $2,000 in an investment portfolio managed by EAM. For the three months ended March 31, 2006, the investment resulted in an unrealized gain of $7, and is included on the Combined Statements of Income in Investment Management Revenue.

Note 7—Furniture, Equipment and Leasehold Improvements, Net

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

	March 31, 2006
Furniture and Office Equipment	$ 1,141
Leasehold Improvements	881
Computer and Computer-related Equipment	1,137
Capitalized Leases	729
Software	508
Total	4,396
Less: Accumulated Depreciation and Amortization	(2,243)
Furniture, Equipment and Leasehold Improvements, Net	$ 2,153

EVERCORE HOLDINGS

NOTES TO COMBINED FINANCIAL STATEMENTS—(Continued)

Three Months Ended March 31, 2005 and 2006
(Unaudited)
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Depreciation and amortization expense totaled $151, and $262 for the three months ended March 31, 2005 and 2006.

Purchases of furniture, equipment and leasehold improvements totaled $257, and $152, for the three months ended March 31, 2005 and 2006, respectively.

Note 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 three months ended March 31, 2005 and 2006 totaled $181, and $150, respectively. Plan administration expenses incurred related to the retirement and profit sharing plans totaled $8 and $1 for the three months ended March 31, 2005, and 2006, respectively.

Note 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 proposed initial public offering or December 30, 2006 (the "Line of Credit"). The Line of Credit is a 364-day revolving facility that bears interest at a rate of either (i) Libor plus 200 basis points (the "Eurodollar Loan") or (ii) the greater of (a) the Prime Rate or (b) Federal Funds Effective Rate plus 100 basis points (the "Base Rate Loan") for any amount drawn. The Company may elect either the Eurodollar Loan or the Base Rate Loan and either election includes a commitment fee of 1/2 of 1% per annum for any unused portion. The Company is required to maintain collateral as a percentage of any amounts drawn on the facility based on the following schedule: From March 30, 2006 through June 30, 2006: 30%; From July 1, 2006 through September 30, 2006: 50% and; From October 1, 2006 through the termination date: 75%. In addition to the liquid collateral requirements, the Members have pledged their beneficial interests in the Company as collateral for the Line of Credit. At March 31, 2006, the Company was in compliance with all covenants under the Credit Agreement.

The Line of Credit will be used for additional working capital purposes including, but not limited to, funding of the Company's ongoing investment programs. Costs incurred in connection with obtaining this credit facility are included in Debt Issuance Costs on the Combined Statements of Financial Condition. The costs are being amortized over the expected life of the draw down. The Company amortized $203 of these costs for the three months ended March 31, 2006.

On January 12, 2006, the Company drew down $25,000 on the Line of Credit for additional working capital purposes at an interest rate of 6.6%. For the three months ended March 31, 2006, the company accrued $37 for the commitment fee and $354 for the interest payable on the outstanding balance.

EVERCORE HOLDINGS

NOTES TO COMBINED FINANCIAL STATEMENTS—(Continued)

Three Months Ended March 31, 2005 and 2006
(Unaudited)
(dollars in thousands unless otherwise noted)

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 Combined Statements of Income for the three months ended March 31, 2005, and 2006 includes $505, and $613, respectively, of rental expense relating to operating leases. As of March 31, 2006, the Company maintains, as part of the leases for office space in New York, irrevocable standby letters of credit as security in the amount of $1,446. With respect to such letters of credit, $627 expires in 2007 and $819 expires each December 31, resetting annually through 2012. The Company maintained compensating balances of $1,519 as of March 31, 2006. No amounts have been drawn down under the respective letters of credit.

As of March 31, 2006, the approximate aggregate minimum future payments required on the operating leases are as follows:

2006	$ 2,174
2007	2,229
2008	2,060
2009	2,164
2010	2,176
Thereafter	4,244
Total	$ 15,047

Capital Leases—The Company has entered into various capital leases for office equipment. As of March 31, 2006, the leases had an aggregate outstanding balance of $371 with $184 classified as current. Interest expense on capital leases for the three months ended March 31, 2005, and 2006 was $7 and $6, respectively.

The Company's net investment in these leases, which is included in Furniture, Equipment and Leasehold Improvements as of March 31, 2006, was $347.

	March 31, 2006
Capitalized Office Equipment Leases	$ 729
Accumulated Depreciation	(382)
Net Investment	$ 347

EVERCORE HOLDINGS

NOTES TO COMBINED FINANCIAL STATEMENTS—(Continued)

Three Months Ended March 31, 2005 and 2006
(Unaudited)
(dollars in thousands unless otherwise noted)

As of March 31, 2006, the approximate aggregate minimum future payments required on the capital leases are as follows:

2006	$ 154
2007	146
2008	95
2009	2
2010	—
Total Future Minimum Lease Payments	397
Less Interest Discount	(26)
Total Present Value of Future Minimum Lease Payments	371
Less Current Portion	(184)
Long-term Portion	$ 187

Other Commitments—At March 31, 2006, the Company has commitments for capital contributions of $9,346 to the Private Equity Funds. These commitments primarily will be funded as required through the end of each Private Equity Funds' investment period, subject to certain conditions. Such commitments are satisfied in cash and are generally required to be made as investment opportunities are consummated by the Private Equity Funds.

Legal—From time to time, the Company may be involved in judicial, regulatory and arbitration proceedings concerning matters arising in connection with the conduct of its businesses.

In the past, the Company or its present personnel have been named as a defendant in civil litigation matters involving present or former clients. The Company received an informal request in 2004 for information related to a 2003 client engagement. Management believes that the ultimate resolution of these proceedings would not likely have a material effect on the results of operations, the financial position or cash flows of the Company.

Note 11—Regulatory Authorities

EGI is a U.S. registered broker-dealer and is subject to the net capital requirements of Rule 15c3-1 under the Securities Exchange Act of 1934. Rule 15c3-1 requires the maintenance of net capital, as defined, which shall be the greater of $5 or 6 2/3% of aggregate indebtedness, as defined. EGI's regulatory net capital at March 31, 2006 was $5,037, which exceeded the minimum net capital requirement by $4,888.

Note 12—Income Taxes

The Company is not subject to U.S. Federal income tax. However, the Company is subject to the New York City Unincorporated Business tax on its U.S. earnings and certain taxes in other jurisdictions where the Company had registered offices and sourced income in those jurisdictions.

Taxes payable as of March 31, 2006 in the amount of $1,191, include a reserve for taxes payable in the amount of $964 for any future tax liability related to these periods.

EVERCORE HOLDINGS

NOTES TO COMBINED FINANCIAL STATEMENTS—(Continued)

Three Months Ended March 31, 2005 and 2006
(Unaudited)
(dollars in thousands unless otherwise noted)

The components of the provision for income taxes reflected on the Combined Statements of Income for the three months ended March 31, 2005, and 2006 consist of:

	Three Months Ended March 31,	
	2005	2006
Current		
State and Local Tax Expense	$ 670	$ 979
Provision for Taxes	$ 670	$ 979

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

	March 31, 2005	March 31, 2006
U.S. Statutory Tax Rate	35.0%	35.0%
Increase Related to State and Local Taxes	5.2%	4.6%
Rate before Benefits and Other Adjustments	40.2%	39.6%
Rate Benefit as a Limited Liability Company	(34.5%)	(36.0%)
Provision for Taxes	5.7%	3.6%

Note 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 March 31, 2006, three separate clients each individually accounted for 14.6%, 14.5% and 8.9%, respectively, of the Company's combined revenues.

Accounts Receivable: As of March 31, 2006, three separate clients each individually accounted for 42.3%, 14.1% and 13.3%, respectively of the Company's combined Accounts Receivable balance.

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 and the Company's principal investments in the Private Equity Funds.

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

The Company's segment information for the three months ended March 31, 2005 and 2006 is prepared using the following methodology:

- Revenue and expenses directly associated with each segment are included in determining operating income.

EVERCORE HOLDINGS

NOTES TO COMBINED FINANCIAL STATEMENTS—(Continued)

Three Months Ended March 31, 2005 and 2006
(Unaudited)
(dollars in thousands unless otherwise noted)

- Expenses not directly associated with specific segments are allocated based on the most relevant measures applicable, including headcount and other factors.
- Segment assets are based on those directly associated with each segment, or for certain assets shared across segments, these assets are allocated based on the most relevant measures applicable, including headcount and other factors.
- Investment gains and losses, interest income, and interest expense are allocated between the segments based on the segment in which the underlying asset or liability is held.

Each segment's operating expenses include: a) employee compensation and benefits expenses that are incurred directly in support of the segments and b) other operating expenses, which include expenses for premises and occupancy, professional fees, travel and entertainment, communications and information services, equipment and indirect support costs (including compensation and other operating expenses related thereto) for administrative services. Such administrative services include, but are not limited to, accounting, tax, legal, facilities management and senior management activities.

The Company evaluates segment results based on net revenue and operating income.

Corporate-level activity represents operating expenses not specifically attributable to a segment. These expenses primarily include professional fees relating to the preparation of the Company's historical financial statements that are not directly attributable to the potential initial public offering.

Management believes that the following information provides a reasonable representation of each segment's contribution to net revenue, operating expenses, operating income, and total assets.

		Three Months Ended March 31,	
		2005	2006
Advisory	Net Revenue(1)	$18,304	$32,498
	Operating Expenses(2)	7,466	11,215
	Segment Operating Income	$10,838	$21,283
	Identifiable Segment Assets	$ —	$48,126
Investment Management	Net Revenue(1)	$ 4,130	$13,128
	Operating Expenses(2)	3,120	5,641
	Segment Operating Income	$ 1,010	$ 7,487
	Identifiable Segment Assets	$ —	$25,350
Corporate	Operating Expenses	$ —	$ 1,850
Total	Net Revenue(1)	$22,434	$45,626
	Operating Expenses(2)	10,586	18,706
	Segment Operating Income	$11,848	$26,920
	Identifiable Segment Assets	$ —	$73,476

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

EVERCORE HOLDINGS

NOTES TO COMBINED FINANCIAL STATEMENTS—(Continued)

Three Months Ended March 31, 2005 and 2006
(Unaudited)
(dollars in thousands unless otherwise noted)

	Three Months Ended March 31,	
	2005	2006
Advisory	$ 34	$ 101
Investment Management	10	20
Total Interest and Other Income	$ 44	$ 121

(2) Operating expenses include Depreciation and Amortization as set forth in the table below:

	Three Months Ended March 31,	
	2005	2006
Advisory	$ 120	$ 209
Investment Management	31	53
Total Depreciation and Amortization	$ 151	$ 262

Geographic Information—The Company manages its business based on the profitability of the enterprise as a whole. The Company's revenue was derived from clients and Private Equity Funds located in the following geographical areas:

	Three Months Ended March 31,	
Revenue:(1)	2005	2006
United States	$23,174	$43,308
Cayman Islands	(1,168)	2,178
Switzerland	0	0
Netherlands	0	0
Mexico	309	0
Other—Foreign	75	19
Total	$22,390	$45,505

(1) Excludes interest and other income.

Note 15—Subsequent Events

Evercore Group L.L.C.—In preparation of an initial public offering by the company, EGI reorganized from an S corporation to a limited liability company, Evercore Group L.L.C. ("EGL"), effective April 19, 2006.

Co-Operation Agreement with Braveheart Financial Services Limited—On April 19, 2006, EGL entered into a Co-Operation Agreement with Braveheart Financial Services Limited, a private company limited by shares incorporated in England, which provides for a business referral arrangement. Braveheart was organized to provide corporate finance and private equity advisory services, 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

EVERCORE HOLDINGS

NOTES TO COMBINED FINANCIAL STATEMENTS—(Continued)

Three Months Ended March 31, 2005 and 2006
(Unaudited)
(dollars in thousands unless otherwise noted)

Agreement, Braveheart will refer matters in North America to Evercore and Evercore will refer matters in Europe, the Middle East or Africa to Braveheart. Each of the parties is obligated to pay fees to the other party for services provided under the Co-Operation Agreement. The Co-Operation Agreement may be terminated by either party at any time on or after December 31, 2007.

Potential Initial Public Offering—The Company is contemplating an initial public offering of common equity. If an initial public offering by the Company does occur, the Company also plans to consummate a number of internal reorganization transactions to transition the Company to a corporate structure form.

Potential Acquisition—On May 12, 2006, the Company executed an agreement to acquire all of the outstanding capital stock of Protego Asesores S.A. de C.V., a foreign investment bank based in Mexico, in exchange for total consideration that is still under negotiation. The transaction would be consummated prior to the potential initial public offering referred to above.

Line of Credit—On June 22, 2006, the Company drew down an additional $5.0 million at an effective interest rate of 7.48% under its Line of Credit described above in Note 9.

INDEPENDENT AUDITORS' REPORT

Mexico City, March 31, 2006

To the Stockholders of
Protego Asesores, S. A. de C. V.

We have audited the accompanying combined and consolidated balance sheets of Protego Asesores, S. A. de C. V., its subsidiaries and Protego SI, S.C. as of December 31, 2004 and 2005, and the related combined and consolidated statements of income, of changes in stockholders' equity, and of cash flows for each of the three years ended December 31, 2005. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the combined and consolidated financial statements referred to above present fairly, in all material respects, the financial position of Protego Asesores, S. A. de C. V., subsidiaries and Protego SI, S.C. as of December 31, 2004 and 2005, and the results of their operations, the changes in their stockholders' equity and their cash flows for the three years ended December 31, 2005, in conformity with accounting principles generally accepted in the United States of America.

/s/ PricewaterhouseCoopers
PricewaterhouseCoopers

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

COMBINED AND CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

($ in thousands)

	December 31,	
	2004	2005
ASSETS		
CURRENT ASSETS:		
Cash and Cash Equivalents	$ 492	$4,247
Clients Accounts Receivable	814	1,147
Other Receivables	136	128
Recoverable Taxes	623	500
Reimbursable Deposit	222	—
Total Current Assets	2,287	6,022
Furniture, Equipment and Leasehold Improvements	903	1,053
Long-Term Investment	738	1,350
Guaranty Deposits	48	49
Other Long-Term Assets	—	635
TOTAL ASSETS	$3,976	$9,109
LIABILITIES, MINORITY INTEREST AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts Payable and Accrued Liabilities	$ 392	$ 638
Bonus Payable	261	273
Income Tax Payable	764	837
Value Added Tax	198	92
Taxes Payable (withholding taxes)	216	299
Other Taxes	49	71
Total Current Liabilities	1,880	2,210
TOTAL LIABILITIES	1,880	2,210
Minority Interest	—	1,279
Commitment and Contingencies	—	—
STOCKHOLDERS' EQUITY:		
Capital Stock (fixed)	8	8
Retained Earnings	1,917	5,299
Accumulated Other Comprehensive Income—Currency translation adjustment	171	313
TOTAL STOCKHOLDERS' EQUITY	2,096	5,620
TOTAL LIABILITIES, MINORITY INTEREST AND STOCKHOLDERS' EQUITY	$3,976	$9,109

See accompanying notes to combined and consolidated financial statements.

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

COMBINED AND CONSOLIDATED STATEMENTS OF INCOME
($ in thousands)

	Year ended December 31,		
	2003	2004	2005
REVENUES			
Advisory	$9,083	$12,229	$16,388
Investment Management	—	670	2,855
Net Financial Gain (Loss)	68	(50)	278
Total Revenues	9,151	12,849	19,521
EXPENSES			
Compensation and Benefits	5,161	5,700	8,347
Occupancy and Equipment Rental	751	519	571
Professional Fees	1,063	2,400	3,742
Travel and Related Expenses	417	475	578
Communications and Information Services	216	212	400
Depreciation and Amortization	295	272	360
Other Operating Expenses	172	178	1,371
Total Operating Expenses	8,075	9,756	15,369
OPERATING INCOME	1,076	3,093	4,152
INCOME TAX			
Current	47	1,025	1,969
Deferred	49	9	—
TOTAL INCOME TAX	96	1,034	1,969
Minority Interest	—	—	(1,199)
NET INCOME	$ 980	$ 2,059	$ 3,382

See accompanying notes to combined and consolidated financial statements.

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

COMBINED AND CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

($ in thousands)

	Capital stock	Accumulated other comprehensive income (loss)	(Deficit) retained earnings	Total
Balances as of January 1, 2003	$ 3,642	$ (158)	$(1,122)	$ 2,362
Capital Stock Reduction	(1,687)	—	—	(1,687)
Currency Translation Adjustment	—	54	—	54
Net Income for the Year	—	—	980	980
Balances at December 31, 2003	1,955	(104)	(142)	1,709
Capital Stock Reduction	(1,947)	—	—	(1,947)
Currency Translation Adjustment	—	275	—	275
Net Income for the Year	—	—	2,059	2,059
Balances at December 31, 2004	8	171	1,917	2,096
Currency Translation Adjustment	—	142	—	142
Net Income for the Year	—	—	3,382	3,382
Balances at December 31, 2005	$ 8	$ 313	$ 5,299	$ 5,620

See accompanying notes to combined and consolidated financial statements.

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

COMBINED AND CONSOLIDATED STATEMENTS OF CASH FLOWS

($ in thousands)

	Year ended December 31,		
	2003	2004	2005
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Income for the Year	$ 980	$ 2,059	$ 3,382
Adjustments to Reconcile, Net Income to Net Cash From Operating Activities:			
Depreciation and Amortization	295	272	361
Deferred Income Tax	49	9	
Minority Interest	—	—	1,279
Net Change in Working Capital, Excluding Cash and Cash Equivalent	209	52	(295)
Net Cash Provided by Operating Activities	1,533	2,392	4,727
INVESTING ACTIVITIES			
Long-Term Investments	(112)	(627)	(612)
Purchase of Furniture and Equipment	(263)	(592)	(433)
Net Cash Used in Investing Activities	(375)	(1,219)	(1,045)
FINANCING ACTIVITIES			
Capital Stock Reduction	(1,379)	(1,640)	—
Net Cash Used in Financing Activities	(1,379)	(1,640)	—
EFFECT OF EXCHANGE RATE ON CASH	(91)	72	73
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(312)	(395)	3,755
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,199	887	492
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 887	$ 492	$ 4,247
ADDITIONAL DISCLOSURE OF CASH FLOWS INFORMATION:			
Taxes Paid:	$ 196	$ 391	$ 1,922

See accompanying notes to combined and consolidated financial statements.

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

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2003, 2004 AND 2005
($ in thousands)

NOTE 1—HISTORY AND OPERATIONS OF THE COMPANY:

Protego Asesores, S. A. de C. V. (Asesores) was incorporated on April 2, 2001 under Mexican laws.

The accompanying combined and consolidated financial statements include those of Asesores, its subsidiaries and Protego SI, S. C. ("PSI") an associated Company. PSI'S financial statements are combined because it is under common control of the shareholders of Asesores.

As of December 31, 2005, the Company's main activities are divided as follows:

a. Financial Advisory, which includes mergers, acquisitions, energy project finance, sub-national public finance and infrastructure, real estate financial advisory and restructurings.

b. Private equity investment management which includes a joint venture with Discovery Capital Partners LLC in a private equity funds denominated Discovery Americas I (DAI).

c. On January 6, 2005 the Company contributed $2,619 (representing 51% of the capital stock) to a newly formed Company named Protego Casa de Bolsa, S. A. de C. V. that focuses on investing for institutional investors and high net worth individuals. Protego Casa de Bolsa's main activities include, among others, to provide clients with investment and risk management advice, trade execution and custody services for client assets. On March 3, 2005 the National Banking and Securities Commission in Mexico authorized the commencement of operations of the new Brokerage House effective March 14, 2005.

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

Company	Shares (%)	Main activities	Date of incorporation
Protego Administradores, S. A. de C. V.	99.97	Administrative Services	April 2001
Sedna, S. de R. L.	99.99	Advisory Services	August 2003
BD Protego, S. A. de C. V.	99.80	Advisory Services	May 2003
Protego PE, S. A. de C. V.	99.98	Investment Company	November 2003
Protego Servicios, S. C.	99.98	Advisory Services	October 2003
Protego Casa de Bolsa, S. A. de C. V.	51.00	Brokerage House	January 2005
Protego CB Servicios, S. C.	51.00	Advisory Services	June 2005

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The accompanying financial statements have been prepared in accordance with United States generally accepted accounting principles (U.S. GAAP), as follows:

a. The combined and consolidated financial statements include the accounts of Asesores, its subsidiaries and PSI. All significant inter-company balances and transactions between the consolidated companies have been eliminated in consolidation. The consolidation was carried out on the basis of audited financial statements of all subsidiaries. The combination was carried out in a similar way, eliminating balances and transactions between Asesores, its subsidiaries and PSI.

b. The Company is incorporated and operates in Mexico, and therefore keeps its accounts and records and prepares its statutory financial statements in Spanish and in Mexican pesos. The accompanying

financial statements, as well as these notes, have been translated into English and U.S. dollars and adjusted to conform to U.S. GAAP. For the purpose of translation, and in accordance with U.S. GAAP, the Mexican peso is considered the functional currency and this translation to US Dollar is accounted for as disclosed in Note 2q.

c. Preparation of the financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. These estimates include but are not limited to the useful lives for depreciation and amortization, allowances for doubtful accounts receivable, estimates of future cash flows associated with asset impairments or investments and loss contingencies. The estimates and assumptions used are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results could differ materially from those estimates.

d. The carrying amount of cash and equivalents approximates fair value. The Company considers all highly-liquid securities, including certificates of deposit with maturities of three months or less to be cash equivalents.

e. Accounts receivable comprise uncollected amounts for financial advisory services, merger and acquisition and consulting services arising from projects for different clients and are presented net from the allowance for doubtful accounts. Management of the Company derives the estimate for the allowance for doubtful accounts by utilizing past client transaction history and the assessment of the client's creditworthiness, and has determined that an allowance for doubtful accounts was required as of December 31, 2004 and 2005.

The Company has main contracts with state and local governments. Advising state and local governments represents the 30% (13% in 2003, 15% in 2004 and 48% in 2005) of Asesores's advisory revenue of the last three years.

f. The fair value of financial assets and liabilities, consisting of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities are considered to approximate their recorded values and they are short-term in nature.

g. The Company has earned certain value added tax (VAT) credits that are expected to be recovered within one year. These credits arise from goods and services acquired by the Company and are recovered by allocating them against VAT payable on services provided by the Company.

h. The accompanying balance sheet for 2004 includes the reimbursable deposit paid to Nacional Financiera S.N.C. (a government-owned bank) as a guarantee for the grant of the Brokerage House license. This deposit was reimbursed on June 27, 2005.

i. Furniture equipment and leasehold improvements are stated at cost, net of accumulated depreciation and amortization. Furniture and equipment are depreciated using the straight-line method over the estimated useful lives of the assets, ranging from three to ten years. Leasehold improvements are amortized over the shorter of the term of the lease or the useful life of the asset.

Upon retirement or disposition of assets, the cost and related accumulated depreciation or amortization are removed from the accounts and the resulting gain or loss, if any, is recognized as a gain or loss on disposition of assets in other operating income or expense. Expenditures for maintenance and repairs are expensed as incurred.

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

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

DECEMBER 31, 2003, 2004 AND 2005
($ in thousands)

j. The Company's long-term investment consists of an investment in a private equity fund (Discovery Americas I) ("Private Equity Fund") that is carried at cost. The Private Equity Fund consists primary of investments in non-marketable securities of portfolio companies. Since there is no quoted market prices, the underlying investments held by the Private Equity Fund are valued based on estimated fair value. The fair value of the Private Equity Fund's investment in non-marketable securities is ultimately determined by the Private Equity Fund general partner. The determination of fair value of non-marketable securities considers a range of factors, included but not limited to market conditions, operating performance (current and projected) and subsequent financing transactions. Due to the inherent uncertainty in the valuation of these non-marketable securities, estimated fair values may materially differ from the values that would have been used had market already existed for these investments. Fair value of this investment as of December 31, 2005 represents the cost.

k. Compensation and benefits include salaries, bonuses, severance, and employee benefits and excludes any payments made to stockholders. Bonuses are accrued over the service period to which they relate.

l. Income taxes are accounted for under the asset-liability method as prescribed by SFAS No. 109, "Accounting for Income Taxes." Deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases as well as any net operating loss or credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

m. Minority interest recorded on the combined and consolidated financial statements relates to the minority interest of an unrelated third party (see Note 6) in Protego Casa de Bolsa S. A. de C. V. As a result, the Company includes in its financial statements minority interest of approximately 49%.

n. The Company currently manages and evaluates its operation as one operating segment.

o. The Company currently recognizes revenue when it has: (i) an arrangement; (ii) services have been provided to clients, and (iii) collectibility is reasonably assured. In addition to the aforementioned general policy, the following are the specific revenue recognition policies for each major category of revenue:

Advisory revenues are derived from financial advisory services and are recorded when services are rendered considering the terms and conditions of agreements with clients. There are three sources of Advisory revenue: (i) advisory fees; (ii) retainer fees, and (iii) success fees.

Advisory fees are charged for consulting and research services that are not related to a specific transaction. Both retainer fees and success fees are related to a specific transaction. Retainer fees, which are not subject to refund, are recognized as earned and success fees are recognized only after the transaction giving rise to the success has occurred and collection is reasonably assured.

The Company's private equity investing business manages and invests capital on behalf of third parties. Revenues are generated from: (i) fees earned for the management of the funds; (ii) incentive fees earned when certain financial returns are achieved, and (iii) gains or losses on investments of the Company's own capital in the fund. Management fees earned from Company's investing activities are recognized ratably over the period of related service. Incentive fees are recognized at the time the fund sells an investment, or when there is any dividend on the fund's investments. Revenues on investments

in investing funds are recognized based on the allocable share of realized and unrealized gains (or losses) reported by such investments.

p. Comprehensive income consists of net income and other comprehensive income. Other comprehensive income refers to revenues, expenses, gains and losses that are included in accumulated other comprehensive income as a separate component of stockholders' equity but are excluded from net income. The Company's other comprehensive income is comprised of a currency translation adjustment.

q. Transactions in foreign currency (e.g. U.S. dollars) are recorded in local currency (Mexican pesos) at the rates of exchange in effect on the dates transactions are entered into. Assets and liabilities in foreign currency are recorded in local currency at the exchange rates in effect at the date of the financial statements and average exchange rates during the corresponding periods for revenues, expenses and cash flows. Differences due to fluctuations in exchange rates between the dates on which transactions are entered into and those on which they are settled, or the balance sheet date, are applied to income.

r. Recent Accounting Pronouncements

In December 2004, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 153, "Exchanges of Nonmonetary Assets" (An amendment to APB Opinion No. 29) (SFAS 153). This statement addresses the measurement of nonmonetary exchanges of similar productive assets in paragraph 21(b) of APB Opinion No. 29, "Accounting for Nonmonetary Transactions," and replaces it with an exception for exchanges that do not have commercial substance. This statement specifies that a monetary exchange has commercial substance if the future cash flows of the entity are expected to change significantly as a result of the exchange. The provisions of this statement shall be effective for nonmonetary asset exchanges occurring in fiscal periods beginning after June 15, 2005. Earlier application is permitted. We are currently evaluating the potential impact of this statement.

In May 2005, the FASB issued SFAS No. 154, "Accounting Changes and Error Corrections, a replacement of APB 20 and FASB Statement No. 3" ("SFAS 154"). Previously, APB 20, "Accounting Changes" and SFAS No. 3, "Reporting Accounting Changes in Interim Financial Statements" required the inclusion of the cumulative effect of changes in accounting principle in net income of the period of the change. SFAS 154 requires companies to recognize changes in accounting principle, including changes required by a new accounting pronouncement when the pronouncement does not include specific transition provisions, retroactively to prior period financial statements. SFAS 154 will be effective for accounting changes and corrections of errors made in fiscal years beginning after December 15, 2005. SFAS 154 does not change the transition provisions of any existing accounting pronouncements, including those that are in a transition phase as of the effective date of SFAS 154. The Company will assess the impact of a retroactive application of a change in accounting principle in accordance with SFAS 154 if the need for such a change arises after the effective date of January 1, 2006.

In November 2005, the FASB issued Staff Position No. 115-1, "The Meaning of Other Than Temporary Impairment and its Application to Certain Investments" ("FSP 115-1"). FSP 115-1 provides accounting guidance for determining and measuring other-than-temporary impairments of debt and equity securities, and confirms the disclosure for investments in unrealized loss positions as outlined in EITF 03-01, "The Meaning of Other-Than-Temporary Impairments and its Application to Certain Investments". The accounting requirements are effective for us on January 1, 2006. We are currently evaluating the potential impact of this statement.

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

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

DECEMBER 31, 2003, 2004 AND 2005
($ in thousands)

NOTE 3—ANALYSIS OF ACCOUNTS RECEIVABLE FROM CLIENTS:

The Company had the following balances with clients:

	December 31,	
	2004	2005
Accounts Receivable with Clients	$840	$1,238
Allowance for Doubtful Accounts	(26)	(91)
Clients—Net of Allowance for Doubtful Accounts	$814	$1,147

All the above-mentioned accounts receivable are current and were generated in the ordinary course of business.

NOTE 4—FURNITURE, EQUIPMENT AND LEASEHOLD IMPROVEMENTS:

These assets comprise the following:

	December 31,		Annual depreciation rate (%)
	2004	2005	
Office Furniture and Equipment	$ 222	$ 248	10
Computer Equipment	722	1,106	30
Transportation Equipment	209	182	25
Leasehold Improvements	375	379	33
	1,528	1,915	
Accumulated Depreciation and Amortization	(625)	(862)	
Total	$ 903	$1,053	

The depreciation and amortization for the year were as follows:

	Year ended December 31,		
	2003	2004	2005
Depreciation Expenses	$ 155	$ 165	$ 233
Amortization Expenses	$ 140	$ 107	$ 128

NOTE 5—LONG-TERM INVESTMENT AND COMMITMENT:

In 2003, Asesores launched a private equity fund jointly with Discovery Capital Management, L.P. The fund, called Discovery Americas I, L.P. (DAI), has $65,325 in capital commitments, and seeks investment opportunities in Mexico in several sectors, including housing, healthcare, retail, consumer finance, and transportation.

Protego PE, S. A. de C. V. is the vehicle used to fund the capital commitment of Asesores in DAI. Protego PE's total capital commitment is $2,250, equivalent to 3.44% of the total capital committed to DAI from all

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

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

DECEMBER 31, 2003, 2004 AND 2005
($ in thousands)

sources. As of December 31, 2004 and 2005, the funded portion of this commitment amounted to $738 and $1,337 respectively.

In addition, Protego PE has a capital commitment in a parallel fund called Discovery Americas Parallel Fund I, L.P. ("DAPFI") equivalent to 1.0% of the total capital committed to DAPFI. The parallel fund has $3,030 in capital commitments and seeks investment opportunities exclusively in the housing sector. As of December 31, 2005, the funded portion of PE's commitment amounted to $13.

As of December 31, 2005, the portfolio of investments in the Private Equity Fund were comprised of holdings in the real estate and transportation sectors.

NOTE 6—OTHER LONG-TERM ASSETS:

The caption of other long-term assets represents the interest of the Company in the Protego Casa de Bolsa, S. A. de C. V. trust ("PCB Trust") a stock-based incentive program for some PCG executives. The PCB Trust is an agreement among the founder of the trust (Asesores), the trustee (a bank) and the beneficiaries of the trust (executives).

The trust establishes that executives will pay for this stock-based incentive plan once certain conditions of profitability are obtained.

NOTE 7—STOCKHOLDERS' EQUITY:

The Company has issued two series of shares: A and B shares. Both series have the same voting and economic rights. The difference between them is that Series A shares are not redeemable, whereas Series B shares are.

At the Ordinary Meeting of General Stockholders held on January 12, and July 17, 2003, stockholders agreed to reduce the value of Series B shares and to redeem 165,933 Series B Shares. After the above-mentioned events, the capital stock of Asesores at December 31, 2003 was composed as follows:

Description	Shares	Amount
Series "A"	700	$ 7
Series "B"	184,067	1,947
	184,767	$ 1,954

As of December 31, 2003, the capital stock of PSI was $0.5.

At the Ordinary Meeting of General Stockholders held on March 26, 2005 and June 15, 2004, stockholders agreed to reduce the value of Series B shares and later to cancel all series B shares.

After the above-mentioned events, the capital stock of Asesores as of December 31, 2005 was composed as follows:

Description	Shares	Amount
Series "A"	700	$ 7

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

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

DECEMBER 31, 2003, 2004 AND 2005
($ in thousands)

As of December 31, 2005, the capital stock of PSI was $0.9.

Asesores net income for the period is subject to the legal provision requiring at least 5% of the profit for each year to be set aside to increase the legal reserve until it reaches an amount equivalent to 20% of the paid-in capital stock. At December 31, 2005 no reserve was segregated.

Dividends paid are not subject to income tax if paid from the Net Tax Profit Account. Any dividends paid in excess of this account are subject to a tax equivalent to 40.84% or 38.91% depending on whether to be paid in 2006 or 2007, respectively. The tax is payable by the Company and may be credited against its income tax in the same year or in the following two years. Dividends paid by the Company from previously taxed profits are not subject to tax withholding or additional tax payment. The Company did not pay dividends in the last five years.

In the event of a capital reduction, the excess of stockholders' equity over capital contributions, the latter restated in accordance with the provisions of the Income Tax Law, is accorded the same tax treatment as dividends.

NOTE 8—INCOME TAX AND ASSET TAX:

Asesores and its subsidiaries do not consolidate for tax purposes. In 2003, 2004 and 2005 Asesores determined tax profits of $150, $2,890 and $6,223, respectively. Tax profits differ from accounting profits due to temporary and permanent differences, the latter mainly arising from recognition of the effects of inflation on different bases, and to non-deductible expenses.

The income tax provision was composed as follows:

	Year ended December 31,	
	2004	2005
Current	$1,025	$1,969
Deferred	9	—
Total Provision (Benefit)	$1,034	$1,969

As a result of the changes to the Income Tax Law approved on November 13, 2004, the income tax rates will be of 29% and 28% in 2006 and 2007, respectively.

For the year 2004, there were no temporary differences on which deferred tax should be recognized. For the year 2005, the Company generated a tax loss carryforward due to losses at its Brokerage House subsidiary. The resulting asset has been fully off-set by a valuation allowance:

	December 31, 2005
Tax Losses from Operations of the Brokerage House	$ 2,150
Applicable Income Tax Rate	29%
Deferred Income Tax Asset	623
Allowance for Valuation of Tax Losses	(623)
	$ —

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

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

DECEMBER 31, 2003, 2004 AND 2005
($ in thousands)

The reconciliation between the statutory and effective tax rate is shown below:

	Year ended December 31,	
	2004	2005
Statutory Federal Tax Rate	33.0%	30.0%
Plus (less) effect of the following permanent differences:		
Taxable Income	0.6%	5.6%
Inflation Adjustments	(2.9%)	(3.0%)
Nondeductible Expenses	2.7%	14.8%
Effective Tax Rate	33.4%	47.4%

Asset tax is calculated at 1.8% of the net value of certain assets and liabilities, and is payable only when it exceeds the income tax payable. The asset tax does not apply to a new business in the first two years of its operations.

NOTE 9—COMMITMENTS:

The Company leases certain office space. Future annual minimum lease payments under all non-cancelable operating leases are $185 and $58 in 2006 and 2007, respectively.

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

COMBINED AND CONSOLIDATED STATEMENT OF FINANCIAL CONDITION

($ in thousands)

	March 31, 2006 (unaudited)
ASSETS	
CURRENT ASSETS:	
Cash and Cash Equivalents	$ 4,082
Clients Accounts Receivable	1,327
Other Receivables	318
Receivable from Uncombined Affiliates	3
Recoverable Taxes	394
Total Current Assets	6,124
Furniture, Equipment and Leasehold Improvements	1,080
Long-Term Investment	1,322
Guaranty Deposits	23
Other Long-Term Assets	623
TOTAL ASSETS	$ 9,172
LIABILITIES, MINORITY INTEREST AND STOCKHOLDERS' EQUITY	
CURRENT LIABILITIES:	
Accounts Payable and Accrued Liabilities	$ 626
Bonus Payable	529
Income Tax Payable	129
Value Added Tax	218
Taxes Payable (withholding taxes)	153
Other Taxes	112
Total Current Liabilities	1,767
TOTAL LIABILITIES	1,767
Minority Interest	1,633
Commitment and Contingencies	—
STOCKHOLDERS' EQUITY:	
Capital Stock (fixed)	8
Retained Earnings	5,545
Currency Translation Adjustment	219
TOTAL STOCKHOLDERS' EQUITY	5,772
TOTAL LIABILITIES, MINORITY INTEREST AND STOCKHOLDERS' EQUITY	$ 9,172

See accompanying condensed notes to combined and consolidated financial data.

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

COMBINED AND CONSOLIDATED STATEMENTS OF INCOME

($ in thousands)

	Three Months Ended March 31,	
	2005	2006
	(unaudited)	
REVENUES		
Advisory	$ 8,318	$ 2,289
Investment Management	562	789
Net Financial Gain	20	163
Total Revenues	8,900	3,241
EXPENSES		
Compensation and Benefits	3,323	1,579
Occupancy and Equipment Rental	109	134
Professional Fees	402	622
Travel and Related Expenses	102	142
Communications and Information Services	63	112
Depreciation and Amortization	51	118
Other Operating Expenses	508	244
Total Operating Expenses	4,558	2,951
OPERATING INCOME	4,342	290
INCOME TAX		
Current	1,787	236
Deferred		
TOTAL INCOME TAX	1,787	236
Minority Interest	(442)	(192)
NET INCOME	$ 2,997	$ 246

See accompanying condensed notes to combined and consolidated financial data.

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

COMBINED AND CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
($ in thousands)

	Capital stock	Retained earnings	Currency translation adjustment	Total
Balances at January 1, 2006 (unaudited)	$ 8	$ 5,299	$ 313	$ 5,620
Currency Translation Adjustment (unaudited)			(94)	(94)
Net Income for the Period of Three Months (unaudited)		246		246
Balances at March 31, 2006 (unaudited)	$ 8	$ 5,545	$ 219	$ 5,772

See accompanying condensed notes to combined and consolidated financial data.

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

COMBINED AND CONSOLIDATED STATEMENTS OF CASH FLOWS

($ in thousands)

	Three Months Ended March 31,	
	2005	2006
	(unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income for the Period	$ 2,997	$ 246
Adjustments to Reconcile, Net Income to Net Cash from Operating Activities:		
Depreciation and Amortization	51	118
Minority Interest	1,959	391
Net Change in Working Capital, Excluding Cash and Cash Equivalent	2,122	(698)
Net Cash Provided by Operating Activities	7,129	57
INVESTING ACTIVITIES		
Long-Term Investments	19	2
Purchase of Furniture and Equipment	(125)	(148)
Net Cash Used in Investing Activities	(106)	(146)
EFFECT OF EXCHANGE RATE ON CASH	(36)	(76)
DECREASE IN CASH AND CASH EQUIVALENTS	6,987	(165)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	492	4,247
CASH AND CASH EQUIVALENTS AT END OF PERIOD	7,479	4,082
ADDITIONAL DISCLOSURE OF CASH FLOWS INFORMATION:		
Taxes Paid:	$ 852	$ 1,042

See accompanying condensed notes to combined and consolidated financial data.

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

NOTES TO THE UNAUDITED COMBINED AND CONSOLIDATED DATA

THREE MONTHS ENDED MARCH 31, 2005 AND 2006
($ in thousands)

NOTE 1—PURPOSE AND BASIS OF PREPARATION OF THESE FINANCIAL DATA:

The accompanying unaudited interim financial data have been prepared by Protego Asesores, S. A. de C. V., subsidiaries and Protego SI, S. C. ("the Company" or "Asesores") without audit. In the opinion of the management of the Company, they contain all adjustments (consisting of normal recurring accruals) necessary to present fairly the financial position as of March 31, 2006 and 2005, and the results of operations for the three-month periods ended March 31, 2006 and 2005. The results of operations for the three-month period ended March 31, 2006 are not necessarily indicative of the results to be expected for the full year.

The unaudited financial statements do not include all disclosures required for our annual accounts: reference should be made and the unaudited financial statements should be read in conjunction with the audited financial statements for the years ended December 31, 2005 and 2004.

NOTE 2—OPERATIONS OF THE COMPANY:

The accompanying combined and consolidated financial data include those of Asesores, its subsidiaries and Protego SI, S. C. ("PSI") an associated Company. PSI'S financial statements are combined because it is under common control of the shareholders of Asesores.

As of March 31, 2006, the Company's main activities are divided as follows:

a. Financial Advisory, which includes mergers, acquisitions, energy project finance, sub-national public finance and infrastructure, real estate financial advisory and restructurings.

b. Private equity investment management which includes a joint venture with Discovery Capital Partners LLC in a private equity funds denominated Discovery Americas I (DAI).

c. Investments for institutional investors and high net worth individuals through Protego Casa de Bolsa whose main activities include, among others, to provide clients with investment and risk management advice, trade execution and custody services for client assets.

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

Company	Shares (%)	Main Activities
ProtegoAdministradores, S. A. de C. V.	99.97	Administrative Services
Sedna,S. de R. L.	99.99	Advisory Services
BD Protego, S. A. de C. V.	99.80	Advisory Services
Protego PE, S. A. de C. V.	99.98	Investment Company
Protego Servicios, S. C.	99.98	Advisory Services
Protego Casa de Bolsa, S. A. de C. V.	50.70	Brokerage House
Protego CB Servicios, S. C.	51.00	Advisory Services

NOTE 3—COMMITMENTS:

The Company leases certain office space. Future annual minimum lease payments under all non-cancelable operating leases are $174 and $32 in 2006 and 2007, respectively.

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

NOTES TO THE UNAUDITED COMBINED AND CONSOLIDATED DATA—(continued)

THREE MONTHS ENDED MARCH 31, 2005 AND 2006
($ in thousands)

NOTE 4—SUBSEQUENT EVENTS:

On May 12, 2006 Asesores agreed to combine its business with that of Evercore Partners, Inc., the leading investment banking in US. Evercore Partners, Inc. provide advisory services to prominent multinational corporations on significant mergers, acquisitions, divestitures, restructurings and other strategic corporate transactions. Evercore Partners, Inc. approaches its advisory business in much the same way as Asesores, by building long-standing relationships and acting as a trusted advisor to company management free from the conflicts that larger institutions may encounter.

Derived from this agreement Asesores has incurred in certain expenses that should be reimbursed once the purpose of the combination is achieved. As of May 31, 2006 these expenses are estimated at $1,036.

Asesores has signed a service agreement with a Senior Managing Director who is leaving the company by the end of June 2006. Once certain conditions are met, this agreement could represent an expense for Protego of up to $2,590 within the next months.

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Shares

Evercore Partners Inc.

Class A Common Stock

PROSPECTUS

, 2006

Sole Book-Running Manager

LEHMAN BROTHERS

GOLDMAN, SACHS & CO.

JPMORGAN

KEEFE, BRUYETTE & WOODS

FOX-PITT, KELTON

E*TRADE FINANCIAL

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 13. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

The following table sets forth the expenses payable by the Registrant in connection with the issuance and distribution of the common stock being registered hereby. All of such expenses are estimates, other than the filing and listing fees payable to the Securities and Exchange Commission, the New York Stock Exchange and the National Association of Securities Dealers, Inc.

Filing Fee—Securities and Exchange Commission	$ 9,228.75
Listing Fee—New York Stock Exchange	*
Fee—National Association of Securities Dealers	9,125.00
Fees and Expenses of Counsel	*
Printing Expenses	*
Fees and Expenses of Accountants	*
Blue Sky Fees and Expenses	*
Transfer Agent Fees and Expenses	*
Miscellaneous Expenses	*
Total	$ *

* To be provided by amendment.

ITEM 14. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Section 145 of the General Corporation Law of the State of Delaware (the "DGCL") grants each corporation organized thereunder the power to indemnify any person who is or was a director, officer, employee or agent of a corporation or enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of being or having been in any such capacity, if he acted in good faith in a manner reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action, or proceeding, had no reasonable cause to believe his conduct was unlawful, except that with respect to an action brought by or in the right of the corporation such indemnification is limited to expenses (including attorneys fees). Our amended and restated certificate of incorporation provides that we must indemnify our directors and officers to the fullest extent permitted by Delaware law. We have also entered into indemnification agreements with our directors and director nominees that provide for us to indemnify them to the fullest extent permitted by Delaware law.

Section 102(b)(7) of the DGCL enables a corporation, in its certificate of incorporation or an amendment thereto, to eliminate or limit the personal liability of a director to the corporation or its stockholders for monetary damages for violations of the directors' fiduciary duty, except (i) for any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) pursuant to Section 174 of the DGCL (providing for liability of directors for unlawful payment of dividends or unlawful stock purchases or redemptions) or (iv) for any transaction from which a director derived an improper personal benefit. Our certificate of incorporation provides for such limitations on liability for our directors.

We currently maintain liability insurance for our directors and officers. In connection with this offering, we will obtain additional liability insurance for our directors and officers. Such insurance would be available to our directors and officers in accordance with its terms.

Reference is made to the form of underwriting agreement to be filed as Exhibit 1.1 hereto for provisions providing that the underwriters are obligated under certain circumstances, to indemnify our directors, officers and controlling persons against certain liabilities under the Securities Act of 1933, as amended.

ITEM 15. RECENT SALES OF UNREGISTERED SECURITIES.

On May 12, 2006, the Registrant issued 100 shares of the Registrant's Class B common stock, par value $0.01 per share, to Evercore LP for $1.00. The issuance of such shares of common stock to Evercore LP was not registered under the Securities Act of 1933, as amended (the "Securities Act"), because the shares were offered and sold in a transaction exempt from registration under Section 4(2) of the Securities Act.

ITEM 16. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

Exhibit Index

1.1	Underwriting Agreement*
3.1	Form of Amended and Restated Certificate of Incorporation of the Registrant**
3.2	Form of Amended and Restated Bylaws of the Registrant**
5.1	Opinion of Simpson Thacher & Bartlett LLP*
10.1	Form of Evercore LP Partnership Agreement**
10.2	Form of Tax Receivable Agreement**
10.3	Form of Registration Rights Agreement**
10.4	Contribution and Sale Agreement, dated as of May 12, 2006, among Evercore LP, Evercore Partners Inc., Roger C. Altman, Austin M. Beutner, Pedro Aspe and the Other Parties Named Therein
10.5	Contribution and Sale Agreement, dated as of May 12, 2006, among Evercore LP, Evercore Partners Inc. and Banco Inbursa, S.A., Institucion de Banca Multiple, Grupo Financiero Inbursa, as Trustee of Inbursa Trust F1338
10.6	Form of Employment Agreement between the Registrant and Roger C. Altman*
10.7	Form of Employment Agreement between the Registrant and Austin M. Beutner*
10.8	Form of Employment Agreement between the Registrant and Pedro Aspe*
10.9	Form of Employment Agreement between the Registrant and David E. Wezdenko*
10.10	Evercore Partners Inc. 2006 Stock Incentive Plan*
10.11	Annual Incentive Plan*
21.1	Subsidiaries of the Registrant**
23.1	Consent of Deloitte & Touche LLP
23.2	Consent of PricewaterhouseCoopers, S.C.
23.3	Consent of Simpson Thacher & Bartlett LLP (included as part of Exhibit 5.1)*
24.1	Power of Attorney (included on signature pages to this Registration Statement)**
99.1	Form of Voting Agreement between Roger C. Altman and Austin M. Beutner**

* To be filed by amendment.
** Previously filed.

ITEM 17. UNDERTAKINGS

(a) The undersigned Registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriter to permit prompt delivery to each purchaser.

(b) The undersigned Registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in New York, New York, on the 26th day of June, 2006.

EVERCORE PARTNERS INC.

By: /S/ DAVID E. WEZDENKO
Name: David E. Wezdenko
Title: Chief Financial Officer

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed by the following persons in the capacities indicated on the 26th day of June, 2006.

Signature	Title
* **Roger C. Altman**	Chairman and Co-Chief Executive Officer (principal executive officer)
* **Austin M. Beutner**	Director, President, Co-Chief Executive Officer and Chief Investment Officer (principal executive officer)
/S/ DAVID E. WEZDENKO **David E. Wezdenko**	Chief Financial Officer (principal financial officer)
* **Thomas J. Gavenda**	Controller (principal accounting officer)

*By: /S/ DAVID E. WEZDENKO
Name: David E. Wezdenko
Title: Attorney-in-fact

Exhibit 10.4

EXECUTION VERSION

CONTRIBUTION AND SALE AGREEMENT

Among

EVERCORE LP,

EVERCORE PARTNERS INC.,

ROGER C. ALTMAN,

AUSTIN M. BEUTNER,

PEDRO ASPE,

AND

THE OTHER PARTIES NAMED HEREIN

Dated As Of

May 12, 2006

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EXHIBITS:

ANNEXES:

CONTRIBUTION AND SALE AGREEMENT

THIS CONTRIBUTION AND SALE AGREEMENT, dated as of May 12, 2006, is entered into by and among Evercore LP, a limited partnership organized under the laws of Delaware (the "Partnership"), Evercore Partners Inc., a corporation organized under the laws of Delaware ("Pubco"), Roger C. Altman and Austin M. Beutner (collectively, the "Evercore Founders"), each of the individuals and entities listed on Annex A hereto (collectively, the "Evercore Service Partners"), Pedro Aspe (the "Protego Founder"), each of the individuals listed on Annex B hereto (collectively, the "Existing Protego Service Partners"), and each of the individuals listed on Annex C hereto (collectively, the "New Protego Service Partners"). The Evercore Founders and the Evercore Service Partners are collectively referred to herein as the "Evercore Partners". The Protego Founder, the Existing Protego Service Partners and the New Protego Service Partners are collectively referred to herein as the "Protego Partners".

RECITALS

WHEREAS, the Evercore Founders have formed Evercore Temporary GP Inc., a Delaware corporation (the "Temporary GP"); the Evercore Founders, together with Temporary GP, have formed the Partnership; and the Partnership has formed Pubco;

WHEREAS, the Evercore Founders own 100% of the outstanding equity interests of Temporary GP, which is the general partner of the Partnership; Temporary GP and the Evercore Founders own 100% of the outstanding equity interests of the Partnership; and the Partnership owns 100% of the outstanding equity interests of Pubco;

WHEREAS, the Partnership will issue certain units of its limited partnership interests to the Evercore Service Partners and the Protego Partners, and Pubco will issue certain shares of its common stock to the Evercore Partners and the Protego Partners, in each case, in accordance with the terms and conditions set forth herein;

WHEREAS, the Evercore Founders own 100% of the outstanding equity interests in (i) Evercore Properties Inc. (f/k/a Evercore Partners Inc.), a Delaware corporation ("EPI"), and (ii) Evercore Advisors Inc., a Delaware corporation ("EAI" and, together with EPI, the "Evercore S Corps");

WHEREAS, the Evercore Partners own directly 100% of the outstanding equity interests in (i) Evercore Group Holdings L.L.C., a Delaware limited liability company ("EGH LLC"), (ii) Evercore Group Holdings L.P., a Delaware limited partnership ("EGH LP"), (iii) Evercore Group L.L.C. (f/k/a Evercore Group Inc.), a Delaware limited liability company ("EG LLC"), and (iv) Evercore GP Holdings L.L.C., a Delaware limited liability company ("Evercore GP Holdings" and, together with the Evercore S Corps, EGH LLC, EGH LP and EG LLC, each an "Evercore Entity" and collectively the "Evercore Entities");

WHEREAS, (x) the Protego Founder and Existing Protego Service Partners own, directly or indirectly, 100% of the outstanding equity interests of (i) Protego Asesores S.A. de C.V., a Mexican *sociedad anónima de capital variable* ("PAS"), (ii) Protego SI, S.C., a Mexican

sociedad civil ("Protego SI"), (iii) Protego Administradores, S.A. de C.V., a Mexican *sociedad anónima de capital variable* ("PAd"), (iv) Protego PE S.A. de C.V., a Mexican *sociedad anónima de capital variable* ("Protego PE"), (v) Protego Servicios, S.C., a Mexican *sociedad civil* ("Protego Servicios"), (vi) Sedna S. de R.L., a Mexican *sociedad de responsabilidad limitada* ("Sedna"), and (vii) BD Protego S.A. de C.V., a Mexican *sociedad anónima de capital variable* ("BD Protego"), and 51% of the outstanding equity interests of Protego Casa de Bolsa, S.A. de C.V., a Mexican *sociedad anónima de capital variable* with license to operate as a broker-dealer in Mexico ("PCB"), and (y) the Protego Founder and PCB own 100% of the outstanding equity interests of Protego CB Servicios S.A. de C.V., a Mexican *sociedad anónima de capital variable* ("CB Servicios", and together with PAS, Protego SI, PAd, Protego PE, Protego Servicios, Sedna, BD Protego and PCB, each a "Protego Entity" and collectively the "Protego Entities");

WHEREAS, on the terms and subject to the conditions set forth herein, the Partnership will acquire, directly or indirectly, (i) 100% of the issued and outstanding equity interests of each of the Evercore Entities, (ii) 100% of the issued and outstanding equity interests of each of the Protego Entities (other than PCB) and (iii) 51% of the issued and outstanding equity interests of PCB;

WHEREAS, Banco Inbursa, S.A., Institucion de Banca Multiple, Grupo Financiero Inbursa, as Trustee of the Inbursa trust F/1338 (the "PCB Management Trust"), which owns, 19% of the outstanding equity interests of PCB has entered into an agreement concurrently with the execution of this Agreement pursuant to which the Partnership will acquire 19% of the outstanding equity interests of PCB from the PCB Management Trust, which agreement is attached hereto as Exhibit A-1 (as amended from time to time, the "PCB Management Trust Contribution Agreement"); and

WHEREAS, following the consummation of the transactions described above, Pubco will replace Temporary GP as the general partner of the Partnership and will issue shares of its common stock to the public in an initial public offering.

NOW, THEREFORE, in consideration of the premises and the mutual representations, warranties, covenants, agreements and conditions herein contained, and intending to be legally bound, the Parties hereto agree as follows:

ARTICLE 1

CERTAIN DEFINITIONS

1.1 Defined Terms. For purposes of this Agreement (including the Schedules hereto), the terms defined in this Agreement shall have the respective meanings specified herein, and, in addition, the following terms shall have the following meanings:

"Acentus" means Acentus S.C., a *sociedad civil* organized under the laws of Mexico.

"Action" means any claim, action, suit, litigation, arbitration, inquiry, investigation or other proceeding.

"Affiliate" or "affiliate" means, as to any Person, any other Person, which, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. The term "control" (including, with correlative meanings, the terms "controlled by" and "under common control with"), as applied to any Person, means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or other ownership interest, by contract or otherwise.

"Aggero" means Aggero S.C., a *sociedad civil* organized under the laws of Mexico.

"Agreement" means this Contribution and Sale Agreement, and all Schedules and Exhibits hereto, as amended, modified or supplemented from time to time in accordance with the terms hereof.

"Amended Partnership Agreement" means the Amended and Restated Limited Partnership Agreement of the Partnership attached hereto as Exhibit B.

"Applicable Laws" is defined in Section 3.1.16(b).

"Authorizations" means, as to any Person, all licenses, permits, franchises, orders, approvals, concessions, registrations, qualifications and other authorizations with or under all federal, state, local or foreign laws and Governmental Authorities and all industry or other non-governmental regulatory organizations that are issued to such Person.

"BD Protego" is defined in the Recitals.

"Business Day" means any day other than a Saturday, a Sunday or a day on which banks in the City of New York or Mexico City are authorized or required to close.

"CB Servicios" is defined in the Recitals.

"Claim" is defined in Section 6.5(a).

"Class A Stock" means Class A common stock, par value $0.01 per share, of Pubco, which Class A common stock shall have the rights, preferences and terms contained in the Pubco Amended Certificate of Incorporation and Pubco Amended By-Laws.

"Class A-1 Units" means Class A-1 units of limited partnership interests of the Partnership, which Class A units shall have the rights, preferences and terms contained in the Amended Partnership Agreement.

"Class A-2 Units" means Class A-2 units of limited partnership interests of the Partnership, which Class A units shall have the rights, preferences and terms contained in the Amended Partnership Agreement.

"Class B Stock" means Class B common stock, par value $0.01 per share, of Pubco, which Class B common stock shall have the rights, preferences and terms contained in the Pubco Amended Certificate of Incorporation and Pubco Amended By-Laws.

"Class B-1 Units" means Class B-1 units of limited partnership interests of the Partnership, which Class B-1 units shall have the rights, preferences and terms contained in the Amended Partnership Agreement.

"Class B-2 Units" means Class B-2 units of limited partnership interests of the Partnership, which Class B-2 units shall have the rights, preferences and terms contained in the Amended Partnership Agreement.

"Class C Units" means Class C units of limited partnership interests of the Partnership, which Class C units shall have the rights, preferences and terms contained in the Amended Partnership Agreement.

"Closing" and "Closing Date" is defined in Section 2.2.

"Closing Deadline" is defined in Section 8.1.1(e).

"CNBV" is defined in Section 2.3(b)(vii).

"Code" means the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder, in each case as in effect from time to time, with any references to specific sections of the Code construed also to refer to any predecessor or successor sections thereof.

"Commercially Reasonable Efforts" means a Party's efforts in accordance with reasonable commercial practices and without the payment of any money to any third party except the incurrence of reasonable costs and expenses that are not material in the context of the commercial objectives to be achieved by the subject efforts of such Party.

"Confidential Information" means any non-public information concerning businesses and affairs of the Protego Partners, any of the Protego Entities, the Evercore Partners, any of the Evercore Entities, the Partnership, Temporary GP, Pubco or any of their respective Affiliates.

"Contribution and Sale Transactions" means, collectively, the Transactions (other than the transactions contemplated by the PCB Management Trust Contribution Agreement).

"CSS Service Payment" means the amount paid to Carlos Leopoldo Sales Sarrapy, prior to the Closing Date, under the Service Agreement, dated as of May 10, 2006, between PAS and Carlos Leopoldo Sales Sarrapy.

"DAI" means Discovery Americas I, LP, a limited partnership organized under the laws of Ontario.

"DAI GP" means Discovery Americas Associates, LP, a limited partnership organized under the laws of Ontario.

"DAI GP Partnership Agreement" means the Agreement of the Limited Partnership of Discovery Americas Associates, L.P., dated as of October 31, 2003, as amended from time to time.

"Designated Accountant" is defined in Section 4.3.9(d).

"Disregarded Entity" means an entity that is disregarded as an entity separate from its owner under Treasury Regulation Section 301.7701-3(a).

"Due Date" is defined in Section 6.7(a).

"EAI" is defined in the Recitals.

"ECP II" means Evercore Capital Partners II L.P., a Delaware limited partnership.

"ECP II GP" means Evercore Partners II L.L.C., a Delaware limited liability company.

"ECP II Partnership Agreement" means the Fourth Amended and Restated Limited Partnership Agreement of ECP II, dated as of March 28, 2003, as amended from time to time.

"EGH LLC" is defined in the Recitals.

"EGH LP" is defined in the Recitals.

"EG LLC" is defined in the Recitals.

"EG LLC Minimum Net Capital Amount" means an amount equal to the minimum net capital requirement imposed by the SEC under Rule 15c3-1 or any self-regulatory organization of which EG LLC is a member.

"EG LLC Net Capital" means, as of the applicable date, net capital of EG LLC as calculated in accordance with Rule 15c3-1 of the Exchange Act and applied on a basis consistent with EG LLC's historical accounting practices.

"EG LLC Net Capital Certificate" is defined in Section 4.3.9(b).

"EG LLC Reports" is defined in Section 3.2.21(b).

"Employment Agreements" means the employment agreements of each of Roger Altman, Austin Beutner and Pedro Aspe, in the forms attached hereto as Exhibits H-1, H-2 and H-3, respectively.

"Environmental Claim" means any Action alleging a violation of, or liability under, any Environmental Law.

"Environmental Laws" means Requirements of Law and Governmental Orders relating to pollution or the protection of the environment, natural resources or public or worker health or safety.

"EPI" is defined in the Recitals.

"ERISA" is defined in Section 3.2.16(a).

"Evercore Authorizations" is defined in Section 3.2.3(b).

"Evercore Certificates of Merger" is defined in Section 2.3(a)(i).

"Evercore Contracts" is defined in Section 3.2.5(b).

"Evercore Contributions" is defined in Section 2.1.2(b)(iii).

"Evercore Current Balance Sheet" means the audited combined balance sheet as of December 31, 2005 included as part of the Evercore Financial Statements.

"Evercore Distribution Amount" means an amount equal to the net income of the Evercore Entities, on a consolidated and combined basis, from January 1, 2006 through the open of business on the Closing Date as calculated in accordance with GAAP in a manner consistent with the historical accounting practices of such Evercore Entities and consistent with the preparation of the Evercore Financial Statements; provided that such net income of the Evercore Entities on a consolidated and combined basis, from January 1, 2006 through the Closing shall only be included to the extent such net income has not been distributed prior to the date of this Agreement; and provided, further, that the calculation of net income for purposes of determining the Evercore Distribution Amount shall not take into account any Expenses or accruals for Expenses which shall be paid in accordance with Section 8.3.

"Evercore Entities" is defined in the Recitals.

"Evercore Financial Statements" is defined in Section 3.2.12.

"Evercore Founders" is defined in the preamble.

"Evercore GP Holdings" is defined in the Recitals.

"Evercore GP Holdings Terms Letter" is defined in Section 2.1.2(b)(ii).

"Evercore Lease" is defined in Section 3.2.9(b).

"Evercore Leased Real Property" is defined in Section 3.2.9(b).

"Evercore Merger Agreements" is defined in Section 2.3(a)(i).

"Evercore Mergers" is defined in Section 2.1.2(a)(ii).

"Evercore Partners" is defined in the preamble.

"Evercore Plans" is defined in Section 3.2.16(a).

"Evercore S Corps" is defined in the Recitals.

"Evercore Service Partners" is defined in the preamble.

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

"Existing Protego Service Partners" is defined in the preamble.

"Expenses" is defined in Section 8.3.

"Fair Market Value" means, with respect to a single Partnership Unit or share of Class A Stock as of any determination date, an amount in U.S. dollars equal to the average (rounded to the nearest 1/1,000) of the closing sale prices per share of Class A Stock on the national securities exchange or interdealer quotation system on which such Class A Stock is then traded or listed, as reported by the *Wall Street Journal*, for the ten (10) trading days ending on the second trading day immediately prior to the date of determination; provided that, in the event that the event or circumstance giving rise to an indemnification claim in respect of which payment is due hereunder would be required to be publicly disclosed by Pubco, the 10-trading day period for purposes of calculating the Fair Market Value of the Partnership Units and/or Class A Stock shall commence on the second trading day following the date of such public announcement.

"FCPA" is defined in Section 3.1.20.

"Form S-1" is defined in Section 4.3.7(a).

"Founder Non-Solicitation Agreements" means the Confidentiality, Non-Solicitation and Proprietary Information Agreements entered into by each of the Protego Founder and the Evercore Founders as of the date hereof, which shall take effect as of the closing of the IPO.

"GAAP" means generally accepted accounting principles in the United States of America, as in effect as of the date hereof.

"Governmental Authority" means any branch of power (whether executive, legislative or judicial) of any nation or government, any state or other political subdivision thereof or any entity (including a court) exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"Governmental Order" means, as to any Person, any judgment, injunction, decree, order or determination of a Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property or assets is subject.

"Hazardous Materials" means all materials regulated, or that could result in the imposition of liability under, any Environmental Laws, including petroleum, petroleum products, asbestos and polychlorinated biphenyls.

"Indebtedness" is defined in Section 3.1.5(a)(vii).

"Indemnitor" is defined in Section 6.5(a).

"Indemnity Basket" is defined in Section 6.4(a).

"Indemnity Cap" is defined in Section 6.4(a).

"Intellectual Property" means all United States and foreign copyrights, patents, trademarks, trade names, brand names, service marks, domain names, uniform resource locators, other source indicators, registrations and applications for the foregoing and all software, firmware, trade secrets, and proprietary technologies, know-how, inventions, discoveries, improvements, proprietary technology, processes and formulas (secret or otherwise) and all other forms of intellectual property.

"IPO" is defined in Section 2.4(a).

"Knowledge" means with respect to: (a) the Protego Partners, the actual knowledge, after due inquiry, of any of the Protego Partners, except that "Knowledge" shall be limited to, in the case of PCB, the actual knowledge, after due inquiry, of the Protego Founder or Sergio Sanchez, and (b) the Evercore Partners, the actual knowledge, after due inquiry, of (i) in the case of any Evercore Entity (other than Evercore GP Holdings), any of the Evercore Founders, Saul D. Goodman, William O. Hiltz, Jonathan A. Knee, Timothy G. LaLonde, M. Sharon Lewellen, Eduardo G. Mestre, Neeraj Mital, Sangam Pant, Michael J. Price, William Repko, Brian Roberts, William A. Shutzer, David Wezdenko, Jane Wheeler or David Ying, and (ii) in the case of Evercore GP Holdings, the ECP II GP and ECP II, any of the Evercore Founders, Ciara A. Burnham, Richard P. Emerson, John T. Dillon, Saul D. Goodman, Gail Landis, M. Sharon Lewellen, Neeraj Mital, Sangam Pant, Kathleen G. Reiland or David Wezdenko.

"Lien" means any mortgage, pledge, hypothecation, assignment, encumbrance, lien (statutory or other), charge or other security interest, preemptive right, existing or claimed right of first refusal, right of first offer, right of consent, put right, default or similar right or other adverse claim of any kind or nature whatsoever (including any conditional sale or other title retention agreement and any financing lease having substantially the same economic effect as any of the foregoing).

"Losses" is defined in Section 6.1.

"Material Adverse Effect" means:

(a) with respect to the Evercore Entities, any change, effect or circumstance that is or would reasonably be expected to be materially adverse to (i) the business, assets, liabilities, properties, condition (financial or otherwise), prospects or results of operation of the Evercore Entities, taken as a whole, except to the extent resulting from (A) any change in general global economic conditions after the date of this Agreement (which changes do not disproportionately affect the Evercore Entities relative to other participants in the financial advisory and asset management industries), (B) any change in

general economic conditions in the financial advisory and asset management industries after the date of this Agreement (which changes do not disproportionately affect the Evercore Entities relative to other participants in such industries) or (C) the termination of any particular Evercore Entity advisory contract as a result of the transactions contemplated hereby, or (ii) the ability of the Evercore Partners or the Evercore Entities to consummate the transactions contemplated by this Agreement or the other Transaction Documents; and

(b) with respect to the Protego Entities, any change, effect or circumstance that is or would reasonably be expected to be materially adverse to (i) the business, assets, liabilities, properties, condition (financial or otherwise), prospects or results of operation of the Protego Entities, taken as a whole, except to the extent resulting from (A) any change in general global economic conditions after the date of this Agreement (which changes do not disproportionately affect the Protego Entities relative to other participants in the financial advisory and asset management industries), (B) any change in general economic conditions in the financial advisory and asset management industries after the date of this Agreement (which changes do not disproportionately affect the Protego Entities relative to other participants in such industries) or (C) the termination of any particular Protego Entity advisory contract as a result of the transactions contemplated hereby, or (ii) the ability of the Protego Partners or the Protego Entities to consummate the transactions contemplated by this Agreement or the other Transaction Documents.

"NASD" means the National Association of Securities Dealers, Inc.

"New Evercore Advisors LLC" is defined in Section 2.1.2(a)(i).

"New Evercore LLCs" is defined in Section 2.1.2(a)(i).

"New Evercore Properties LLC" is defined in Section 2.1.2(a)(i).

"New Protego Service Partners" is defined in the preamble.

"Non-Solicitation Agreements" means, collectively, (i) the Founder Non-Solicitation Agreement, (ii) the Senior Managing Director Non-Solicitation Agreements and (iii) the Managing Director Non-Solicitation Agreements, the Vice President Non-Solicitation Agreements and the Associate/Analyst Non-Solicitation Agreements in the forms attached hereto as Exhibit G-1, Exhibit G-2 and Exhibit G-3, respectively.

"Notice of Objection" is defined in Section 4.3.9(c).

"Ordinary Course of Business" means the ordinary course of business consistent with past custom and practice (including with respect to quantity and frequency).

"PAd" is defined in the Recitals.

"Partner Indemnitee" and "Partner Indemnitees" are defined in Section 6.3.

"Partnership" is defined in the preamble.

"Partnership Units" means, collectively, the Class A-1 Units, the Class A-2 Units, the Class B-1 Units, the Class B-2 Units, the Class C Units and any other class of units of limited partnership interests of the Partnership.

"Party" or "party" means a party to this Agreement.

"PAS" is defined in the Recitals.

"PAS Dividend" means any dividend or right to distribution (other than any dividend of distribution pursuant to Section 4.3.9) declared by PAS on or prior to the Closing Date and payable promptly following the Closing, in an amount not to exceed the CUFIN account of PAS at the time the dividend is declared, such amount to be paid in Mexican pesos for the benefit of the holders of PAS equity interests, as recorded on the PAS books and records as of the date such dividend is declared; provided that the amount of the PAS Dividend shall not exceed $5,100,000. For the avoidance of doubt, any distribution or dividend of the Protego Distribution Amount shall not be included as a PAS Dividend.

"PAS Lease" is defined in Section 3.1.9(b).

"PAS Leased Real Property" is defined in Section 3.1.9(b).

"PCB" is defined in the Recitals.

"PCB Management Trust" is defined in the Recitals.

"PCB Management Trust Contribution Agreement" is defined in the Recitals.

"PCB Minimum Net Capital Amount" means an amount equal to the minimum net capital requirement imposed by the Mexican National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores*) or any self-regulatory organization of which PCB is a member.

"PCB Minority Shareholders" means certain persons who own, collectively, 30% of the outstanding equity interests of PCB, each of whom are listed in Schedule 3.1.2(a)(i).

"PCB Net Capital" means, as of the applicable date, net capital of PCB as calculated in accordance with the requirements imposed by the Mexican National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores*) applied on a basis consistent with PCB's historical accounting practices

"PCB Net Capital Certificate" is defined in Section 4.3.9(b).

"PCB Reports" is defined in Section 3.1.21(b).

"PCB Sale" is defined in Section 2.1.3(e).

"Permitted Liens" means Liens that are (i) immaterial in character, amount and extent and which do not detract from the value of the assets or properties subject thereto or affected thereby or interfere with or materially affect the present use of the assets or properties subject thereto or affected thereby or otherwise materially impair the business operations at such properties or (ii) for Taxes, but only to the extent such Taxes are either (x) not yet due and payable or (y) being contested in good faith and for which there is adequate provision in the Protego Current Balance Sheet or Evercore Current Balance Sheet, as applicable.

"Person" means an individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, Governmental Authority or other entity or enterprise of whatever nature.

"Post-Closing Tax Period" means any taxable period that begins after the Closing Date.

"Pre-Closing Tax Period" means any taxable periods ending on or before the Closing Date.

"Prime Rate" means the annual interest rate set forth as the Prime Rate in the "Money Rates" table of The Wall Street Journal.

"Protego Authorizations" is defined in Section 3.1.3(b).

"Protego Contracts" is defined in Section 3.1.5(b).

"Protego Contributions" is defined in Section 2.1.3(c).

"Protego Current Balance Sheet" means the audited consolidated balance sheet as of December 31, 2005 included as part of the Protego Financial Statements.

"Protego Distribution Amount" means an amount equal to the net income of the Protego Entities, on a consolidated and combined basis, from January 1, 2005 through the open of business on the Closing Date as calculated in accordance with GAAP in a manner consistent with the historical accounting practices of such Protego Entities and consistent with the preparation of the Protego Financial Statements; provided that such net income of the Protego Entities, on a consolidated and combined basis, from January 1, 2005 through the Closing shall only be included to the extent such net income has not been distributed prior to the date of this Agreement; and provided, further, that the calculation of net income for purposes of determining the Protego Distribution Amount shall not take into account any Expenses or accruals for Expenses which shall be paid in accordance with Section 8.3; and provided, further, that in determining the net income of the Protego Entities for the purposes of determining the Protego Distribution Amount, any value added tax paid by a Protego Entity in connection with the CSS Service Payment shall not be taken into account. For the avoidance of doubt, the calculation of net income shall take into account the CSS Service Payment.

"Protego Entities" is defined in the Recitals.

"Protego Financial Statements" is defined in Section 3.1.12.

"Protego Founder" is defined in the preamble.

"Protego Partners" is defined in the preamble.

"Protego Partners Note" is defined in Section 2.1.3(d).

"Protego PE" is defined in the Recitals.

"Protego Plans" is defined in Section 3.1.16(a).

"Protego Servicios" is defined in the Recitals.

"Protego SI" is defined in the Recitals.

"Pubco" is defined in the preamble.

"Pubco Amended By-Laws" is defined in Section 2.1.1(b).

"Pubco Amended Certificate of Incorporation" is defined in Section 2.1.1(b).

"Pubco Stock" means common stock, par value $0.01 per share, of Pubco.

"Release" shall have the meaning provided under 42 U.S.C. Section 9601(22).

"Reorganization Date" is defined in Section 2.1.1.

"Requirement of Law" means, as to any Person, any permit, license, judgment, order, decree, statute, law, ordinance, code, rule, regulation or arbitration award in each case applicable to or binding upon such Person or any of its property or assets or to which such Person or any of its property or assets is subject.

"Schedule" or "Schedules" means those schedules attached hereto.

"S.D. Indeval" means S.D. Indeval, S.A. de C.V., Institución para el Depósito de Valores, S.A. de C.V., a Mexican *sociedad anónima de capital variable* acting as a central depositary institution under the Mexican Securities Market Law (*Ley del Mercado de Valores*).

"SEC" means the U.S. Securities and Exchange Commission.

"Securities" is defined in Section 3.1.22.

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

"Sedna" is defined in the Recitals.

"Senior Managing Director Non-Solicitation Agreements" means the Confidentiality, Non-Solicitation and Proprietary Information Agreements entered into by each of the Protego

Partners (other than the Protego Founder) and the Evercore Partners (other than the Evercore Founders) as of the date hereof, which shall take effect as of the closing of the IPO.

"SRL" means a *sociedad de responsabilidad limitada* created and in existence pursuant to the laws of Mexico.

"Straddle Period" means any taxable period that begins on or before and ends after the Closing Date.

"Subsidiaries" means any corporation, partnership, limited liability company, joint venture or other legal entity of any Person, of which such Person owns, directly or through its ownership of another Person, a majority of (a) the stock or (b) 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 or other legal entity.

"Tax" or "Taxes" means all taxes of any kind, including any federal, state, local and foreign income, profits, license, severance, occupation, windfall profits, capital gains, capital stock, transfer, registration, social security (or similar), production, franchise, gross receipts, payroll, sales, employment, use, property, real property, personal property, excise, value-added, estimated, stamp, alternative or add-on minimum, withholding and any other tax or assessment, together with all interest, penalties and additions imposed with respect to such amounts.

"Tax Claim" is defined in Section 7.6(a).

"Tax Indemnity Basket" is defined in Section 7.4(a).

"Tax Returns" means any return, declaration, report, claim for refund or information return or statement filed or required to be filed with any taxing authority relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

"Temporary GP" is defined in the Recitals.

"Transaction Documents" means this Agreement, the PCB Management Trust Contribution Agreement, the Amended Partnership Agreement, the Pubco Amended Certificate of Incorporation, the Pubco Amended By-Laws, the Protego Partners Note, the Evercore Merger Agreements, the Evercore GP Holdings Terms Letter, the Non-Solicitation Agreements and the Employment Agreements.

"Transactions" means, collectively, the transactions contemplated by the Transaction Documents.

1.2 Other Definitional Provisions.

(a) The words "hereof," "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section, Schedule and Exhibit references are to this Agreement unless otherwise specified.

(b) Unless the context otherwise requires, the words "include," "includes" and "including" and words of similar import when used in this Agreement shall be deemed to be followed by the phrase "without limitation."

(c) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

(d) The terms "Dollars" and "$" shall mean United States dollars.

ARTICLE 2

THE TRANSACTIONS

2.1 Contribution and Sale Transactions. Subject to the terms and conditions hereinafter set forth and on the basis of and in reliance upon the representations, warranties, covenants, agreements and conditions set forth herein, the Parties hereto will take each of the actions described in this Article 2.

2.1.1 Issuance of Partnership Units and Class B Stock. On or before the Business Day immediately preceding the Closing Date (the "Reorganization Date"):

(a) The Partnership shall issue Class A-1 Units to the Protego Founder and two trusts designated by the Protego Founder, Class B-1 Units or Class C Units to each of the Evercore Service Partners, and Class B-2 Units to the Persons designated by the Existing Protego Service Partners and New Protego Services Partners, in each case, in accordance with Annex D.

(b) Following such issuance, the board of directors of Pubco and the Partnership, as the sole stockholder of Pubco, shall adopt and approve the amendment and restatement of the certificate of incorporation of Pubco (the "Pubco Amended Certificate of Incorporation") and by-laws of Pubco (the "Pubco Amended By-Laws) in the form attached hereto as Exhibit C and shall cause the Pubco Amended Certificate of Incorporation to be filed with the Secretary of State of the State of Delaware. Pursuant to the Pubco Amended Certificate of Incorporation, each share of Pubco Stock issued and outstanding immediately prior to the filing of the Pubco Amended Certificate of Incorporation with the Secretary of State of the State of Delaware shall be automatically cancelled and shall cease to exist, without further action on the part of Pubco or any holder of Pubco Stock. Immediately following the cancellation of Pubco Stock and the substitution of Pubco as the general partner of the Partnership, Pubco shall issue to the Partnership a number of shares of Class B Stock equal to the number of holders of Partnership Units outstanding as of such date.

(c) Temporary GP and the Partnership will execute definitive documentation pursuant to which Temporary GP shall be removed, and Pubco shall be substituted, as the general partner of the Partnership.

(d) The Partnership shall distribute to each holder of Partnership Units one share of Class B Stock for each Partnership Unit held by such holder as of such date.

2.1.2 Evercore Transactions.

(a) Evercore Merger Transactions.

(i) On or prior to the Closing Date, Pubco shall form Evercore Properties L.L.C., a newly-formed Delaware limited liability company ("New Evercore Properties LLC"), and Evercore Advisors I L.L.C., a newly-formed Delaware limited liability company ("New Evercore Advisors LLC" and, together with New Evercore Properties LLC, the "New Evercore LLCs").

(ii) On and in no event before the Closing Date, each of the Evercore S Corps and Pubco shall enter into the Evercore Merger Agreements pursuant to which (A) EPI will merge with and into New Evercore Properties LLC and (B) EAI will merge with and into New Evercore Advisors LLC (the "Evercore Mergers"), and Pubco shall cause each of the New Evercore LLCs to file the respective Evercore Certificates of Merger with the Secretary of State of the State of Delaware. As a result of the Evercore Mergers, the separate corporate existences of EPI and EAI shall cease and New Evercore Properties LLC and New Evercore Advisors LLC, respectively, shall continue as the surviving entities of the Evercore Mergers.

(iii) In exchange for the Evercore Mergers, Pubco shall pay an amount in cash equal to the fair value of the Evercore S Corps to each of the Evercore Founders.

(iv) Immediately following the consummation of the Evercore Mergers and, in any event, following the Reorganization Date, Pubco shall contribute 100% of the outstanding equity interests of each of the New Evercore LLCs, as the surviving entities of such mergers, to the Partnership in exchange for Class A-1 Units.

(b) Evercore Contribution Transactions.

(i) On or before the Closing Date, the Evercore Founders will sell their membership interests in EG LLC to Evercore Partners Services East L.L.C., a Delaware limited liability company and a wholly-owned subsidiary of EGH LP, for cash consideration in an amount equal to the book value of such membership interests.

(ii) On and in no event before the Closing Date, the ECP II GP shall admit Evercore GP Holdings as a member, and the ECP II GP and Evercore GP Holdings shall enter into a terms letter in the form attached hereto as Exhibit E (the "Evercore GP Holdings Terms Letter") pursuant to which Evercore GP Holdings will be entitled to 10% of the Carried Interest (as such term is defined in the ECP II Partnership Agreement) with respect to all portfolio investments of ECP II which are unrealized as of such date and all future portfolio investments of ECP II, in each case, to which ECP II GP is entitled to receive pursuant to the ECP II Partnership Agreement.

(iii) On and in no event before the Closing Date, the Evercore Partners shall contribute to the Partnership (A) 100% of the issued and outstanding membership interests of EGH LLC, (B) 100% of the issued and outstanding partnership interests of

EGH LP and (C) 100% of the issued and outstanding membership interests of Evercore GP Holdings (the "Evercore Contributions").

2.1.3 Protego Transactions.

(a) On or prior to the Reorganization Date, the Protego Partners shall cause each of PAS, PAd, BD Protego, Protego PE and CB Servicios to transform into a Mexican SRL and shall elect on Form 8832, under U.S. law, to classify each of PAS, PAd, Protego PE, Protego SI, Protego Servicios, BD Protego, Sedna and CB Servicios as a partnership or Disregarded Entity, as applicable, for U.S. tax purposes on the date of such transformations.

(b) On and in no event before the Closing Date, Protego PE will enter into an agreement with a newly formed entity owned by certain of the Protego Partners pursuant to which (i) Protego PE shall be entitled to retain an aggregate of 10% of the total Carry Proceeds and Return Proceeds (as such terms are defined in the DAI GP Partnership Agreement) with respect to all portfolio investments of DAI which are unrealized as of such date and all future portfolio investments of DAI, in each case, to which Protego PE is entitled to receive pursuant to the DAI GP Partnership Agreement and (ii) such entity will be entitled to receive the remaining portion of Return Proceeds and Carry Proceeds (as such terms are defined in the DAI GP Partnership Agreement) to which Protego PE is entitled to receive in respect of its interests in the DAI GP.

(c) On and in no event before the Closing Date (and, in any event, after the consummation of the transactions contemplated by Sections 2.1.3(a) and (b)), the Protego Founder and the Existing Protego Service Partners shall transfer to the Partnership (i) all but one of the issued and outstanding shares of PAS and (ii) 99% of the issued and outstanding equity interests of Protego SI, and the Protego Founder shall transfer to the Partnership his settler and second beneficial interest in the PCB Management Trust (collectively, the "Protego Contributions"), such that, immediately following the Protego Contributions, the Partnership will own, directly or indirectly, 100% of the issued and outstanding equity interests of each of the Protego Entities (other than PCB).

(d) In consideration of the Protego Contributions, the Partnership will issue (i) a non-interest bearing promissory note, denominated in U.S. dollars, in the amount of Nine Hundred Fifty Thousand Dollars ($950,000) to the Protego Founder and (ii) a non-interest bearing promissory note, denominated in U.S. dollars, in the amount of Five Million One Hundred Thousand Dollars ($5,100,000), less the amount of the PAS Dividend, to the Protego Partners named in Annex E, in each case in the form attached hereto as Exhibit D (collectively, the "Protego Partners Notes").

(e) On and in no event before the Closing Date, on the terms and subject to the conditions contained in the PCB Management Trust Contribution Agreement, the PCB Management Trust shall sell, convey, assign, transfer and deliver to the Partnership 19% of the issued and outstanding shares of PCB such that, immediately following such sale (the "PCB Sale") and the Protego Contributions, the Partnership will own, directly or indirectly, 70% of the issued and outstanding shares of capital stock of PCB.

2.2 Closing. Unless this Agreement shall have been earlier terminated in accordance with the provisions of this Agreement, the closing of the Contribution and Sale Transactions (the "Closing") shall take place (a) at the offices of Simpson Thacher & Bartlett LLP at 10:00 a.m., on the date of, and immediately preceding the consummation of, the IPO so long as the conditions precedent set forth in Article 5 have been previously satisfied or waived in writing (other than conditions with respect to actions the respective Parties will take at the Closing itself, but subject to the satisfaction or waiver of those conditions), or (b) on such other date as may be mutually agreed upon in writing by the Evercore Founders (on behalf of the Evercore Partners) and the Protego Founder (on behalf of the Protego Partners). The date of the Closing is referred to herein as the "Closing Date." If the Closing extends over more than one (1) consecutive day, the Closing Date shall be deemed to have occurred on the last day of the Closing. If the Closing occurs, for purposes of this Agreement, the Closing shall be deemed to have occurred at 1:00 p.m. on the Closing Date.

2.3 Deliveries and Proceedings at Closing. At the Closing and subject to the terms and conditions herein contained:

(a) Deliveries by the Evercore Partners. The Evercore Partners shall deliver (or cause to be delivered) to the Protego Partners:

(i) merger agreements pursuant to which the Evercore Mergers will be consummated, in the form attached hereto as Exhibit F-1, duly executed by the Evercore Founders (the "Evercore Merger Agreements") and certificates of merger relating to the Evercore Mergers, in the form attached hereto as Exhibit F-2 (the "Evercore Certificates of Merger");

(ii) a certificate executed by each of the Evercore Partners, dated as of the Closing Date, certifying as set forth in Section 5.2.3;

(iii) the Amended Partnership Agreement, duly executed by each of the Evercore Partners;

(iv) the Evercore GP Holdings Terms Letter, duly executed by each of the ECP II GP and Evercore GP Holdings;

(v) Employment Agreements, duly executed by each of the Evercore Founders;

(vi) the applicable form of Non-Solicitation Agreements, duly executed by each managing director, vice president, associate, analyst or other individual holding a comparable position who is employed by any Evercore Entity immediately prior to the Closing; and

(vii) written approval from the NASD authorizing the consummation of the transactions contemplated by this Agreement and the other Transaction Documents as such transactions impact EG LLC or written confirmation from the NASD that such approval is not required.

(b) Deliveries by the Protego Partners. The Protego Partners shall deliver (or cause to be delivered) to the Evercore Partners:

(i) a certificate duly executed by each of the Protego Partners, dated as of the Closing Date, certifying as set forth in Section 5.1.3;

(ii) the Amended Partnership Agreement, duly executed by each of the Protego Partners;

(iii) an Employment Agreement, duly executed by the Protego Founder;

(iv) the applicable form of Non-Solicitation Agreements, duly executed by each managing director, vice president, associate, analyst or other individual holding a comparable position who is employed by any Protego Entity immediately prior to the Closing;

(v) FIRPTA certificates as required by Section 1445 of the Code and the regulations promulgated thereunder acceptable to the Partnership indicating that no withholding is required under Section 1445 of the Code in connection with the Protego Contributions;

(vi) a copy of Form 8832 with respect to each of the Protego Entities (other than PCB) to the effect that such entities elect, under U.S. law, effective on or before the consummation of the Contribution and Sale Transactions and the transactions contemplated by the PCB Management Trust Contribution Agreement, to be treated as partnerships or Disregarded Entities, as applicable, for U.S. federal income tax purposes, and notarized minutes of the board of directors, shareholders or other governing body, as required, each of PAS, PAd, BD Protego, Protego PE and CB Servicios authorizing the transformation of each such entity into a Mexican SRL on or prior to the Reorganization Date;

(vii) an amendment to the prior written approval from the Mexican National Banking and Securities Commission (*Comision Nacional Bancaria y de Valores*) (the "CNBV") dated September 7, 2005, which amended approval authorizes the acquisition (directly and indirectly) of 70% of the outstanding shares of PCB by the Partnership and the changes to the PCB board of directors contemplated by Section 4.3.4(b) hereof, or written confirmation from the CNBV that such amended approval is not required;

(viii) certificates evidencing 100% of the equity interests in each of the Protego Entities other than (i) certificates evidencing the equity interests in PCB, which certificates are held by S.D. Indeval, and (ii) the Protego Entities set forth on Schedule 3.1.2(c);

(ix) resolutions of the shareholders' meeting of PCB appointing two individuals (and their respective alternates) as additional members of the PCB board of

directors, effective as of the Closing Date, which individuals (and their respective alternates) shall be specified in writing by the Evercore Founders;

(x) certified copies by a Notary Public of the notations made by the Secretary of each of the Protego Entities setting forth the transfer of the interests in each such Protego Entity to Evercore LP;

(xi) written waiver of rights of first refusal by each holder of interests in PAS and any other rights to permit the sale of PAS to Partnership and written waiver of rights of first refusal by each holder of interests in Protego SI and any other rights to permit the sale of Protego SI to Partnership;

(xii) written waiver of the rights of the Executive Directors who are employed by PAS as of the date of this Agreement under the Executive Directors Agreement, dated May 1, 2002, among the Protego Founder and the other parties thereto;

(xiii) evidence of the transfer of the shares of PCB owned by PAS through S.D. Indeval to the Partnership in accordance with Mexican law and the rules and practices of S.D. Indeval; and

(xiv) approval of the Mexican Ministry of Foreign Relations (*Secretaría de Relaciones Exteriores*) to amend the by-laws of PAS and Protego PE to permit the acquisition of such entity by the Partnership, together with notarized minutes of the meetings of the shareholders of each of PAS and Protego PE adopting resolutions approving such by-law amendments.

(c) Deliveries by the Partnership and Pubco. The Partnership and Pubco shall deliver (or cause to be delivered) to the Evercore Partners and the Protego Partners a certificate executed by the Partnership and Pubco, dated as of the Closing Date, certifying as set forth in Section 5.3.2.

(d) Other Deliveries. The Parties hereto shall also deliver to each other any other agreements, closing certificates and other documents and instruments required to be delivered pursuant to this Agreement.

2.4 IPO Transactions and Protego Partners Note Payment.

(a) Each of the Parties hereto intends that Pubco shall consummate an initial public offering (the "IPO") of shares of Class A Stock on the Closing Date immediately following the closing of the Transactions, and each of the Evercore Partners and the Protego Partners agrees to use their respective reasonable best efforts to take such actions as are necessary and appropriate in furtherance of such consummation of the IPO, including the actions required by Section 4.3.7.

(b) Promptly and in any event within five (5) Business Days following the closing of the IPO, Pubco shall contribute to the Partnership for repayment in full of the Protego Partners Notes and to fund the payment of the PAS Dividend an aggregate amount of cash equal

to Six Million Fifty Thousand Dollars ($6,050,000). Upon receipt of such funds, the Partnership shall pay (i) an amount in cash equal to Nine Hundred Fifty Thousand Dollars ($950,000) to the Protego Founder in repayment of one of the Protego Partners Notes and (ii) an amount in cash equal to Five Million One Hundred Thousand Dollars ($5,100,000), less the amount of the PAS Dividend, to the Protego Partners in accordance with Annex E in repayment of the other Protego Partners Note. In addition, upon receipt of such funds, the Partnership shall contribute to the capital of PAS an amount of cash equal to the PAS Dividend to fund the payment of the PAS Dividend. PAS shall thereafter pay the PAS Dividend to the Protego Founder and the Existing Protego Service Partners. Upon payment of the amounts in accordance with this Section 2.4(b), (i) the Partnership shall have satisfied and discharged in full all of its obligations owing to the Protego Partners under both of the Protego Partners Notes, (ii) PAS shall have satisfied and discharged in full all of its obligations owing to the Protego Partners in respect of the PAS Dividend and (iii) the Protego Partners shall execute and deliver to the Partnership a pay-off letter confirming repayment in full and cancellation of the Protego Partners Note.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of the Protego Partners. Each of the Protego Partners, severally but not jointly, hereby represents and warrants to the Evercore Partners with respect to themselves, the Protego Entities and the respective businesses of the Protego Entities, as of the date hereof and as of the Closing Date, as set forth below:

3.1.1 Existence, Qualification and Authority.

(a) Each of PAS, PAd and Protego PE is, as of the date hereof, a *sociedad anónima de capital variable* and, as of the Closing Date, will be an SRL, in each case, duly organized and validly existing under the laws of Mexico. Each of PCB, CB Servicios and BD Protego is a *sociedad anónima de capital variable*, duly organized and validly existing under the laws of Mexico. Each of Protego SI and Protego Servicios is a *sociedad civil*, duly organized and validly existing under the laws of Mexico, and Sedna is an SRL, duly organized and validly existing under the laws of Mexico. Each of DAI and the DAI GP is a limited partnership, duly organized and validly existing under the laws of Ontario. Each of the Protego Entities, DAI and the DAI GP has the requisite power and authority to own and operate its assets and carry on its business as currently conducted, except where any such failure to be so organized or existing or to have such power and authority has not had, and would not reasonably be expected to result in, individually or in the aggregate, a Material Adverse Effect with respect to the Protego Entities. Mexico is the sole jurisdiction in which any of the Protego Entities is authorized to do business. Each of Aggero and Acentus is a *sociedad civil*, duly organized and validly existing under the laws of Mexico. BD Protego has not conducted any broker-dealer activities and has not applied for any license or registration, and has not been licensed or registered, to operate as a broker-dealer in any jurisdiction.

(b) Each of the Protego Partners and Protego Entities has the requisite power, authority and legal right to execute and deliver this Agreement and each of the other Transaction

Documents to which such Protego Partner or Protego Entity, as the case may be, is a party and to consummate the transactions contemplated hereby and thereby.

(c) The execution, delivery and performance by each of the Protego Partners of each of this Agreement, the Founder Non-Solicitation Agreement and the Senior Managing Director Non-Solicitation Agreement, as applicable, have been duly authorized by all necessary action on the part of such Protego Partner party thereto and, in the case of any Protego Partner that is an individual, if married under the *sociedad conyugal* regime, such Protego Partner has received the written consent of his or her spouse, which written consent has been delivered on or prior to the date hereof. Prior to the Closing, the execution, delivery and performance by each of the Protego Partners and Protego Entities of each of the other Transaction Documents to which such Protego Partner or Protego Entity, as the case may be, is a party will have been duly authorized by all necessary action on the part of such Protego Partner or Protego Entity, as the case may be.

(d) Each of this Agreement, the Founder Non-Solicitation Agreement and the Senior Managing Director Non-Solicitation Agreement, as applicable, has been duly executed and delivered by each Protego Partner party thereto, and each such agreement constitutes the legal, valid and binding obligation of such Protego Partner, enforceable against such Protego Partner in accordance with its terms, except to the extent such enforcement may be limited by applicable bankruptcy laws and other similar laws affecting creditors' rights generally. On the Closing Date, each of the other Transaction Documents to which any Protego Partner or Protego Entity is a party will have been duly executed and delivered by such Protego Partner or Protego Entity, as the case may be, and will constitute a legal, valid and binding obligation of such Protego Partner or Protego Entity, as the case may be, enforceable against such Protego Partner or Protego Entity, as the case may be, in accordance with its terms, except as such enforceability may be limited by bankruptcy laws and other similar laws affecting creditors' rights generally.

3.1.2 Capitalization; Ownership; No Interest in Other Entities.

(a) Schedule 3.1.2(a)(i) sets forth the number of authorized, issued and outstanding shares of each class of capital stock or other authorized, issued and outstanding equity interests, as applicable, of each of the Protego Entities; the names of the holders thereof; and the number of shares or percentage interests, as applicable, held by each such holder. Each of the holders listed on Schedule 3.1.2(a)(i) owns the shares of capital stock or other equity interests of the applicable Protego Entity listed next to such holder's name on Schedule 3.1.2(a)(i) free and clear of any Liens. Protego PE owns limited partnership interests of the DAI GP, free and clear of any Liens. The DAI GP is the general partner of DAI. As a limited partner of the DAI GP, Protego PE is entitled to receive (i) 33.3% of the Carry Proceeds received by the DAI GP in respect of each of the investments made by DAI and (ii) Return Proceeds distributed pro rata according to the capital contributions of Protego PE in respect of each of the investments made by DAI (as such terms are defined in the DAI GP Partnership Agreement). As of the Closing Date, (x) Protego PE will be entitled to retain an aggregate of 10% of the Carry Proceeds and Return Proceeds (as such terms are defined in the DAI GP Partnership Agreement) with respect to all portfolio investments of DAI which are unrealized as of such date and all future portfolio investments of DAI, in each case, to which Protego PE is entitled to receive pursuant to

the DAI GP Partnership Agreement and (y) a newly formed entity owned by certain of the Protego Partners will be entitled to receive the remaining portion of Return Proceeds and Carry Proceeds (as such terms are defined in the DAI GP Partnership Agreement) to which Protego PE is entitled to receive in respect of its interests in the DAI GP. All of the issued and outstanding equity interests of each of the Protego Entities and the DAI GP are duly authorized and issued, fully paid and non-assessable and not subject to preemptive or similar rights. Schedule 3.1.2(a)(ii) sets forth the number of authorized, issued and outstanding shares of each class of capital stock or other authorized issued and outstanding equity interests, as applicable, of Aggero and Acentus; the names of the holders thereof; and the number of shares or percentage interests, as applicable, held by each such holder. Each of the holders listed on Schedule 3.1.2(a)(ii) owns the shares of capital stock or other equity interests of the applicable entity listed next to such holder's name on Schedule 3.1.2(a)(ii) free and clear of any Liens.

(b) There are no authorized or outstanding options, warrants, purchase rights, subscription rights, conversion rights, exchange rights, redemption rights or other contracts or commitments that could require any of the Protego Partners or Protego Entities to issue, sell, purchase or otherwise cause to become outstanding or redeemed any of the equity interests of any of the Protego Entities. Except as set forth in Schedule 3.1.2(b)(i), there are no outstanding equity appreciation, or phantom equity, profit participation or similar rights with respect to any of the Protego Entities, nor are there any voting trusts, proxies, powers of attorney or other agreements or understandings with respect to the voting of any of the equity interests of any of the Protego Entities. No shares of any corporation or any ownership or other investment interest, either owned of record, beneficially or equitably, in any association, partnership, joint venture or other Person are included, or will be included on the Closing Date, in the assets of any of the Protego Entities, except for the limited partnership interests of DAI owned by the DAI GP (and owned indirectly by Protego PE) and any interests in portfolio companies of DAI owned by DAI (and owned indirectly by the DAI GP and Protego PE). At the Closing, following the consummation of the Transactions, the Partnership will own, directly or indirectly, (i) 100% of the issued and outstanding shares of capital stock or other equity interests, as applicable, of each of the Protego Entities (other than PCB) and (ii) 70% of the issued and outstanding shares of capital stock of PCB, in each case, free and clear of any Liens. At the Closing, following the consummation of the Transactions, the PCB Minority Shareholders will own 30% of the issued and outstanding shares of capital stock of PCB and no other person (other than the Partnership) will own any shares of capital stock, or have any rights to acquire any shares of capital stock or other securities, of PCB. The bylaws of PCB are in full force and effect and are attached as Schedule 3.1.2(b)(ii), and there are no other organizational documents, shareholders agreements, voting agreements, proxies or similar arrangements relating to the voting of any issued or unissued securities of PCB or otherwise setting forth any rights attached to any securities of PCB or any other governance or other rights with respect to the ownership and/or management of PCB, except for the shareholders agreement referred to in Section 4.3.4(b) to be entered into among the shareholders of PCB.

(c) Except as set forth on Schedule 3.1.2(c), all of the equity interests of all of the Protego Entities are evidenced or represented by physical certificates, which certificates are held by the Protego Partners or the Protego Entities, as applicable, except that all of the

certificates evidencing the issued and outstanding shares of PCB are held by S.D. Indeval, in compliance with the Mexican Securities Market Law (*Ley del Mercado de Valores*).

3.1.3 Compliance with Law; Authorizations.

(a) Except as set forth in Schedule 3.1.3(a), each of the Protego Entities, the DAI GP and DAI has complied in all material respects with, and is not in violation in any material respect of, any material Requirement of Law or any other material Governmental Order, in each case, applicable to any of the Protego Entities, the DAI GP, DAI or their respective businesses, as the case may be.

(b) Except as has not had, and would not reasonably be expected to result in, individually or in the aggregate, a Material Adverse Effect with respect to the Protego Entities, (i) each of the Protego Entities, the DAI GP and DAI has all Authorizations ("Protego Authorizations"), including all Authorizations from the CNBV for PCB to engage in business as a registered broker-dealer in Mexico, that are necessary for it to operate its business, (ii) each of such Protego Authorizations is in full force and effect, is validly and exclusively held by the applicable Protego Entity, the DAI GP or DAI, as the case may be, without any legal disqualifications, conditions or other restrictions, and is free and clear of all Liens and (iii) there are no existing applications, petitions to deny or complaints or proceedings pending before any Governmental Authority relating to the Protego Authorizations. Except as has not had, and would not reasonably be expected to result in, individually or in the aggregate, a Material Adverse Effect with respect to the Protego Entities, none of the Protego Entities, the DAI GP or DAI is in default, nor has any of the Protego Entities, the DAI GP or DAI received any notice of any claim of default, pending investments or additional requirements to be satisfied with respect to any of the Protego Authorizations, and to the Knowledge of the Protego Partners, no event has occurred with respect to any of the Protego Authorizations which permits, or after notice or lapse of time or both would permit, revocation or termination thereof or would result in any impairment of the rights of the holder of any Protego Authorization.

3.1.4 Litigation. Except as set forth in Schedule 3.1.4, there is no Action of or before any Governmental Authority (a) pending against any of the Protego Entities, the DAI GP or DAI nor, to the Knowledge of the Protego Partners, is any such Action threatened against any of the Protego Entities, the DAI GP or DAI, and, to the Knowledge of the Protego Partners, no investigation that might result in any such Action is pending or threatened. None of the Protego Entities, the DAI GP or DAI is a party to or subject to the provisions of any Governmental Order.

3.1.5 Contracts and Other Agreements.

(a) Except as listed in Schedule 3.1.5(a) or as required by this Agreement, none of the Protego Entities is a party or subject to any of the following agreements, whether written or oral, express or implied, which will continue to bind, or impose any liability or other obligation on, any of the Protego Entities or their respective businesses after the Closing Date:

(i) other than as specified in clause (ii) below, any agreement, contract, lease, arrangement, understanding or commitment, or series of related

agreements, contracts, leases or commitments all with the same Person or related Persons, which involves an amount in excess of $500,000 on an annualized basis;

(ii) any agreement pursuant to which any of the Protego Entities (A) has provided any advisory or monitoring services or issued any fairness opinion or similar report since January 1, 2003 and (B) has received, or expects to receive, a fee in excess of $750,000;

(iii) any material agreement pursuant to which any of the Protego Entities receives any percentage of returns on investments made by any Person;

(iv) any agreement, contract, arrangement, understanding or commitment limiting or restraining in any material respect any of the Protego Entities or, to the Knowledge of the Protego Partners, any employee of any of the Protego Entities from engaging in any business, engaging in business in any geographic area or pursuing any strategic initiative or competing in any manner;

(v) any license or other agreement which relates in whole or in part to any Intellectual Property, other than nonmaterial licenses for software programs which are generally commercially available;

(vi) any agreement with any employees of any of the Protego Entities, including, without limitation, the Protego Plans;

(vii) any trust indenture, mortgage, promissory note, loan agreement or other contract for the borrowing of money, any currency exchange, commodities or other hedging arrangement or any leasing transaction of the type required to be capitalized as a liability in accordance with GAAP ("Indebtedness");

(viii) any material agreement of guarantee, support, indemnification, assumption or endorsement of, or any similar commitment with respect to, the obligations, liabilities (whether accrued, absolute, contingent or otherwise) or Indebtedness of any other Person;

(ix) other than as specified in clause (vi) above, any contract, agreement, arrangement or understanding between any of the Protego Entities, on the one hand, and the Protego Partners or any other Affiliate of any of the Protego Entities (including Aggero or Acentus but excluding any of the Protego Entities and any portfolio company of DAI), on the other hand;

(x) any material agreement, contract, arrangement, understanding or commitment relating to marketing, revenue sharing or similar arrangements;

(xi) any agreement, contract, arrangement, understanding or commitment containing "change of control" provisions which would require the consent of a third party in order to consummate the transactions contemplated by this Agreement or would otherwise give right to a termination right on the part of such third party;

(xii) any agreement, contract, arrangement, understanding or commitment relating to the acquisition or disposition of any business (whether by merger, sale of stock, sale of assets or otherwise);

(xiii) any material agreement, contract, arrangement, understanding or commitment between any of the Protego Entities, on the one hand, and any Governmental Authority, on the other hand (other than governmental licenses or permits);

(xiv) any agreement with any Governmental Authority that was entered into prior to compliance with all governmental regulations applicable with respect to such agreement, including regulations requiring a public bidding process; or

(xv) any other material agreement, contract, arrangement, understanding or commitment not made in the Ordinary Course of Business.

(b) Each of the agreements, commitments, instruments, documents and undertakings required to be listed in Schedule 3.1.5(a) (the "Protego Contracts") is valid and enforceable against the Protego Entities and, to the Knowledge of the Protego Partners, against any other party thereto in accordance with its terms except where any such failure to be valid and enforceable has not had, and would not reasonably be expected to result in, individually or in the aggregate, a Material Adverse Effect with respect to the Protego Entities or except to the extent that such enforcement may be limited by applicable bankruptcy laws and other similar laws affecting creditors' rights generally. None of the Protego Entities is, and to the Knowledge of the Protego Partners, no other party thereto is, in default in the performance, observance or fulfillment of any obligation, covenant or condition contained in the Protego Contracts, and no event caused by, relating to or affecting any of the Protego Entities has occurred which, with or without any notice or lapse of time, or both, would constitute a default by any of the Protego Entities thereunder or, to the Knowledge of the Protego Partners, would constitute a default by such other party thereunder, in each case except as has not had, and would not reasonably be expected to result in, individually or in the aggregate, a Material Adverse Effect with respect to the Protego Entities.

3.1.6 Validity of Contemplated Transactions, Etc.

(a) Upon the receipt of the requisite consents, approvals and authorizations set forth in Schedule 3.1.6(a), neither the execution, delivery and performance by the Protego Partners and the Protego Entities of this Agreement and the other Transaction Documents, nor the consummation by the Protego Partners and the Protego Entities of the transactions contemplated hereby or thereby, nor compliance by the Protego Partners and the Protego Entities with the terms and provisions hereof or thereof, will, directly or indirectly (with or without notice or lapse of time or both), (i) contravene or conflict with the certificate of incorporation, by-laws, certificate of formation, limited liability company agreement, partnership agreement or similar organizational documents of any of the Protego Partners, the Protego Entities, the DAI GP or DAI, (ii) contravene or conflict with, or result in a breach or termination of, or constitute a default under (or with notice or lapse of time or both, result in the breach or termination of or constitute a default under) or result in the termination or suspension of, or accelerate the

performance required by the terms, conditions or provisions of, or cause any payments to be due under, any of the Protego Contracts or Protego Authorizations, (iii) constitute a violation by any of the Protego Partners, the Protego Entities, the DAI GP or DAI of any existing Requirement of Law or Governmental Order applicable to any of the Protego Partners, the Protego Entities, the DAI GP or DAI or any of their respective properties, rights or assets or (iv) result in the creation of any Lien upon any equity interests, properties, rights or assets of any of the Protego Entities, the DAI GP or DAI except, in the case of clauses (ii), (iii) and (iv), as would not reasonably be expected to result in, individually or in the aggregate, a Material Adverse Effect with respect to the Protego Entities.

(b) Other than as set forth in Schedule 3.1.6(a), the filing of Forms 8832 with respect to each of the Protego Entities (other than PCB) and the transformation of each of PAS, PAd and Protego PE to an SRL, no Authorization and no filing or notification with any Governmental Authority, any counterparty to any of the Protego Contracts or any other Person is required to be made or obtained by any of the Protego Partners, the Protego Entities, the DAI GP or DAI in connection with the execution, delivery or performance by any of the Protego Partners or Protego Entities of this Agreement or the other Transaction Documents, or the consummation of the transactions contemplated hereby or thereby by the Protego Partners or Protego Entities, except for any such Authorization, filing or notification the failure of which to make or obtain would not reasonably be expected to result in, individually or in the aggregate, a Material Adverse Effect with respect to the Protego Entities.

3.1.7 Taxes.

(a) All material Tax Returns required to be filed by or with respect to each of the Protego Entities have been timely filed, and all such Tax Returns are complete and correct in all material respects. Each of the Protego Entities has paid in full all Taxes due and payable, whether or not shown on such Tax Returns, or has made adequate provision for all Taxes on the Protego Current Balance Sheet. None of the Protego Entities has incurred a liability for Taxes since the date of the Protego Current Balance Sheet that is not in the Ordinary Course of Business.

(b) There are no Tax Liens upon any of the assets or properties of any of the Protego Entities, other than with respect to Taxes not yet due and payable or Liens for Taxes being contested in good faith and for which there is adequate provision in the Protego Current Balance Sheet.

(c) Except as listed and described in Schedule 3.1.7(c), no examination or audit of any Tax Return relating to any Taxes of any of the Protego Entities with respect to any Taxes due from or with respect to any of the Protego Entities by any Governmental Authority is currently in progress or, to the Knowledge of the Protego Partners, has been threatened by any Governmental Authority. No assessment of Tax has been proposed in writing against any of the Protego Entities or any of their assets or properties and, to the Knowledge of the Protego Partners, there are no grounds for any such assessment. There are no outstanding agreements, waivers or arrangements extending the statutory period of limitations applicable to any claim for,

or the period for the collection or assessment of, Taxes due from or with respect to any of the Protego Entities for any taxable period.

(d) Each of the Protego Entities has duly and timely withheld from employee salaries, wages and other compensation and paid over to the appropriate taxing authorities all amounts required to be so withheld and paid over (including amounts related to quasi-tax obligations (including social security contributions, workers' housing fund contributions and retirement contributions)), for all periods under all applicable laws and regulations.

(e) Each of the Protego Entities have collected all value added taxes required to be collected, and has remitted, or will remit on a timely basis, such amounts to the appropriate Governmental Authorities, or has been furnished properly completed exemption certificates and has maintained all such records and supporting documents in the manner required by all applicable sales and use Tax statutes and regulations.

(f) None of the Protego Entities is a party to, or bound by, or has any obligation under, any tax allocation or sharing agreement or similar contract or arrangement or any agreement that obligates it to make any payment computed by reference to the Taxes, taxable income or taxable losses of any other Person, other than any such agreements or arrangements solely among Protego Entities.

(g) Prior to the Closing, each of PAS, PAd, Protego PE, Protego SI, Protego Servicios, BD Protego, Sedna and CB Servicios will have filed Form 8832 to elect to be treated for United States federal income tax purposes as a partnership or Disregarded Entity, as applicable, and no election to the contrary has been made in the prior sixty months.

(h) The aggregate amount of any value added tax paid in connection with the CSS Service Payment will be fully refundable or creditable to a Protego Entity (other than PCB).

3.1.8 Environmental Matters. Except as would not reasonably be expected to result, individually or in the aggregate, in a Material Adverse Effect with respect to the Protego Entities, and except as provided in Schedule 3.1.8:

(a) Each of the Protego Entities is, and during the term of all applicable statutes of limitation has been, in compliance with all applicable Environmental Laws;

(b) None of the Protego Entities has received any Environmental Claim, and to the Knowledge of the Protego Partners, there is no threatened Environmental Claim, or basis to reasonably expect any future Environmental Claim, against any of the Protego Entities;

(c) None of the Protego Entities has Released Hazardous Materials or arranged for disposal of Hazardous Materials in violation of Environmental Laws or in a manner that would reasonably be expected to result in liability under any Environmental Law; and

(d) Hazardous Materials are not present at any of the facilities owned, leased or operated by any of the Protego Entities in amount or condition that would reasonably be expected to result in liability under any Environmental Law.

3.1.9 Title; Assets; Real and Personal Property.

(a) Except as has not had, and would not reasonably be expected to result in, individually or in the aggregate, a Material Adverse Effect with respect to the Protego Entities, each of the Protego Entities has good, valid and marketable title or good, valid and marketable leaseholds, as applicable, to all of the assets, properties and rights, real, personal and mixed, which are necessary to conduct its business as currently conducted, including all properties and assets reflected in the Protego Current Balance Sheet, free and clear of all Liens, except for Permitted Liens.

(b) None of the Protego Entities owns any real property. Schedule 3.1.9(b) contains a true and complete list of all real property leased, subleased, licensed or otherwise occupied (whether as tenant, subtenant or pursuant to other occupancy arrangements) by each of the Protego Entities (collectively, including the improvements now or subsequently located thereon, the "PAS Leased Real Property"), and for each PAS Leased Real Property, identifies the street address of such PAS Leased Real Property. True and complete copies of all agreements (including all amendments and modifications thereto) under which any of the Protego Entities is the landlord, sublandlord, tenant, subtenant, or occupant (each a "PAS Lease") have been delivered to the Evercore Partners. With respect to the PAS Leased Real Property, except as has not had, and would not reasonably be expected to result in, individually or in the aggregate, a Material Adverse Effect with respect to the Protego Entities:

(i) To the Knowledge of the Protego Partners, except as set forth in Schedule 3.1.9(b)(i), none of the PAS Leased Real Property is subject to any lease, sublease, license, occupancy agreement, option, right, concession or other agreement, written or oral, granting to any Person (other than a Protego Entity) any right to purchase, use or occupy such PAS Leased Real Property or any part thereof;

(ii) Each PAS Lease is in full force and effect and is valid and enforceable in accordance with its terms and there is no default under any PAS Lease by any of the Protego Entities, or by any other party thereto, and no event has occurred that, with the lapse of time or the giving of notice or both, would constitute a default by any of the Protego Entities thereunder;

(iii) Except as set forth in Schedule 3.1.9(b)(iii), each PAS Lease will continue to be the legal, valid and binding obligation of, and legally enforceable against, the parties thereto and shall continue in full force and effect, in each case on identical terms, following the consummation of the transactions contemplated hereby;

(iv) There are no existing or, to the Knowledge of the Protego Partners, threatened condemnation or eminent domain proceedings affecting the PAS Leased Real Property or any portion thereof or any other proceeding affecting the PAS Leased Real Property or any portion thereof; and

(v) Each parcel of PAS Leased Real Property has received all approvals of Governmental Authorities permitting lawful occupancy required in connection with the current use thereof.

3.1.10 Material Changes. Since December 31, 2005, (i) there has not been or occurred any Material Adverse Effect with respect to the Protego Entities and (ii) none of the Protego Entities has taken or permitted to be taken any action that would have been a violation of Section 4.1.1 if this Agreement had been in effect at the time of such action.

3.1.11 Intellectual Property Matters. Schedule 3.1.11(a) sets forth all Intellectual Property registrations and applications and all material unregistered Intellectual Property owned by any of the Protego Entities. Except as has not had, and would not reasonably be expected to result in, individually or in the aggregate, a Material Adverse Effect with respect to the Protego Entities, or except as set forth in Schedule 3.1.11(b), (i) each of the Protego Entities owns or has the right to use all Intellectual Property used in its business as currently conducted, free and clear of any Liens, (ii) all registrations and applications set forth on Schedule 3.1.11(a) are unexpired and subsisting, (iii) none of the Protego Entities is infringing or otherwise violating the Intellectual Property of any other Person; (iv) to the Knowledge of the Protego Partners, no Person is infringing or otherwise violating the Intellectual Property owned or used by any of the Protego Entities, and (v) each of the Protego Entities, takes all reasonable steps to protect and maintain its Intellectual Property.

3.1.12 Books of Account; Financial Statements of Protego. None of the Protego Entities has engaged in any material transaction or used any material funds of any of the Protego Entities except for transactions and funds which are reflected in the normally maintained books and records of the applicable Protego Entity. Schedule 3.1.12 sets forth for all of the Protego Entities, on a consolidated basis, (i) the audited consolidated balance sheets as of December 31, 2004 and December 31, 2005 and (ii) the audited consolidated statements of operations and changes in cash flows for each of the three years in the periods ended December 31, 2005 (collectively, the "Protego Financial Statements"). The Protego Financial Statements (i) are in accordance with the books and records of the Protego Entities, (ii) fairly present, in all material respects, the consolidated financial position of the Protego Entities as of their respective dates and the results of operations and changes in cash flows for the periods covered thereby and (iii) have been prepared in accordance with GAAP applied on a basis consistent with past practice used in preparing the financial statements of each of the Protego Entities.

3.1.13 Availability of Documents. To the Knowledge of the Protego Partners, the Protego Entities have made available to the Evercore Partners copies of all documents listed in the schedules in this Section 3.1. Such copies are complete and accurate in all material respects and include all amendments, supplements and modifications thereto or waivers in effect thereunder.

3.1.14 Brokers or Finders. None of the Protego Partners, the Protego Entities, the DAI GP or DAI has incurred or will incur any obligation or liability, contingent or otherwise, for brokers' or finders' fees or agents' commissions or other similar payments in connection with this Agreement, the other Transaction Documents or the transactions contemplated hereby or thereby.

3.1.15 Employee Relations.

(a) No employee of any of the Protego Entities was, or is, represented by any labor union or other labor organization.

(b) No contract expressly prohibits any of the Protego Entities from reducing in any material respect the number of employees of any of the Protego Entities.

(c) Each of the Protego Entities has complied in all material respects with all applicable laws, rules and regulations relating to wages, hours, discrimination in employment, collective bargaining, unfair labor practices, employment agreements, family and medical leave or occupational safety and health. Except as has not had, and would not reasonably be expected to result in, individually or in the aggregate, a Material Adverse Effect with respect to the Protego Entities, none of the Protego Entities has any liability or obligation for any arrears of wages or benefits or any Taxes or penalties for failure to comply with any of the foregoing.

(d) Except as set forth in Schedule 3.1.15(d), the employment of all Persons presently employed or retained by any of the Protego Entities is terminable at will, and none of the Protego Entities will be, pursuant to any current contract, arrangement or understanding, applicable law, or otherwise, obligated to pay any material severance pay or other benefit by reason of the voluntary or involuntary termination of employment of any present or former officer, employee or consultant, prior to, on or after the Closing Date.

(e) No material claims are pending or, to the Knowledge of the Protego Partners, between any of the Protego Entities and any of their respective employees.

3.1.16 Employee Benefit Plans.

(a) Schedule 3.1.16 sets forth a list of each material written employee benefit plan, and each written severance, change in control or employment plan, program or agreement, and each written vacation, incentive, bonus, stock option, stock purchase, and restricted stock plan, program or policy sponsored or maintained by the Protego Entities, in which present or former employees of the Protego Entities participate (collectively, the "Protego Plans").

(b) To the Knowledge of the Protego Partners, the Protego Plans are in compliance in all material respects with all applicable statutes, laws, ordinances, rules, orders, decrees, judgments, writs, and regulations of any controlling governmental authority or instrumentality (collectively, "Applicable Laws") and have been administered in all material respects in accordance with their terms and such Applicable Laws. Each Protego Plan that is required to be funded is fully funded, and with respect to all other Protego Plans, adequate reserves therefore have been established on the accounting statements of the applicable Protego Entity.

(c) There are no pending or, to the Knowledge of the Protego Partners, threatened claims and no pending or, to the Knowledge of the Protego Partners, threatened litigation with respect to any Protego Plans, other than ordinary and usual claims for benefits by participants and beneficiaries.

3.1.17 Insurance. All material insurance policies of each of the Protego Entities are in full force and effect and provide insurance in such amounts and against such risks as the Protego Partners have determined to be prudent in accordance with industry practices or as is required by law. None of the Protego Entities is in material breach or default, and none of the Protego Entities has taken any action or failed to take any action which, with notice or the lapse of time or both, would constitute such a breach or default, or permit termination or modification of any of the material insurance policies of any of the Protego Entities.

3.1.18 No Undisclosed Liabilities. Except as set forth in Schedule 3.1.18, none of the Protego Entities has any liabilities, whether accrued, contingent, absolute, determined, determinable or otherwise, except:

(a) liabilities disclosed on the Protego Current Balance Sheet which have not been paid or discharged since the date thereof; and

(b) liabilities incurred in the Ordinary Course of Business after December 31, 2005 (none of which arose from a breach of any of the PAS Authorizations or PAS Contracts and none of which would reasonably be expected to result, individually or in the aggregate, in a Material Adverse Effect with respect to the Protego Entities).

For purposes of this Section 3.1.18, the term "liabilities" shall include any direct or indirect Indebtedness, expenditure, or obligation.

3.1.19 Affiliate Transactions. Except as set forth in Schedule 3.1.5(a), there are no agreements, arrangements or understandings between any of the Protego Entities, the DAI GP or DAI, on the one hand, and any of the Protego Partners or any of their respective Affiliates (other than the Protego Entities or any portfolio companies of DAI), on the other hand.

3.1.20 Foreign Corrupt Practices Act. None of the Protego Entities or any of their respective officers, directors, agents and employees, as applicable, has taken any action that (i) would have violated in any material respect the United States Foreign Corrupt Practices Act of 1977, 15 U.S.C. Sections 78dd-1, et. seq., as amended (the "FCPA"), if the same had been applicable at the time of the taking of such action, or (ii) violated in any material respect any similar law of any jurisdiction in which any of the Protego Entities conducts business.

3.1.21 Broker Dealer Compliance.

(a) All activities and operations conducted or engaged in, directly or indirectly, by any of the Protego Entities that are required by any applicable Requirement of Law or Governmental Order to be conducted by a duly registered and licensed broker-dealer are conducted solely by PCB. Schedule 3.1.21(a) list all material registrations and licenses held by PCB with all applicable Governmental Authorities. PCB is duly registered and licensed as a broker-dealer under the Mexican Securities Market Law (*Ley del Mercado de Valores*) by the Ministry of Finance and the CNBV or similar laws pursuant to which PCB is required to be so registered, maintains a seat on the Mexican Stock Exchange (*Bolsa Mexicana de Valores, S.A. de C.V.*) and satisfies the minimum capital requirements and all other requirements specified by Mexican law and regulations issued by the CNBV.

(b) PCB has timely filed all material reports, registrations, statements and other filings, together with any amendments required to be made with respect thereto, that were required to be filed with or pursuant to the rules with all applicable Governmental Authorities (all such reports and statements, including the financial statements, exhibits, annexes and schedules thereto, being collectively referred to herein as the "PCB Reports"). Each of the PCB Reports, when filed, complied in all material respects as to form with, and the requirements of, the applicable Governmental Authorities.

3.1.22 Investment Purpose. Each of the Protego Partners is acquiring Partnership Units and shares of Class B Stock, as well as shares of Class A Stock issuable to such Protego Partner in exchange for Partnership Units (the "Securities"), for its own account for investment and not with a view to the distribution thereof and will not dispose of the Securities except in compliance with the Securities Act. Each Protego Partner is fully aware that such Securities have not been registered under the Securities Act or under any applicable state securities laws, and are being offered and sold in reliance on exemptions from the registration requirements of the Securities Act and all such laws. Each Protego Partner is an "accredited investor" as such term is defined in Regulation D promulgated under the Securities Act, except as set forth in Schedule 3.1.22. Each Protego Partner is able to bear the economic risk of the investment in such Securities and has such knowledge and experience in financial and business matters, and knowledge of the business of the Protego Entities, the Evercore Entities, the Partnership and Pubco, as to be capable of evaluating the merits and risks of a prospective investment. Each Protego Partner acknowledges that it has received or been given access to financial information and other documents and records necessary to make a well-informed investment decision and has had an opportunity to discuss the business, management and financial affairs of the Protego Entities, the Evercore Entities, the Partnership and Pubco with their respective managements.

3.1.23 Survival of Representations and Warranties. All representations and warranties made by Protego Partners in this Agreement or in the certificates delivered pursuant to Sections 5.1.3 shall survive until the eighteen (18) month anniversary of the Closing Date, except that (a) any intentional misrepresentation shall survive the Closing without limitation and (b) any representation or warranty contained in Section 3.1.1 or Section 3.1.2 shall survive the Closing indefinitely; provided that, notwithstanding the foregoing, the representations and warranties contained in Section 3.1.7 shall survive for the period set forth in Section 7.11. Notwithstanding the foregoing survival periods, in the event that any party makes a claim based upon breach of any representation or warranty pursuant to Article 6 and/or Article 7, which claim is submitted to the breaching party prior to, or at the expiration of, the applicable survival period, such representation or warranty shall survive until the resolution of such claim in accordance with this Agreement.

3.2 Representations and Warranties of the Evercore Partners. Each of the Evercore Partners, severally but not jointly, hereby represents and warrants to the Protego Partners with respect to themselves, the Evercore Entities and the respective businesses of the Evercore Entities, as of the date hereof and as of the Closing Date, as set forth below:

3.2.1 Existence, Qualification and Authority.

(a) Each of the Evercore Entities, the ECP II GP and ECP II is a corporation, limited liability company or limited partnership, as applicable, in each case, duly organized, validly existing and in good standing under the laws of Delaware. Each of the Evercore Entities, the ECP II GP and ECP II has all requisite power and authority to own and operate its assets and carry on its business as currently conducted, except where any such failure to be so organized, existing, or in good standing or to have such power and authority has not had, and would not reasonably be expected to result in, individually or in the aggregate, a Material Adverse Effect with respect to the Evercore Entities. Schedule 3.2.1 sets forth the jurisdictions in which each of the Evercore Entities is authorized to do business.

(b) Each of the Evercore Partners and Evercore Entities has the requisite power, authority and legal right to execute and deliver this Agreement and each of the other Transaction Documents to which such Evercore Partner or Evercore Entity, as the case may be, is a party and to consummate the transactions contemplated hereby and thereby.

(c) The execution, delivery and performance by each of the Evercore Partners of each of this Agreement, the Founder Non-Solicitation Agreements and the Senior Managing Director Non-Solicitation Agreement, as applicable, have been duly authorized by all necessary action on the part of such Evercore Partner party thereto. Prior to the Closing, the execution, delivery and performance by each of the Evercore Partners and Evercore Entities of each of the other Transaction Documents to which such Evercore Partner or Evercore Entity, as the case may be, is a party will have been duly authorized by all necessary action on the part of such Evercore Partner or Evercore Entity, as the case may be.

(d) Each of this Agreement, the Founder Non-Solicitation Agreement and the Senior Managing Director Non-Solicitation Agreement, as applicable, has been duly executed and delivered by each Evercore Partner party thereto, and each such agreement constitutes the legal, valid and binding obligation of such Evercore Partner, enforceable against such Evercore Partner in accordance with its terms, except to the extent such enforcement may be limited by applicable bankruptcy laws and other similar laws affecting creditors' rights generally. On the Closing Date, each of the other Transaction Documents to which any Evercore Partner or Evercore Entity is a party will have been duly executed and delivered by such Evercore Partner or Evercore Entity, as the case may be, and will constitute a legal, valid and binding obligation of such Evercore Partner or Evercore Entity, as the case may be, enforceable against such Evercore Partner or Evercore Entity, as the case may be, in accordance with its terms, except as such enforceability may be limited by bankruptcy laws and other similar laws affecting creditors' rights generally.

3.2.2 Capitalization; No Interest in Other Entities.

(a) Schedule 3.2.2(a) sets forth the number of authorized, issued and outstanding shares of each class of capital stock or other authorized, issued and outstanding equity interests, as applicable, of each of the Evercore Entities; the names of the holders thereof; and the number of shares or percentage interests, as applicable, held by each such holder. The Evercore Founders own 100% of the issued and outstanding shares of capital stock of each of the

Evercore S Corps, in each case, free and clear of any Liens. The Evercore Partners own (i) 100% of the membership interests of EGH LLC, (ii) 100% of the limited partnership interests of EGH LP, (iii) 100% of the membership interests of EG LLC and (iv) 100% of the membership interests of Evercore GP Holdings, in each case of the foregoing clauses (i)-(iv), free and clear of any Liens. The Evercore Partners own a majority of the membership interests of the ECP II GP, free and clear of Liens. Prior to the Closing Date, Evercore GP Holdings will have engaged in no other business activities and will have incurred no liabilities or obligations other than as contemplated herein. As of the Closing Date, Evercore GP Holdings will be a member of the ECP II GP, which is the general partner of ECP II. Pursuant to the Evercore GP Holdings Terms Letter, as of the Closing Date, Evercore GP Holdings will be entitled to 10% of the Carried Interest (as such term is defined in the ECP II Partnership Agreement) with respect to all portfolio investments of ECP II which are unrealized as of such date and all future portfolio investments of ECP II, in each case, to which the Evercore Partners, collectively, would have otherwise been entitled to receive pursuant to the limited liability company agreement of the ECP II GP. All of the issued and outstanding equity interests of each of the Evercore Entities and the ECP II GP are duly authorized and issued, fully paid and non-assessable and not subject to preemptive or other rights.

(b) Except as set forth in Schedule 3.2.2(b), there are no authorized or outstanding options, warrants, purchase rights, subscription rights, conversion rights, exchange rights, redemption rights or other contracts or commitments that could require any of the Evercore Partners or Evercore Entities to issue, sell, purchase or otherwise cause to become outstanding or redeemed any of the equity interests of any of the Evercore Entities. There are no outstanding equity appreciation, or phantom equity, profit participation or similar rights with respect to any of the Evercore Entities, nor are there any voting trusts, proxies, powers of attorney or other agreements or understandings with respect to the voting of any of the equity interests of any of the Evercore Entities. No shares of any corporation or any ownership or other investment interest, either owned of record, beneficially or equitably, in any association, partnership, joint venture or other Person are included, or will be included on the Closing Date, in the assets of any of the Evercore Entities, except for the limited partnership interests of ECP II owned by the ECP II GP (and owned indirectly by Evercore GP Holdings) and any interests in portfolio companies of ECP II owned by ECP II (and owned indirectly by the ECP II GP and Evercore GP Holdings). At the Closing, following the consummation of the Transactions, the Partnership will own, directly or indirectly, 100% of the issued and outstanding equity interests of each of the Evercore Entities, in each case, free and clear of any Liens.

(c) None of the equity interests of any of the Evercore Entities are evidenced or represented by physical certificates.

3.2.3 Compliance with Law; Authorizations.

(a) Except as set forth in Schedule 3.2.3(a), each of the Evercore Entities, the ECP II GP and ECP II has complied in all material respects with, and is not in violation in any material respect of, any material Requirement of Law or any other material Governmental Order, in each case, applicable to any of the Evercore Entities, the ECP II GP, ECP II or their respective businesses, as the case may be.

(b) Except as has not had, and would not reasonably be expected to result in, individually or in the aggregate, a Material Adverse Effect with respect to the Evercore Entities, (i) each of the Evercore Entities, the ECP II GP and ECP II has all Authorizations ("Evercore Authorizations"), including all Authorizations from the NASD for EG LLC to engage in business as a registered broker-dealer in the United States, that are necessary for it to operate its business, (ii) each of such Evercore Authorizations is in full force and effect, is validly and exclusively held by the applicable Evercore Entity, the ECP II GP or ECP II, as the case may be, without any legal disqualifications, conditions or other restrictions, and is free and clear of all Liens and (iii) there are no existing applications, petitions to deny or complaints or proceedings pending before any Governmental Authority relating to the Evercore Authorizations. Except as has not had, and would not reasonably be expected to result in, individually or in the aggregate, a Material Adverse Effect with respect to the Evercore Entities, none of the Evercore Entities, the ECP II GP or ECP II is in default, nor have any of the Evercore Entities, the ECP II GP or ECP II received any notice of any claim of default, pending investments or additional requirements to be satisfied, with respect to any of the Evercore Authorizations, and to the Knowledge of the Evercore Partners, no event has occurred with respect to any of the Evercore Authorizations which permits, or after notice or lapse of time or both would permit, revocation or termination thereof or would result in any impairment of the rights of the holder of any Evercore Authorization.

3.2.4 Litigation. There is no Action of or before any Governmental Authority (a) pending against any of the Evercore Entities, the ECP II GP or ECP II nor, to the Knowledge of the Evercore Partners, is any such Action threatened against any of the Evercore Entities, the ECP II GP or ECP II, and, to the Knowledge of the Evercore Partners, no investigation that might result in any such Action is pending or threatened. None of the Evercore Entities, the ECP II GP or ECP II is a party to or subject to the provisions of any Governmental Order.

3.2.5 Contracts and Other Agreements.

(a) Except as listed in Schedule 3.2.5(a) or as required by this Agreement, none of the Evercore Entities is a party or subject to any of the following agreements, whether written or oral, express or implied, which will continue to bind, or impose any liability or other obligation on any of the Evercore Entities or their respective businesses after the Closing Date:

(i) other than as specified in clause (ii) below, any agreement, contract, lease, arrangement, understanding or commitment, or series of related agreements, contracts, leases or commitments all with the same Person or related Persons, which involves an amount in excess of $1,500,000 on an annualized basis;

(ii) any agreement pursuant to which any of the Evercore Entities (A) has provided any advisory or monitoring services or issued any fairness opinion or similar report since January 1, 2003 and (B) has received, or expects to receive, a fee in excess of $1,500,000;

(iii) any material agreement pursuant to which any of the Evercore Entities receives any percentage of returns on investments made by any Person;

(iv) any agreement, contract, arrangement, understanding or commitment limiting or restraining in any material respect any of the Evercore Entities or, to the Knowledge of the Evercore Partners, any employee of any of the Evercore Entities from engaging in any business, engaging in business in any geographic area or pursuing any strategic initiative or competing in any manner;

(v) any license or other agreement which relates in whole or in part to any Intellectual Property, other than nonmaterial licenses for software programs which are generally commercially available;

(vi) any agreement with employees of any of the Evercore Entities, including, without limitation, the Evercore Plans;

(vii) trust indenture, mortgage, promissory note, loan agreement or other contract evidencing Indebtedness of any of the Evercore Entities;

(viii) any material agreement of guarantee, support, indemnification, assumption or endorsement of, or any similar commitment with respect to, the obligations, liabilities (whether accrued, absolute, contingent or otherwise) or Indebtedness of any other Person;

(ix) other than as specified in clause (vi) above, any contract, agreement, arrangement or understanding between any of the Evercore Entities, on the one hand, and the Evercore Partners or any other Affiliate of any of the Evercore Entities (excluding any of the Evercore Entities and any portfolio company of ECP II or any other investment fund managed by the Evercore Partners), on the other hand;

(x) any material agreement, contract, arrangement, understanding or commitment relating to marketing, revenue sharing or similar arrangements;

(xi) any agreement, contract, arrangement, understanding or commitment containing “change of control” provisions which would require the consent of a third party in order to consummate the transactions contemplated by this Agreement or would otherwise give right to a termination right on the part of such third party;

(xii) any agreement, contract, arrangement, understanding or commitment relating to the acquisition or disposition of any business (whether by merger, sale of stock, sale of assets or otherwise);

(xiii) any material agreement, contract, arrangement, understanding or commitment between any of the Evercore Entities, on the one hand, and any Governmental Authority, on the other hand (other than governmental licenses or permits);

(xiv) any agreement with any Governmental Authority that was entered into prior to compliance with all governmental regulations applicable with respect to such agreement, including regulations requiring a public bidding process; or

(xv) any other material agreement, contract, arrangement, understanding or commitment not made in the Ordinary Course of Business.

(b) Each of the agreements, commitments, instruments, documents and undertakings required to be listed in Schedule 3.2.5(a) (the "Evercore Contracts") is valid and enforceable against the Evercore Entities and, to the Knowledge of the Evercore Partners, against any other party thereto in accordance with its terms except where any such failure to be valid and enforceable has not had, and would not reasonably be expected to result in, individually or in the aggregate, a Material Adverse Effect with respect to the Evercore Entities or except to the extent that such enforcement may be limited by applicable bankruptcy laws and other similar laws affecting creditors' rights generally. None of the Evercore Entities is, and to the Knowledge of the Evercore Partners, no other party thereto is, in default in the performance, observance or fulfillment of any obligation, covenant or condition contained in the Evercore Contracts, and no event caused by, relating to or affecting the any of the Evercore Entities has occurred which, with or without any notice or lapse of time, or both, would constitute a default by any of the Evercore Entities thereunder or, to the Knowledge of the Evercore Partners, would constitute a default by such other party thereunder, in each case except as has not had, and would not reasonably be expected to result in, individually or in the aggregate, a Material Adverse Effect with respect to the Evercore Entities.

3.2.6 Validity of Contemplated Transactions, Etc.

(a) Upon the receipt of the requisite consents, approvals and authorizations set forth in Schedule 3.2.6(a), neither the execution, delivery and performance by the Evercore Partners and Evercore Entities of this Agreement and the other Transaction Documents, nor the consummation by the Evercore Partners and the Evercore Entities of the transactions contemplated hereby or thereby, nor compliance by the Evercore Partners and Evercore Entities with the terms and provisions hereof or thereof, will, directly or indirectly (with or without notice or lapse of time or both), (i) contravene or conflict with the certificate of incorporation, by-laws, certificate of formation, limited liability company agreement, partnership agreement or similar organizational documents of any of the Evercore Partners, Evercore Entities, the ECP II GP or ECP II, (ii) contravene or conflict with, or result in a breach or termination of, or constitute a default under (or with notice or lapse of time or both, result in the breach or termination of or constitute a default under) or result in the termination or suspension of, or accelerate the performance required by the terms, conditions or provisions of, or cause any payments to be due under, any of the Evercore Contracts or Evercore Authorizations, (iii) constitute a violation by any of the Evercore Partners, Evercore Entities, the ECP II GP or ECP II of any existing Requirement of Law or Governmental Order applicable to any of the Evercore Partners, the Evercore Entities, the ECP II GP, ECP II or any of their respective properties, rights or assets or (iv) result in the creation of any Lien upon any equity interests, properties, rights or assets of any of the Evercore Entities, the ECP II GP or ECP II except, in the case of clauses (ii), (iii) and (iv), as would not reasonably be expected to result in, individually or in the aggregate, a Material Adverse Effect with respect to the Evercore Entities.

(b) Other than as set forth in Schedule 3.2.6(a), no Authorization and no filing or notification with any Governmental Authority, any counterparty to any of the Evercore

Contracts or any other Person is required to be made or obtained by any of the Evercore Partners, Evercore Entities, the ECP II GP or ECP II in connection with the execution, delivery or performance by any of the Evercore Partners or Evercore Entities of this Agreement or the other Transaction Documents, or the consummation of the transactions contemplated hereby or thereby by the Evercore Partners or Evercore Entities, except for any such Authorization, filing or notification the failure of which to make or obtain would not reasonably be expected to result in, individually or in the aggregate, a Material Adverse Effect with respect to the Evercore Entities.

3.2.7 Taxes.

(a) All material Tax Returns required to be filed by or with respect to each of the Evercore Entities have been timely filed, and all such Tax Returns are complete and correct in all material respects. Each of the Evercore Entities has paid in full all Taxes due and payable, whether or not shown on such Tax Returns, or has made adequate provision for all Taxes on the Evercore Current Balance Sheet. None of the Evercore Entities has incurred a liability for Taxes since the date of the Evercore Current Balance Sheet that is not in the Ordinary Course of Business.

(b) There are no Tax Liens upon any of the assets or properties of any of the Evercore Entities, other than with respect to Taxes not yet due and payable or Liens for Taxes being contested in good faith for which there is adequate provision in the Evercore Current Balance Sheet.

(c) No examination or audit of any Tax Return relating to any Taxes of any of the Evercore Entities or with respect to any Taxes due from or with respect to any of the Evercore Entities by any Governmental Authority is currently in progress or, to the Knowledge of the Evercore Partners, has been threatened by any Governmental Authority. No assessment of Tax has been proposed in writing against any of the Evercore Entities or any of their assets or properties and, to the Knowledge of the Evercore Partners, there are no grounds for any such assessment. There are no outstanding agreements, waivers or arrangements extending the statutory period of limitations applicable to any claim for, or the period for the collection or assessment of, Taxes due from or with respect to any of the Evercore Entities for any taxable period.

(d) Each of the Evercore Entities has duly and timely withheld from employee salaries, wages and other compensation and paid over to the appropriate taxing authorities all amounts required to be so withheld and paid over (including amounts related to quasi-tax obligations (including social security contributions, workers' housing fund contributions and retirement contributions)), for all periods under all applicable laws and regulations.

(e) Each of the Evercore Entities has collected all material sales and use Taxes required to be collected, and has remitted, or will remit on a timely basis, such amounts to the appropriate Governmental Authorities, or has been furnished properly completed exemption certificates and has maintained all such records and supporting documents in the manner required by all applicable sales and use Tax statutes and regulations.

(f) None of the Evercore Entities is a party to, or bound by, or has any obligation under, any tax allocation or sharing agreement or similar contract or arrangement or any agreement that obligates it to make any payment computed by reference to the Taxes, taxable income or taxable losses of any other Person, other than any such agreements or arrangements solely among the Evercore Entities.

3.2.8 Environmental Matters. Except as would not reasonably be expected to result, individually or in the aggregate, in a Material Adverse Effect with respect to the Evercore Entities, and except as provided in Schedule 3.2.8:

(a) Each of the Evercore Entities is, and during the term of all applicable statutes of limitation has been, in compliance with all applicable Environmental Laws;

(b) None of the Evercore Entities has received any Environmental Claim, and to the Knowledge of the Evercore Partners, there is no threatened Environmental Claim, or basis to reasonably expect any future Environmental Claim, against any of the Evercore Entities;

(c) None of the Evercore Entities has Released Hazardous Materials or arranged for disposal of Hazardous Materials in violation of Environmental Laws or in a manner that would reasonably be expected to result in liability under any Environmental Law; and

(d) Hazardous Materials are not present at any of the facilities owned, leased or operated by any of the Evercore Entities in amount or condition that would reasonably be expected to result in liability under any Environmental Law.

3.2.9 Title; Assets; Real and Personal Property.

(a) Except as has not had, and would not reasonably be expected to result in, individually or in the aggregate, a Material Adverse Effect with respect to the Evercore Entities, each of the Evercore Entities has good, valid and marketable title or good, valid and marketable leaseholds, as applicable, to all of the assets, properties and rights, real, personal and mixed, which are necessary to conduct its business as currently conducted, including all properties and assets reflected in the Evercore Current Balance Sheet, free and clear of all Liens, except for Permitted Liens.

(b) None of the Evercore Entities owns any real property. Schedule 3.2.9(b) contains a true and complete list of all real property leased, subleased, licensed or otherwise occupied (whether as tenant, subtenant or pursuant to other occupancy arrangements) by each of the Evercore Entities (collectively, including the improvements now or subsequently located thereon, the "Evercore Leased Real Property"), and for each Evercore Leased Real Property, identifies the street address of such Evercore Leased Real Property. True and complete copies of all agreements (including all amendments and modifications thereto) under which any of the Evercore Entities is the landlord, sublandlord, tenant, subtenant, or occupant (each an "Evercore Lease") have been delivered to the Protego Partners. With respect to the Evercore Leased Real Property, except as has not had, and would not reasonably be expected to result in, individually or in the aggregate, a Material Adverse Effect with respect to the Evercore Entities:

(i) To the Knowledge of the Evercore Partners, except as set forth in Schedule 3.2.9(b)(i), none of the Evercore Leased Real Property is subject to any lease, sublease, license, occupancy agreement, option, right, concession or other agreement, written or oral, granting to any other Person (other than an Evercore Entity) any right to purchase, use or occupy such Evercore Leased Real Property or any part thereof;

(ii) Each Evercore Lease is in full force and effect and is valid and enforceable in accordance with its terms and there is no default under any Evercore Lease by any of the Protego Entities, or by any other party thereto, and no event has occurred that, with the lapse of time or the giving of notice or both, would constitute a default by any of the Protego Entities thereunder;

(iii) Except as set forth in Schedule 3.2.9(b)(iii), each Evercore Lease will continue to be the legal, valid and binding obligation of, and legally enforceable against, the parties thereto and shall continue in full force and effect, in each case on identical terms, following the consummation of the transactions contemplated hereby;

(iv) There are no existing or, to the Knowledge of the Evercore Partners, threatened condemnation or eminent domain proceedings affecting the Evercore Leased Real Property or any portion thereof or any other proceeding affecting the Evercore Leased Real Property or any portion thereof; and

(v) Each parcel of Evercore Leased Real Property has received all approvals of Governmental Authorities permitting lawful occupancy required in connection with the current use thereof.

3.2.10 Material Changes. Since December 31, 2005, (i) there has not been or occurred any Material Adverse Effect with respect to the Evercore Entities and (ii) none of the Evercore Entities has taken or permitted to be taken any action that would have been a violation of Section 4.2 if this Agreement had been in effect at the time of such action.

3.2.11 Intellectual Property Matters. Schedule 3.2.11(a) sets forth all Intellectual Property registrations and applications and all material unregistered Intellectual Property owned by any of the Evercore Entities. Except as has not had, and would not reasonably be expected to result in, individually or in the aggregate, a Material Adverse Effect with respect to the Evercore Entities, or except as set forth in Schedule 3.2.11(b), (i) each of the Evercore Entities owns or has the right to use all Intellectual Property used in its business as currently conducted, free and clear of any Liens, (ii) all registrations and applications set forth on Schedule 3.2.11(b) are unexpired and subsisting, (iii) none of the Evercore Entities is infringing or otherwise violating the Intellectual Property of any other Person, (iv) to the Knowledge of the Evercore Partners, no Person is infringing or otherwise violating the Intellectual Property owned or used by any of the Evercore Entities, and (v) each of the Evercore Entities takes all reasonable steps to protect and maintain its Intellectual Property.

3.2.12 Books of Account; Financial Statements of the Evercore Entities. None of the Evercore Entities has engaged in any material transaction or used any material funds of any of the Evercore Entities except for transactions and funds which are reflected in the applicable

Evercore Entity's normally maintained books and records. Schedule 3.2.12 sets forth for all of the Evercore Entities (other than Evercore GP Holdings) and their respective Affiliates listed therein, on a combined basis, (i) audited combined balance sheets as of December 31, 2004 and December 31, 2005 and (ii) audited combined statements of income, cash flows and members' equity and other comprehensive income, in each case, for each of the three years in the periods ended December 31, 2005 (collectively, the "Evercore Financial Statements"). The Evercore Financial Statements (i) are in accordance with the books and records of the Evercore Entities (other than Evercore GP Holdings) and such Affiliates, (ii) fairly present, in all material respects, the combined financial position of the Evercore Entities (other than Evercore GP Holdings) and such Affiliates as of their respective dates and the results of operations and changes in cash flows for the periods covered thereby and (iii) have been prepared in accordance with GAAP applied on a basis consistent with past practice used in preparing the respective financial statements of the Evercore Entities (other than Evercore GP Holdings) and such Affiliates.

3.2.13 Availability of Documents. To the Knowledge of the Evercore Partners, the Evercore Entities have made available to the Protego Partners copies of all documents listed in the schedules in this Section 3.2. Such copies are complete and accurate in all material respects and include all amendments, supplements and modifications thereto or waivers in effect thereunder.

3.2.14 Brokers or Finders. None of the Evercore Partners, the Evercore Entities, the ECP II GP or ECP II incurred or will incur any obligation or liability, contingent or otherwise, for brokers' or finders' fees or agents' commissions or other similar payments in connection with this Agreement, the other Transaction Documents or the transactions contemplated hereby or thereby.

3.2.15 Employee Relations.

(a) No employee of any of the Evercore Entities was, or is, represented by any labor union or other labor organization.

(b) No contract expressly prohibits any of the Evercore Entities from reducing in any material respect the number of employees of any of the Evercore Entities.

(c) Each of the Evercore Entities has complied in all material respects with all applicable laws, rules and regulations relating to wages, hours, discrimination in employment, collective bargaining, unfair labor practices, employment agreements, family and medical leave, occupational safety and health and, to the extent applicable, the Workers Adjustment and Retraining Notification Act. Except as has not had, and would not reasonably be expected to result in, individually or in the aggregate, a Material Adverse Effect with respect to the Evercore Entities, none of the Evercore Entities has any liability or obligation for any arrears of wages or benefits or any Taxes or penalties for failure to comply with any of the foregoing.

(d) Except as set forth in Schedule 3.2.15(d), the employment of all Persons presently employed or retained by any of the Evercore Entities is terminable at will, and none of the Evercore Entities will be, pursuant to any current contract, arrangement or understanding, applicable law, or otherwise, obligated to pay any material severance pay or other benefit by

reason of the voluntary or involuntary termination of employment of any present or former officer, employee or consultant, prior to, on or after the Closing Date.

(e) No material claims are pending or, to the Knowledge of the Evercore Partners, between any of the Evercore Entities and any of their respective employees.

3.2.16 Employee Benefit Plans.

(a) Schedule 3.2.16 sets forth a list of each material written "employee benefit plan" (within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA")), and each written severance, change in control or employment plan, program or agreement, and each written vacation, incentive, bonus, stock option, stock purchase, and restricted stock plan, program or policy sponsored or maintained by the Evercore Entities, in which present or former employees of the Evercore Entities participate (collectively, the "Evercore Plans").

(b) To the Knowledge of the Evercore Partners, the Evercore Plans are in compliance in all material respects with all applicable requirements of ERISA, the Code, and other Applicable Laws and have been administered in all material respects in accordance with their terms and such laws. Each Evercore Plan which is intended to be qualified within the meaning of Section 401 of the Code has received a favorable determination letter as to its qualification, and nothing has occurred that could reasonably be expected to affect such qualification.

(c) There are no pending or, to the Knowledge of the Evercore Partners, threatened claims and no pending or, to the Knowledge of the Evercore Partners, threatened litigation with respect to any Evercore Plans, other than ordinary and usual claims for benefits by participants and beneficiaries.

3.2.17 Insurance. All material insurance policies of each of the Evercore Entities are in full force and effect and provide insurance in such amounts and against such risks as the Evercore Partners have determined to be prudent in accordance with industry practices or as is required by law. None of the Evercore Entities is in material breach or default, and none of the Evercore Entities has taken any action or failed to take any action which, with notice or the lapse of time or both, would constitute such a breach or default, or permit termination or modification of any of the material insurance policies of any of the Evercore Entities.

3.2.18 No Undisclosed Liabilities. Except as set forth in Schedule 3.2.18, none of the Evercore Entities has any liabilities, whether accrued, contingent, absolute, determined, determinable or otherwise, except:

(a) liabilities disclosed on the Evercore Current Balance Sheet which have not been paid or discharged since the date thereof; and

(b) liabilities incurred in the Ordinary Course of Business after December 31, 2005 (none of which arose from a breach of any of the Evercore Authorizations or Evercore

Contracts and none of which would reasonably be expected to result, individually or in the aggregate, in a Material Adverse Effect with respect to the Evercore Entities).

For purposes of this Section 3.2.18, the term "liabilities" shall include any direct or indirect Indebtedness, expenditure, or obligation.

3.2.19 Affiliate Transactions. Except as set forth in Schedule 3.2.19, there are no agreements, arrangements or understandings between any of the Evercore Entities, the ECP II GP or ECP II on the one hand, and any of the Evercore Partners or any of their respective Affiliates (other than the Evercore Entities or any portfolio companies of ECP II or any other investment fund managed by the Evercore Partners), on the other hand.

3.2.20 Foreign Corrupt Practices Act. None of the Evercore Entities or any of their respective officers, directors, agents and employees, as applicable, has taken any action that (i) violated in any material respect the FCPA or (ii) violated in any material respect any similar law of any jurisdiction in which any of the Evercore Entities conducts business.

3.2.21 Broker Dealer Compliance.

(a) All activities and operations conducted or engaged in, directly or indirectly, by any of the Evercore Entities that are required by any applicable Requirement of Law or Governmental Order to be conducted by a duly registered and licensed broker-dealer are conducted solely by EG LLC. Schedule 3.2.21(a) lists all material registrations and licenses held by EG LLC with all applicable Governmental Authorities. EG LLC is duly registered and licensed as a broker-dealer under Exchange Act and under any state, federal or foreign broker-dealer or similar laws or similar laws pursuant to which EG LLC is required to be so registered, and satisfies the minimum net capital requirements of the Exchange Act.

(b) EG LLC has timely filed all material reports, registrations, statements and other filings, together with any amendments required to be made with respect thereto, that were required to be filed with or pursuant to the rules with all applicable Governmental Authorities (all such reports and statements, including the financial statements, exhibits, annexes and schedules thereto, being collectively referred to herein as the "EG LLC Reports"). Each of the EG LLC Reports, when filed, complied in all material respects as to form with, and the requirements of, the applicable Governmental Authorities.

3.2.22 Investment Purpose. Each of the Evercore Partners is acquiring the Partnership Units and shares of Class B Stock, as well as shares of Class A Stock issuable to such Evercore Partner in exchange for Partnership Units (the "Securities"), for its own account for investment and not with a view to the distribution thereof and will not dispose of the Securities except in compliance with the Securities Act. Each Evercore Partner is fully aware that such Securities have not been registered under the Securities Act or under any applicable state securities laws, and are being offered and sold in reliance on exemptions from the registration requirements of the Securities Act and all such laws. Each Evercore Partner is an "accredited investor" as such term is defined in Regulation D promulgated under the Securities Act. Each Evercore Partner is able to bear the economic risk of the investment in such Securities and has such knowledge and experience in financial and business matters, and knowledge of the

business of the Protego Entities, the Evercore Entities, the Partnership and Pubco, as to be capable of evaluating the merits and risks of a prospective investment. Each Evercore Partner acknowledges that it has received or been given access to financial information and other documents and records necessary to make a well-informed investment decision and has had an opportunity to discuss the business, management and financial affairs of the Protego Entities, the Evercore Entities, the Partnership and Pubco with their respective managements.

3.2.23 Survival of Representations and Warranties. All representations and warranties made by the Evercore Partners in this Agreement or in the certificates delivered pursuant to Section 5.2.3 shall survive until the eighteen (18) month anniversary of the Closing Date, except that (a) any intentional misrepresentation shall survive the Closing without limitation and (b) any representation or warranty contained in Sections 3.2.1 and 3.2.2 shall survive the Closing indefinitely; provided that, notwithstanding the foregoing, the representations and warranties contained in Section 3.2.7 shall survive for the period set forth in Section 7.11. Notwithstanding the foregoing survival periods, in the event that any party makes a claim based upon breach of any representation or warranty pursuant to Article 6 and/or Article 7, which claim is submitted to the breaching party prior to, or at the expiration of, the applicable survival period, such representation or warranty shall survive until the resolution of such claim in accordance with this Agreement.

3.3 Representations and Warranties of the Partnership and Pubco. The Partnership and Pubco hereby represent and warrant to the Evercore Partners and the Protego Partners, as of the date hereof and as of the Closing Date, as set forth below:

3.3.1 Existence, Qualification and Authority.

(a) The Partnership is a limited partnership, duly organized, validly existing and in good standing under the laws of Delaware, and Pubco is a corporation, duly organized, validly existing and in good standing under the laws of Delaware. Each of the Partnership and Pubco has all requisite power and authority to own and operate its assets and carry on its business as currently conducted, except where any such failure to be so organized or existing or to have such power and authority has not had, and would not reasonably be expected to result in, individually or in the aggregate, a material adverse effect on the ability of the Partnership or Pubco to consummate the transactions contemplated by this Agreement and the other Transaction Documents.

(b) Each of the Partnership and Pubco has the requisite power, authority and legal right to execute and deliver this Agreement and each of the other Transaction Documents to which it is a party and to consummate the transactions contemplated hereby and thereby.

(c) The execution, delivery and performance by each of the Partnership and Pubco of each this Agreement and the Non-Solicitation Agreements have been duly authorized by all necessary action on its part. Prior to the Closing, the execution, delivery and performance of each of the other Transaction Documents to which the Partnership or Pubco is a party will have been duly authorized by all necessary action on the part of the Partnership or Pubco, as applicable.

(d) This Agreement has been duly executed and delivered by the Partnership and Pubco, and the Non-Solicitation Agreements have been duly executed and delivered by Pubco, and each such agreement constitutes the legal, valid and binding obligation of the Partnership or Pubco, as applicable, enforceable against the Partnership or Pubco, as applicable, in accordance with its terms, except to the extent such enforcement may be limited by applicable bankruptcy laws and other similar laws affecting creditors' rights generally. On the Closing Date, each of the other Transaction Documents to which the Partnership or Pubco is a party will have been duly executed and delivered by the Partnership or Pubco, as applicable, and will constitute a legal, valid and binding obligation of the Partnership or Pubco, as applicable, enforceable against the Partnership or Pubco, as applicable, in accordance with its terms, except as such enforceability may be limited by bankruptcy laws and other similar laws affecting creditors' rights generally.

3.3.2 Compliance with Law; Authorizations.

(a) Each of the Partnership and Pubco has complied with, and is not in violation of, any Requirement of Law or any other Governmental Order, in each case, applicable to it or its business, except as has not had, and would not reasonably be expected to result in, individually or in the aggregate, a material adverse effect on the ability of the Partnership or Pubco to consummate the transactions contemplated by this Agreement and the other Transaction Documents.

(b) Except as has not had, and would not reasonably be expected to result in, individually or in the aggregate, a material adverse effect on the ability of the Partnership or Pubco to consummate the transactions contemplated by this Agreement and the other Transaction Documents, (i) each of the Partnership and Pubco has all Authorizations that are necessary for it to operate its business, (ii) each of such Authorizations is in full force and effect, is validly and exclusively held by the Partnership or Pubco, as applicable, without any legal disqualifications, conditions or other restrictions, and is free and clear of all Liens and (iii) there are no existing applications, petitions to deny or complaints or proceedings pending before any Governmental Authority relating to such Authorizations. Except as has not had, and would not reasonably be expected to result in, individually or in the aggregate, a material adverse effect on the ability of the Partnership or Pubco to consummate the transactions contemplated by this Agreement and the other Transaction Documents, neither the Partnership nor Pubco is in default, nor has the Partnership or Pubco received any notice of any claim of default, pending investments or additional requirements to be satisfied with respect to such Authorizations, and no event has occurred with respect to such Authorizations which permits, or after notice or lapse of time or both would permit, revocation or termination thereof or would result in any impairment of the rights of the Partnership or Pubco, as applicable, under any such Authorizations.

3.3.3 Validity of Contemplated Transactions, Etc.

(a) Neither the execution, delivery and performance by the Partnership or Pubco of this Agreement and the other Transaction Documents to which the Partnership or Pubco, as applicable, is a party, nor the consummation by the Partnership or Pubco of the transactions contemplated hereby or thereby, nor compliance by the Partnership or Pubco with

the terms and provisions hereof or thereof, will, directly or indirectly (with or without notice or lapse of time or both), (i) contravene or conflict with the organizational documents of the Partnership or Pubco, (ii) contravene or conflict with, or result in a breach or termination of, or constitute a default under (or with notice or lapse of time or both, result in a breach or termination of, or constitute a default under) or result in the termination or suspension of, or accelerate the performance required by the terms, conditions or provisions of, or cause any payments to be due under, any contracts to which the Partnership or Pubco is a party or any Authorizations held by the Partnership or Pubco, (iii) constitute a violation by the Partnership or Pubco of any existing Requirement of Law or Governmental Order applicable to the Partnership or its properties, rights or assets or (iv) result in the creation of any Lien upon any equity interests, properties, rights or assets of the Partnership or Pubco, except, in the case of clauses (ii), (iii) and (iv), as would not reasonably be expected to result in, individually or in the aggregate, a material adverse effect on the ability of the Partnership or Pubco to consummate the transactions contemplated by this Agreement and the other Transaction Documents.

(b) No Authorization and no filing or notification with any Governmental Authority, any counterparty to any of the contracts to which the Partnership or Pubco is a party or any other Person is required to be made or obtained by the Partnership or Pubco in connection with the execution, delivery or performance by the Partnership or Pubco of this Agreement or the other Transaction Documents to which the Partnership or Pubco, as applicable, is a party, or the consummation of the transactions contemplated hereby or thereby by the Partnership or Pubco, except for any such Authorization, filing or notification the failure of which to make or obtain would not reasonably be expected to result in, individually or in the aggregate, a material adverse effect on the ability of the Partnership or Pubco to consummate the transactions contemplated by this Agreement and the other Transaction Documents.

3.3.4 Partnership Units, Class A Stock and Class B Stock. At the Closing, the Partnership Units, Class A Stock and Class B Stock to be issued to the Evercore Partners and the Protego Partners pursuant to this Agreement will be duly authorized, validly issued, outstanding, fully paid and nonassessable.

3.3.5 No Survival of Representations and Warranties. All representations and warranties made by the Partnership and Pubco in this Agreement or in the certificates delivered pursuant to Section 5.3.2 shall survive until the eighteen (18) month anniversary of the Closing Date, except that (a) any intentional misrepresentation shall survive the Closing without limitation and (b) any representation or warranty contained in Section 3.3.1 shall survive the Closing indefinitely. Notwithstanding the foregoing survival periods, in the event that any party makes a claim based upon breach of any representation and warranty pursuant to Article 6, which claim is submitted to the breaching party prior to, or at the expiration of, the applicable survival period, such representation or warranty shall survive until the resolution of such claim in accordance with this Agreement.

ARTICLE 4

COVENANTS AND AGREEMENTS

4.1 Agreements of the Protego Partners Pending the Closing. Each of the Protego Partners covenants and agrees as follows with respect to each of the Protego Entities that, from the date of this Agreement through the Closing Date or the earlier termination of this Agreement in accordance with its terms, except as set forth in Schedule 4.1 or as otherwise consented to in writing by the Evercore Founders (on behalf of the Evercore Partners):

4.1.1 Conduct in the Ordinary Course. Each of the Protego Partners shall cause each of the Protego Entities to conduct its business in the Ordinary Course of Business, except as may be necessary in order to implement and perform their respective obligations under this Agreement and the other Transaction Documents. Without limiting the generality of the foregoing, except as may be necessary to implement and perform their respective obligations under this Agreement and the other Transaction Documents, the Protego Partners shall cause each of the Protego Entities to:

(a) use Commercially Reasonable Efforts to keep available the services of each of the Protego Entities' present employees and agents (and upon departure of any such employees or agents, use Commercially Reasonable Efforts to hire appropriate replacement employees or agents of comparable skill and experience);

(b) not sell, lease, license, or otherwise dispose of any material assets, rights or properties of any of the Protego Entities other than sales, leases, licenses or other dispositions in the Ordinary Course of Business;

(c) use Commercially Reasonable Efforts to maintain the relations and goodwill of each of the Protego Entities with the clients, investors, vendors, customers, employees, portfolio companies and any others having business relations with any of the Protego Entities;

(d) except as provided in Schedule 4.1.1(d), not issue, deliver, sell, pledge, dispose of or encumber any shares of capital stock or other equity interests, as applicable, of any of the Protego Entities or any options, warrants, purchase rights, subscription rights, conversion rights, exchange rights, redemption rights or other contracts or commitments that could require the Protego Partners or any of the Protego Entities to issue, deliver, sell, pledge, dispose of or encumber any shares of capital stock or other equity interests, as applicable, of any of the Protego Entities, except for the issuance, delivery or sale of any shares of capital stock or other equity interests of any of the Protego Entities to any Person becomes an employee, partner, member, director, officer or shareholder of any of the Protego Entities and, thereafter, becomes a Party to this Agreement and shall be deemed to be a Protego Partner;

(e) not split, subdivide, combine or reclassify, directly or indirectly, any shares of capital stock or other equity interests, as applicable, of any of the Protego Entities, or make any payment to redeem, purchase or otherwise acquire, or call for redemption, any of such stock or other equity interests, as applicable, except for any redemption or repurchase of stock or

other equity interest from existing equityholders in connection with the termination of their employment with any of the Protego Entities required by, and in accordance with, the terms of the applicable organizational and other documents governing such termination of employment;

(f) except as set forth in Schedule 4.1.1(f), not enter into any joint venture, partnership or similar arrangement or acquire or agree to acquire by merging or consolidating with, or by purchasing a substantial portion of the assets of, or by any other manner, any business or any corporation, limited liability company, partnership, joint venture association or other business organization or division thereof;

(g) comply in all material respects with all Requirements of Law applicable to any of the Protego Entities;

(h) keep in full force and effect, and pursue in a manner consistent with past practice all claims under, the insurance policies held by or covering any of the Protego Entities or their respective businesses;

(i) continue in accordance with past practice all marketing and promotional practices relating to the maintenance and growth of each of the Protego Entities;

(j) continue in accordance with operations in the Ordinary Course of Business to pay all accounts payable and other liabilities and obligations of, and to collect all accounts receivable of, each of the Protego Entities;

(k) (i) not make or change any material Tax election, change an annual accounting period, adopt or change any accounting method with respect to any material Taxes, file any material amended Tax Return, enter into any closing agreement, settle or compromise any proceeding with respect to any material Tax claim or material assessment relating to any of the Protego Entities, surrender any right to claim a refund of material Taxes, consent to any extension or waiver of the limitation period applicable to any material Tax claim or assessment relating to any of the Protego Entities, or take any other similar action relating to the filing of any material Tax Return or the payment of any material Tax, and (ii) timely file all Tax Returns required to be filed and pay all Taxes due (whether or not shown on such Tax Returns);

(l) except as set forth in Schedule 4.1.1(l), not grant or otherwise commit to make any material increase in the compensation or fringe benefits of any present director, officer or employee of any of the Protego Entities (except for increases in base salary for employees in the Ordinary Course of Business), or any increase in the compensation or fringe benefits of any former director, officer or employee of any of the Protego Entities; provided that bonus payments may be made to the Protego Partners and other employees of Protego Entities to the extent that such payments would not, individually or together with any such other bonus payments or dividends, distributions or other payments made in accordance with Section 4.1.1(s), result in the PCB Net Capital being less than the PCB Minimum Net Capital Amount at any time;

(m) (i) not enter into any employment agreement with any Person which provides for annual compensation in excess of $350,000, severance payments in excess of

$100,000 in the aggregate or any guaranteed term of employment, or any agreement with a consultant which provides for aggregate compensation in excess of $100,000 or grant any severance or termination pay to any present or former director, officer or employee of any of the Protego Entities in excess of $100,000; and (ii) not enter into any employment agreement or other understanding with any Person pursuant to which such Person (A) will be an employee of Pubco, the Partnership or any of their subsidiaries following the Closing at a level of Senior Managing Director or higher and/or (B) will be entitled to receive any Partnership Units or Class A Stock if the issuance of such Partnership Units or Class A Stock would result in any reduction in the percentage of Partnership Units, in the aggregate, to be issued to the Evercore Partners pursuant to this Agreement (which percentage shall be based on the total number of Partnership Units to be issued to the Evercore Partners and the Protego Partners, collectively, pursuant to this Agreement);

(n) not establish, adopt, enter into, amend or terminate any Protego Plan or any plan, program, agreement or other arrangement that would be a Protego Plan if it were in existence as of the date of this Agreement;

(o) not incur, modify, cancel or repay any Indebtedness (or guarantees in respect thereof);

(p) not enter into, amend or terminate any agreement pursuant to which, following the Closing, Pubco, the Partnership or any of their Affiliates would be restricted from engaging in any business, engaging in business in any geographic area or pursuing any strategic initiative or competing in any manner;

(q) not amend or modify in any material respect any organizational documents of any of the Protego Entities;

(r) not enter into, amend or terminate any contract, agreement, arrangement or understanding between any of the Protego Entities, on the one hand, and any of the Protego Partners or any other Affiliate of any of the Protego Entities (including Aggero or Acentus but excluding any of the Protego Entities and any portfolio company of DAI), on the other hand, except that, upon prior notice provided to the Evercore Founders, a Protego Entity (other than PCB) may enter into, amend or terminate any contract, agreement, arrangement or understanding with another Protego Entity (other than PCB); and

(s) other than the PAS Dividend and dividends or distributions permitted by Section 4.3.9, not declare, set aside, pay or make any dividends or distributions (excluding Tax distributions) in respect of outstanding shares of capital stock, membership interests, partnership interests or otherwise.

4.2 Agreements of the Evercore Partners Pending the Closing. Each of the Evercore Partners covenants and agrees as follows with respect to each of the Evercore Entities, that from the date of this Agreement through the Closing Date or the earlier termination of this Agreement in accordance with its terms, except as otherwise consented to in writing by the Protego Founder (on behalf of the Protego Partners):

4.2.1 Conduct in the Ordinary Course. Each of the Evercore Partners shall cause each of the Evercore Entities to conduct its business in the Ordinary Course of Business, except as may be necessary in order to implement and perform their respective obligations under this Agreement and the other Transaction Documents. Without limiting the generality of the foregoing, except as may be necessary to implement and perform their respective obligations under this Agreement and the other Transaction Documents, the Evercore Partners shall cause each of the Evercore Entities to:

(a) use Commercially Reasonable Efforts to keep available the services of each of the Evercore Entities' present employees and agents (and upon departure of any such employees or agents, use Commercially Reasonable Efforts to hire appropriate replacement employees or agents of comparable skill and experience);

(b) not sell, lease, license, or otherwise dispose of any material assets, rights or properties of any of the Evercore Entities other than sales, leases, licenses or other dispositions in the Ordinary Course of Business;

(c) use Commercially Reasonable Efforts to maintain the relations and goodwill of each of the Evercore Entities with the clients, investors, vendors, customers, employees, portfolio companies and any others having business relations with any of the Evercore Entities;

(d) not issue, deliver, sell, pledge, dispose of or encumber any shares of capital stock or other equity interests, as applicable, of any of the Evercore Entities or any options, warrants, purchase rights, subscription rights, conversion rights, exchange rights, redemption rights or other contracts or commitments that could require the Evercore Partners or any of the Evercore Entities to issue, deliver, sell, pledge, dispose of or encumber any shares of capital stock or other equity interests, as applicable, of any of the Evercore Entities, except for the issuance, delivery or sale of any shares of capital stock or other equity interests of any of the Evercore Entities to any Person becomes an employee, partner, member, director, officer or shareholder of any of the Evercore Entities and, thereafter, becomes a Party to this Agreement and shall be deemed to be a Evercore Partner;

(e) not split, subdivide, combine or reclassify, directly or indirectly, any of the outstanding capital stock or other equity interests, as applicable, of any of the Evercore Entities, or make any payment to redeem, purchase or otherwise acquire, or call for redemption, any of such stock or other equity interests, as applicable, except for any redemption or repurchase of stock or other equity interest from existing equityholders in connection with the termination of their employment with any of the Evercore Entities required by, and in accordance with, the terms of the applicable organizational and other documents governing such termination of employment;

(f) not enter into any joint venture, partnership or similar arrangement or acquire or agree to acquire by merging or consolidating with, or by purchasing a substantial portion of the assets of, or by any other manner, any business or any corporation, limited liability company, partnership, joint venture association or other business organization or division thereof;

(g) comply in all material respects with all Requirements of Law applicable to any of the Evercore Entities;

(h) keep in full force and effect, and pursue in a manner consistent with past practice all claims under, the insurance policies held by or covering any of the Evercore Entities or their respective businesses;

(i) continue in accordance with past practice all marketing and promotional practices relating to the maintenance and growth of each of the Evercore Entities;

(j) continue in accordance with operations in the Ordinary Course of Business to pay all accounts payable and other liabilities and obligations of, and to collect all accounts receivable of, each of the Evercore Entities;

(k) (i) not make or change any material Tax election, change an annual accounting period, adopt or change any accounting method with respect to any material Taxes, file any material amended Tax Return, enter into any closing agreement, settle or compromise any proceeding with respect to any material Tax claim or material assessment relating to any of the Evercore Entities, surrender any right to claim a refund of material Taxes, consent to any extension or waiver of the limitation period applicable to any material Tax claim or assessment relating to any of the Evercore Entities, or take any other similar action relating to the filing of any material Tax Return or the payment of any material Tax, and (ii) timely file all Tax Returns required to be filed and pay all Taxes due (whether or not shown on such Tax Returns);

(l) not grant or otherwise commit to make any material increase in the compensation or fringe benefits of any present director, officer or employee of any of the Evercore Entities (except for increases in base salary for employees in the Ordinary Course of Business) or any increase in the compensation or fringe benefits of any former director, officer or employee of any of the Evercore Entities; provided that bonus payments may be made to the Evercore Partners and other employees of the Evercore Entities to the extent that such payments would not, individually or together with any such bonus payments or dividends, distributions or other payments made in accordance with Section 4.2.1(s), result in the EG LLC Net Capital being less than the EG LLC Minimum Net Capital Amount at any time;

(m) (i) not enter into any employment agreement with any Person which provides for annual compensation in excess of $1,000,000, severance payments in excess of $300,000 in the aggregate or any guaranteed term of employment, or any agreement with a consultant which provides for aggregate compensation in excess of $300,000, or grant any severance or termination pay to any present or former director, officer or employee of any of the Evercore Entities in excess of $300,000, except for employment agreements with individuals retained to support the financial or legal functions of Pubco and its Affiliates following the Closing in order to prepare for and ensure compliance by Pubco and its Affiliates with all applicable laws following the Closing, and (ii) not enter into any employment agreement or other understanding with any Person pursuant to which such Person (A) will be an employee of Pubco, the Partnership or any of their subsidiaries following the Closing at a level of Senior Managing Director or higher and/or (B) will be entitled to receive any Partnership Units or Class A Stock if the issuance of such Partnership Units or Class A Stock would result in any reduction in the

percentage of Partnership Units, in the aggregate, to be issued to the Protego Partners pursuant to this Agreement (which percentage shall be based on the total number of Partnership Units to be issued to the Evercore Partners and the Protego Partners, collectively, pursuant to this Agreement);

(n) not establish, adopt, enter into, amend or terminate any Evercore Plan or any plan, program, agreement or other arrangement that would be an Evercore Plan if it were in existence as of the date of this Agreement;

(o) not incur, modify, cancel or repay any Indebtedness (or guarantees in respect thereof);

(p) not enter into, amend or terminate any agreement pursuant to which, following the Closing, Pubco, the Partnership or any of their Affiliates would be restricted from engaging in any business, engaging in business in any geographic area or pursuing any strategic initiative or competing in any manner;

(q) not amend or modify in any material respect any organizational documents of any of the Evercore Entities;

(r) not enter into, amend or terminate any contract, agreement, arrangement or understanding between any of the Evercore Entities, on the one hand, and any of the Evercore Partners or any other Affiliate of the Evercore Entities (excluding any of the Evercore Entities or any portfolio company of ECP II or any other investment fund managed by the Evercore Partners), on the other hand, except that, upon prior notice provided to the Protego Founder, an Evercore Entity may enter into, amend or terminate any contract, agreement, arrangement or understanding with another Evercore Entity; and

(s) other than as permitted by Section 4.3.9, not declare, set aside, pay or make any dividends or distributions (excluding Tax distributions) in respect of outstanding shares of capital stock, membership interests, partnership interests or otherwise.

4.3 Covenants of the Protego Partners and the Evercore Partners. The Protego Partners (with respect to each of the Protego Entities) and the Evercore Partners (with respect to each of the Evercore Entities) further covenant and agree as follows:

4.3.1 Copies of Regulatory Filings. Except to the extent prohibited by Requirements of Law, each of the Parties hereto shall provide to the other copies of all filings and material correspondence with all Governmental Authorities with respect to the filings and consents described in Section 4.3.5.

4.3.2 Publicity. Until the Closing, none of the Protego Partners or Evercore Partners shall issue, or cause to be issued, any press release or make, or cause to be made, any public statement with respect to this Agreement or the transactions contemplated hereby without the approval of the other, except as may be required by law or by the rules of any national securities exchange to which the disclosing Party is subject. In the event that any press release or any such public statement is required to be made or issued by law or by the rules of any national

securities exchange, the Party required to make or issue such press release or public statement shall (to the extent possible) consult with the other Party before making or issuing such press release or other public statement.

4.3.3 Confidentiality. Until the Closing, subject to Section 4.3.7, except as may be required by any Requirement of Law, stock exchange or as otherwise expressly contemplated herein (including obtaining any necessary Authorizations of any Governmental Authorities), neither Party nor any such Party's Affiliates, employees, agents or representatives will disclose to any third party any Confidential Information concerning the business or affairs of the other Party that it may have acquired from such Party orally, in writing, by observation or otherwise in the course of pursuing the Transactions without the prior written consent of the other Party, as the case may be; provided, however, any Party may disclose any such Confidential Information as follows: (a) to such Party's Affiliates and its or its Affiliates' employees, lenders, counsel, or accountants, the actions for which the applicable Party will be responsible; (b) to comply with any applicable Requirement of Law or Governmental Order, provided that prior to making any such disclosure the Party making the disclosure notifies the other Party of any Action of which it is aware which may result in disclosure and uses its Commercially Reasonable Efforts (at the disclosing Party's expense) to limit or prevent such disclosure; (c) to the extent that the Confidential Information is or becomes generally available to the public through no fault of the Party or its Affiliates making such disclosure; (d) to the extent that the same information is in the possession (on a non-confidential basis) of the Party making such disclosure prior to receipt of such Confidential Information; (e) to the extent that the Party that received the Confidential Information independently develops the same information without in any way relying on any Confidential Information; or (f) to the extent that the same information becomes available to the Party making such disclosure on a non-confidential basis from a source other than a Party or its Affiliates, which source, to the disclosing Party's Knowledge, is not prohibited from disclosing such information by a legal, contractual, or fiduciary obligation to the other Party. If the Transactions are not consummated, each Party will, at the disclosing Party's option, return or destroy as much of the Confidential Information concerning the other Party as the Parties that have provided such information may reasonably request. Solely for purposes of this Section 4.3.3, the Protego Partners, collectively, shall constitute a "Party" and the Evercore Partners, collectively, shall constitute a "Party."

4.3.4 Cooperation; Election of PCB Directors; PCB Shareholders Agreement; Amendments to PAS and Protego PE By-Laws.

(a) Each of the Evercore Partners and Protego Partners shall use Commercially Reasonable Efforts to cooperate and cause all of the conditions precedent to the obligations of the Evercore Partners and the Protego Partners under this Agreement to be satisfied on or prior to the Closing Date.

(b) Prior to the Closing, the Protego Partners shall take all necessary action to (i) duly convene a meeting of the shareholders of PCB for the purpose of electing two individuals (and their respective alternates) as additional members of the PCB board of directors, effective as of the Closing, and (ii) vote the shares of PCB held by PAS in favor of the election of such individuals (and their respective alternates) as additional members of the PCB board of

directors. The two individuals (and their respective alternates) to be appointed as additional members of the PCB board of directors shall be specified in writing by the Evercore Founders to the Protego Founder.

(c) Promptly following the date of this Agreement, the Evercore Partners and the Protego Partners shall cooperate in good faith to prepare and negotiate an agreement to be entered into among the shareholders of PCB which provides for tag-along and drag-along rights, which agreement shall be reasonably acceptable to the Evercore Founders and the Protego Founder.

(d) As soon as reasonably practicable, and in any event within ten (10) Business Days, following the receipt of the approval of the Mexican Ministry of Foreign Relations (*Secretaría de Relaciones Exteriores*) to the amendment of the by-laws of each of PAS and Protego PE to permit the acquisition of such entity by the Partnership, the Protego Partners shall take all necessary action to (i) duly convene a meeting of the shareholders of each of PAS and Protego PE for the purpose of amending the by-laws of such entity to permit the acquisition of such entity by the Partnership, (ii) vote the shares of PAS held by each of the Protego Partners in favor of such amendments to the by-laws of PAS, (iii) cause the shares of PAS held by Sedna to be voted in favor of such amendments to the by-laws of PAS, (iv) cause the shares of Protego PE held by PAS to be voted in favor of such amendments to the by-laws of Protego PE and (v) cause the shares of Protego PE held by PAd to be voted in favor of such amendments to the by-laws of Protego PE.

4.3.5 Regulatory and Other Authorizations. Each of the Evercore Partners and Protego Partners agrees to use its Commercially Reasonable Efforts to take, and cause its Affiliates to take, all actions and to do, or cause to be done, all things necessary, proper or advisable to consummate and make effective the transactions contemplated by this Agreement, including using its Commercially Reasonable Efforts (i) to obtain any licenses, permits, consents, approvals, Authorizations, and qualifications of Governmental Authorities and other third parties as are required or appropriate in connection with the consummation of the transactions contemplated by the Agreement and by the other Transaction Documents and (ii) to effect all required registrations and filings required in connection with the consummation of the transactions contemplated hereby and thereby, including making all filings necessary with the CNBV, the NASD, the Mexican Ministry of Foreign Relations (*Secretaría de Relaciones Exteriores*) and the Mexican Federal Competition Commission (*Comisíon Federal de Competencia*), as applicable, and satisfying any and all requests for information or other requirements made by any such Governmental Authority, as applicable. Each Party agrees to use its Commercially Reasonable Efforts to furnish to each other such information and assistance and to consult with respect to the terms of any registration, filing, application or undertaking as reasonably may be requested in connection with the foregoing. Notwithstanding the foregoing, none of the Evercore Partners, the Evercore Entities, the Protego Partners, the Protego Entities, Pubco, the Partnership, Temporary GP or any of their Affiliates shall be required to enter into any settlement, undertaking, consent decree or stipulation or take any action or agree to take any action that requires or would require any of the Evercore Entities, any of the Protego Entities, Pubco, the Partnership, Temporary GP or any of their Affiliates to (a) sell, divest or otherwise dispose of any assets, product lines or businesses or (b) take or agree to take any action, or agree

to any limitation, that would, either individually or in the aggregate, be adverse to the business, assets, liabilities, properties, rights, operations or condition (financial or otherwise) of any of the Evercore Entities, any of the Protego Entities, Pubco, the Partnership, Temporary GP or any of their Affiliates at or following the Closing.

4.3.6 Access.

(a) Each of the Protego Partners shall cause each of the Protego Entities to permit the Evercore Partners and their authorized representatives to have reasonable access, during regular business hours and upon advance notice, to the books, records, properties and facilities of each of the Protego Entities (including all accountant workpapers, financial analyses and external reports relating to the management of each of the Protego Entities and the reports from each of the Protego Entities' facilities and assets), and to the officers and key managers of each of the Protego Entities.

(b) Each of the Evercore Partners shall cause the Evercore Entities to permit the Protego Partners and their authorized representatives to have reasonable access, during regular business hours and upon advance notice, to the books, records, properties and facilities of each of the Evercore Entities (including all accountant workpapers, financial analyses and external reports relating to the management of each of the Evercore Entities and the reports from each of the Evercore Entities' facilities and assets), and to the officers and key managers of each of the Evercore Entities.

4.3.7 SEC Filings and Reports.

(a) In connection with the IPO, each of the Evercore Partners and Protego Partners shall cooperate in preparing, and shall cause to be filed with the SEC as promptly as practicable, mutually acceptable offering materials in respect of the IPO, including a Registration Statement of Pubco on Form S-1 (including the prospectus filed as part of such Registration Statement) (as amended and supplemented from time to time, the "Form S-1"). Each of the Evercore Partners and Protego Partners shall use reasonable best efforts to have the Form S-1 declared effective by the SEC as promptly as practicable. Each of Evercore Partners and Protego Partners shall, as promptly as practicable after receipt thereof, provide each other with copies of any written comments and advise the other party of any oral comments with respect to the Form S-1 received from the SEC. The Evercore Partners shall cooperate with and provide the Protego Partners, and the Protego Partners shall cooperate with and provide the Evercore Partners, with a reasonable opportunity to review and comment on any amendment or supplement to the Form S-1 prior to filing such with the SEC. The Evercore Partners and the Protego Partners will provide each other with a copy of all such filings made with the SEC. Each of the Evercore Partners and Protego Partners shall furnish all necessary information concerning the Evercore Partners, the Evercore Entities, the Protego Partners, the Protego Entities and their respective Affiliates, as applicable, as may be reasonably requested in connection with the IPO and Form S-1. Without limiting the foregoing, each of Evercore Partners and Protego Partners agrees to (i) participate in, and cause appropriate officers and employees to participate in, meetings, drafting sessions, due diligence sessions and road shows, (ii) prepare and furnish financial and other pertinent information regarding it and its Affiliates for inclusion in the Form S-1, (iii) execute and deliver

any certificates, consents, underwriting agreements, placement agreements, registration rights agreements or other documents in connection with the IPO and the Form S-1, (iv) cause legal counsel to deliver customary opinions in connection with the IPO and the Form S-1 and (v) cause its independent accountants to provide consent to inclusion of audit reports and financial statements and provide any comfort letters in connection with the IPO and the Form S-1.

(b) Each of Evercore Partners agrees, as to themselves and their respective Affiliates, that none of the information supplied by the Evercore Partners or their respective Affiliates or to be supplied for inclusion or incorporation by reference in the Form S-1 by the Evercore Partners or their respective Affiliates, and each of the Protego Partners agrees, as to themselves and their respective Affiliates, that none of the information supplied by the Protego Partners or their respective Affiliates or to be supplied for inclusion or incorporation by reference in the Form S-1 by the Protego Partners or their respective Affiliates, will, at the time the Form S-1 becomes effective under the Securities Act, contain any 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, in light of the circumstances in which they were made, not misleading. Each of the Evercore Partners and Protego Partners agrees that the Form S-1 will comply as to form in all material respects with the requirements of the Exchange Act and the rules and regulations of the SEC thereunder. If at any time prior to the Form S-1 being declared effective by the SEC any information relating to any of the Evercore Partners, Evercore Entities, Protego Partners, Protego Entities, or their respective Affiliates, officers, directors, managers or partners, should be discovered by any of Evercore Partners or Protego Partners which should be set forth in an amendment or supplement to the Form S-1 so that such document would not include any misstatement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Party which discovers such information shall promptly notify the other Parties hereto and, to the extent required by Law, an appropriate amendment or supplement describing such information shall be promptly filed with the SEC.

4.3.8 Supplements to Schedules. Until ten (10) days prior to the Closing, the Protego Partners, on the one hand, and the Evercore Partners, on the other hand, shall amend their respective Schedules in order to add, delete or revise any information in such Schedules necessary as a result of events occurring after the date hereof (including, with respect to Schedule 3.1.12 and Schedule 3.2.12, changes arising out of any audit of such financial statements between the date of this Agreement and the Closing Date and any changes in response to comments made by the SEC in connection with its review of such financial statements included in the Form S-1) in order to make each of their respective representations and warranties contained in Article 3 true and correct; provided that any such addition, deletion or revision shall not be taken into account for purposes of determining whether the conditions precedent set forth in Article 5 are satisfied; and provided, further, that (i) if such addition, deletion or revision were taken into account for purposes of determining whether the conditions precedent set forth in Article 5 are satisfied and (ii) such addition, deletion or revision discloses any change, effect or circumstance that, individually or in the aggregate, would not result in a failure of any condition precedent set forth in Article 5 to be satisfied, such addition, deletion or revision shall not be taken into account for purposes of indemnification as set forth in Article 6 and Article 7. If such addition, deletion or revision discloses any change, effect or circumstance

that, individually or in the aggregate, would result in a failure of any condition precedent set forth in Article 5 to be satisfied, the party whose condition precedent set forth in Article 5 fails to be satisfied as a result of such change, effect or circumstance may, at its option, cause this Agreement to be terminated without any liability to such party by giving written notice to the other parties upon the earlier of: (a) a date within ten (10) days after receipt of the amended Schedule, or (b) the Closing Date. If the party which has the right to terminate this Agreement pursuant to the immediately preceding sentence does not give such written notice, and the Closing occurs, this Agreement shall be deemed to have been amended (including for purposes of indemnification as set forth in Article 6 and Article 7) by substituting the amended Schedule for the original or prior Schedule.

4.3.9 Pre-Closing Distributions; Statutory Minimum Net Capital.

(a) (i) Prior to the Closing Date, the Protego Entities may make cash distributions or dividends to the Protego Partners in an aggregate amount that shall not exceed the Protego Distribution Amount; provided that, to the extent that cash is not available prior to the Closing Date to pay the full amount of such dividend or distribution in an amount up to the Protego Distribution Amount, such difference shall be paid to the Protego Partners in the form of notes payable issued to the Protego Partners, which notes shall be payable at the time cash is available following the Closing, or via an assignment of accounts receivable; and provided, further, that, in any event, after giving effect to such distributions or dividends (including dividends or distribution in the form of notes payable or via an assignment of accounts receivable), the PCB Net Capital is equal to or greater than the PCB Minimum Net Capital Amount (and to the extent that the distribution or dividend of any amounts would result in PCB Net Capital being less than the PCB Minimum Net Capital Amount, such distributions or dividends shall be reduced accordingly).

(ii) Prior to the Closing Date, the Evercore Entities may make cash distributions or dividends to the Evercore Partners in an aggregate amount that shall not exceed the Evercore Distribution Amount; provided that, to the extent that cash is not available prior to the Closing Date to pay the full amount of such dividend or distribution in an amount up to the Evercore Distribution Amount, such difference shall be paid to the Evercore Partners in the form of notes payable issued to the Evercore Partners, which notes shall be payable at the time cash is available following the Closing, or via an assignment of accounts receivable; and provided, further, that, in any event, after giving effect to such distributions or dividends (including dividends or distribution in the form of notes payable or via an assignment of accounts receivable), the EG LLC Net Capital is equal to or greater than the EG LLC Minimum Net Capital Amount (and to the extent that the distribution or dividend of any amounts would result in EG LLC Net Capital being less than the EG LLC Minimum Net Capital Amount, such distributions or dividends shall be reduced accordingly).

(b) At the Closing, the Protego Partners shall deliver to the Partnership a certificate (the "PCB Net Capital Certificate") executed by a duly authorized officer of PCB, dated the Closing Date, certifying that, as of the opening of business on the Closing Date, the Net Capital of PCB was equal to or greater than the PCB Minimum Net Capital Amount, and (ii) the

Evercore Partners shall deliver to the Partnership a certificate (the "EG LLC Net Capital Certificate") executed by a duly authorized officer of EG LLC, dated the Closing Date, certifying that, as of the opening of business on the Closing Date, the Net Capital of EG LLC was equal to or greater than the Evercore Minimum Net Capital Amount.

(c) The PCB Net Capital Certificate and the EG LLC Net Capital Certificate shall be final and binding on the parties unless, within ninety (90) days after the Closing Date, the Protego Partners, in the case of the PCB Net Capital Certificate, and/or the Evercore Partners, in the case of the EG LLC Net Capital Certificate, receive from the Partnership a statement ("Notice of Objection") indicating that the PCB Net Capital was less than the PCB Minimum Net Capital Amount or the EG LLC Net Capital was less than the EG LLC Minimum Net Capital Amount, as the case may be, and listing all objections, together with an explanation, with reasonable detail, of the specific amount of adjustment to the PCB Net Capital calculation or EG LLC Net Capital calculation, as applicable, as of the opening of business on the Closing Date.

(d) In the event that the Protego Partners and/or the Evercore Partners receive a Notice of Objection, the parties shall work together to resolve their differences regarding the PCB Net Capital or EG LLC Net Capital, as applicable, in each case, as of the opening of business on the Closing Date. If it is not possible to reach agreement on all objections included in any Notice of Objection within a period of thirty (30) days of receipt by the Protego Partners and/or the Evercore Partners, as appropriate, of such a Notice of Objection, the parties shall submit the matters that remain in dispute for review and final resolution by a nationally recognized independent accounting firm selected by the mutual consent of the Evercore Founders and the Protego Founder (the "Designated Accountant"). The parties shall cause the Designated Accountant to render a decision resolving the matters in dispute within thirty (30) days following completion of the submission(s) to the Designated Accountant and such determination shall be final and binding on the parties. The costs of the Designated Accountant shall be borne by the Partnership.

(e) For purposes of the review of the PCB Net Capital Certificate and/or the EG LLC Net Capital Certificate, the parties shall make available to each other and to the Designated Accountant, if applicable, all other relevant books and records and other information relating to computation of PCB Net Capital or EG LLC Net Capital, as applicable.

(f) In the event that the PCB Net Capital as of the opening of business on the Closing Date, as finally determined in accordance with this Section 4.3.9, was less than the PCB Minimum Net Capital Amount, each Protego Partner shall pay to the Partnership in cash the amount of such shortfall, to the extent of such Protego Partner's pro rata share of such obligation which is specified in Annex F, within ten (10) Business Days of receiving written notice thereof from the Partnership. In the event the EG LLC Net Capital as of the opening of business on the Closing Date, as finally determined in accordance with this Section 4.3.9, was less than the EG LLC Minimum Net Capital Amount, the Evercore Partners shall pay to the Partnership in cash the amount of such shortfall, to the extent of such Evercore Partner's pro rata share of such obligation which is specified in Annex G, within ten (10) Business Days of receiving written notice thereof from the Partnership.

ARTICLE 5

CONDITIONS PRECEDENT TO CLOSING

5.1 Conditions Precedent to Obligations of the Evercore Partners. All obligations of the Evercore Partners under Article 2 are subject to the fulfillment or satisfaction, prior to or at the Closing, of each of the following conditions precedent, which may be waived in writing in whole or in part by the Evercore Founders (on behalf of the Evercore Partners):

5.1.1 Representations and Warranties True as of Closing. Each of the representations and warranties of each of the Protego Partners contained in this Agreement shall have been true and correct in all material respects (without duplication of any materiality qualifications included in such representations and warranties for all purposes of this Section 5.1.1) as of the date of this Agreement and shall be true and correct in all material respects (without duplication of any materiality qualifications included in such representations and warranties for all purposes of this Section 5.1.1) as of the Closing Date (provided that the representations and warranties contained in the last sentence of Section 3.1.2(b) of this Agreement shall be true and correct in all respects as of the date of this Agreement and as of the Closing Date), with the same effect as though each of such representations and warranties had been made on and as of the Closing Date, other than any such representations and warranties made as of a specified date prior to the Closing Date, which shall be true and correct as of such date.

5.1.2 Compliance with this Agreement. Each of the Protego Partners shall have performed and complied in all material respects with each of the agreements and covenants required by this Agreement to have been performed or complied with by it prior to or at the Closing.

5.1.3 Closing Certificates. The Evercore Partners shall have received a certificate executed by each of the Protego Partners certifying as set forth in Sections 5.1.1 and 5.1.2.

5.1.4 No Material Adverse Effect. No Material Adverse Effect with respect to the Protego Entities shall have occurred and be continuing.

5.1.5 Consents. (a) The Protego Partners shall have obtained each of the consents, authorizations and approvals listed on Schedule 3.1.6(a), (b) a true, correct and complete copy of each such consent, authorization and approval shall have been delivered to the Evercore Partners at or prior to the Closing, and (c) each such consent, authorization and approval shall be in full force and effect and shall not be subject to the satisfaction of any condition that has not been satisfied or waived.

5.1.6 Closing Deliverables. The Evercore Partners shall have received all closing deliverables to be received by them at Closing pursuant to Sections 2.3(b) and 2.3(d).

5.2 Conditions Precedent to Obligations of the Protego Partners. All obligations of the Protego Partners under Article 2 are subject to the fulfillment or satisfaction, prior to or at the

Closing, of each of the following conditions precedent, which may be waived in writing in whole or in part by the Protego Founder (on behalf of the Protego Partners):

5.2.1 Representations and Warranties True as of Closing. Each of the representations and warranties of each of the Evercore Partners contained in this Agreement shall have been true and correct in all material respects (without duplicating any materiality qualifications included in such representations and warranties for all purposes of this Section 5.2.1) as of the date of this Agreement and shall be true and correct in all material respects (without duplicating any materiality qualifications included in such representations and warranties for all purposes of this Section 5.2.1) as of the Closing Date (provided that the representations and warranties contained in the last sentence of Section 3.2.2(b) shall be true and correct in all respects as of the date of this Agreement and as of the Closing Date), with the same effect as though each of such representations and warranties had been made on and as of the Closing Date, other than representations and warranties made as of a specified date, which shall be true and correct as of such date.

5.2.2 Compliance with this Agreement. Each of the Evercore Partners shall have performed and complied in all material respects with each of the agreements and covenants required by this Agreement to be performed or complied with by it prior to or at the Closing.

5.2.3 Closing Certificate. The Protego Partners shall have received a certificate certifying as set forth in Sections 5.2.1 and 5.2.2, which has been duly executed by each of the Evercore Partners.

5.2.4 No Material Adverse Effect. No Material Adverse Effect with respect to the Evercore Entities shall have occurred and be continuing.

5.2.5 Closing Deliverables. The Protego Partners shall have received the closing deliverables to be received by them at Closing pursuant to Sections 2.3(a) and 2.3(d).

5.3 Additional Conditions Precedent to the Obligations of the Protego Partners and the Evercore Partners. All obligations of each of Protego Partners and the Evercore Partners under this Agreement are subject to the fulfillment or satisfaction, prior to or at the Closing, of each of the following conditions precedent, which may be waived in writing in whole or in part by the mutual agreement of the Protego Founder (on behalf of the Protego Partners) and the Evercore Founders (on behalf of the Evercore Partners); provided that, if any breach of this Agreement by the Protego Partners, on the one hand, or the Evercore Partners, on the other hand, caused the failure of any of the following conditions precedent, the Protego Partners or the Evercore Partners, as the case may be, shall not be entitled to rely upon such condition precedent:

5.3.1 Representations and Warranties True as of Closing. Each of the representations and warranties of each of the Partnership and Pubco contained in this Agreement shall have been true and correct in all material respects (without duplicating any materiality qualifications included in such representations and warranties for all purposes of this Section 5.3.1) as of the date of this Agreement and shall be true and correct in all material respects (without duplicating any materiality qualifications included in such representations and

warranties for all purposes of this Section 5.3.1) as of the Closing Date, with the same effect as though each of such representations and warranties had been made on and as of the Closing Date, other than representations and warranties made as of a specified date, which shall be true and correct as of such date.

5.3.2 Closing Certificates. The Evercore Partners and the Protego Partners shall have received a certificate executed by each of the Partnership and Pubco certifying as set forth in Section 5.3.1.

5.3.3 No Pending Governmental Litigation. On the Closing Date, no suit, Action or other proceeding brought by any Governmental Authority shall be pending in which it is sought to restrain or prohibit the consummation of the transactions contemplated hereby.

5.3.4 Effectiveness of Form S-1. The SEC has declared the Form S-1 effective.

5.3.5 NASD Approval. (a) EG LLC shall have obtained the written approval of the NASD authorizing the consummation of the transactions contemplated by this Agreement and the other Transaction Documents as such transactions impact EG LLC or written confirmation from the NASD that such approval is not required, (b) a true, complete and correct copy of such approval or confirmation shall have been delivered to the Protego Partners at or prior to Closing, and (c) such approval or confirmation shall be in full force and effect and shall not be subject to the satisfaction of any condition that has not been satisfied or waived.

5.3.6 PCB Contribution. (a) The transactions contemplated by the PCB Management Trust Contribution Agreement shall have been consummated contemporaneously with the consummation of the Contribution and Sale Transactions in accordance with the terms and conditions contained in the PCB Management Trust Contribution Agreement and this Agreement, as applicable, and (b) (i) PCB shall have obtained an amendment to the written approval of the CNBV dated September 7, 2005, which amended approval authorizes the transfer (directly and indirectly) of 70% of the outstanding shares of PCB to the Partnership and the changes to the PCB board of directors contemplated by Section 4.3.4(b) hereof, or the written confirmation that such amended approval is not required, (ii) a true, complete and correct copy of such amended approval or confirmation shall have been delivered to the Evercore Partners at or prior to the Closing, and (iii) such amended approval or confirmation shall be in full force and effect and shall not be subject to the satisfaction of any condition that has not been satisfied or waived.

5.3.7 Amendment to the By-Laws of PAS and Protego PE. (a) The Protego Partners shall have obtained the written approval of the Mexican Ministry of Foreign Relations (*Secretaría de Relaciones Exteriores*) authorizing the amendment of the by-laws of each of PAS and Protego PE to permit the acquisition of such entity by the Partnership or written confirmation from the Ministry of Foreign Relations that such approval is not required, (b) a true, complete and correct copy of such approval or confirmation shall have been delivered to the Evercore Partners at or prior to Closing, and (c) such approval or confirmation shall be in full force and effect and shall not be subject to the satisfaction of any condition that has not been satisfied or waived.

5.3.8 Competition Approval. All required approvals, if any, of the Mexican Federal Competition Commission (*Comisíon Federal de Competencia*) applicable to the Transactions shall have been obtained.

ARTICLE 6

INDEMNIFICATION

6.1 Indemnification Obligation of the Protego Partners. From and after the Closing, the Protego Partners shall, severally but not jointly, indemnify and hold harmless the Partnership and its directors, managers, officers, members, partners, employees, agents, Affiliates, successors and assigns (each, a "Partnership Indemnitee" and collectively, the "Partnership Indemnitees"), against and in respect of any and all damages, losses, deficiencies, liabilities, costs and expenses (collectively, "Losses") incurred or suffered by any Partnership Indemnitee that result from, relate to or arise out of, and any and all Actions, suits, claims, proceedings, investigations, demands, assessments, audits, fines, judgments, costs and other expenses (including reasonable fees and expenses of attorneys, accountants and other professional advisors) incident to, any of the following matters or to the enforcement of this Section 6.1:

(a) (i) any breach of any representation or warranty on the part of any of the Protego Partners contained in this Agreement or any of the other Transaction Documents or any misrepresentation in or omission from any certificate, schedule, exhibit, document or instrument furnished by any of the Protego Partners to the Evercore Partners pursuant to this Agreement or the other Transaction Documents, or in connection with the execution or performance of this Agreement (including the Schedules hereto and the certificates delivered pursuant to Section 5.1.3) or (ii) assuming that the condition precedent contained in Section 5.3.6 is satisfied (and not waived), any breach (determined without taking into account any knowledge qualifiers) of any representation or warranty on the part of the PCB Management Trust contained in the PCB Management Trust Contribution Agreement, or any misrepresentation in or omission (determined without taking into account any knowledge qualifier) from any certificate, schedule, exhibit, document or instrument furnished by the PCB Management Trust to the Evercore Partners pursuant to the PCB Management Trust Contribution Agreement or in connection with the execution or performance of the PCB Management Trust Contribution Agreement (including the schedules to the PCB Management Trust Contribution Agreement and the certificates delivered pursuant to the PCB Management Trust Contribution Agreement); and

(b) (i) any breach or non-fulfillment of any covenant or agreement of the Protego Partners contained in this Agreement or (ii) assuming the condition precedent contained in Section 5.3.6 is satisfied (and not waived) any breach or non-fulfillment of any covenant or agreement of the PCB Management Trust contained in the PCB Management Trust Contribution Agreement.

Notwithstanding the foregoing, Section 6.1(a) and (b) shall not apply with respect to any Losses with respect to Taxes, including any breaches of Section 3.1.7 or 4.1.1(k); any such Losses are covered exclusively by Article 7.

6.2 Indemnification Obligation of the Evercore Partners. From and after the Closing, the Evercore Partners shall, severally but not jointly, indemnify and hold harmless the Partnership Indemnitees against and in respect of any and all Losses incurred or suffered by any Partnership Indemnitee that result from, relate to or arise out of, any and all Actions, suits, claims, proceedings, investigations, demands, assessments, audits, fines, judgments, costs and other expenses (including reasonable fees and expenses of attorneys, accountants and other professional advisors) incident to, any of the following matters or to the enforcement of this Section 6.2:

(a) any breach of any representation or warranty on the part of any of the Evercore Partners contained in this Agreement or any of the other Transaction Documents, or any misrepresentation in or omission from any certificate, schedule, exhibit, document or instrument furnished by any of the Evercore Partners to the Protego Partners pursuant to this Agreement or the other Transaction Documents, or in connection with the execution or performance of this Agreement (including the Schedules hereto and the certificates delivered pursuant to Section 5.2.3); and

(b) any breach or non-fulfillment of any covenant or agreement of the Evercore Partners contained in this Agreement.

Notwithstanding the foregoing, Section 6.2(a) and (b) shall not apply with respect to any Losses with respect to Taxes, including any breaches of Section 3.2.7 or 4.2.1(k); any such Losses are covered exclusively by Article 7.

6.3 Indemnification Obligation of the Partnership. From and after the Closing, the Partnership shall indemnify and hold harmless the Evercore Partners and the Protego Partners (each, a "Partner Indemnitee" and collectively, the "Partner Indemnitees") against and in respect of any and all Losses incurred or suffered by any Partner Indemnitee that result from, relate to or arise out of, any and all Actions, suits, claims, proceedings, investigations, demands, assessments, audits, fines, judgments, costs and other expenses (including reasonable fees and expenses of attorneys, accountants and other professional advisors) incident to, (a) any breach of any representation or warranty on the part of the Partnership or Pubco contained in this Agreement or any of the other Transaction Documents, or any misrepresentation in or omission from any certificate, schedule, exhibit, document or instrument furnished by either of the Partnership or Pubco pursuant to this Agreement or the other Transaction Documents, or in connection with the execution or performance of this Agreement (including the Schedules hereto and the certificates delivered pursuant to Section 5.3.2) or (b) the enforcement of this Section 6.3.

6.4 Limitations on Claims for Certain Losses. Any claims for Losses under Section 6.1(a), 6.2(a) or 6.3 may be made only pursuant to Article 6 and only by written notice within the period provided for survival of such representation and warranty in Sections 3.1.23, 3.2.23, and 3.3.5, as applicable. Anything to the contrary contained herein notwithstanding, except with respect to any Losses with respect to Taxes which are covered exclusively by Article 7:

(a) The Protego Partners, collectively, shall not be liable for any Losses under Section 6.1(a) unless and until the total of all Losses with respect thereto exceeds One Million

Five Hundred Thousand Dollars ($1,500,000) (the "Indemnity Basket"), at which time the Partnership Indemnitees will be entitled to indemnification for Losses exceeding the Indemnity Basket under Section 6.1(a). The aggregate liability of the Protego Partners, collectively, under Section 6.1(a) shall not exceed Seventeen Million Dollars ($17,000,000) (the "Indemnity Cap"). Notwithstanding anything to the contrary contained herein or otherwise, the limitation imposed by the Indemnity Basket and the Indemnity Cap shall not apply to any intentional misrepresentation or fraud.

(b) Notwithstanding anything herein to the contrary, (i) no Protego Partner shall be liable for any claim for Losses under Section 6.1(a) relating to or arising out of any breach by any other Protego Partner of any representation or warranty contained in Section 3.1.1(b), 3.1.1(c), 3.1.1(d) or 3.1.2(a) to the extent that such breach relates to the authority of any other Protego Partner, due authorization of such other Protego Partner, valid execution and delivery of this Agreement and the other Transaction Documents by such other Protego Partner or ownership of shares of capital stock or other equity interests of any of the Protego Entities by such other Protego Partners, as the case may be, and (ii) with respect to any other claim for Losses under Section 6.1(a) or Section 6.1(b), each of the Protego Partners shall only be liable under this Agreement, and the Partnership Indemnitees shall only have the right to seek indemnification under this Agreement from any Protego Partner, to the extent of such Protego Partner's pro rata share of such indemnification obligation which is specified in Annex F.

(c) The Evercore Partners, collectively, shall not be liable for any Losses under Section 6.2(a) unless and until the total of all Losses with respect thereto exceeds the Indemnity Basket, at which time the Partnership Indemnitees will be entitled to indemnification for Losses exceeding the Indemnity Basket under Section 6.2(a). The aggregate liability of the Evercore Partners under Section 6.2(a) shall not exceed the Indemnity Cap. Notwithstanding anything to the contrary contained herein or otherwise, the limitation imposed by the Indemnity Basket and the Indemnity Cap shall not apply to any intentional misrepresentation or fraud.

(d) Notwithstanding anything herein to the contrary, (i) no Evercore Partner shall be liable for any claim for Losses under Section 6.2(a) relating to or arising out of any breach by any other Evercore Partner of any representation or warranty contained in Section 3.2.1(b), 3.2.1(c), 3.2.1(d) or 3.2.2(a) to the extent that such breach relates to the authority of such other Evercore Partner, due authorization of such other Evercore Partner, valid execution and delivery of this Agreement and the other Transaction Documents by such other Evercore Partner or ownership of shares of capital stock or other equity interests of any of the Evercore Entities by such other Evercore Partners, as the case may be, and (ii) with respect to any other claim for Losses under Section 6.2(a) or Section 6.2(b), each of the Evercore Partners shall only be liable under this Agreement, and the Partnership Indemnitees shall only have the right to seek indemnification under this Agreement from any Evercore Partner, to the extent of such Evercore Partner's pro rata share of such indemnification obligation which is specified in Annex G.

(e) The Partnership shall not be liable for any Losses under Section 6.3 unless and until the total of all Losses with respect thereto exceeds the Indemnity Basket, at which time the Partner Indemnitees will be entitled to indemnification for Losses exceeding the Indemnity Basket under Section 6.3. The aggregate liability of the Partnership under Section 6.3 shall not

exceed the Indemnity Cap. Notwithstanding anything to the contrary contained herein or otherwise, the limitation imposed by the Indemnity Basket and the Indemnity Cap shall not apply to any intentional misrepresentation or fraud.

6.5 Indemnification Procedure as to Third-Party Claims.

(a) Promptly after any Partnership Indemnitee or Partner Indemnitee, as applicable, obtains Knowledge of the commencement of any third-party claim, Action, suit or proceeding or of the occurrence of any event or the existence of any state of facts which may become the basis of a third-party claim (any such claim, Action, suit or proceeding or event or state of facts being hereinafter referred to in this Section 6.5 as a "Claim"), in respect of which the Partnership Indemnitees or the Partner Indemnitees are entitled to indemnification under this Agreement, the Partnership or the Partner Indemnitees, as applicable, shall promptly notify the indemnitor under this Agreement (the "Indemnitor") of such Claim in writing setting forth in reasonable detail the specific facts and circumstances relating to such Claim and the amount of Losses subject to the Claim (or an estimate thereof if the actual amount is not known or not capable of reasonable calculation); provided, however, that any failure to give such notice will not waive any rights of the Partnership Indemnitees or the Partner Indemnitees, as applicable, except to the extent that the rights of the Indemnitor are actually and materially prejudiced thereby. With respect to any Claim as to which such notice is given by the Partnership or a Partner Indemnitee to the Indemnitor, the Indemnitor shall, subject to the provisions of Section 6.5(b), be entitled to participate in and, if it desires, to assume the defense and settlement of such Claim with counsel reasonably satisfactory to the Partnership or the Partner Indemnitee, as applicable, at the Indemnitor's sole risk and expense; provided, however, that the Partnership or the Partner Indemnitee, as applicable, (i) shall be permitted to join in the defense and settlement of such Claim and to employ counsel at its own expense, (ii) shall use Commercially Reasonable Efforts to cooperate with the Indemnitor in the defense and any settlement of such Claim in any manner reasonably requested by the Indemnitor and (iii) shall have the right to pay or settle such Claim at any time, in which event the Partnership Indemnitees or the Partner Indemnitees, as applicable, shall be deemed to have waived any right to indemnification therefor. Following written notice from the Indemnitor to the Partnership or the Partner Indemnitee, as applicable, of its election to assume the defense of a Claim pursuant to this Section 6.5(a), the Indemnitor will not be liable to the Partnership Indemnitees or the Partner Indemnitees, as applicable, for any other expenses subsequently incurred by the Partnership Indemnitees or the Partner Indemnitees in connection with the defense of the Claim, other than costs and expenses of the Partnership Indemnitees or the Partner Indemnitees, as applicable, incurred at the request of the Indemnitor or incurred pursuant to Section 6.5(b). The Indemnitor may not assume the defense of any Claim unless it acknowledges to the Partnership or the Partner Indemnitee, as applicable, in writing, its liability for such Claim. The Indemnitor may not settle any Claim without the prior written consent of the Partnership or the Partner Indemnitee, as applicable, unless (i) such Claim is solely for monetary damages, (ii) such settlement will not affect the business or reputation of the Partnership Indemnitees or the Partner Indemnitees, as applicable, or their respective Affiliates and (iii) the Indemnitor agrees in writing to pay all damages, costs and expenses in connection with such settlement.

(b) If the Indemnitor fails to assume the defense of such Claim or, having assumed the defense and settlement of such Claim, fails to reasonably and diligently contest such Claim in good faith, the Partnership or the Partner Indemnitees, as applicable, without waiving the right of the Partnership Indemnitees or the Partner Indemnitees, as applicable, to indemnification, may assume the defense and settlement of such Claim, provided, however, that (x) the Indemnitor shall be permitted to join in the defense and settlement of such Claim and to employ counsel at its own expense, (y) the Indemnitor shall use Commercially Reasonable Efforts to cooperate with the Partnership or the Partner Indemnitee, as applicable, in the defense and settlement of such Claim in any manner reasonably requested by the Partnership, and (z) the Partnership or the Partner Indemnitee, as applicable, shall not settle such Claim without soliciting the views of the Indemnitor and giving them due consideration.

(c) (i) In the event that the Protego Partners are the Indemnitor, any notice to the Protego Founder pursuant to this Section 6.5 shall constitute notice to the Indemnitor, and any assumption of the defense of a Claim or settlement of a Claim by the Protego Founder pursuant to this Section 6.5 shall constitute such an assumption or settlement, as the case may be, on behalf of the Indemnitor; and (ii) in the event that the Evercore Partners are the Indemnitor, any notice to the Evercore Founders pursuant to this Section 6.5 shall constitute notice to the Indemnitor, and any assumption of the defense of a Claim or settlement of a Claim by the Evercore Founders pursuant to this Section 6.5 shall constitute such an assumption or settlement, as the case may be, on behalf of the Indemnitor.

6.6 Adjustments and Limitations.

6.6.1 Adjustment for Insurance. Any indemnification payable pursuant to this Article 6 shall be net of any amounts actually recovered (after deducting related costs and expenses) by the Partnership Indemnitees or Partner Indemnitees, as applicable, for the Losses for which such indemnification payment is made, under any insurance policy, warranty or indemnity from any third party.

6.6.2 Damages. In no event shall the Evercore Partners, the Protego Partners or the Partnership be liable for Losses based upon incidental, special or punitive damages, unless such damages are payable by any Partnership Indemnitee or Partner Indemnitee, as applicable, to a third party.

6.7 Payment.

(a) Upon a determination of liability in respect of this Article 6 by mutual agreement of the Indemnitor and the Partnership or Partner Indemnitee, as applicable, or by a court of competent jurisdiction, the appropriate Indemnitor shall pay the Partnership (in respect of any Losses incurred or suffered by any Partnership Indemnitee being indemnified pursuant to this Article 6) or Partner Indemnitee, as applicable, the amount so determined (subject to the limitations of Section 6.4) within ten (10) Business Days after the date of determination (such tenth Business Day, the "Due Date"). If there should be a dispute as to the amount or manner of determination of any indemnity obligation owed under this Agreement following the Due Date, the Indemnitor shall nevertheless pay the obligation not later than the Due Date whether or not subject to dispute.

(b) If all or part of any indemnification obligation under this Agreement is not paid when due, then the Indemnitor shall pay the Partnership or Partner Indemnitee, as applicable, interest on the unpaid amount of the obligation for each day from the Due Date until payment in full, payable on demand, at the Prime Rate on the Due Date.

(c) (i) All indemnity payments to be made by the Protego Partners hereunder shall be made as follows: (A) all indemnity payments up to an aggregate amount of $6,050,000 shall be made by wire transfer of immediately available funds to an account designated in writing by the Partnership, and (B) thereafter, all indemnity payments shall be made by the redemption of Partnership Units by the Partnership, and/or transfer of Class A Stock to the Partnership, held by the Protego Partners with a Fair Market Value (determined as of the date of the applicable indemnity payment) equal to the indemnity payment to be made by the Protego Partners, in each case, subject to the limitations set forth in Section 6.4; provided that in no event shall the Partnership be entitled to require under this Article 6 the redemption of a number of Partnership Units by the Partnership, and/or the transfer of Class A Stock to the Partnership, held by the Protego Partners which, in the aggregate (taking into account all indemnity payments to be made by the Protego Partners in the form of Partnership Units and/or Class A Stock hereunder), exceeds the aggregate number of Class A-1 Units, Class A-2 Units and other vested Partnership Units issued to the Protego Partners pursuant to Section 2.1.1(a), including any Partnership Units issued to the Protego Partners pursuant to Section 2.1.1(a) which become vested following the Closing Date (subject to adjustment to take into account any stock splits or similar events with respect to the equity securities of the Partnership or Pubco).

(ii) Guarantee. Notwithstanding the foregoing Section 6.7(c)(i), in the event that the indemnity payments made by the Protego Partners pursuant to the foregoing clauses (x) and (y) are insufficient for any reason to satisfy the amount of an indemnification obligation of the Protego Partners pursuant to this Agreement, subject to the limitations on liability set forth in this Article VI including the Indemnity Cap (any such shortfall, the "Guaranteed Obligations"), the Protego Founder hereby unconditionally and irrevocably, personally guarantees to the Partnership and its successors, indorsees, tranferees and assigns, the prompt and complete payment of such Guaranteed Obligations in cash by wire transfer of immediately available funds to an account designated in writing by the Partnership. The foregoing guarantee shall remain in full force and effect in an amount equal to the aggregate amount of the Guaranteed Obligations until all the Guaranteed Obligations and the obligations of the Protego Founder pursuant to such guarantee shall have been satisfied by payment in full by the Protego Founder. The Protego Founder waives diligence, presentment, protest, demand for payment and notice of default or nonpayment to or upon the Protego Partners or the Protego Founder with respect to the Guaranteed Obligations. The Partnership, Pubco and any of their respective Affiliates shall have the right to set-off as appropriate and apply against the Protego's Founders guarantee obligations hereunder with respect to the Guaranteed Obligations any amounts otherwise payable to the Protego Founder by the Partnership, Pubco and such Affiliate (including dividends, employee salary or bonus payments). The Protego Founder understands and agrees that the guarantee contained in this Section 6.7(c)(ii) shall be construed as a continuing, absolute and unconditional guarantee of payment without regard to (x) the validity or enforceability of the Agreement or any other Transaction Document, any of the Guaranteed Obligations or any other collateral security therefore or guarantee or right of offset with respect thereto at any time or from time to time held

by the Partnership, (y) any defense, set-off or counterclaim (other than a defense of payment or performance) which may at any time be available to or be asserted by the Protego Partners or any other Person to the Partnership, or (c) any other circumstance whatsoever (with or without notice to or knowledge of the Protego Partners or the Protego Founder) which constitutes, or might be construed to constitute, an equitable or legal discharge of the Protego Partners for the Guaranteed Obligations, or of the Protego Founder under the guarantee contained in this Section 6.7(c)(ii), in bankruptcy or in any other instance. When making any demand hereunder or otherwise pursuing its rights and remedies hereunder against the Protego Founder, the Partnership may, but shall be under no obligation to, make a similar demand on or otherwise pursue such rights and remedies as it may have against the Protego Partners or any other Person or guarantee for the Guaranteed Obligations or any right of offset with respect thereto, and any failure by the Partnership to make any such demand, to pursue such other rights or remedies or to collect any payments from the Protego Partners or any other Person or to realize upon any such guarantee or collateral security or exercise any such right of offset, or any release of the Protego Partners or any other Person or any such collateral security, guarantee or right of offset, shall not relieve the Protego Founder of its obligations under this guarantee until the Guaranteed Obligations are paid in full.

(d) All indemnity payments to be made by the Evercore Partners hereunder shall be made by the redemption of Partnership Units by the Partnership, and/or transfer of Class A Stock to the Partnership, held by the Evercore Partners with a Fair Market Value (determined as of the date of the applicable indemnity payment) equal to the indemnity payment to be made by the Evercore Partners, in each case, subject to the limitations set forth in Section 6.4; provided that in no event shall the Partnership be entitled to require under this Article 6 the redemption of a number of Partnership Units by the Partnership, and/or transfer of Class A Stock to the Partnership, held by the Evercore Partners which, in the aggregate (taking into account all indemnity payments to be made by the Protego Partners in the form of Partnership Units and/or Class A Stock hereunder), exceeds the aggregate number of Class A-1 Units, Class A-2 Units and other vested Partnership Units issued to the Protego Partners pursuant to Section 2.1.1(a), including any Partnership Units issued to the Protego Partners pursuant to Section 2.1.1(a) which become vested following the Closing Date (subject to adjustment to take into account any stock splits or similar events with respect to the equity securities of the Partnership or Pubco).

(e) All indemnity payments to be made by the Partnership hereunder shall be made by wire transfer of immediately available funds to an account designated in writing by the Partner Indemnitee.

6.8 Other Rights and Remedies. Following the Closing, the sole and exclusive remedy at law (other than with respect to claims involving intentional misrepresentation or fraud) for the Partnership, Protego Partners or Evercore Partners, as applicable, for any claim (whether such claim is framed in tort, contract or otherwise) arising out of a breach of any representation, warranty, covenant or other agreement in this Agreement shall be a claim by the Partnership or Partner Indemnitee, as applicable, for indemnification pursuant to this Article 6 or Article 7, which claims are independent of and in addition to any equitable rights or remedies.

6.9 Effect of Investigation. The right to indemnification or payment of Losses or for other remedies based on any breach of any representation, warranty, covenant or obligation

contained in or made pursuant to this Agreement shall not be affected by any investigation conducted with respect to Pubco, the Partnership, PAS, the Protego Entities or the Evercore Entities, as the case may be, or any Knowledge acquired (or capable of being acquired) at any time with respect to, the accuracy or inaccuracy of or compliance with, any such representation, warranty, covenant or obligation.

ARTICLE 7

TAX MATTERS

7.1 Tax Treatment. The Parties hereto agree that, solely for U.S. federal income Tax purposes, it is intended that the Evercore Contributions and the Protego Contributions will be treated as tax-free contributions to the Partnership pursuant to Section 721(a) of the Code, except to the extent treated as sales pursuant to Section 707(a)(2)(B) of the Code. The elections to treat PAS, PAd, Protego PE, Protego SI, Protego Servicios, BD Protego, Sedna and CB Servicios as partnerships or Disregarded Entities, as applicable, shall be taxable liquidations pursuant to Treasury Regulation Section 1.7701-3(g)(ii).

7.2 Tax Provisions.

(a) The Partnership shall make a section 754 election in the first year it is eligible to make such election and shall maintain such election for all future years.

(b) Unless otherwise specified, the Partnership shall account for any variations between the Tax bases and initial Carrying Values (as such term is defined in the Amended Partnership Agreement) and for any reverse "Section 704(c)" allocations by applying the traditional method (as such term is defined in Treasury Regulation Section 1.704-3(b)(1)), unless an alternative method is selected by the mutual agreement of the Evercore Founders and the Protego Founder.

7.3 Entity Classifications. For United States federal (and, to the extent applicable, United States state and local) Tax purposes, it is intended that, following the consummation of the Transactions, (i) the Partnership will be treated as a partnership for Tax purposes and (ii) each of the Evercore Entities, PAS, PAd, Protego PE, Protego SI, Protego Servicios, BD Protego, Sedna and CB Servicios will be treated as Disregarded Entities. The Partnership will file all Tax Returns consistent with such treatment.

7.4 Tax Indemnification.

(a) The Protego Partners shall, severally but not jointly, indemnify and hold harmless the Partnership Indemnitees from:

(i) any and all liability for Taxes of any of the Protego Entities (or any predecessors) with respect to all Pre-Closing Tax Periods and with respect to any Straddle Period, for the portion thereof ending on the Closing Date;

(ii) any loss, liability, claim, damage or expense attributable to any breach of (A) any representation or warranty contained in Section 3.1.7 (relating to Taxes) or (B) any covenant set forth in Section 4.1.1(k);

(iii) all liability for Taxes of any of the Protego Entities arising (directly or indirectly) as a result of the transactions contemplated under Section 2.1.3, other than any Taxes relating to the transformation of the applicable Protego Entities to SRLs and the elections to treat those entities for U.S. tax purposes in the manner described in Section 2.1.3(a); and

(iv) all liability for reasonable costs and expenses (including reasonable attorneys' fees and disbursements) incurred by the Partnership Indemnitees in connection with any action, suit, proceeding, demand, assessment or judgment incident to any of the matters indemnified against in this Section 7.4.

Notwithstanding anything herein to the contrary, with respect to any claim under Section 7.4(a), (x) no indemnity obligation shall arise with respect to Taxes that are taken into account in determining net income of the Protego Entities for the purposes of computing the Protego Distribution Amount other than any deferred Taxes established to reflect timing differences between book and tax basis in assets and liabilities, (y) the Protego Partners, collectively, shall not be liable for any Losses unless and until the total of all Losses with respect thereto exceeds One Hundred Thousand Dollars ($100,000) (the "Tax Indemnity Basket"), at which time the Partnership Indemnitees will be entitled to indemnification for Losses exceeding the Tax Indemnity Basket, and (z) each of the Protego Partners shall only be liable under this Agreement, and the Partnership shall only have the right to seek indemnification under this Agreement from any Protego Partner, to the extent of such Protego Partner's pro rata share of such indemnification obligation which is specified in Annex F.

(b) The Evercore Partners shall, severally but not jointly, indemnify and hold harmless the Partnership Indemnitees from:

(i) any and all liability for Taxes of any of the Evercore Entities (or any predecessors) with respect to all Pre-Closing Tax Periods and with respect to any Straddle Period, for the portion thereof ending on the Closing Date;

(ii) any loss, liability, claim, damage or expense attributable to any breach of (A) any representation or warranty contained in Section 3.2.7 (relating to Taxes) or (B) any covenant set forth in Section 4.2.1(k);

(iii) all liability for Taxes of any of the Evercore Entities arising (directly or indirectly) as a result of the transactions contemplated by 2.1.2; and

(iv) all liability for reasonable costs and expenses (including reasonable attorneys' fees and disbursements) incurred by the Partnership Indemnitees in connection with any action, suit, proceeding, demand, assessment or judgment incident to any of the matters indemnified against in this Section 7.4.

Notwithstanding anything herein to the contrary, with respect to any claim for Losses under Section 7.4(b), (x) the Evercore Partners, collectively, shall not be liable for any Losses unless and until the total of all Losses with respect thereto exceeds the Tax Indemnity Basket, at which time the Partnership Indemnitees will be entitled to indemnification for Losses exceeding the Tax Indemnity Basket and (y) each of the Evercore Partners shall only be liable under this Agreement, and the Partnership shall only have the right to seek indemnification under this Agreement from any Evercore Partner, to the extent of such Evercore Partner's pro rata share of such indemnification obligation which is specified in Annex G.

(c) Notwithstanding any provision in this Agreement to the contrary, the obligations of a party to indemnify and hold harmless another party pursuant to Sections 7.4 and 7.5 shall terminate at the close of business on the 90th day following the expiration of the applicable statute of limitations with respect to the Tax liabilities in question (giving effect to any waiver, mitigation or extension thereof).

(d) In the case of any Straddle Period, the amount of Taxes allocable to the portion of the Straddle Period ending on the Closing Date shall be deemed to be:

(i) in the case of Taxes imposed on a periodic basis (including, real or personal property Taxes), the amount of such Taxes for the entire period (or, in the case of such Taxes determined on an arrears basis, the amount of such Taxes for the immediately preceding period) multiplied by a fraction, the numerator of which is the number of calendar days in the Straddle Period ending on and including the Closing Date and the denominator of which is the number of calendar days in the entire relevant Straddle Period; and

(ii) in the case of Taxes not described in clause (i) above (including franchise Taxes, Taxes that are based upon or related to income or receipts, and Taxes that are based upon occupancy or imposed in connection with any sale or other transfer or assignment of property (whether real or personal or tangible or intangible)), the amount of any such Taxes shall be determined as if such taxable period ended as of the close of business on the Closing Date.

(e) Notwithstanding anything herein to the contrary, all indemnity payments to be made pursuant to this Section 7.4 shall be made in accordance with Section 6.7(a) and (b).

7.5 Responsibility for Filing Tax Returns

(a) Protego Entities.

(i) For any Pre-Closing Tax Period of any of the Protego Entities, the Protego Founder shall prepare or cause to be prepared, and file or cause to be filed (in a manner consistent with past practices) with the appropriate taxing authorities all Tax Returns required to be filed, and the Protego Partners shall pay all Taxes due with respect to such Tax Returns.

(ii) The Partnership shall prepare (or cause to be prepared) and file or cause to be filed when due all Tax Returns that are required to be filed by or with respect to any of the Protego Entities for any Post-Closing Tax Period and shall remit (or cause to be remitted) any Taxes due in respect of such Tax Returns.

(iii) For any Straddle Period of any of the Protego Entities, the Partnership shall timely prepare or cause to be prepared, and file or cause to be filed, all Tax Returns required to be filed and shall pay or cause to be paid all Taxes due with respect to such Tax Returns; provided that the Protego Partners shall reimburse the Partnership for any amount owed by the Partnership with respect to Taxes for the Pre-Closing Tax Period as allocated under Section 7.4(d) except for any Taxes that are taken into account in determining net income of the Protego Entities for the purposes of computing the Protego Distribution Amount (other than any deferred Taxes established to reflect timing differences between book and tax basis in assets and liabilities). The Partnership shall permit the Protego Founder to review and comment on each such Tax Return described in the preceding sentence prior to the filing thereof.

(b) Evercore Entities.

(i) For any Pre-Closing Tax Period of any of the Evercore Entities, the Evercore Founders shall prepare or cause to be prepared, and file or cause to be filed (in a manner consistent with past practices) with the appropriate taxing authorities all Tax Returns required to be filed, and the Evercore Partners shall pay all Taxes due with respect to such Tax Returns.

(ii) The Partnership shall prepare (or cause to be prepared) and file or cause to be filed when due all Tax Returns that are required to be filed by or with respect to any of the Evercore Entities for any Post-Closing Tax Period and shall remit (or cause to be remitted) any Taxes due in respect of such Tax Returns.

(iii) For any Straddle Period of any of the Evercore Entities, the Partnership shall timely prepare or cause to be prepared, and file or cause to be filed, all Tax Returns required to be filed and shall pay or cause to be paid all Taxes due with respect to such Tax Returns; provided that the Evercore Partners shall reimburse the Partnership for any amount owed by the Partnership with respect to Taxes for the Pre-Closing Tax Period as allocated under Section 7.4(d). The Partnership shall permit the Evercore Founders to review and comment on each such Tax Return described in the preceding sentence prior to the filing thereof.

7.6 Tax Claims.

(a) If a claim shall be made by any taxing authority, which, if successful, might result in an indemnity payment to the Partnership pursuant to Section 7.4 or 7.5, then the Partnership shall give notice to the Evercore Founder (on behalf of the Evercore Partners) or the Protego Founder (on behalf of the Protego Partners), as applicable, in writing of such claim and of any counterclaim the Partnership proposes to assert (a "Tax Claim"); provided, however, the

failure to give such notice shall not affect the indemnification provided hereunder except to the extent the indemnifying party has been materially prejudiced as a result of such failure.

(b) With respect to any Tax Claim relating to a Pre-Closing Tax Period, the indemnifying party, solely at its own cost and expense, may control all proceedings and may make all decisions taken in connection with such Tax Claim (including selection of counsel) and, without limiting the foregoing, may in its sole discretion pursue or forego any and all administrative appeals, proceedings, hearings and conferences with any taxing authority with respect thereto, and may, in its sole discretion, either pay the Tax claimed and sue for a refund where applicable law permits such refund suits or contest the Tax Claim in any permissible manner; provided, however, that the indemnifying party must first consult, in good faith with the Partnership before taking any action with respect to the conduct of such Tax Claim. Notwithstanding the foregoing, indemnifying party shall not settle such Tax Claim without the prior written consent of the Partnership, which consent shall not be unreasonably withheld, and the Partnership, and counsel of its own choosing, shall have the right to participate fully, at its own expense, in all aspects of the prosecution or defense of such Tax Claim if it reasonably determines that such Tax Claim could have a material adverse impact on the Taxes of the Partnership Indemnitees, or any of their Affiliates, in a taxable period or portion thereof beginning after the Closing Date.

(c) The Partnership shall control and participate in all proceedings taken in connection with any Tax Claim relating to Taxes of any of the Evercore Entities and any of the Protego Entities for a Straddle Period. The Partnership shall not settle any such Tax Claim without the prior written consent of the indemnifying party, if applicable.

7.7 Cooperation. The Evercore Partners and the Protego Partners shall reasonably cooperate, and shall cause their respective Affiliates, officers, employees, agents, auditors and other representatives to reasonably cooperate, in preparing and filing all Tax Returns and in resolving all disputes and audits with respect to all taxable periods relating to Taxes, including by maintaining and making available to each other all records necessary in connection with Taxes and making employees available on a mutually convenient basis to provide additional information or explanation of any material provided hereunder or to testify at proceedings relating to such Tax Claim.

7.8 Refunds. Except for any value added tax refundable or creditable in connection with the CSS Service Payment, the amount or economic benefit of any refunds, credits or offsets of Taxes of any of the Protego Entities for any Pre-Closing Tax Period shall be for the account of the Protego Partners but only to the extent the Protego Partners are required to indemnify the Partnership with respect to Taxes pursuant to Section 7.4. The amount or economic benefit of any refunds, credits or offsets of Taxes of the Evercore Entities for any Pre-Closing Tax Period shall be for the account of the Evercore Partners but only to the extent the Evercore Partners are required to indemnify the Partnership with respect to such Taxes pursuant to Section 7.4. Notwithstanding the foregoing, any such refunds, credits or offsets of Taxes shall be for the account of the Partnership to the extent such refunds, credits or offsets of Taxes are attributable (determined on a marginal basis) to the carryback from a Post-Closing Tax Period of items of loss, deduction or credit, or other Tax items, of the Evercore Entities or the Protego Entities. The

amount or economic benefit of any refunds, credits or offsets of Taxes of the Evercore Entities or the Protego Entities for any Post-Closing Tax Period shall be for the account of the Partnership. The amount or economic benefit of any refunds, credits or offsets of Taxes of any of the Evercore Entities or any of the Protego Entities for any Straddle Period shall be equitably apportioned between the Partnership, on the one hand, and the Evercore Partners or Protego Partners, as applicable, on the other hand but only to the extent the Protego Partners or Evercore Partners, as applicable, are required to indemnify the Partnership with respect to Taxes pursuant to Section 7.4; provided that this apportionment shall not apply with respect to any value added tax refundable or creditable to a Protego Entity in connection with the CSS Service Payment, which amounts (if any) shall be for the account of the Partnership. Each party shall forward, and shall cause its Affiliates to forward, to the party entitled to receive the amount or economic benefit of a refund, credit or offset to Tax the amount of such refund, or the economic benefit of such credit or offset to Tax, within thirty (30) days after such refund is received or after such credit or offset is allowed or applied against another Tax liability, as the case may be.

7.9 Purchase Price Adjustment. The Evercore Partners and the Protego Partners agree that any indemnification payment made pursuant to this Agreement shall be treated as an adjustment to the Evercore Contributions or the Protego Contributions, as applicable, for Tax purposes, unless otherwise required by applicable law.

7.10 Tax Sharing Agreements.

(a) The Evercore Partners shall cause all tax allocation agreements or tax sharing agreements with respect to each of the Evercore Entities to be terminated as of the Closing Date, and shall ensure that such agreements are of no further force or effect as to any of the Evercore Entities on and after the Closing Date and that there shall be no further liabilities or obligations imposed on any of the Evercore Entities under any such agreements.

(b) The Protego Partners shall cause all tax allocation agreements or tax sharing agreements with respect to any of the Protego Entities to be terminated as of the Closing Date, and shall ensure that such agreements are of no further force or effect as to any of the Protego Entities on and after the Closing Date and that there shall be no further liabilities or obligations imposed on any of the Protego Entities under any such agreements.

7.11 Survival. Notwithstanding anything herein to the contrary, the representations and warranties set forth in Sections 3.1.7 and 3.2.7, the covenants set forth in Section 4.1.1(k) and 4.2.1(k) and all of the obligations and claims under this Article 7 shall expire ninety (90) days after the expiration of the applicable statute of limitations applicable to the relevant matter addressed in such representation, warranty, covenant or obligation (giving effect to any waiver, mitigation or extension thereof).

7.12 Exclusivity. Notwithstanding any other provision of this Agreement, except as specifically provided in Sections 2.1.3(b), 2.3(b)(iv), 2.3(b)(v), 3.1.7, 3.2.7, 4.1.1(k), 4.2.1(k) and 8.15, any matter related to indemnity Taxes shall be governed solely by this Article 7.

ARTICLE 8

MISCELLANEOUS

8.1 Termination.

8.1.1 Anything herein or elsewhere to the contrary notwithstanding, this Agreement may be terminated (and the transactions contemplated herein may be abandoned) at any time before the Closing Date only as follows:

(a) by mutual written consent of the Protego Founder (on behalf of the Protego Partners) and the Evercore Founders (on behalf of the Evercore Partners);

(b) by the Evercore Founders (on behalf of the Evercore Partners) or the Protego Founder (on behalf of the Protego Partners) upon notice given to the other, if any Governmental Authority shall have issued an order, decree or ruling or taken any other action permanently restraining, enjoining or otherwise prohibiting the transactions contemplated by this Agreement;

(c) by the Evercore Founders (on behalf of the Evercore Partners) if (i) any of the representations and warranties of the Protego Partners contained in this Agreement shall fail to be true and correct, or (ii) any of the Protego Partners shall have breached or failed to comply with any of its covenants or obligations under this Agreement, in either case, such that any of the conditions set forth in Section 5.1.1 or Section 5.1.2, as applicable, would not be satisfied;

(d) by the Protego Founder (on behalf of the Protego Partners) if (i) any of the representations and warranties of the Evercore Partners contained in this Agreement shall fail to be true and correct, or (ii) any of the Evercore Partners shall have breached or failed to comply with any of its covenants or obligations under this Agreement, in either case, such that any of the conditions set forth in Section 5.2.1 or Section 5.2.2, as applicable, would not be satisfied;

(e) by the Evercore Founders (on behalf of the Evercore Partners) or the Protego Founder (on behalf of the Protego Partners) if the Closing shall not have been consummated on or before December 31, 2006 (the "Closing Deadline"); provided that if the Closing shall not occur on or before the Closing Deadline due to the act or omission of the Evercore Partners, on the one hand, or the Protego Partners, on the other hand, then the Party at fault may not terminate this Agreement pursuant to this paragraph (e);

(f) by the Evercore Founders (on behalf of the Evercore Partners) or the Protego Founder (on behalf of the Protego Partners) if the Evercore Founders (on behalf of the Evercore Partners) have determined that the Evercore Partners will not proceed with the consummation of the IPO and have notified the Protego Founder (on behalf of the Protego Partners) of such determination in writing; and

(g) by the Evercore Founders (on behalf of the Evercore Partners) or the Protego Founder (on behalf of the Protego Partners) if the Protego Founder (on behalf of the Protego Partners) has determined that the Protego Partners will not proceed with the

consummation of the IPO and has notified the Evercore Founders (on behalf of the Evercore Partners) of such determination in writing.

8.1.2 Notwithstanding anything herein to the contrary, in the event that this Agreement is terminated by the Protego Founder (on behalf of the Protego Partners) or the Evercore Founders (on behalf of the Evercore Partners) pursuant to any of the provisions of Section 8.1.1, unless the Evercore Founders otherwise notify each of the other Evercore Partners in writing, (a) each of the Evercore Partners and the Partnership shall be obligated to proceed, and nothing herein shall prevent the Evercore Partners or the Partnership from proceeding or limit in any respect the right of the Evercore Partners to proceed, with the consummation of the IPO in accordance with this Agreement (except with respect to any provisions that relate, and solely to the extent that such provisions relate, to any of the Protego Partners or Protego Entities, and (b) the only provisions of this Agreement that will terminate shall be those provisions that relate, and solely to the extent that such provisions relate, to any of the Protego Partners or Protego Entities and, except as provided in this Section 8.1.2, all other provisions of this Agreement shall survive any termination of this Agreement.

8.2 No Liabilities in Event of Termination.

8.2.1 Except as provided in Section 8.1.2, in the event of any termination of this Agreement as provided in Section 8.1.1, (a) written notice thereof shall promptly be given to the Protego Founder (on behalf of the Protego Partners), in the case of termination by the Evercore Founders (on behalf of the Evercore Partners), or the Evercore Founders (on behalf of the Evercore Partners), in the case of termination by the Protego Founder (on behalf of the Protego Partners) and this Agreement shall forthwith become wholly void and terminate and of no further force and effect except for Sections 8.2, 8.3, 8.5, 8.6, 8.7, 8.8. 8.9, 8.10, 8.11, 8.12, 8.13 and 8.14, and (b) there shall be no liability on the part of any of the Parties hereto, except that such termination shall not preclude any party from pursuing judicial remedies for damages and/or other relief as a result of the breach by the other party of any representation, warranty, covenant or agreement contained herein prior to termination and in all events such recovery shall be subject to Section 6.6.2 hereof.

8.3 Expenses. The Partnership shall pay all of its own expenses and all of the expenses of the Protego Partners, the Protego Entities, the Evercore Partners and the Evercore Entities, in each case, incurred in connection with the preparation of this Agreement, the carrying out of the provisions of this Agreement and the consummation of the transactions contemplated hereby ("Expenses"); provided that, in the event that this Agreement is terminated prior to the Closing, (a) the Protego Entities shall bear the Expenses of the Protego Partners and the Protego Entities, (b) the Evercore Entities shall bear the Expenses of the Evercore Partners and the Evercore Entities, and (c) the Partnership shall bear the Expenses of the Partnership.

8.4 Further Assurances. Each of the Parties shall from time to time after the Closing Date, at the request of any other Party, execute, acknowledge and deliver to such other Party such other instruments of conveyance and transfer or assumption and will take such other actions and execute and deliver such other documents, certifications and further assurances as such other party may reasonably require in order to effect the transactions contemplated hereby and in the

other Transaction Documents and will use Commercially Reasonable Efforts to cooperate with the other Parties and execute and deliver to the other Parties such other instruments and documents and take such other actions as may be reasonably requested from time to time by such other party as necessary to carry out, evidence and confirm the intended purposes of this Agreement. Each of the Parties will cause their respective Affiliates to comply with this Section 8.4 to the extent necessary or desirable to fulfill the purposes thereof.

8.5 Contents of Agreement. This Agreement and the other Transaction Documents, including their respective Schedules and Exhibits, which are specifically incorporated herein, set forth the entire understanding of the Parties hereto with respect to the transactions contemplated hereby and supersede any and all previous agreements and understandings, oral or written, between or among the Parties regarding the transactions contemplated hereby. This Agreement shall not be amended or modified except by written instrument duly executed by Pubco, the Partnership, the Evercore Founders (on behalf of the Evercore Partners) and the Protego Founder (on behalf of the Protego Partners).

8.6 Assignment and Binding Effect. This Agreement may not be assigned prior to the Closing by any of the Evercore Partners without the prior written consent of the Protego Founder (on behalf of the Protego Partners) or by any of the Protego Partners without the prior written consent of the Evercore Founders (on behalf of the Evercore Partners); provided that (a) in the event that, prior to earlier of the Closing or any termination of this Agreement, any Person becomes an employee, partner, member, director, officer or shareholder of any of the Protego Entities or Evercore Entities and, in connection therewith, is issued any shares of capital stock or other equity interests of any of the Protego Entities or Evercore Entities, as the case may be, such Person shall become a Party to this Agreement and shall be deemed to be a Protego Partner or Evercore Partner, as the case may be, and the Protego Partners or the Evercore Partners, as the case may be, shall amend their Schedules to reflect such issuance, and (b) in the event that, prior to earlier of the Closing or any termination of this Agreement, the employment of any Protego Partner or Evercore Partner with any of the Protego Entities or Evercore Entities, as the case may be, is terminated for any reason and all of the shares of capital stock or other equity interests of all of the Protego Entities or Evercore Entities, as the case may be, held by such Protego Partner or Evercore Partner, as the case may be, is redeemed or repurchased, such Protego Partner or Evercore Partner, as the case may be, shall execute an agreement in writing whereby such Protego Partner or Evercore Partner, as the case may be, shall no longer be a Party to this Agreement and shall no longer have any rights under this Agreement, and the Protego Partners or Evercore Partners, as the case may be, shall amend their Schedules to reflect such departure.

8.7 Waiver. No waiver of any term or provision of this Agreement shall be effective unless in writing, signed by the Party against whom enforcement of the same is sought. The grant of a waiver in one instance does not constitute a continuing waiver in all similar instances. No failure to exercise, and no delay in exercising, by any Party, any right, remedy, power or privilege hereunder shall operate as a waiver thereof.

8.8 Notices. Any notice, request, demand, waiver, consent, approval or other communication which is required or permitted hereunder shall be in writing and shall be deemed given only if delivered personally or sent by registered or certified mail or by Federal Express or

other overnight mail service, postage prepaid, by e-mail or by telefacsimile, with written confirmation to follow, as follows:

If to the Partnership, Pubco or the Evercore Partners, to:

c/o Evercore Partners
55 East 52nd Street
43rd Floor
New York, NY 10055
Attention: Roger C. Altman
Timothy Lalonde
David Wezdenko
Facsimile Number: (212) 857-3112
(212) 857-3152
(212) 822-7522

and

c/o Evercore Partners
100 Wilshire Blvd.
Suite 550
Santa Monica, CA 90401
Attention: Austin M. Beutner
Facsimile Number: (310) 689-0812

With a required copy to (which shall not itself constitute notice):

Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, NY 10017
Attention: Alan G. Schwartz, Esq.
Kathryn King Sudol, Esq.
Facsimile Number: (212) 455-2502

If to the Protego Partners, to:

c/o Protego Asesores
Blvd. Manuel Ávila Camacho 36-22
Torre Esmeralda II
Col. Lomas De Chapultepec
México D.F. 11000
México
Attention: Pedro Aspe
Facsimile:

With a required copy, to (which shall not itself constitute notice):

Milbank, Tweed, Hadley & McCloy LLP
One Chase Manhattan Plaza
New York, New York 10005
Attention: Howard Kelberg, Esq.
Facsimile Number: (212) 822-5530

and to:

Noriega y Escobedo, A.C.
Sierra Mojada · 626
Lomas Barrilaco
11010 Mexico, D.F.
Attention: Pablo Cervantes
Facsimile Number: (5255) 52 84 33 27

and to:

Calvo, González Luna, Moreno, Revilla Y Romano, S.C.
Av. Paseo de la Reforma No. 935,
Col. Lomas de Chapultepec,
México, D.F. 11000
Attention: Ramiro González Luna
Facsímile Number: (5255) 5520-3821

or to such other address or facsimile numbers as the addressee may have specified in a notice duly given to the sender as provided herein. Such notice, request, demand, waiver, consent, approval or other communication will be deemed to have been given as of the date so delivered or, if such date is not a Business Day, on the next Business Day.

8.9 Remedies. Notwithstanding the provisions of Section 6.8, the Parties acknowledge and agree that, prior to Closing, remedies at law, including monetary damages, will be inadequate in the event of a breach or threatened breach by the Protego Partners, on the one hand, or the Evercore Partners, on the other hand, in the performance of their respective obligations under this Agreement. Accordingly, the Parties agree that in the event of any such breach, or threatened breach, prior to Closing, any non-breaching Party shall be entitled to a decree of specific performance pursuant to which the breaching Party is ordered to affirmatively carry out its pre-closing obligations under this Agreement. The foregoing shall not be deemed to be or construed as a waiver or election of remedies by any non-breaching Party and any non-breaching Party expressly reserves any and all rights and remedies available to it at law or in equity in the event of any breach or default by the breaching Party under this Agreement prior to Closing.

8.10 Applicable Law; Consent to Jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without giving effect to such State's laws and principles regarding the conflict of laws. Each of the Parties hereto

(a) consents to submit itself to the personal jurisdiction of any federal court located in the State of New York or any New York state court in connection with any dispute that arises out of this Agreement or any of the transactions contemplated by this Agreement, (b) agrees that it will not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any such court, (c) agrees that it will not bring any Action relating to this Agreement or any of the transactions contemplated by this Agreement in any court other than a federal court sitting in the State of New York or a New York state court unless venue would not be proper under rules applicable in such courts and (d) waives any right to which it may be entitled, on account of place of residence or domicile.

8.11 No Benefit to Others. The representations, warranties, covenants and agreements contained in this Agreement are for the sole benefit of the Parties hereto and, in the case of Article 6 and Article 7, the other Indemnitees, and their respective heirs, executors, administrators, legal representatives, successors and permitted assigns, and they shall not be construed as conferring any rights on any other Persons.

8.12 Headings. All section headings contained in this Agreement are for convenience of reference only, do not form a part of this Agreement and shall not affect in any way the meaning or interpretation of this Agreement.

8.13 Severability. Any provision of this Agreement which is invalid or unenforceable in any jurisdiction shall be ineffective to the extent of such invalidity or unenforceability without invalidating or rendering unenforceable the remaining provisions hereof, and such invalidity or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provisions in any other jurisdiction.

8.14 Counterparts. This Agreement may be executed in any number of counterparts and any party hereto may execute any such counterpart, each of which when executed and delivered shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument. This Agreement shall become binding when one or more counterparts taken together shall have been executed and delivered by all of the Parties.

8.15 Sales, Use and Transfer Taxes. Notwithstanding anything herein to the contrary, the Evercore Partners and the Protego Partners shall be liable and obligated to satisfy and discharge any sales, use or transfer Tax liability resulting from or arising in connection with the Evercore Contributions and the Protego Contributions, respectively. All other sales, use or transfer Taxes shall be paid 50% by the Evercore Partners and 50% by the Protego Partners.

8.16 Power of Attorney.

8.16.1 Each of the Protego Existing Service Partners and Protego New Service Partners shall promptly, and in any event within 5 days from the date of this Agreement, grant before a public notary in Mexico an irrevocable power of attorney to the Protego Founder to grant such approvals, consents and waivers, to execute such documents, certificates, resolutions, agreements, amendments and other instruments, and to make such filings, notifications and other applications, in each case, on behalf of and in the name, place and stead of such Protego Existing Service Partner or Protego Existing New Service Partners, as the case may be, as the Protego

Founder determines in his judgment are necessary or appropriate in connection with, and not inconsistent with, this Agreement and the other Transaction Documents and in furtherance of the transactions contemplated hereby and thereby.

8.16.2 Each of the Evercore Service Partners hereby grants an irrevocable power of attorney to the Evercore Founders, acting jointly, to grant such approvals, consents and waivers, to execute such documents, certificates, resolutions, agreements, amendments and other instruments, and to make such filings, notifications and other applications, in each case, on behalf of and in the name, place and stead of such Evercore Service Partner as the Evercore Founders determine in their judgment are necessary or appropriate in connection with, and not inconsistent with, this Agreement and the other Transaction Documents and in furtherance of the transactions contemplated hereby and thereby.

[Remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the Parties hereto have duly executed this Agreement as of the date first written above.

EVERCORE LP

By: Evercore Temporary GP Inc., its general partner

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

EVERCORE PARTNERS INC.

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

EVERCORE PARTNERS:

/s/ Roger C. Altman
Roger C. Altman

/s/ Austin M. Beutner
Austin M. Beutner

/s/ Ciara A. Burnham
Ciara A. Burnham

/s/ John T. Dillon
John T. Dillon

/s/ Richard P. Emerson
Richard P. Emerson

/s/ Saul D. Goodman
Saul D. Goodman

/s/ William O. Hiltz
William O. Hiltz

/s/ Jonathan A. Knee
Jonathan A. Knee

/s/ Timothy G. Lalonde
Timothy G. Lalonde

/s/ Gail Landis
Gail Landis

/s/ M. Sharon Lewellen
M. Sharon Lewellen

/s/ Eduardo G. Mestre
Eduardo G. Mestre

/s/ Neeraj Mital
Neeraj Mital

/s/ Sangam Pant
Sangam Pant

/s/ Michael J. Price
Michael J. Price

/s/ Kathleen G. Reiland
Kathleen G. Reiland

/s/ William Repko
William Repko

/s/ Brian Roberts
Brian Roberts

/s/ William A. Shutzer
William A. Shutzer

/s/ David Wezdenko
David Wezdenko

/s/ Jane Wheeler
Jane Wheeler

/s/ David Ying
David Ying

/s/ Jurate Kazickas
A&N Associates L.P.
By: Jurate Kazickas, as General Partner

/s/ Jurate Kazickas
Roger C. Altman 1997 Family Limited Partnership
By: Jurate Kazickas, as Managing General Partner

/s/ Roger C. Altman
The Roger C. Altman 2005 Grantor Retained Annuity Trust
By: Roger C. Altman, as Investment Trustee

/s/ Austin M. Beutner
Beutner Family 2001 Long-Term Trust
By: Austin M. Beutner, as Investment Trustee

/s/ Austin M. Beutner

The Austin M. Beutner 2005 Grantor Retained Annuity Trust
By: Austin M. Beutner, as Investment Trustee

/s/ John R. Varugese

The Neeraj Mital 1997 Insurance Trust
By: John R. Varugese, as Trustee

(Signature Pages to Contribution and Sale Agreement)

PROTEGO PARTNERS:

/s/ Pedro Aspe
Pedro Aspe

/s/ Sergio Sánchez García
Sergio Sánchez García

/s/ Hugo Armando Garza Medina
Hugo Armando Garza Medina

/s/ Antonio Bassols Zaleta
Antonio Bassols Zaleta

/s/ Antonio Sebastián Lucio Francisco Souza Saldívar
Antonio Sebastián Lucio Francisco Souza Saldívar

/s/ Augusto Arellano Ostoa
Augusto Arellano Ostoa

/s/ Fernando Aportela Rodríguez
Fernando Aportela Rodríguez

/s/ Armando Jorge Marcos Penilla
Armando Jorge Marcos Penilla

Exhibit 10.5

EXECUTION COPY

CONTRIBUTION AND SALE AGREEMENT

Among

EVERCORE LP,

EVERCORE PARTNERS INC.,

and

BANCO INBURSA, S.A., INSTITUCION DE BANCA MULTIPLE,
GRUPO FINANCIERO INBURSA, AS TRUSTEE OF INBURSA TRUST F/1338

Dated As Of

May 12, 2006

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EXHIBITS:

CONTRIBUTION AND SALE AGREEMENT

THIS CONTRIBUTION AND SALE AGREEMENT (this "Agreement"), dated as of May 12, 2006, is entered into by and among Evercore LP, a limited partnership organized under the laws of Delaware (the "Partnership"), Evercore Partners Inc., a corporation organized under the laws of Delaware ("Pubco") and Banco Inbursa, S.A., Institucion de Banca Multiple, Grupo Financiero Inbursa, a bank organized under the laws of Mexico, as Trustee of Inbursa Trust F/1338, an administration and investment trust created under the laws of Mexico (the "PCB Management Trust").

R E C I T A L S

WHEREAS, the PCB Management Trust owns 104,500 shares of Class I, Series "O" stock of Protego Casa de Bolsa, S.A. de C.V., a Mexican *sociedad anónima de capital variable* with license to operate as a broker-dealer ("PCB"), which shares constitute 19% of the issued and outstanding shares of capital stock of PCB (the "PCB Shares");

WHEREAS, contemporaneously with the closing of the transactions contemplated by the Evercore Contribution and Sale Agreement (as defined herein), on the terms and subject to the conditions set forth herein, the PCB Management Trust desires to sell its PCB Shares to the Partnership and the Partnership desires to acquire the PCB Shares from the PCB Management Trust;

WHEREAS, in connection therewith, the Partnership will cause a promissory note to be issued to the PCB Management Trust, in accordance with the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and the mutual representations, warranties, covenants, agreements and conditions herein contained, and intending to be legally bound, the Parties hereto agree as follows:

ARTICLE 1

CERTAIN DEFINITIONS

1.1 Defined Terms. For purposes of this Agreement (including the Schedules hereto), the terms defined in this Agreement shall have the respective meanings specified herein, and, in addition, the following terms shall have the following meanings:

"Action" means any claim, action, suit, litigation, arbitration, inquiry, investigation or other proceeding.

"Affiliate" or "affiliate" means, as to any Person, any other Person, which, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. The term "control" (including, with correlative meanings, the terms "controlled by" and "under common control with"), as applied to any Person, means the possession, direct or indirect, of the

power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or other ownership interest, by contract or otherwise.

"Agreement" means this Contribution and Sale Agreement, and all Schedules and Exhibits hereto, as amended, modified or supplemented from time to time in accordance with the terms hereof.

"Authorizations" means, as to any Person, all licenses, permits, franchises, orders, approvals, concessions, registrations, qualifications and other authorizations with or under all federal, state, local or foreign laws and Governmental Authorities and all industry or other non-governmental regulatory organizations that are issued to such Person.

"Business Day" means any day other than a Saturday, a Sunday or a day on which banks in the City of New York or Mexico City are authorized or required to close.

"Claim" is defined in Section 6.4(a).

"Class A Stock" means Class A common stock, par value $0.01 per share, of Pubco, which Class A common stock shall have the rights, preferences and terms contained in the Pubco Amended Certificate of Incorporation and Pubco Amended By-Laws.

"Closing" and "Closing Date" is defined in Section 2.2.

"CNBV" means the Mexican National Banking and Securities Commission (*Comision Nacional Bancaria y de Valores*).

"Code" means the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder, in each case as in effect from time to time, with any references to specific sections of the Code construed also to refer to any predecessor or successor sections thereof.

"Commercially Reasonable Efforts" means a Party's efforts in accordance with reasonable commercial practices and without the payment of any money to any third party except the incurrence of reasonable costs and expenses that are not material in the context of the commercial objectives to be achieved by the subject efforts of such Party.

"Confidential Information" means any non-public information concerning the businesses and affairs of the PCB Management Trust, the Partnership, Pubco or any of their respective Affiliates.

"Contribution and Sale Transactions" is defined in Section 2.1.

"Due Date" is defined in Section 6.6(a).

"Evercore Contribution and Sale Agreement" means the Contribution and Sale Agreement, dated as of the date hereof, as amended from time to time, pursuant to which, among other things, the Protego Founder and the Existing Protego Partners agree to contribute 100% of the outstanding equity interests of PAS, which in turn owns 51% of the issued and outstanding shares of capital stock of PCB to the Partnership, subject to the terms and conditions set forth therein.

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

"Existing Protego Service Partners" means the individuals listed on Schedule B to the Evercore Contribution and Sale Agreement.

"Governmental Authority" means any branch of power (whether executive, legislative or judicial) of any nation or government, any state or other political subdivision thereof or any entity (including a court) exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"Governmental Order" means, as to any Person, any judgment, injunction, decree, order or determination of a Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property or assets is subject.

"Indemnity Basket" is defined in Section 6.3(c).

"Indemnity Cap" is defined in Section 6.3(c).

"IPO" is defined in Section 2.5(a).

"IPO Price" means the price per share of Class A Stock set forth on the cover page of the prospectus relating to the IPO filed with the SEC pursuant to Rule 424.

"Lien" means any mortgage, pledge, hypothecation, assignment, encumbrance, lien (statutory or other), charge or other security interest, preemptive right, existing or claimed right of first refusal, right of first offer, right of consent, put right, default or similar right or other adverse claim of any kind or nature whatsoever (including any conditional sale or other title retention agreement and any financing lease having substantially the same economic effect as any of the foregoing).

"Losses" is defined in Section 6.1.

"Protego Founder" means Pedro Aspe.

"Partnership" is defined in the preamble.

"PAS" means Protego Asesores S.A. de C.V., a Mexican *sociedad anónima de capital variable*.

"Party" or "party" means a party to this Agreement.

"PCB" is defined in the Recitals.

"PCB Management Trust" is defined in the preamble.

"PCB Management Trust Indemnitee" is defined in Section 6.2.

"PCB Management Trust Note" is defined in Section 2.1(b).

"PCB Shares" is defined in the Recitals.

"Person" means an individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, Governmental Authority or other entity or enterprise of whatever nature.

"Prime Rate" means the annual interest rate set forth as the Prime Rate in the "Money Rates" table of the *Wall Street Journal*.

"Pubco" is defined in the preamble.

"Pubco Amended By-Laws" means the Amended and Restated By-Laws of Pubco in the form attached hereto as Exhibit B.

"Pubco Amended Certificate of Incorporation" means the Amended and Restated Certificate of Incorporation of Pubco in the form attached hereto as Exhibit C.

"Purchaser Representative" has the meaning set forth in Rule 501(h) of Regulation D promulgated under the Securities Act.

"Purchaser Representative Letter" means the Purchaser Representative Letter between the PCB Management Trust and the Purchaser Representative, dated as of May 12, 2006, attached hereto as Exhibit D.

"Requirement of Law" means, as to any Person, any permit, license, judgment, order, decree, statute, law, ordinance, code, rule, regulation or arbitration award in each case applicable to or binding upon such Person or any of its property or assets or to which such Person or any of its property or assets is subject.

"Schedule" or "Schedules" means those schedules attached hereto.

"S.D. Indeval" means S.D. Indeval, S.A. de C.V., a Mexican *sociedad anónima de capital variable* acting as a central depositary institution under the Mexican Securities Market Law.

"SEC" means the U.S. Securities and Exchange Commission.

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

1.2 Other Definitional Provisions.

(a) The words "hereof," "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular

provision of this Agreement, and Section, Schedule and Exhibit references are to this Agreement unless otherwise specified.

(b) Unless the context otherwise requires, the words "include," "includes" and "including" and words of similar import when used in this Agreement shall be deemed to be followed by the phrase "without limitation."

(c) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

(d) The terms "Dollars" and "$" shall mean United States dollars.

ARTICLE 2

THE TRANSACTION

2.1 Contribution and Sale Transaction. Subject to the terms and conditions hereinafter set forth and on the basis of and in reliance upon the representations, warranties, covenants, agreements and conditions set forth herein, the Parties hereto will take each of the actions described in this Section 2.1 (collectively, the "Contribution and Sale Transactions").

(a) The PCB Management Trust shall assign and transfer to the Partnership all of its right, title and interest in and to the PCB Shares owned by the PCB Management Trust by delivering to the PCB Management Trust's custodian at Indeval, which custodian shall in turn deliver to Indeval, irrevocable instructions to transfer such PCB Shares to the account of the custodian designated by the Partnership. Upon delivering such instructions, the PCB Management Trust shall deliver to the Partnership evidence reasonably satisfactory to the Partnership that irrevocable instructions have been given to cause such PCB Shares to be transferred to such account. The PCB Shares shall be deemed transferred when received at the account of the custodian designated by the Partnership with Indeval.

(b) As consideration for the transfer of the PCB Shares pursuant to Section 2.1(a), the Partnership shall issue a non-interest bearing promissory note, denominated in United States dollars, in the amount of Nine Hundred and Fifty Thousand Dollars ($950,000) to the PCB Management Trust in the form attached hereto as Exhibit A (the "PCB Management Trust Note").

2.2 Closing. Unless this Agreement shall have been earlier terminated in accordance with the provisions of this Agreement, the closing of the Contribution and Sale Transactions (the "Closing") shall take place (a) at the offices of Simpson Thacher & Bartlett LLP at 10:00 a.m., on the date and contemporaneously with the closing of the transactions contemplated by the Evercore Contribution and Sale Agreement so long as the conditions precedent set forth in Article 5 have been satisfied or waived in writing (other than conditions with respect to actions the respective Parties will take at the Closing itself, but subject to the satisfaction or waiver of those conditions), or (b) on such other date as may be mutually agreed upon in writing by the Parties. The date of the Closing is referred to herein as the "Closing Date." If the Closing extends over more than one (1) consecutive day, the Closing Date shall be deemed to have

occurred on the last day of the Closing. If the Closing occurs, for purposes of this Agreement, the Closing shall be deemed to have occurred at 1:00 p.m. on the Closing Date.

2.3 Other Deliveries and Proceedings at Closing. At the Closing and subject to the terms and conditions herein contained:

(a) Deliveries by the PCB Management Trust. The PCB Management Trust shall deliver (or cause to be delivered) to the Partnership and Pubco:

(i) a certificate duly executed by the PCB Management Trust, dated as of the Closing Date, certifying as set forth in Section 5.1.3;

(ii) FIRPTA certificates as required by Section 1445 of the Code and the regulations promulgated thereunder acceptable to the Partnership and Pubco indicating that no withholding is required in connection with the Contribution and Sale Transactions;

(iii) notarized powers-of-attorney authorizing Guadalupe Terreros Barros, as Trustee delegate, to act on behalf of the Trustee of the PCB Management Trust;

(iv) original instructions sent by the Settlor of the PCB Management Trust to the Trustee of the PCB Management Trust to enter into this Agreement;

(v) copies of any consents required under the PCB Management Trust for it to enter into and perform its obligations under this Agreement;

(vi) evidence of the transfer of the PCB Shares to the Partnership in accordance with Mexican law and the rules and practices of S.D. Indeval; and

(vii) amendment to the PCB Management Trust to permit the transactions contemplated by this Agreement.

(b) Deliveries by the Partnership and Pubco. The Partnership and Pubco shall deliver (or cause to be delivered) to the PCB Management Trust:

(i) a certificate duly executed by the Partnership and Pubco, dated as of the Closing Date, certifying as set forth in Section 5.2.3.

(c) Other Deliveries. The Parties hereto shall also deliver to each other any other agreements, closing certificates and other documents and instruments required to be delivered pursuant to this Agreement.

2.4 Post-Closing Transactions.

(a) Each of the Parties intends that Pubco shall consummate an initial public offering (the "IPO") of shares of Class A Stock immediately following the Closing and the closing of the transactions contemplated by the Evercore Contribution and Sale Agreement.

(b) Promptly and in any event within five (5) Business Days following the closing of the IPO, Pubco shall contribute to the Partnership for repayment in full of the PCB Management Trust Note, such number of shares of Class A Stock which have a value (based on the IPO Price) equal to Nine Hundred Fifty Thousand Dollars ($950,000) in exchange for an equal number of Class A Units of the Partnership.

(c) Upon receipt of the shares of Class A Stock by the Partnership pursuant to Section 2.4(b), the Partnership shall transfer shares of Class A Stock with a value (based on the IPO Price) equal to Nine Hundred Fifty Thousand Dollars ($950,000) to the PCB Management Trust; provided, however, that, no fraction of a share of Class A Stock shall be issued, but rather the Partnership shall pay an amount in United States Dollars equal to such fraction multiplied by the IPO Price.

(d) Shares of Class A Stock transferred in accordance with Section 2.4(c) shall be evidenced by one or more duly authorized stock certificates representing such shares of Class A Stock, delivered to and in the name of the PCB Management Trust.

(e) Upon payment of the amounts and transfer of the shares of Class A Stock in accordance with Sections 2.4(c) and (d), (x) the Partnership shall have satisfied and discharged in full all of its obligations owing to the PCB Management Trust under the PCB Management Trust Note and (y) the PCB Management Trust shall execute and deliver to the Partnership a pay-off letter confirming repayment in full and cancellation of the PCB Management Trust Note.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of the PCB Management Trust. The PCB Management Trust hereby represents and warrants to the Partnership and Pubco, as of the date hereof and as of the Closing Date, to the best knowledge of the Trustee of Inbursa Trust F/1338, as set forth below:

3.1.1 Existence, Qualification and Authority.

(a) The PCB Management Trust is duly organized under the laws of Mexico, and the execution, delivery and performance by the PCB Management Trust of this Agreement has been duly authorized by all necessary action.

(b) The PCB Management Trust has the requisite power, authority and legal right to execute and deliver this Agreement and to consummate the transactions contemplated hereby.

(c) This Agreement has been duly executed and delivered by the PCB Management Trust and constitutes the legal, valid and binding obligation of the PCB Management Trust, enforceable against the PCB Management Trust, in accordance with its terms, except to the extent such enforcement may be limited by applicable bankruptcy laws and other similar laws affecting creditors' rights generally.

3.1.2 Validity of Contemplated Transactions, Etc. (a) Upon the receipt of the requisite consents, approvals and authorizations set forth on Schedule 3.1.2(a), neither the execution, delivery and performance by the PCB Management Trust of this Agreement, nor the consummation by the PCB Management Trust of the transactions contemplated hereby, nor compliance by the PCB Management Trust with the terms and provisions hereof, will, directly or indirectly (with or without notice or lapse of time or both), (i) contravene or conflict with, or result in a breach or termination of, or constitute a default under (or with notice or lapse of time or both, result in the breach or termination of or constitute a default under) or result in the termination or suspension of, or accelerate the performance required by the terms, conditions or provisions of, or cause any payments to be due under, any contracts of the PCB Management Trust, (ii) constitute a violation by the PCB Management Trust of any existing Requirement of Law or Governmental Order applicable to the PCB Management Trust or any of its respective properties, rights or assets or (iii) result in the creation of any Lien upon any equity interests, properties, rights or assets of the PCB Management Trust, except, in the case of clauses (i), (ii) and (iii), as would not reasonably be expected to result in, individually or in the aggregate, a material adverse effect on the ability of the PCB Management Trust to consummate the transactions contemplated by this Agreement.

(b) Except as set forth on Schedule 3.1.2(b), no Authorization and no filing or notification with any Governmental Authority, any counterparty to any of the contracts of the PCB Management Trust or any other Person is required to be made or obtained by the PCB Management Trust in connection with the execution, delivery or performance by the PCB Management Trust of this Agreement, or the consummation of the transactions contemplated hereby by the Management Trust, except for any such Authorization, filing or notification the failure of which to make or obtain would not reasonably be expected to result in, individually or in the aggregate, a material adverse effect on the ability of the PCB Management Trust to consummate the transactions contemplated by this Agreement.

3.1.3 PCB Shares. (a) The PCB Management Trust owns beneficially and of record the PCB Shares, free and clear of any Liens.

(b) The transfer of the PCB Shares by the PCB Management Trust to the Partnership pursuant to Section 2.1(a) hereof will transfer to the Partnership good, valid and marketable title to the PCB Shares, free and clear of all Liens.

3.1.4 Provisions Relating to Securities Laws.

(a) The PCB Management Trust acknowledges that the Class A Stock has not been registered under the Securities Act or under any applicable state securities laws, and are being offered and sold in reliance on exemptions from the registration requirements of the Securities Act and all such laws.

(b) The Class A Stock is being acquired by the PCB Management Trust for its own account for the purpose of investment for the benefit of its beneficiaries and not with a view to distribute (other than to its beneficiaries), it being understood that the right to dispose of Class A Stock shall be entirely within the PCB Management Trust's discretion subject to the transfer restrictions under the Securities Act. The PCB Management Trust will refrain from transferring

or otherwise disposing of the Class A Stock (other than to its beneficiaries) or any interest therein in such manner as to cause Pubco to violate the registration requirements of the Securities Act or any applicable state securities or blue sky laws.

(c) The PCB Management Trust has appointed Pedro Carlos Aspe Armella, as Purchaser Representative, pursuant to the Purchaser Representative Letter, and the PCB Management Trust has received, reviewed and analyzed information concerning Pubco necessary to enable it, together with the Purchaser Representative, to evaluate the merits and risks of an investment in the Class A Stock.

(d) The PCB Management Trust has had the opportunity at a reasonable time prior to the date of this Agreement to ask questions of, and receive answers from, management of Pubco concerning the terms and conditions of the transactions contemplated hereby and to obtain any information reasonably necessary to verify the accuracy of the information referred to in subsection (d) of this Section.

3.1.5 Survival of Representations and Warranties. All representations and warranties made by the PCB Management Trust in this Agreement or in the certificates delivered pursuant to Sections 5.1.4 shall survive until the eighteen (18) month anniversary of the Closing Date, except that (a) any intentional misrepresentation shall survive the Closing without limitation and (b) any representation or warranty contained in Section 3.1.1 or Section 3.1.3 shall survive the Closing indefinitely. Notwithstanding the foregoing, survival periods, in the event that any party makes a claim based upon breach of any representation or warranty pursuant to Article 6, which claim is submitted to the breaching party prior to, or at the expiration of, the applicable survival period, such representation or warranty shall survive until the resolution of such claim in accordance with this Agreement.

3.1.6 Limitation on Assumption of Payment Obligations. The PCB Management Trust will not assume any payment obligation otherwise, jointly or severally, in matters the PCB Management Trust does not have sufficient resources to perform payments or any other distribution pursuant to the terms of this Agreement.

3.2 Representations and Warranties of the Partnership and Pubco. Each of the Partnership and Pubco hereby represents and warrants to the PCB Management Trust, as of the date hereof and as of the Closing Date, as set forth below:

3.2.1 Existence, Qualification and Authority.

(a) The Partnership is a limited partnership, duly organized, validly existing and in good standing under the laws of Delaware, and Pubco is a corporation duly organized, validly existing and in good standing under the laws of Delaware and each of the Partnership and Pubco has all requisite power and authority to own and operate its assets and carry on its business as currently conducted, except where any such failure to be so organized or existing or to have such power and authority has not had, and would not reasonably be expected to result in, individually or in the aggregate, a material adverse effect on the ability of the Partnership or Pubco to consummate the transactions contemplated by this Agreement. Each of the Partnership and Pubco has the requisite power, authority and legal right to execute and deliver this

Agreement and to consummate the transactions contemplated hereby. The execution, delivery and performance by each of the Partnership and Pubco of this Agreement has been duly authorized by all necessary action.

(b) This Agreement has been duly executed and delivered by each of the Partnership and Pubco and constitutes the legal, valid and binding obligation of the Partnership and Pubco, enforceable against them in accordance with its terms, except to the extent such enforcement may be limited by applicable bankruptcy laws and other similar laws affecting creditors' rights generally.

3.2.2 Compliance with Laws; Authorizations.

(a) Each of the Partnership and Pubco has complied with, and is not in violation of, any Requirement of Law or any other Governmental Order, in each case, applicable to it or its business, except as has not had, and would not reasonably be expected to result in, individually or in the aggregate, a material adverse effect on the ability of the Partnership or Pubco to consummate the transactions contemplated by this Agreement.

(b) Except as has not had, and would not reasonably be expected to result in, individually or in the aggregate, a material adverse effect on the ability of the Partnership or Pubco to consummate the transactions contemplated by this Agreement, (i) each of the Partnership and Pubco has all Authorizations that are necessary for it to operate its business, (ii) each of such Authorizations is in full force and effect, is validly and exclusively held by the Partnership or Pubco, as applicable, without any legal disqualifications, conditions or other restrictions, and is free and clear of all Liens and (iii) there are no existing applications, petitions to deny or complaints or proceedings pending before any Governmental Authority relating to such Authorizations. Except as has not had, and would not reasonably be expected to result in, individually or in the aggregate, a material adverse effect on the ability of the Partnership or Pubco to consummate the transactions contemplated by this Agreement, neither the Partnership nor Pubco is in default, nor has the Partnership or Pubco received any notice of any claim of default, pending investments or additional requirements to be satisfied with respect to such Authorizations, and no event has occurred with respect to such Authorizations which permits, or after notice or lapse of time or both would permit, revocation or termination thereof or would result in any impairment of the rights of the Partnership or Pubco, as applicable, under any such Authorizations.

3.2.3 Validity of Contemplated Transactions, Etc.

(a) Neither the execution, delivery and performance by the Partnership or Pubco of this Agreement, nor the consummation by them of the transactions contemplated hereby, nor compliance by them with the terms and provisions hereof, will, directly or indirectly (with or without notice or lapse of time or both), (i) contravene or conflict with the organizational documents of the Partnership or Pubco, (ii) contravene or conflict with, or result in a breach or termination of, or constitute a default under (or with notice or lapse of time or both, result in a breach or termination of, or constitute a default under) or result in the termination or suspension of, or accelerate the performance required by the terms, conditions or provisions of, or cause any payments to be due under, any contracts to which the Partnership or

lPubco is a party or any Authorizations held by the Partnership or Pubco, (iii) constitute a violation by the Partnership or Pubco of any existing Requirement of Law or Governmental Order applicable to the Partnership or Pubco or any of their respective properties, rights or assets or (iv) result in the creation of any Lien upon any equity interests, properties, rights or assets of the Partnership or Pubco, except, in the case of clauses (ii), (iii) and (iv), as would not reasonably be expected to result in, individually or in the aggregate, a material adverse effect on the ability of the Partnership or Pubco to consummate the transactions contemplated by this Agreement.

(b) No Authorization and no filing or notification with any Governmental Authority, any counterparty to any of the contracts to which the Partnership or Pubco is a party or any other Person is required to be made or obtained by the Partnership or Pubco in connection with the execution, delivery or performance the Partnership or Pubco of this Agreement, or the consummation of the transactions contemplated hereby by the Partnership or Pubco, except for any such Authorization, filing or notification the failure of which to make or obtain would not reasonably be expected to result in, individually or in the aggregate, a material adverse effect on the ability of the Partnership or Pubco to consummate the transactions contemplated by this Agreement.

3.2.4 Class A Stock. (a) The Class A Stock to be transferred to the PCB Management Trust pursuant to this Agreement will be duly authorized, validly issued, outstanding, fully paid and nonassessable.

(b) The transfer of the Class A Stock by the Partnership to the PCB Management Trust pursuant to Sections 2.4(c) and (d) hereof will transfer to the PCB Management Trust good, valid and marketable title to the Class A Stock, free and clear of all Liens.

3.2.5 Survival of Representations and Warranties. All representations and warranties made by the Partnership and Pubco in this Agreement or in the certificates delivered pursuant to Section 5.2.3 shall survive until the eighteen (18) month anniversary of the Closing Date, except that (a) any intentional misrepresentation shall survive the Closing without limitation and (b) any representation or warranty contained in Section 3.2.1 or Section 3.2.4 shall survive the Closing indefinitely. Notwithstanding the foregoing, survival periods, in the event that any party makes a claim based upon breach of any representation or warranty pursuant to Article 6, which claim is submitted to the breaching party prior to, or at the expiration of, the applicable survival period, such representation or warranty shall survive until the resolution of such claim in accordance with this Agreement.

ARTICLE 4

COVENANTS AND AGREEMENTS

4.1 Cooperation. The PCB Management Trust, the Partnership and Pubco covenant and agree to use Commercially Reasonable Efforts to cooperate and cause all of the conditions precedent to their respective obligations under this Agreement to be satisfied on or prior to the Closing Date.

4.2 Rule 144 Reporting. With a view to making available the benefits of certain rules and regulations of the SEC which may at any time permit the sale of the Class A Stock held by the PCB Management Trust to the public without registration, Pubco agrees to: (a) make and keep public information available, as those terms are understood and defined in Rule 144 under the Securities Act; (b) file with the SEC in a timely manner all reports and other documents required of Pubco under the Securities Act and the Exchange Act; and (c) furnish to the PCB Management Trust, upon request, a written statement by Pubco as to its compliance with the reporting requirements of Rule 144 and of the Securities Act and the Exchange Act, a copy of the most recent annual or quarterly report of Pubco, and such other reports and documents so filed by Pubco as such holder of Class A Stock may reasonably request in availing itself of any rule or regulation of the SEC allowing such holder of Class A Stock to sell its shares without registration.

4.3 Publicity. Until the Closing, the PCB Management Trust shall not issue, or cause to be issued, any press release or make, or cause to be made, any public statement with respect to this Agreement or the transactions contemplated hereby without the approval of the Partnership and Pubco.

4.4 Confidentiality. Until the Closing, subject to Section 4.3.7 of the Evercore Contribution and Sale Agreement, except as may be required by any Requirement of Law, stock exchange or as otherwise expressly contemplated herein (including obtaining any necessary Authorizations of any Governmental Authorities), neither Party nor any such Party's Affiliates, employees, agents or representatives will disclose to any third party any Confidential Information concerning the business or affairs of the other Party that it may have acquired from such Party orally, in writing, by observation or otherwise in the course of pursuing the Transactions without the prior written consent of the other Party, as the case may be; provided, however, any Party may disclose any such Confidential Information as follows: (a) to such Party's Affiliates and its or its Affiliates' employees, lenders, counsel, or accountants, the actions for which the applicable Party will be responsible; (b) to comply with any applicable Requirement of Law or Governmental Order, provided that prior to making any such disclosure the Party making the disclosure notifies the other Party of any Action of which it is aware which may result in disclosure and uses its Commercially Reasonable Efforts (at the disclosing Party's expense) to limit or prevent such disclosure; (c) to the extent that the Confidential Information is or becomes generally available to the public through no fault of the Party or its Affiliates making such disclosure; (d) to the extent that the same information is in the possession (on a non-confidential basis) of the Party making such disclosure prior to receipt of such Confidential Information; (e) to the extent that the Party that received the Confidential Information independently develops the same information without in any way relying on any Confidential Information; or (f) to the extent that the same information becomes available to the Party making such disclosure on a non-confidential basis from a source other than a Party or its Affiliates, which source, to the disclosing Party's Knowledge, is not prohibited from disclosing such information by a legal, contractual, or fiduciary obligation to the other Party. If the Transactions are not consummated, each Party will, at the disclosing Party's option, return or destroy as much of the Confidential Information concerning the other Party as the Parties that have provided such information may reasonably request. Solely for purposes of this Section 4.3, the Partnership and Pubco, collectively, shall constitute a "Party" and the PCB Management Trust shall constitute a "Party."

4.5 Payments and Other Authorizations. The Settlor (as defined in the PCB Management Trust) shall maintain and obtain all permits, licenses, authorizations and all other documents necessary and/or convenient for the execution of this Agreement. Absence of Responsibility.

4.6 Absence of Responsibility. PCB Management Trust will not be responsible for any act or omission of Settlor or Beneficiaries (as defined in the PCB Management Trust), of any third party or authority that impede or hamper performance of the purposes of this Agreement.

All payment obligations and/or otherwise arising here from in charge of PCB Management Trust shall be interpreted in all cases on behalf and in charge of the Trust Estate (as defined in the PCB Management Trust) and up to its total amount, since Trustee has not personally assumed any payment obligation by the execution of this Agreement, nor will PCB Management Trust be responsible with its own assets.

Settlor shall pay any defense that may be necessary or indemnify all damages caused to or that damage the PCB Management Trust, its attorneys in fact (delegados fiduciarios) and any of its personnel involved with the execution of this Agreement, and hold each of them harmless and, as the case may be, indemnify them, for any administrative, judicial or extrajudicial proceedings, any matter related to the performance of the purposes of this Agreement and/or for any legal relationship that PCB Management Trust carries out with a third party as a consequence of this Agreement and pursuant to the terms herein, whether directly or through its attorneys in fact appointed pursuant to the terms of this Agreement.

4.7 Subscription for Additional Capital. Upon receipt of Ps.3,800,000.00 from PAS, the PCB Management Trust shall pay such amount to PCB in respect of its subscription for 38,000 Class I, Series “O” shares of PCB pursuant to the resolutions of the PCB shareholders, which resolutions were approved on February 13, 2006, approving an increase in the share capital of PCB such that, on July 15, 2006, (i) PCB’s share capital will be Ps.75,000,000.00, (ii) there will be 750,000 Class I, Series “O” issued and outstanding shares of PCB, and (iii) the PCB Management Trust will own 142,500 Class I, Series “O” shares of PCB, which shall represent 19% of the issued and outstanding shares of PCB as of such date and the Closing.

ARTICLE 5

CONDITIONS PRECEDENT TO CLOSING

5.1 Conditions Precedent to Obligations of the Partnership and Pubco. The obligations of the Partnership and Pubco under Article 2 with respect to the PCB Management Trust are subject to the fulfillment or satisfaction, prior to or at the Closing, of each of the following conditions precedent, which may be waived in writing in whole or in part by the Partnership and Pubco:

5.1.1 Representations and Warranties True as of Closing. Each of the representations and warranties of the PCB Management Trust contained in this Agreement shall have been true and correct in all material respects (without duplicating any materiality

qualifications included in such representations and warranties for all purposes of this Section 5.1.1) as of the date of this Agreement and shall be true and correct in all material respects (without duplicating any materiality qualifications included in such representations and warranties for all purposes of this Section 5.1.1) as of the Closing Date (provided that the representations and warranties contained in Section 3.1.3 shall be true and correct in all respects as of the date of this Agreement and as of the Closing Date), with the same effect as though each of such representations and warranties had been made on and as of the Closing Date.

5.1.2 Compliance with this Agreement. The PCB Management Trust shall have performed and complied in all material respects with each of the agreements and covenants required by this Agreement to have been performed or complied with by it prior to or at the Closing.

5.1.3 Closing Certificates. The Partnership and Pubco shall have received a certificate executed by the PCB Management Trust certifying as set forth in Sections 5.1.1 and 5.1.2.

5.1.4 Closing Deliverables. The Partnership and Pubco shall have received all closing deliverables to be received by them at Closing from the PCB Management Trust pursuant to Sections 2.3(a) and 2.3(c).

5.1.5 Transfer Instructions. The settlor and each of the beneficiaries of the PCB Management Trust shall have authorized the PCB Management Trust to deliver the instructions to transfer the PCB Shares contemplated by Section 2.1(a), and such authorization shall be in full force and effect and shall not be subject to the satisfaction of any condition that has not been satisfied or waived.

5.2 Conditions Precedent to Obligations of the PCB Management Trust. All obligations of the PCB Management Trust under Article 2 are subject to the fulfillment or satisfaction, prior to or at the Closing, of each of the following conditions precedent, which may be waived in writing in whole or in part by the Partnership and Pubco:

5.2.1 Representations and Warranties True as of Closing. Each of the representations and warranties of the Partnership and Pubco contained in this Agreement shall have been true and correct in all material respects (without duplicating any materiality qualifications included in such representations and warranties for all purposes of this Section 5.2.1) as of the date of this Agreement and shall be true and correct in all material respects (without duplicating any materiality qualifications included in such representations and warranties for all purposes of this Section 5.2.1) as of the Closing Date (provided that the representations and warranties contained in Section 3.2.4 of this Agreement shall be true and correct in all respects as of the date of this Agreement and as of the Closing Date), with the same effect as though each of such representations and warranties had been made on and as of the Closing Date.

5.2.2 Compliance with this Agreement. Each of the Partnership and Pubco shall have performed and complied in all material respects with each of the

agreements and covenants required by this Agreement to be performed or complied with by each of them prior to or at the Closing.

5.2.3 Closing Certificate. The PCB Management Trust shall have received a certificate certifying as set forth in Sections 5.2.1 and 5.2.2, which has been duly executed by the Partnership and Pubco.

5.2.4 Closing Deliverables. The PCB Management Trust shall have received the closing deliverables to be received by them at Closing pursuant to Sections 2.3(b) and 2.3(c).

5.3 Additional Conditions Precedent to the Obligations of the PCB Management Trust, the Partnership and Pubco. All obligations of the PCB Management Trust, the Partnership and Pubco under this Agreement are subject to the fulfillment or satisfaction, prior to or at the Closing, of each of the following conditions precedent, which may be waived in writing in whole or in part by the mutual agreement of the PCB Management Trust, the Partnership and Pubco.

5.3.1 No Pending Governmental Litigation. On the Closing Date, no suit, Action or other proceeding brought by any Governmental Authority shall be pending in which it is sought to restrain or prohibit the consummation of the transactions contemplated hereby.

5.3.2 CNBV Approval. (a) The Partnership shall have obtained an amendment to the written approval of the CNBV authorizing the transfer (directly and indirectly) of 19% of the outstanding shares of PCB to the Partnership or the written confirmation of the CNBV that such amended approval is not required, (b) a true, complete and correct copy of such amended approval or confirmation shall have been delivered to the Partnership at or prior to the Closing, and (c) such amended approval or confirmation shall be in full force and effect and shall not be subject to the satisfaction of any condition that has not been satisfied or waived.

5.3.3 Closing Contemplated by Evercore Contribution and Sale Agreement. The closing of the transactions contemplated by the Evercore Contribution and Sale Agreement shall have occurred contemporaneously with the Closing.

ARTICLE 6

INDEMNIFICATION

6.1 Indemnification With Respect to Breaches of this Agreement by the PCB Management Trust. Pursuant to and in accordance with the Evercore Contribution and Sale Agreement, from and after the Closing, the Protego Partners (as defined in the Evercore Contribution and Sale Agreement) shall indemnify and hold harmless the Partnership and Pubco, and their respective directors, managers, officers, members, partners, employees, agents, Affiliates, successors and assigns, against and in respect of any and all damages, losses, deficiencies, liabilities, costs and expenses (collectively, "Losses") incurred or suffered by any such Person that result from, relate to or arise out of, and any and all Actions, suits, claims, proceedings, investigations, demands, assessments, audits, fines, judgments, costs and other expenses (including reasonable fees and expenses of attorneys, accountants and other

professional advisors) incident to, any breaches of this Agreement by the PCB Management Trust. Such indemnification obligations (and the limitations with respect thereto) shall be governed solely by the terms of the Evercore Contribution and Sale Agreement.

6.2 Indemnification Obligation of the Partnership. From and after the Closing, the Partnership shall indemnify and hold harmless the PCB Management Trust and its directors, managers, officers, members, partners, employees, agents, Affiliates, successors and assigns ("PCB Management Trust Indemnitee"), against and in respect of any and all Losses incurred or suffered by the PCB Management Trust Indemnitee that result from, relate to or arise out of, any and all Actions, suits, claims, proceedings, investigations, demands, assessments, audits, fines, judgments, costs and other expenses (including reasonable fees and expenses of attorneys, accountants and other professional advisors) incident to, any of the following matters or to the enforcement of this Section 6.2:

(a) any breach of any representation or warranty on the part of the Partnership or Pubco contained in this Agreement, or any misrepresentation in or omission from any certificate, schedule, exhibit, document or instrument furnished to the PCB Management Trust pursuant to this Agreement, or in connection with the execution or performance of this Agreement (including the Schedules hereto and the certificates delivered pursuant to Section 5.2.3); and

(b) any breach or non-fulfillment of any covenant or agreement of the Partnership or Pubco contained in this Agreement.

6.3 Limitations on Claims for Certain Losses. Any claims for Losses under Section 6.2(a) may be made only pursuant to Article 6 and only by written notice within the period provided for survival of such representation and warranty in Section 3.2.5. Anything to the contrary contained herein notwithstanding, the Partnership shall not be liable for any Losses under Section 6.2(a) unless and until the total of all Losses with respect thereto exceeds Fifty Thousand Dollars ($50,000) (the "Indemnity Basket"), at which time the PCB Management Trust Indemnitees will be entitled to indemnification for Losses exceeding the Indemnity Basket under Section 6.2(a). The aggregate liability of the Partnership under Section 6.1(a) shall not exceed $950,000 (the "Indemnity Cap"). Notwithstanding anything to the contrary contained herein or otherwise, the limitation imposed by the Indemnity Basket and the Indemnity Cap shall not apply to any intentional misrepresentation or fraud.

6.4 Indemnification Procedure as to Third-Party Claims.

(a) Promptly after a PCB Management Trust Indemnitee obtains knowledge of the commencement of any third-party claim, Action, suit or proceeding or of the occurrence of any event or the existence of any state of facts which may become the basis of a third-party claim (any such claim, Action, suit or proceeding or event or state of facts being hereinafter referred to in this Section 6.4 as a "Claim"), in respect of which a PCB Management Trust Indemnitee is entitled to indemnification under this Agreement, such PCB Management Trust Indemnitee shall promptly notify the Partnership of such Claim in writing setting forth in reasonable detail the specific facts and circumstances relating to such Claim and the amount of Losses subject to the Claim (or an estimate thereof if the actual amount is not known or not capable of reasonable

calculation); provided, however, that any failure to give such notice will not waive any rights of the PCB Management Trust Indemnitee except to the extent that the rights of the Partnership are actually and materially prejudiced thereby. With respect to any Claim as to which such notice is given by the PCB Management Trust Indemnitee to the Partnership, the Partnership shall, subject to the provisions of Section 6.4(b), be entitled to participate in and, if it desires, to assume the defense and settlement of such Claim with counsel reasonably satisfactory to the PCB Management Trust Indemnitee at the Partnership's sole risk and expense; provided, however, that the PCB Management Trust Indemnitee (i) shall be permitted to join in the defense and settlement of such Claim and to employ counsel at its own expense, (ii) shall use Commercially Reasonable Efforts to cooperate with the Partnership in the defense and any settlement of such Claim in any manner reasonably requested by the Partnership and (iii) shall have the right to pay or settle such Claim at any time, in which event the PCB Management Trust Indemnitee shall be deemed to have waived any right to indemnification therefor by the Partnership. Following written notice from the Partnership to the PCB Management Trust Indemnitee of its election to assume the defense of a Claim pursuant to this Section 6.4(a), the Partnership will not be liable to the PCB Management Trust Indemnitee for any other expenses subsequently incurred by the PCB Management Trust Indemnitee in connection with the defense of the Claim, other than costs and expenses of the PCB Management Trust Indemnitee incurred at the request of the Partnership or incurred pursuant to Section 6.4(b). The Partnership may not assume the defense of any Claim unless it acknowledges to the PCB Management Trust Indemnitee, in writing, its liability for such Claim. The Partnership may not settle any Claim without the prior written consent of the PCB Management Trust Indemnitee unless (i) such Claim is solely for monetary damages, (ii) such settlement will not affect the business or reputation of such PCB Management Trust Indemnitee or its Affiliates and (iii) the Partnership agrees in writing to pay all damages, costs and expenses in connection with such settlement.

(b) If the Partnership fails to assume the defense of such Claim or, having assumed the defense and settlement of such Claim, fails to reasonably and diligently contest such Claim in good faith, the PCB Management Trust Indemnitee, without waiving its right to indemnification, may assume the defense and settlement of such Claim, provided, however, that (x) the Partnership shall be permitted to join in the defense and settlement of such Claim and to employ counsel at its own expense, (y) the Partnership shall use Commercially Reasonable Efforts to cooperate with the PCB Management Trust Indemnitee in the defense and settlement of such Claim in any manner reasonably requested by the PCB Management Trust Indemnitee, and (z) the PCB Management Trust Indemnitee shall not settle such Claim without soliciting the views of the Partnership and giving them due consideration.

6.5 Adjustments and Limitations.

6.5.1 Adjustment for Insurance. Any indemnification payable to any PCB Management Trust Indemnitee pursuant to this Article 6 shall be net of any amounts actually recovered (after deducting related costs and expenses) by the PCB Management Trust Indemnitee for the Losses for which such indemnification payment is made, under any insurance policy, warranty or indemnity from any third party.

6.5.2 Damages. In no event shall the Partnership or Pubco be liable for Losses based upon incidental, special or punitive damages, unless such damages are payable by any PCB Management Trust Indemnitee, as the case may be, to a third party.

6.6 Payment.

(a) Upon a determination of liability in respect of this Article 6 by mutual agreement of the Partnership and the PCB Management Trust Indemnitee or by a court of competent jurisdiction, the Partnership shall pay the PCB Management Trust Indemnitee the amount so determined (subject to the limitations of Section 6.3) within ten (10) Business Days after the date of determination (such tenth Business Day, the "Due Date"). If there should be a dispute as to the amount or manner of determination of any indemnity obligation owed under this Agreement following the Due Date, the Partnership shall nevertheless pay the obligation not later than the Due Date whether or not subject to dispute.

(b) If all or part of any indemnification obligation under this Agreement is not paid when due, then the Partnership shall pay the PCB Management Trust Indemnitee interest on the unpaid amount of the obligation for each day from the Due Date until payment in full, payable on demand, at the Prime Rate on the Due Date.

(c) All indemnity payments to be made by the Partnership shall be made by wire transfer of immediately available funds to an account designated in writing by the PCB Management Trust subject to the limitations set forth in Section 6.3.

6.7 Other Rights and Remedies. Following the Closing, the sole and exclusive remedy at law (other than with respect to claims involving intentional misrepresentation or fraud) for the PCB Management Trust, on the one hand, and the Partnership and Pubco, on the other hand, as applicable, for any claim (whether such claim is framed in tort, contract or otherwise) arising out of a breach of any representation, warranty, covenant or other agreement in this Agreement shall be a claim by the PCB Management Trust, on the one hand, and the Partnership and Pubco, on the other hand, as applicable, for indemnification pursuant to this Article 6, which claims are independent of and in addition to any equitable rights or remedies that the PCB Management Trust, on the one hand, and the Partnership and Pubco, on the other hand, may seek in connection with this Agreement or the transactions contemplated hereby.

6.8 Effect of Investigation. The right to indemnification, payment of Losses of a PCB Management Trust Indemnitee or Evercore Indemnitee or for other remedies based on any breach of any representation, warranty, covenant or obligation contained in or made pursuant to this Agreement shall not be affected by any investigation conducted with respect to the Partnership or Pubco, as the case may be, or any knowledge acquired (or capable of being acquired) at any time with respect to, the accuracy or inaccuracy of or compliance with, any such representation, warranty, covenant or obligation.

6.9 Purchase Price Adjustment. The Parties agree that any indemnification payment made pursuant to this Agreement shall be treated as an adjustment to the purchase price for tax purposes, unless otherwise required by applicable law.

ARTICLE 7

MISCELLANEOUS

7.1 Termination. Anything herein or elsewhere to the contrary notwithstanding, this Agreement may be terminated (and the transactions contemplated herein may be abandoned) at any time before the Closing Date only as follows:

(i) by mutual written consent of the PCB Management Trust, on the one hand, and the Partnership and Pubco, on the other hand;

(ii) by the Partnership and Pubco, on the one hand, or the PCB Management Trust, on the other hand, upon notice given to the other, if any Governmental Authority shall have issued an order, decree or ruling or taken any other action permanently restraining, enjoining or otherwise prohibiting the transactions contemplated by this Agreement;

(iii) by the Partnership and Pubco if (A) any of the representations and warranties of the PCB Management Trust contained in this Agreement shall fail to be true and correct, or (B) the PCB Management Trust shall have breached or failed to comply with any of its covenants or obligations under this Agreement, in either case, such that any of the conditions set forth in Section 5.1.1 or Section 5.1.2, as applicable, would not be satisfied;

(iv) by the PCB Management Trust if (A) any of the representations and warranties of the Partnership or Pubco contained in this Agreement shall fail to be true and correct, or (B) the Partnership or Pubco shall have breached or failed to comply with any of its covenants or obligations under this Agreement, in either case, such that any of the conditions set forth in Section 5.2.1 or Section 5.2.2, as applicable, would not be satisfied; and

(v) by either the Partnership and Pubco, on the one hand, or the PCB Management Trust, on the other hand, if the Evercore Contribution and Sale Agreement has been terminated in accordance with the terms thereof.

7.2 No Liabilities in Event of Termination.

7.2.1 In the event of any termination of this Agreement as provided in Section 7.1, (a) written notice thereof shall promptly be given to the other Parties hereto and this Agreement shall forthwith become wholly void and terminate and of no further force and effect except for Sections 7.2, 7.3, 7.5, 7.6, 7.7, 7.8., 7.9, 7.10, 7.11, 7.12, 7.13 and 7.14, and (b) there shall be no liability on the part of any of the Parties hereto, except that such termination shall not preclude any party from pursuing judicial remedies for damages and/or other relief as a result of the breach by the other party of any representation, warranty, covenant or agreement contained herein prior to termination and in all events such recovery shall be subject to Section 6.5.2 hereof.

7.3 Expenses. The Partnership shall pay all of the expenses of the Parties, in each case, incurred in connection with the preparation of this Agreement, the carrying out of the provisions of this Agreement and the consummation of the transactions contemplated hereby ("Expenses"); provided, however, that, in the event that this Agreement is terminated prior to the Closing, (a) the PCB Management Trust shall bear the Expenses of the PCB Management Trust, and (b) the Partnership and Pubco shall bear the Expenses of the Partnership and Pubco.

7.4 Further Assurances. Each of the Parties shall from time to time after the Closing Date, at the request of any other Party, execute, acknowledge and deliver to such other Party such other instruments of conveyance and transfer or assumption and will take such other actions and execute and deliver such other documents, certifications and further assurances as such other party may reasonably require in order to effect the transactions contemplated hereby and will use Commercially Reasonable Efforts to cooperate with the other Parties and execute and deliver to the other Parties such other instruments and documents and take such other actions as may be reasonably requested from time to time by such other party as necessary to carry out, evidence and confirm the intended purposes of this Agreement. Each of the Parties will cause their respective Affiliates to comply with this Section 7.4 to the extent necessary or desirable to fulfill the purposes thereof.

7.5 Contents of Agreement. This Agreement, including the Schedules and Exhibits hereto, sets forth the entire understanding of the Parties hereto with respect to the transactions contemplated hereby and supersede any and all previous agreements and understandings, oral or written, between or among the Parties regarding the transactions contemplated hereby. This Agreement shall not be amended or modified except by written instrument duly executed by each of the Parties hereto.

7.6 Assignment and Binding Effect. This Agreement may not be assigned by any party without the prior written consent of the other Parties.

7.7 Waiver. No waiver of any term or provision of this Agreement shall be effective unless in writing, signed by the Party against whom enforcement of the same is sought. The grant of a waiver in one instance does not constitute a continuing waiver in all similar instances. No failure to exercise, and no delay in exercising, by any Party, any right, remedy, power or privilege hereunder shall operate as a waiver thereof.

7.8 Notices. Any notice, request, demand, waiver, consent, approval or other communication which is required or permitted hereunder shall be in writing and shall be deemed given only if delivered personally or sent by registered or certified mail or by Federal Express or other overnight mail service, postage prepaid, by e-mail or by telefacsimile, with written confirmation to follow, as follows:

If to the Partnership or Pubco, to:

c/o Evercore Partners
55 East 52nd Street
43rd Floor
New York, NY 10055
Attention: Roger C. Altman
Timothy Lalonde
Kathleen Reiland
Facsimile Number: (212) 857-3112
(212) 857-3152
(212) 857-3172

and

c/o Evercore Partners
11111 Santa Monica Blvd.
Suite 1500
Los Angeles, CA 90025
Attention: Austin M. Beutner
Facsimile Number: (310) 689-0812

With a required copy to (which shall not itself constitute notice):

Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, NY 10017
Attention: Alan G. Schwartz, Esq.
Kathryn King Sudol, Esq.
Facsimile Number: (212) 455-2502

If to the PCB Management Trust, to:

c/o Protego Asesores
Blvd. Manuel Ávila Camacho 36-22
Torre Esmeralda II
Col. Lomas de Chapultepec
Mexico D.F. 11000
Mexico
Attention: Dr. Pedro Aspe
Facsimile: (5255) 5249-4315

With a required copy, to (which shall not itself constitute notice):

Milbank, Tweed, Hadley & McCloy LLP
One Chase Manhattan Plaza
New York, New York 10005
Attention: Howard Kelberg, Esq.
Facsimile Number: (212) 822-5530

and to:

Noriega y Escobedo, A.C.
Sierra Mojada 626
Lomas Barrilaco
11010 Mexico, D.F.
Attention: Pablo Cervantes
Facsimile Number: (5255) 52 84 33 27

and to:

Calvo, González Luna, Moreno, Revilla y Romano, S.C.
Av. Paseo de la Reforma No. 935,
Col. Lomas de Chapultepec,
México, D.F. 11000
Attention: Ramiro González Luna
Facsimile Number: (5255) 5520-3821

or to such other address or facsimile numbers as the addressee may have specified in a notice duly given to the sender as provided herein. Such notice, request, demand, waiver, consent, approval or other communication will be deemed to have been given as of the date so delivered or, if such date is not a Business Day, on the next Business Day.

7.9 Remedies. Notwithstanding the provisions of Section 6.7, the Parties acknowledge and agree that, prior to Closing, remedies at law, including monetary damages, will be inadequate in the event of a breach or threatened breach by the PCB Management Trust, on the one hand, or the Partnership and Pubco, on the other hand, in the performance of their respective obligations under this Agreement. Accordingly, the Parties agree that in the event of any such breach, or threatened breach, prior to Closing, any non-breaching Party shall be entitled to a decree of specific performance pursuant to which the breaching Party is ordered to affirmatively carry out its pre-closing obligations under this Agreement. The foregoing shall not be deemed to be or construed as a waiver or election of remedies by any non-breaching Party and any non-breaching Party expressly reserves any and all rights and remedies available to it at law or in equity in the event of any breach or default by the breaching Party under this Agreement prior to Closing.

7.10 Applicable Law; Consent to Jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without giving effect to such State's laws and principles regarding the conflict of laws. Each of the Parties hereto (a) consents to submit itself to the personal jurisdiction of any federal court located in the State of New York or any New York state court in connection with any dispute that arises out of this Agreement or any of the transactions contemplated by this Agreement, (b) agrees that it will not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any such court, (c) agrees that it will not bring any Action relating to this Agreement or any of the transactions contemplated by this Agreement in any court other than a federal court sitting in the State of New York or a New York state court unless venue would not be proper under rules

applicable in such courts and (d) waives any right to which it may be entitled, on account of place of residence or domicile.

7.11 No Benefit to Others. The representations, warranties, covenants and agreements contained in this Agreement are for the sole benefit of the Parties hereto and, in the case of Article 6, the other indemnitees, and their respective heirs, executors, administrators, legal representatives, successors and permitted assigns, and they shall not be construed as conferring any rights on any other Persons.

7.12 Headings. All section headings contained in this Agreement are for convenience of reference only, do not form a part of this Agreement and shall not affect in any way the meaning or interpretation of this Agreement.

7.13 Severability. Any provision of this Agreement which is invalid or unenforceable in any jurisdiction shall be ineffective to the extent of such invalidity or unenforceability without invalidating or rendering unenforceable the remaining provisions hereof, and such invalidity or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provisions in any other jurisdiction.

7.14 Counterparts. This Agreement may be executed in any number of counterparts and any party hereto may execute any such counterpart, each of which when executed and delivered shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument. This Agreement shall become binding when one or more counterparts taken together shall have been executed and delivered by all of the Parties.

7.15 Power of Attorney. The PCB Management Trust hereby grants an irrevocable power of attorney to the Protego Founder to grant such approvals, consents and waivers, to execute such documents, certificates, resolutions, agreements, amendments and other instruments, and to make such filings, notifications and other applications, in each case, on behalf of and in the name, place and stead of the PCB Management Trust, as are necessary or appropriate in connection with, and in accordance with, this Agreement and in furtherance of the transactions contemplated hereby.

[Remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the Parties hereto have duly executed this Agreement as of the date first written above, and acknowledge Section 3.1.6.

EVERCORE LP

By: Evercore Temporary GP Inc., its general partner

By: /s/ Eduardo G. Mestre
Name: Eduardo G. Mestre
Title: Vice Chairman

EVERCORE PARTNERS INC.

By: /s/ Eduardo G. Mestre
Name: Eduardo G. Mestre
Title: Vice Chairman

(Signature Pages to Management Trust Contribution and Sale Agreement)

BANCO INBURSA, S.A., INSTITUCION DE BANCA MULTIPLE, GRUPO FINANCIERO INBURSA, AS TRUSTEE OF INBURSA TRUST F/1338

By: /s/ Guadalupe Terreros Barros
Name: Guadalupe Terreros Barros
Title: Trust Delegate

(Signature Pages to Management Trust Contribution and Sale Agreement)

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the use in this Amendment No. 1 to Registration Statement No. 333-134087 of:

- Our report dated April 28, 2006 relating to the combined financial statements of Evercore Holdings as of December 31, 2004 and 2005 and for each of the three years in the period ended December 31, 2005, appearing in the Prospectus, which is part of this Registration Statement; and

- Our report dated May 12, 2006 relating to the statement of financial condition of Evercore Partners Inc. as of May 12, 2006, appearing in the Prospectus, which is part of this Registration Statement.

We also consent to the reference to us under the headings “Summary Historical and Pro Forma Financial and Other Data”, “Experts” and “Selected Historical Financial and Other Data” in such Prospectus.

/s/ Deloitte & Touche LLP
New York, NY
June 26, 2006

Exhibit 23.2

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the use in this Registration Statement on Form S-1 of our report dated March 31, 2006 relating to the combined consolidated financial statements and financial statement schedules of Protego Asesores, S.A. de C.V. subsidiaries and associated company, which appears in such Registration Statement. We also consent to the references to us under the headings “Experts” and “Selected Historical Financial and Other Data” in such Registration Statement.

/s/ PricewaterhouseCoopers S.C.
Mexico City
June 23, 2006

June 26, 2006

VIA OVERNIGHT COURIER AND EDGAR

Re: Evercore Partners Inc.
Pre-Effective Amendment No. 1 to
Registration Statement on Form S-1
File No. 333-134087

Gregory S. Dundas, Esq.
Division of Corporation Finance
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Dear Mr. Dundas:

On behalf of Evercore Partners Inc. we hereby transmit via EDGAR for filing with the Securities and Exchange Commission Pre-Effective Amendment No. 1 to the above-referenced Registration Statement relating to the offering of shares of its Class A common stock, par value $0.01 per share, marked to show changes from the Registration Statement as filed on May 12, 2006. The Registration Statement has been revised in response to the Staff's comments and to reflect certain other changes, such as the updating of interim financial information.

In addition, we are providing the following responses to your comment letter, dated June 9, 2006, regarding the Registration Statement. To assist your review, we have retyped the text of the Staff's comments in italics below. Please note that all references to page numbers in our responses refer to the page numbers of Amendment No. 1 to the Registration Statement. The responses and information described below are based upon information provided to us by Evercore.

General

1. *Please provide a price range, and fill in all corresponding blanks as soon as possible. Since the price range, in particular, triggers a number of disclosure matters, we will need sufficient time to process the amendments when it is included. Share ownership percentages are also key to our review. Please understand that the effect of such disclosures throughout the document may cause us to raise issues on areas not previously commented on.*

   Evercore acknowledges the Staff's comment and advises the Staff that it will provide a price range, share ownership percentages and all corresponding information in a subsequent pre-effective amendment to the Registration Statement.

2. *Please update the financial statements and all related disclosure when you file your next amendment as required by Rule 3-12(g) of Regulation S-X.*

   Evercore has updated the financial statements and related disclosure in the Registration Statement to comply with Rule 3-12(g) of Regulation S-X.

3. *Please file an updated consent of the independent accountants as an exhibit in your next amendment. Refer to Item 302 of Regulation S-T.*

   Evercore has filed updated consents of the independent accountants as Exhibits 23.1 and 23.2.

Inside Cover Page

4. *Please tell us whether Evercore was the lead advisor on each of the transactions listed. For any instances in which it did not serve as lead, please tell us Evercore's relationship with respect to the deal.*

   Evercore respectfully submits that in most large M&A transactions, including those upon which Evercore has advised, the client retains more than one financial advisor and generally does not designate any one firm as the "Lead Advisor". Evercore provided strategic financial advice and/or a fairness opinion on each of the transactions listed on the inside cover page and has been credited by Thomson Financial, the leading provider of advisory "league table" rankings, as having a financial advisory role as to each of such transactions.

Table of Contents Page

5. *Please delete the definition of "investment banking boutique" and, instead, define this term in context in the Summary and Business sections, and elsewhere as necessary.*

In response to the Staff's comment, Evercore has deleted the definition of "investment banking boutique" on page i and has revised the disclosure to define this term in the first paragraph on page 1 in the "Summary" section and the first paragraph on page 72 in the "Business" section.

6. *We note your statement that completion of the reorganization is a condition to the consummation of the offering. Please clarify, here and elsewhere as appropriate, whether the merger with Protego is an essential part of the reorganization and therefore also a condition to the consummation of the offering.*

Evercore advises the Staff that it is currently contemplated that consummation of the combination with Protego will occur prior to the offering and, in response to the Staff's comment, Evercore has clarified its disclosure in this respect in the Registration Statement on page i and elsewhere. In the unexpected event that the combination with Protego will not be consummated prior to the offering, Evercore advises the Staff that it would reflect this in a subsequent pre-effective amendment to the Registration Statement.

Evercore Partners, page 1

7. *In the first sentence please clarify by what measure you are "the leading investment bank boutique in the world" and provide us with supplemental support for this statement. We also note that under "Our Growth Strategy" on page 4, you describe yourself as "a leading investment bank boutique" rather than "the leading...". Please reconcile these statements.*

In response to the Staff's comment, Evercore has explained on page 1 of the Registration Statement that Evercore is the "leading investment banking boutique in the world" based on the dollar volume of announced worldwide mergers and acquisition transactions Evercore has advised on since 2001. According to Thomson Financial, an industry standard source for such information, Evercore ranks above all other investment banking boutique firms in dollar volume of announced worldwide M&A activity from January 1, 2001 to date. Please see Annex A to this letter for supplemental data supporting Evercore's status as the leading investment banking boutique in the world. Evercore notes that each of the firms ranked above Evercore in the supplemental data attached hereto underwrites public offerings of securities and/or engages in commercial banking activities. Evercore has revised the first sentence under the heading "Our Growth Strategy" on pages 5 and 74 to eliminate the inconsistency with its disclosure on pages 1 and 72.

Investment Management, page 2

8. *We refer to the "Organizational Structure" section on page 26 that states as part of the Formation Transaction, the Company will contribute to Evercore LP various entities that conduct your business, with the exception of the general partners of the Evercore Capital Partners I and II and Evercore Ventures funds. In this regard, considering these funds are the major source of investment management revenues, please revise the "Investment Management" section on pages 3, which describes the investment management revenues*

and the $897 million of investments in these three funds as of March 31, 2006, to disclose the effects on current and future operating results and financial condition of the elimination of the general partners of these three funds from the Evercore LP consolidated financial statements. Refer in this section to the effects of the following adjustments to the pro forma operations and financial condition of the Company as of December 31, 2005:

a. *Adjustment (a) on page 34 to the pro forma consolidated income statement or the year ended December 31, 2005 that gives effect to the elimination of the historical results of the three private equity funds including $976,000 of net losses associated with carried interest and portfolio investments,*

b. *Adjustment (j) to the pro forma statement of financial condition on page 37 that eliminates $13 million of investments at fair value, equal to 78% of total investments and 16% of total assets as of December 31, 2005.*

In response to the Staff's comment, Evercore has expanded its disclosure under the heading "Investment Management" on pages 3-4 to discuss the pro forma effects on income and financial condition of the elimination of the general partners of the Evercore Capital Partners I and II and Evercore Ventures private equity funds from the Evercore Holdings combined financial statements, including the adjustments to the unaudited condensed and consolidated pro forma statements of income and financial condition of the Company identified by the Staff, as well as to discuss its expectations regarding any future private equity funds it may manage.

Organizational Structure, page 5

9. *Please revise to clarify, the nature of Class B voting rights. Specifically, disclose, if true, that not all Class B holders will have voting rights, and that all such voting rights will be held by Messrs. Altman and Beutner. Also disclose the respective percentages of control of Evercore Partners that will be held by Messrs. Altman and Beutner and public stockholders.*

In response to the Staff's comment, Evercore has revised its disclosure under the heading "Organizational Structure" on pages 6-7 to further clarify the nature of the voting rights of the holders of the Class B Common Stock and to include placeholders for the respective percentages of voting power that will be held by Messrs. Altman and Beutner and public stockholders. Evercore advises the Staff that the actual percentages of voting power will be included in a subsequent pre-effective amendment to the Registration Statement.

10. *Clarify, if true, that all the Senior Managing Directors will be limited partners of Evercore LP and that there will be no additional partners apart from Evercore Partners, Inc.*

In response to the Staff's comment, Evercore has revised its disclosure under the heading "Organizational Structure" on page 6 to clarify that the Senior Managing Directors and their estate planning vehicles will be the only limited partners of Evercore LP at the time of the offering.

11. *Please quantify Evercore Partners' "controlling equity interest" in Evercore LP.*

In response to the Staff's comment, Evercore has revised its disclosure under the heading "Organizational Structure" on page 7 to provide a placeholder for the quantification of Evercore Partners Inc.'s equity interest in Evercore LP. This percentage will be included in a subsequent pre-effective amendment to the Registration Statement.

12. *Revise this section to state that the "Operating Entities" to be transferred to Evercore LP are included in the financial statements of Evercore Holdings with the exception of the general partners of the Evercore Capital Partners I and II and Evercore Ventures funds.*

In response to the Staff's comment, Evercore has revised its disclosure under the heading "Organizational Structure" on page 6 to state that the operating entities to be transferred to Evercore LP exclude the general partners of the private equity funds currently managed by Evercore and certain other entities through which Messrs. Altman and Beutner have invested capital in the Evercore Capital Partners I private equity fund.

The Offering, page 6

13. *Under "Voting Rights," please clarify the extent to which the limited partners of Evercore LP apart from Messrs. Altman and Beutner will have voting rights.*

In response to the Staff's comment, Evercore has revised its disclosure under the heading "Voting Rights" on page 8 to clarify that, until such time as Messrs. Altman, Beutner and Aspe and certain trusts benefiting their families collectively cease to beneficially own, in the aggregate, at least 90% of the Evercore LP partnership units they hold on the date of the offering, Messrs. Altman, Beutner and Aspe will have all of the voting power of the Class B common stock and the other limited partners of Evercore LP will have no voting power.

Summary Historical and Pro Forma Financial Data, page 8

14. *In the fourth paragraph regarding the Evercore LP pro forma adjustments describe in greater detail the nature of the major adjustments included as part of the Formation Transaction and the Protego Combination. For example, describe the effects of footnote (e) on page regarding the elimination of operating results and financial position of the general partners of the Evercore Capital Partners 1 and II and Evercore Ventures funds in 2006.*

In response to the Staff's comment, Evercore has revised its disclosure in the fourth paragraph on page 10 to describe in greater detail the nature of the significant pro forma adjustments implied by the Formation Transaction and the Protego Combination.

15. *Discuss the following in the fifth paragraph regarding the Evercore Partners pro forma adjustments:*

    a. *State the basis for including compensation and benefits in the pro forma statement of income equal to 50% of your total revenues; and reconcile this statement to the "Employee Compensation and Benefits Expense" section of MD&A on page 45 that states compensation will be at a level not to exceed 50% of total revenue each year.*

    In response to the Staff's comment, Evercore has revised its disclosure in the fifth paragraph on page 10 to explain that the pro forma adjustment setting compensation and benefits expenses equal to 50% of total revenue gives effect to Evercore's policy following the offering to set its total compensation and benefits expense at a level not to exceed 50% of its 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). Evercore supplementally advises the Staff that it has determined to give pro forma effect to this policy by adjusting its compensation and benefits expense to equal 50% of total revenue rather than a lower percentage because it initially expects to accrue compensation and benefits expense equal to 50% of total revenue following the offering.

    b. *Explain why the provision for corporate income tax was determined using a 44% effective tax rate.*

    In response to the Staff's comment, Evercore has revised its disclosure the fifth paragraph on page 10 to explain that the 44% effective tax rate determined by Evercore assumes the highest statutory rates apportioned to each state, local and/or foreign tax jurisdiction and reflected net of U.S. federal tax benefit.

16. *Revise the Pro Forma Basic Net Income and Diluted Net Income Per Share figures in the "Statement of Income Data" section on page 9 to state that they are related exclusively to the Class A shares. Briefly explain why no disclosure in made of similar information for Class B shares.*

    In response to the Staff's comment, Evercore has revised its disclosure on pages 12 to state that the pro forma basic net income and diluted net income per share figures relate only to the shares of Class A Common Stock. In addition, Evercore has added disclosure on page 12 to explain that the shares of Class B Common Stock have no economic rights and entitle the holder only to voting rights and, accordingly, pro forma basic and diluted net income per share of Class B Common Stock have not been calculated.

17. *Please revise the "Operating Metrics" section on page 9 to provide the following disclosure:*

    a. *Discuss and quantify the expected impact on each of the Investment Management measures with respect to the elimination of the private equity funds from consolidation in 2006 as stated in footnote (e) on page 10.*

Evercore respectfully advises the Staff that, pursuant to FIN 46(R) and EITF 04-5, the private equity funds Evercore manages (as opposed to the general partners of these funds) were never required to be consolidated in Evercore Holdings' financial statements. Management fees and portfolio company fees are not impacted by the elimination of the results of the general partners of the private equity funds from Evercore's consolidated results as the entities that earn these fees are being contributed as a part of the Formation Transaction. The sole types of revenue derived from the general partners of the private equity funds are carried interest and gain and loss from investments. In response to the Staff's comments, the pro forma effect of the elimination of the results of the general partners of the private equity funds is now also discussed on pages 3-4 of the Registration Statement under the heading "Investment Management".

b. *Define what are Capital Commitments, Capital Invested, Gross Proceed Realized and Carried Interest and explain how they were derived from the related income statement line items.*

In response to the Staff's comment, Evercore has added footnotes to define each of the specified line items in the Operating Metrics table. As discussed below in response to the Staff's comment 17.c., capital commitments, capital invested and gross realized proceeds are not derived from Evercore's financial statements but are operating data relating to the private equity funds that it manages. In addition, and as discussed below, carried interest is a component of Evercore's investment management revenue.

c. *Assuming these are non-GAAP disclosures, please provide the following disclosure:*

- *State the reasons why you believe the presentation of this non-GAAP information provides useful information to investors regarding your financial conditions and results of operations*
- *Provide a reconciliation, preferably by a schedule, that reconciles the differences between the non-GAAP financial measures to the most comparable GAAP figure.*

Evercore respectfully submits that capital commitments, capital invested and gross realized proceeds are not non-GAAP financial measures within the meaning of Item 10(e) of Regulation S-K. As explained above, these measures are not measures of Evercore's historical or future financial performance, financial position or cash flows but instead are operating measures relating to the historical terms and activity of the private equity funds that Evercore manages. Evercore also respectfully submits that carried interest and investment income and management and portfolio company fees are also not non-GAAP financial measures in that they are simply components of Investment Management revenue that have not been adjusted and sum to total Investment Management revenue.

d. *Explain why there has been no change in the amount of the Capital Commitments during each of the three years in the period ended December 31, 2005.*

In response to the Staff's comment, Evercore has explained in footnote (e) on page 13 the reason why there has been no change in the amount of capital commitments over the three-year period presented.

e. *Discuss the reasons why Capital Invested decreased from $206.8 million in 2003 to $15 million 2004. A similar discussion should be provided with respect to Gross Realized Proceeds which decreased from $308 million in 2003 to $35 million in 2004.*

In response to the Staff's comment, Evercore has explained in footnotes (f) and (g) on page 13 the reasons for the changes to the capital invested and gross realized proceeds figures, respectively, during this period.

f. *Explain why Management and Portfolio Company Fees for 2005 of $15,560 are greater than the total investment management revenue of $14.584 million for 2005 in the consolidated statement of income on page F-6.*

Evercore has added a Total Investment Management Revenue line item to its Operating Metrics table on page 11, which presentation it believes clarifies that management and portfolio company fees exceeded total investment management revenue for 2005 due to such segment's investment losses in that year.

g. *Explain the reasons why Carried Interest and Investment Income have decreased significantly during the three year period ended 2005 with a net loss of $976,000 in 2005. Disclose the effect of the elimination of the private equity funds on this trend. Refer to pro forma adjustment (a) to the pro forma consolidated statement of income for 2005 on page 34.*

In response to the Staff's comment, Evercore has explained in footnote (i) on page 13 the reasons for the decrease in carried interest and investment income over the three-year period ending in 2005 and included a reference to the presentation of the pro forma effect of the elimination of the results of the general partners of the private equity funds it currently manages.

18. *Revise the "Selected Historical Financial and Other Data" section on page 41 for the comments that are applicable considering it contains information similar to that in the "Summary Historical and Pro Forma Financial Data" section on page 8.*

Evercore has revised the "Selected Historical Financial and Other Data" section as applicable in response to the Staff's comments on the "Summary—Historical and Pro Forma Financial and Other Data" section.

Protego Asesores, page 11

19. *Please revise this section to provide the following information with respect to the proposed acquisition of Protego Asesores:*

Evercore respectfully submits that, upon further review of the summary historical and pro forma financial data for Protego and in light of the additional disclosure requested by the Staff, Evercore has moved this data from the "Summary" section to the "Selected Historical Financial and Other Data" section on pages 49-50. Because of the relative lack of significance to Evercore of the Protego acquisition, Evercore does not consider this information to be among the most significant aspects of the offering as contemplated by Item 503 of Regulation S-K. Evercore has, however, made the changes described below in response to each of the Staff's comments in the "Selected Historical Financial and Other Data" section.

a. *Briefly describe the terms of the proposed acquisition of Protego Asesores and refer to the "Combination with Protego" section of the Organizational Structure section on page 26.*

In response to the Staff's comment, Evercore has added a paragraph on page 49 to describe the terms of the proposed combination with Protego and referred to the "Organizational Structure—Combination with Protego" section.

b. *Include a column that shows the pro forma income statement data similar to that provided for Evercore Holdings on page 9. Refer to the pro forma adjustments to the Protego statement of income on page 34 of the Unaudited Pro Forma Financial Information section.*

Evercore respectfully submits that Regulation S-X does not require presentation of pro forma financial information for Protego and believes that such an unusual presentation would not be useful to investors. Evercore notes that the information requested by the Staff is included as a column within the pro forma statements of income for Evercore included the "Unaudited Pro Forma Financial Information" section.

c. *Provide a section for summary statement of financial condition data as of December 31, 2005 similar to that provided for Evercore Partners on page 9. Refer to the pro forma adjustments to the historical statement of financial condition on page 37 of the Unaudited Pro Forma Financial Information section.*

Evercore respectfully submits that Regulation S-X does not require presentation of pro forma financial information for Protego and believes

that such an unusual presentation would not be useful to investors. Evercore notes that the information requested by the Staff is included as a column within the pro forma statement of financial condition for Evercore included the "Unaudited Pro Forma Financial Information" section.

d. *Explain why you have not included any operating metrics information similar to that of Evercore Holdings on page 9.*

In response to the Staff's comment, Evercore has included operating metric information for Protego's advisory segment on page 50. Because Protego's investment management business is in its initial phases, Evercore respectfully submits that operating metric information for that segment would not be useful to investors.

e. *Discuss in a footnote the reasons why Protego has recorded a minority interest for the year ended December 31, 2005 equal to 55% of after-tax net income for that period.*

Minority interest recorded on the combined and consolidated financial statements relates to the minority interest of an unrelated third party in Protego Casa de Bolsa S. A. de C. V. As a result, the Company includes in its financial statements minority interest of approximately 49%. In response to the Staff's comment, Evercore has added disclosure to this effect in footnote (a) on page 50.

f. *State that all earnings for the period from January 1, 2005 to the date of the closing of the purchase agreement will be distributed to the Directors of Protego. Refer to the "Combination with Protego" section on page 26.*

In response to the Staff's comment, Evercore has added disclosure in footnote (b) on page 50 to state that all earnings for the period from January 1, 2005 to the date of the closing of the contribution and sale agreement will be distributed to the Directors of Protego.

Our management has identified material weaknesses in internal control..., page 14

20. *We refer to the statement that your internal controls over financial reporting do not currently meet all the standards of Section 404 of the Sarbanes-Oxley Act and that you are in the process of addressing these material weaknesses in internal controls. In this regard, please provide the following information:*

a. *Describe the remedial plan of action that you have undertaken to provide reasonable assurance that these internal control weaknesses will not recur in the future.*

Evercore respectfully submits that additional disclosure has not been added to the "Risk Factors" section to describe the remedial actions undertaken by Evercore relating to internal control weaknesses as such

information would have the effect of mitigating the risk factor disclosure. Evercore supplementally advises the Staff that Evercore has over the past year developed and begun implementation of a plan to improve its core accounting and finance processes. Specifically, Evercore has put in place the following changes:

- Management Level Changes – Evercore has hired a new Chief Financial Officer, Controller, Tax Director and Senior Private Equity Financial Officer as well as other requisite staff within the finance organization. Additionally, Evercore is in the process of expanding its in-house legal capability through the hiring of a General Counsel and Chief Compliance Officer.
- Financial Reporting – Evercore has a top-level commitment to establishing appropriate internal controls and has implemented a monthly close process, routing operating metrics as well as the establishment of budgets and periodic forecasts.
- Communication – Evercore has established a number of formal committees to ensure proper protocols regarding control performance and changes to the organization's risk profile including the right level of integration between the business front office and finance.
- Documentation – Evercore has begun documenting its policies and processes and will continue to identify key financial reporting risks, assess their potential impact, and link those risks to specific areas and activities within the organization.

Evercore will continue to focus on these efforts over the next six to twelve months in order to comply with Section 404 of the Sarbanes-Oxley Act by the end of 2007.

b. *Tell us and disclose why these unremediated material weaknesses in internal controls over financial reporting did not have any impact on the auditor report which expressed an unqualified opinion on the financial statements. Refer to paragraph 129, Issuing an Unqualified Opinion, of PCAOB AS 2.*

Evercore respectfully advises the Staff that it was not required to comply with Section 404 of the Sarbanes-Oxley Act of 2002 in connection with this filing. Additionally, Evercore is not required to have an audit of internal control over financial reporting in accordance with PCAOB AS 2. Evercore refers to the scope paragraph of the report on the financial statements issued by Evercore's independent registered public accounting firm detailed below.

> We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain

reasonable assurance about whether the financial statements are free of material misstatement. ***The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.*** An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

c. *Discuss in MD&A the expected incremental costs to be incurred in order to improve your internal controls over financial reporting and to comply with the requirements of Section 404 of the Sarbanes-Oxley Act. We note that according to MD&A on page 49 you have incurred approximately $10.2 million in professional fees during 2005 to prepare your historical financial statements and for upgrades to your reporting and accounting system and compliance with Section 404 of the Sarbanes-Oxley Act.*

Evercore advises the Staff that it has revised the disclosure on page 55 to clarify that, on an annual basis, it estimates it will incur costs of $4 to $5 million per year as a result of becoming a publicly traded company. Additionally, Evercore has disclosed that it expects the one-time costs of meeting the legal and regulatory requirements of a public company, including Section 404 of the Sarbanes-Oxley Act, to reach $1.5 million and ongoing annual costs of maintaining such requirements to approximate $0.5 million.

21. *Please move this risk factor so that it becomes the first risk factor in this section.*

Evercore respectfully submits that it believes that the risk factors that precede this risk factor describe more significant risks that "make the offering speculative or risky" in accordance with Item 503(c) of Regulation S-K and, accordingly, merit greater prominence in this section.

22. *Please revise to clarify the nature of the "adverse regulatory consequences" referred to.*

In response to the Staff's comment, Evercore has revised its disclosure on page 17 to clarify that in the event that Evercore is not able to implement the requirements of Section 404 of the Sarbanes-Oxley Act of 2002 in a timely manner or with adequate compliance, Evercore may be unable to timely report and thereby become subject to sanctions by the Securities and Exchange Commission and/or the applicable listing rules of the New York Stock Exchange.

23. *Please reference this risk factor on the cover page of the prospectus.*

Evercore respectfully submits that, for the reasons stated in our responses to comments 20 and 21 above, it believes that it would be potentially misleading to investors to highlight this risk factor with such greater prominence than all of the remaining risks it has identified and disclosed in the "Risk Factors" section. Evercore notes that the cover page of the prospectus includes a cross-reference to the "Risk Factors" section generally.

Protego depends on Mr. Aspe and other key personnel…, page 19

24. *Please clarify the phrase, "the fund's commitment period may be terminated."*

In response to the Staff's comment, Evercore has revised its disclosure in the first risk factor under the heading "Risks Related to Our Combination with Protego" on page 21 to clarify that, upon termination of the fund's commitment period, the fund would no longer be able to call upon the fund's investors to provide additional cash necessary for the fund to make additional investments.

Control by Messrs. Altman and Beutner of the voting power..., page 22

25. *Please revise to briefly clarify how Messrs. Altman and Beutner will have the ability to elect all the members of the board.*

In response to the Staff's comment, Evercore has revised its disclosure in the first risk factor under the heading "Risks Related to Our Class A Common Stock and this Offering" on pages 24-25 to clarify that Messrs. Altman and Beutner will have the ability to elect all the members of Evercore's board of directors because they will control a majority of Evercore's voting power and Evercore's certificate of incorporation will not provide for cumulative voting.

Organizational Structure, page 26

26. *Please revise to clarify how the business is currently organized. We note the statement on the Table of Contents page that Evercore Holdings is currently "comprised of certain consolidated and combined entities under common ownership by Evercore's Senior Managing Directors." Here please elaborate on that description, including the extent to which Evercore Holdings is controlled by Messrs. Altman and Beutner.*

In response to the Staff's comment, Evercore has revised its disclosure on page 29 to expand its disclosure regarding how the business is currently organized and how its existing entities are controlled by Messrs. Altman and Beutner.

27. *In the second bullet on page 25, discuss the vesting and transfer restriction provisions or cross-reference to a discussion elsewhere in the prospectus.*

In response to the Staff's comment, Evercore has added to the second bullet under the heading "Incorporation of Evercore Partners Inc." on page 30 a cross-reference to the discussion of the vesting and transfer restriction provisions of the Evercore LP partnership agreement in the "Related Party Transactions—Evercore LP Partnership Agreement" section.

28. *Please revise to clarify the basis for the statement at the top of page 28 that Messrs. Altman, Beutner and Aspe will have X% of the voting power in Evercore Partners.*

In response to the Staff's comment, Evercore has added disclosure to the fourth bullet under the heading "Offering Transactions" on page 31 to clarify that Messrs. Altman, Beutner and Aspe will have voting power in Evercore Partners Inc. through their holdings of Class B common stock.

29. *We refer to the statement that the general partners of Evercore Capital Partners I and II and Evercore Ventures will not be included as part of Evercore LP in the Formation Transaction. In this regard, please discuss in this section the reasons why these entities, that are included as part of Evercore Holdings, will not form part of the successor company. Consider in your response if this action is in response to your implementation of the requirements of EITF Issue No 04-5 as stated in Note 3, "Recently Issued Accounting Pronouncements" on page F-15.*

Evercore respectfully advises the Staff that the decision on whether to contribute the general partners of the Evercore Capital Partners I and II and Evercore Ventures funds to Evercore LP was based on Evercore's assessment of each fund's status in its respective lifecycle (fundraising period, investment period and realization or harvesting period) and the manner in which the contribution of these entities would be valued by Evercore's public stockholders. Evercore notes that a non-managing minority equity interest in the general partner of the Evercore Capital Partners II fund is being contributed to Evercore LP. Through this equity interest, Evercore will recognize as revenue 8% to 9% (depending on the particular fund investment) of any carried interest realized from that fund following this offering and it will also continue to recognize revenue based on its share of that fund's realized and unrealized gains or losses on investment based on the amount of capital in that fund which is contributed to, or is subsequently funded by, Evercore. Additionally, the Operating Entities being contributed to Evercore LP as depicted on page 6 will continue to receive the management and portfolio company fees from each of the Evercore Capital Partners I and II and Evercore Ventures funds. The private equity funds managed by Evercore were not consolidated by Evercore Holdings under the requirements of FIN 46(R) and EITF 04-5. EITF 04-5 was not a consideration in determining whether to contribute the general partners of the private equity funds as part of the Formation Transaction.

30. *Please discuss in this section how you determined that the Company is currently under common control of the Senior Managing Directors and <u>will continue</u> to be under common control after finalizing the Formation Transaction, the acquisition of Protego and the issuance of shares in the public offering. Consider in your proposed disclosure if the Senior Managing Directors will control the majority of the outstanding voting shares in Evercore Partners and if they will continue to vote in concert under a "two-man unanimous consent" arrangement.*

In response to the Staff's comment, Evercore has revised its disclosure on page 29 to describe how Messrs. Altman and Beutner control the existing Evercore entities and how they will continue to control Evercore Partners Inc. and its subsidiaries through their control of a majority of the voting power of Evercore Partners Inc. following the consummation of the reorganization described in the "Organizational Structure" section.

31. *State how you will record and value the vested partnership units issued as part of the Formation Transaction and the Protego acquisition. Describe the authoritative accounting literature you relied upon to record the unvested partnership units to be issued in the Formation Transaction as future compensation expense.*

In response to the Staff's comment, Evercore has revised its disclosure on pages 28-30 under the headings "Formation Transaction" and "Combination with Protego" to describe how Evercore will record and value the Evercore LP vested partnership units issued in connection with the Formation Transaction and the Protego Combination, as well as the accounting literature relied upon to accrue the unvested Evercore LP partnership units to be issued in the Formation Transaction and Protego Combination as future compensation expense.

Combination with Protego, page 26

32. *We refer to the $7 million in notes to be issued as partial consideration as well as vested partnership interests in Evercore LP and to footnote (m) on page 38 of the consolidated pro forma statement of financial condition. In this regard, please disclose in this section the estimated preliminary purchase price of the Protego acquisition and discuss any significant preacquisition contingencies related to determining the final price of the acquisition.*

In response to the Staff's comment, Evercore has disclosed on page 30 the estimated value of the consideration to be paid in connection with the Protego Combination. Evercore supplementally advises the Staff that there were no significant pre-acquisition contingencies related to the purchase price and, accordingly, none were disclosed.

33. *We refer to the second paragraph on page 27 that states the Company will issue vested and unvested partnership units of Evercore LP with respect to the Protego combination. In this regard, please tell us and state in this section:*

a. *how the value of the vested and unvested partnership units will be determined;*

In response to the Staff's comment, Evercore has disclosed on pages 29-30 how the value of the vested partnership units will be determined and how the value of the unvested partnership units will be determined.

b. *the authoritative accounting literature you relied on to account for the vested partnership units of Evercore LP as a component of the purchase price and the unvested partnership units as future compensation expense.*

In response to the Staff's comment, Evercore has disclosed on pages 29-30 the accounting literature relied upon to account for the vested partnership units of Evercore LP as a component of the purchase price and the unvested partnership units as future compensation expense.

c. *the conditions or events necessary for the unvested partnership units to become fully vested.*

In response to the Staff's comment, Evercore has disclosed on page 28 (with an additional reference to this disclosure on page 30) the events or conditions necessary for the unvested Evercore LP partnership units to become fully vested.

Holding Company Structure, page 28

34. *Please revise to clarify how the allocation of net profits and losses between Evercore Partners and Evercore LP will be determined. Please clarify the meaning of the word "accordingly" at the beginning of the third sentence in the third paragraph. Also, clarify the meaning of "initially" in the same sentence, and disclose how those allocations may change after the initial period.*

In response to the Staff's comment, Evercore has revised its disclosure under the heading "Holding Company Structure" on pages 31-32 to clarify how the allocation of net profits and losses between Evercore and Evercore LP will be determined and the meaning of the terms "accordingly" and "initially" that appeared in this paragraph, as well as how these allocations may change in the future.

Use of Proceeds, page 30

35. *Please revise to specify the amount of proceeds remaining after the repayments noted.*

In response to the Staff's comment, Evercore has revised its disclosure in the "Use of Proceeds" section on page 33 to provide a placeholder for the amount of proceeds remaining following the repayment of the notes to be issued as a portion of the consideration for the Protego Combination and Evercore's borrowings under the credit agreement. The amount will be included in a subsequent pre-effective amendment to the Registration Statement.

Dilution, page 32

36. *Revise the pro forma net tangible book value as of December 31, 2005 which you state is approximately negative $12.7 million.*

In response to the Staff's comment, Evercore has updated its pro forma negative book deficit on page 35 as of March 31, 2006 and has clarified through the use of the term "pro forma negative book deficit" that it is a negative amount.

Unaudited Pro Forma Financial Information, page 33

Unaudited Condensed Consolidated Pro Forma Statement of Income, page 34

37. *Revise the title of the first column to read "Evercore Holdings Historical".*

In response to the Staff's comment, Evercore has revised the title of the first column to read "Evercore Holdings Historical" on page 37.

38. *Revise footnote (a) to state the reasons why the Private Equity funds will not be contributed to Evercore LP. Disclose the names of these "certain other entities" and revise the discussion of the Formation Transaction in the "Organizational Structure" section to disclose these other entities that will not be included. Explain why they will not form part of Evercore LP considering Note 3, "Recently Issued Accounting Pronouncements" on page F-15 of the Evercore Holdings financial statements states that EITF 04-05 is applicable only to the Private Equity Funds. Similar disclosure should be provided in footnote (j) on page 37 with respect to the pro forma statement of financial condition.*

Evercore advises the Staff that the general partners of the private equity funds that Evercore manages (Evercore Capital Partners I, Evercore Capital Partners II and Evercore Venture funds) and certain other entities will not be contributed to Evercore LP for the reasons set forth in our response to comment 29. In response to the Staff's comment, the names of these other entities have been added to footnote (a) of the Unaudited Condensed Consolidated Pro Forma Statement of Income on page 38.

39. *We refer to footnote (b) regarding the adjustment for income taxes related to New York City taxes. Please tell us and state in the footnote why no taxes have been recorded with respect to the Company's operations in California. Refer to the "Evercore Partners" section of the Summary section page 1 and to the "Provision for Income Taxes" section on page 47.*

In response to the Staff's comment, Evercore advises the Staff that footnote (b) does not include any California income taxes because the entities that make up Evercore were organized as limited liability companies, partnerships or sub-chapter S corporations, which are generally not subject to income tax in the State of California. Evercore is subject to the annual California filing fees required for the conduct of business within the State. Evercore has added additional disclosure to this effect in the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section on page 56.

40. *We refer to footnote (c) regarding the amortization of intangible assets acquired in the purchase of Protego. Please state the nature of the intangible assets acquired that require them to be amortized in accordance with paragraph 11 of SFAS 142.*

In response to the Staff's comment, Evercore has expanded footnote (c) on page 38 to state the nature of the intangible assets acquired.

41. *We refer to adjustment (g) regarding the recording of a minority interest for the ownership of the Senior Managing Partners in Evercore LP related to their vested partnership units that are exchangeable into Class A common stock of Evercore Partners on a one-to-one basis. In this regard, please tell us and disclose in the "Minority Interest" section on page 47 the authoritative accounting literature you relied on to record the Senior Manager's interest in Evercore LP as a minority interest considering:*

    a. *the "Organizational Structure" section states on page 26 that the business is owned by the Senior Managing Partners; and*

    b. *the Founding Senior Managing Partners will have voting control of Evercore Partners following the offering. Refer to the risk factor titled: "Control by Messrs. Altman and Beutner of the voting power of Evercore Partners, Inc may give rise to control of Interests".*

    Evercore advises the Staff that, in connection with the Offering Transactions described in the "Organizational Structure" section, Evercore Partners Inc. will become 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 exclusive control over the management of Evercore LP. Evercore LP does not qualify as a variable interest entity under FIN 46(R) since Evercore Partners Inc.'s interest in Evercore LP will not lack any of the characteristics of a controlling financial interest, and therefore is within the scope of EITF 04-5, *Investor's Accounting for an Investment in a Limited Partnership When the Investor Is The Sole General Partner and the Limited Partners Have Certain Rights.*

    EITF 04-5 states that "The general partners in a limited partnership are presumed to control that limited partnership." However, EITF 04-5 paragraph 6 goes on to state, in part: "If the limited partners have either (a) the substantive ability to dissolve (liquidate) the limited partnership or otherwise remove the general partners without cause [kick-out rights] or (b) substantive participating rights, the general partners do not control the limited partnership." Although the limited partners of Evercore LP will have a majority economic interest in Evercore LP, they will not have the right to dissolve the limited partnership or substantive kick-out rights or substantive participating rights.

    Consolidation is typically appropriate when one entity has a controlling financial interest in another entity and the usual condition for a controlling financial interest is ownership of a majority voting interest. As such, in accordance with EITF 04-5, Evercore Partners Inc., as the sole general partner of Evercore LP, will have a majority voting interest in Evercore LP and will be required to consolidate Evercore LP. Evercore Partners Inc. will record a minority interest for the economic interest in Evercore LP held directly by the Evercore Senior Managing Directors.

42. *We refer to footnote (h) regarding the tax exempt status of Evercore LP and to the adjustment made to increase your effective tax rate to 44% including the increases relate to the conversion to a corporate structure. In this regard please provide a detail of the federal, state and local taxes that make up the corporate income tax rate of 44% and discuss separately any foreign tax implications regarding the Protego acquisition with operations in Mexico.*

In response to the Staff's comment, Evercore advises the Staff that the adjustments made in footnote (h) to increase its effective tax rate to 44% assume that Evercore Partners Inc. is taxed as a C Corporation at the highest statutory tax rates apportioned to each state, local and/or foreign tax jurisdiction and reflected net of federal tax benefit. The foreign tax implications regarding the Protego Combination were considered in this analysis as well. However, due to the fact that the statutory tax rate in Mexico (29%) is lower than the 35% U.S. federal tax rate, it produced only a nominal tax benefit in Evercore Partners Inc.'s overall effective tax rate. Footnote (h) has been revised to reflect the foregoing.

Unaudited Condensed Consolidated Pro Forma Statement of Financial Condition, page 37

43. *We refer to the Members Accumulated Deficit of $7.467 million in the Evercore Post Formation column resulting from distribution in excess of book income as stated in footnote (1). In this regard, please tell us and discuss in this section the following information:*

a. *Explain the basis for issuing cash distributions in excess of recorded net income considering the statement in the "Formation Transaction" section on page 26 states the distribution to be made to Senior Managing Directors is for* all earnings *for the period from January 1, 2006 to the date of closing of the purchase agreement.*

In response to the Staff's comment, Evercore advises that, on a historical basis, its policy for making distributions to its Senior Managing Directors has been based on a number of factors that included cash availability, future cash sources and uses and estimates of earnings. The accumulated deficit that is reflected in footnote (l) on page 42 is the actual accumulated deficit resulting from the cumulative distributions since inception of the various partnerships over the cumulative GAAP based book income.

Effective January 1, 2006, a policy with respect to the definition and calculation of the actual pre-incorporation profits to be distributed prior to the offering has been set forth in the contribution and sale agreement and disclosed in the Registration Statement. Specifically, pre-incorporation profits will be defined as GAAP-based earnings, excluding the earnings of entities not being contributed to Evercore LP in connection with the Formation Transaction for the period of January 1, 2006 through the date of the closing of the contribution and sale agreement. Evercore has modified the pro forma footnotes (k) and (l) to the March 31, 2006 Unaudited Condensed Consolidated Pro Forma Statement of Financial Condition on page 42 in response to the Staff's comment to clarify.

b. *Discuss if these cash distributions in excess of recorded book income result any violations of laws, contracts and agreements or regulatory guidelines.*

With the exception of the requirement to satisfy minimum net capital requirements for Evercore's broker dealer and comply with the terms of Evercore's credit agreement, which have been satisfied and complied with, there are no limitations on the amount of distributions by Evercore from a legal or regulatory standpoint.

44. *Revise footnote (m) on page 38 regarding the acquisition of Protego to include the following information:*

a. *State how the purchase price of the acquisition was determined and the basis for allocating the purchase price to specific identifiable intangibles, liabilities and minority interest acquired.*

In response to the Staff's comment, Evercore has included in footnote (m) on pages 42-43 the basis for determining the purchase price of the acquisition and the basis for allocating the purchase price to to specific identifiable intangibles, liabilities and minority interest acquired.

b. *Considering the allocation of the purchase price is preliminary, identify any significant liabilities and tangible and intangible assets likely to be recognized and discuss any uncertainties regarding the effects of amortization periods assigned to the assets.*

In response to the Staff's comment, Evercore has revised footnote (m) to disclose that it 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. In addition, Evercore has disclosed that it does not expect any material changes in the value of any of the assets acquired and liabilities assumed in conjunction with the Protego Combination or expect any uncertainties regarding amortization periods to have a material impact on its financial statements.

c. *Provide in MD&A appropriate disclosure regarding any unrecognized preacquisition contingency and its reasonably likely effects on future operating results, liquidity and financial condition. Refer to SAB 2.A.7.*

Evercore supplementally advises the Staff that there are no preacquisition contingencies pertaining to the purchase price as discussed in SAB 2.A.7.

d. *State the repayment terms of the non-interest bearing note for $7 million, including how you will determine any imputed interest.*

Evercore supplementally advises the Staff that the non-interest bearing note will be repaid upon the closing of the offering. Evercore has determined that the closing of the Protego Combination will occur within one week prior to the closing of this offering and has calculated the imputed interest on this note using an interest rate based on the interest

rate for Evercore's borrowings under its existing credit agreement. Accordingly, imputed interest is estimated to be approximately $6,000, which Evercore has determined to be immaterial.

e. *Describe how the how the fair value of the vested Evercore Partnership units was determined.*

In response to the Staff's comment, Evercore has revised footnote (m) on pages 42-43 to describe how the fair value of the vested Evercore LP partnership units was determined.

f. *State the conditions or events that will cause the unvested Partnership units to vest and how their fair value will be determined to record compensation expense.*

In response to the Staff's comment, Evercore has revised footnote (m) on pages 42-43 to state the conditions or events that will cause the unvested Evercore LP partnership units to vest and how the fair value of these units will be determined to record compensation expense.

45. *Tell us and disclose in Note (m) if the following events that could affect the value of the Protego acquisition were considered when the purchase price was determined:*

a. *The risk factor on page 19 that states the Company expects that one of Protego's Directors will leave Protego in June 2006 which could adversely affect the business of Protego. Refer to risk factor titled: "Protego depends on Mr. Aspe and other key personnel and their loss of their services would have a material adverse effect on Protego" on page 19.*

b. *The statement in the risk factor titled: "A Change in state and municipal political leadership in Mexico may adversely affect Protego's Business" on page 21, that states Protego derives a significant portion of is revenues from its advisory contracts with state and local governments in Mexico and that one of the governor's is leaving 2006.*

Evercore respectfully submits that each of the risks identified in the "Risk Factors" section relating to Protego were considered by Evercore when the purchase price for Protego was determined. Evercore believes that disclosing in Note (m) the risks identified in a. and b. above to the exclusion of the other risks relating to Protego included in the "Risk Factors" section would not be meaningful to investors and may suggest to investors that these risks are more significant than the other risks relating to Protego described in the "Risk Factors" section, which could be misleading.

Selected Historical Financial Data, page 41

46. *Disclose that the data related to Evercore Holdings is not indicative of the expected future operating results after the Formation Transaction since the financial statements of Evergreen LP will not include the three private equity funds that are included in the Evercore Holding financial statements and Evercore LP will also include the financial statements of the Protego acquisition. Provide a reference to the Unaudited Pro Forma Financial Statement section on page 33.*

In response to the Staff's comment, Evercore has revised the disclosure under the heading "Selected Historical Financial and Other Data" on page 45 to note that the data related to Evercore Holdings is not indicative of the expected future operating results of Evercore following the Formation Transaction. Evercore has also provided a reference to the "Unaudited Pro Forma Financial Information" section.

Management's Discussion and Analysis, page 43

Revenue page 43

47. *We refer to the "Carried Interest" section on page 44 that states following this offering the Company will no longer consolidate the results of operations of the private equity funds you currently manage. In this regard, please state in this section:*

a. *the accounting basis for not consolidating these funds after the closing of this offering. Disclose if this action is related to your disclosure in Note 3, "Recently issued Accounting Pronouncements" on page F-15 of the financial statements of Evercore that states as of December 31, 2005 the Company has determined that the consolidation of these private equity funds is required under EITF 04-5.*

Evercore respectfully advises the Staff that the private equity funds managed by Evercore have not been and are not required to be consolidated by Evercore Holdings. As stated in "Note 3—Recently Issued Accounting Pronouncements" on page F-18, "As of December 31, 2005, the Company has determined that consolidation of the Private Equity Funds will not be required pursuant to Issue 04-5." As discussed above in our response to comment 29, the decision on whether to contribute the general partners of the Evercore Capital Partners I and II and Evercore Ventures funds to Evercore LP was based on Evercore's assessment of each fund's status in its respective lifecycle (fundraising period, investment period and realization or harvesting period) and the manner in which the contribution of these entities would be valued by Evercore's public stockholders; the requirements of EITF No. 04-5 were not a consideration in determining whether to contribute the general partners of the private equity funds as part of the Formation Transaction.

b. *the status of the funding commitments stated in Note 11, "Commitments and Contingencies, Other Commitments" on page F-22 for $13.5 million related to these funds.*

In response to the Staff's comment, Evercore has included on page 53 clarifying disclosure relating to its funding commitments to the private equity funds it manages.

Operating Expenses, page 45

48. *Please revise the last paragraph on page 45 to include as one of the events for the vesting of the Evercore LP units the death or disability of the initial non-founding limited partner on or after the date of the consummation of the IPO. Refer to paragraph 8.01(ii)(D) of Article VIII of the partnership agreement filed as Exhibit 10.1.*

Evercore respectfully advises the Staff that the disclosure describing the vesting of the Evercore LP partnership units upon the death or disability of an initial non-founding limited partner on or after the date of the IPO is described in the sentence immediately following the bullets on page 54.

49. *We refer to the first full paragraph on page 45 that states the Company is not accruing compensation expense related to the unvested partnership units since you consider it is not probable that the conditions that would result in the vesting of these units will be achieved. In this regard, please discuss in this section the basis for your conclusion considering the accounting requirements for accruals for awards with a performance condition according to paragraph 44 of SFAS I23R adopted by Evercore effective January 1, 2006 and EITF 95-8, Accounting for Contingent Consideration Paid to the Shareholders of an Acquired Enterprise in a Purchase Business Combination and EITIF 96-5, Recognition of Liabilities for Contractual Termination Benefits or Changing Benefit Plan Assumptions in Anticipation of a Business Combination.*

In response to the Staff's comment, Evercore has revised its disclosure on pages 54-55 to discuss the accounting requirements for accruals for awards with a performance condition according to paragraph 44 of SFAS 123R, which was adopted by Evercore as of January 1, 2006.

EITF 95-8, *Accounting for Contingent Consideration Paid to the Shareholders of an Acquired Enterprise in Purchase Business Combination* (EITF 95-8), addresses how to distinguish contingent payments in a business combination transaction between compensation and purchase price. EITF 95-8 lists factors that would indicate contingent payments related to a business combination are in substance compensation for future employee services. The unvested partnership units are to be received as part of the consideration received in exchange for the prior equity interests. However, the senior managing directors will automatically forfeit their unvested partnership units upon termination prior to vesting. Accordingly, we supplementally advise the Staff that by analogy to EITF 95-8 the unvested partnership units represent compensation expense rather than purchase consideration paid.

Further, EITF Issue 96-5, *Recognition of Liabilities for Contractual Termination Benefits or Changing Benefit Plan Assumptions in Anticipation of a Business Combination* (EITF 96-5), provides guidance on when certain liabilities would be recognized in anticipation

of a business combination. The EITF reached a consensus that the liability that will be triggered by the consummation of the business combination should be recognized only when the business combination is consummated, not when it is probable that the business combination will be consummated. We supplementally advise the Staff that by analogy to EITF Issue 96-5, compensation expense should not be recognized until the change of control and transfer of interests vesting conditions occur.

Combination with Protego, page 48

50. *Please revise the statement that you will acquire Protego for $7 million of non-interest bearing notes to include the payment of vested partnership units of Evercore LP as stated in the "Organization Structure" section on page 26. Refer to footnote (m) on page 38 of the consolidated pro forma statement of financial condition that estimates the value of these partnership units at $27.5 million.*

In response to the Staff's comment, Evercore has revised its statement under the heading "Combination with Protego" on pages 56-57 that it will acquire Protego for $7 million of non-interest bearing notes to include the payment of the vested partnership units of Evercore LP.

Business, page 60

51. *Please provide a fuller description of the history of the company.*

In response to the Staff's comment, Evercore has expanded its disclosure under the heading "Overview" on page 72 to provide a fuller description of the history of the company.

52. *The discussion of your Investment Management segment beginning on page 64 focuses almost exclusively on the three funds, Evercore Capital Partners I and II and Evercore Ventures. However, we note the statement on page 26 that the general partners of those funds will not become part of Evercore LP. Please revise here and elsewhere as necessary to clarify the ongoing relationship of those funds to the Evercore Partners and Evercore LP.*

In response to the Staff's comment, Evercore has revised its disclosure on pages 3-4, 53 and 76-77 to clarify the relationship of each of the Evercore Capital Partners I and II and Evercore Ventures funds with Evercore following this offering.

53. *You state that you currently have 21 Senior Managing Directors. However, under "People" beginning on page 68, you identify only 17 individuals as Senior Managing Directors. You later identify Messrs. Altman and Beutner as Directors. Please revise to reconcile these disclosures.*

In response to the Staff's comment, Evercore has revised its disclosures under the heading "People" on page 80 and in the second paragraph under "Directors and Executive Officers" on page 88 to reconcile these disclosures and to clarify that the term "Senior Managing Directors" is a title used to refer to Evercore's senior investment banking and investment professionals and does not imply that these individuals are directors of Evercore Partners Inc.

Description of Capital Stock, page 93

54. *Please revise the description of Class B common stock to clarify the practical effect of the formulae with respect to how many shares of Class B will be held by whom, and the resulting voting power of the respective holders.*

In response to the Staff's comment, Evercore has revised its disclosure under the heading "Class B common stock" on page 107 to further clarify the practical effect of the formula governing the voting power of the Class B common stock and, in particular, to clarify that, until such time as Messrs. Altman, Beutner and Aspe and certain trusts benefiting their families collectively cease to beneficially own, in the aggregate, at least 90% of the Evercore LP partnership units they hold on the date of the offering, Messrs. Altman, Beutner and Aspe will have all of the voting power of the Class B Common Stock and the other limited partners of Evercore LP will have no voting power.

55. *Please explain under what circumstances Messrs. Altman, Beutner, and Aspe and the trusts mentioned would come to own less than 90% of the Class A partnership units.*

In response to the Staff's comment, Evercore has revised its disclosure under the heading "Class B common stock" on page 107 to explain that a reduction in the collective beneficial ownership by Messrs. Altman, Beutner and Aspe and certain trusts benefiting their families of Evercore LP partnership units could occur if these persons were to dispose of their Evercore LP partnership units for any reason, subject to the provisions of the Evercore LP partnership agreement and applicable securities laws.

Financial Statements, page F-1

Financial Statements of Evercore LP

56. *We refer to Note 1, "Organization" and Note 2, "Stockholder's Equity" of the Evercore Holdings financial statements on page F-3 that states Evercore Holdings will become the holding company and sole general partner of Evercore LP to which it issued 100 shares of Class B common stock. In this regard, as stated in the "Formation Transaction" section on page 26, considering Evercore LP was formed on May 12, 2006 and is the successor to the majority of the combined operations of Evercore Holdings, please file the audited financial statements of Evercore LP or state in this section why you consider they are not necessary.*

Evercore respectfully submits to the Staff that Regulation S-X does not require financial statements for Evercore LP to be filed as part of the Registration Statement. In addition to the audited statement of financial condition of Evercore Partners Inc., which is the registrant, the Registration Statement already includes audited and interim financial statements of Evercore Holdings, which will be the registrant's predecessor, and of Protego Asesores. Like Evercore Partners Inc. and as discussed on page 29 of the Registration Statement, Evercore LP has not to date engaged in any activities other than

in connection with its formation and the reorganization, and its financial statements would accordingly not reflect any historical economic activity. Moreover, following this offering, Evercore Partners Inc.'s financial statements will consolidate the results of Evercore LP. In these circumstances, Evercore believes that it is not meaningful to include separate financial statements of Evercore LP in addition to those of the registrant, Evercore Holdings and Protego Asesores.

57. *Describe in a footnote how the terms of the Formation Transaction and the acquisition of Protego as stated in the "Organization Structure" section on page 26 will affect the issuance of Partnership Units by the Evercore LP to the Class B shareholders of Evercore Partners and the senior managing directors of Evercore Holdings and Protego.*

Evercore respectfully submits to the Staff that, for the reasons set forth in our response to comment 56, audited financial statements for Evercore LP are not required to be included in the Registration Statement. Evercore advises the Staff that it believes it has disclosed to potential investors the information contemplated by the Staff's comment in the "Organizational Structure" and "Description of Capital Stock" sections of the Registration Statement.

58. *We refer to the second paragraph on page 93 of the "Evercore LP Partnership Agreement" section that states under the terms of the partnership agreement entered into in the Formation Transaction,* 66 2/3% *of the partnership units to be received by the Senior Managing Directors are subject to forfeiture and reallocation, other than partnership units of the two Founding Directors and the current Directors of Protego. Please reconcile this percentage of partnership units subject to forfeiture with Section 8.02 of the Partnership Agreement regarding forfeiture and recapitalization that does not provide for a cap on the partnership units subject to forfeiture.*

Evercore advises the Staff that the number of vested and unvested Evercore LP partnership units that each initial limited partner will receive will be set forth on a schedule to the Evercore LP partnership agreement. As disclosed in the Registration Statement, 66 2/3% of the partnership units held by each initial non-founding limited partner will generally be unvested; Section 8.02 of the Evercore LP partnership agreement provides that only these unvested partnership units are subject to forfeiture.

59. *With respect to the Partnership Units to be issued please provide the following information as described in Articles VII, VIII and IX of the Amended and Restated Limited Partnership Agreement of Evercore LP ("the Partnership Agreement") filed as Exhibit 10.1.*

a. *Describe the various types of vested and unvested Class A, Class B and Class C Partnerships Units and explain their relative rights and obligations in the Partnership;*

b. *State the relationship between the Class A Common Stock of the General Partner and the Partnership Units.*

c. *Disclose the four conditions that may trigger the vesting of the Initial Unvested Non-Founding Limited Partner Units; state the reasons for which any of the various classes of these Partnership Units may be forfeited and disclose any restrictions on the transfer and exchanges of these units.*

d. *Disclose the conditions under which the Partnership could be dissolved and the order in which the proceeds from the liquidation will be applied and distributed considering the Class A and Class B Units have priority over Class C Units in the distribution. Refer to Article IX of the Partnership Agreement.*

Evercore respectfully submits to the Staff that, for the reasons set forth in our response to comment 56, audited financial statements for Evercore LP are not required to be included in the Registration Statement. Evercore advises the Staff that it has revised and expanded its discussion of the Evercore LP partnership units under the heading "Evercore LP Partnership Agreement" on pages 103 and 104 to provide investors with the disclosure contemplated by the Staff's comment to the extent such disclosure was not previously set forth.

Financial Statements of Evercore Partners, Inc., page F-3

Note 1, Organization, page F-9

60. *We refer to the "Organizational Structure" section on page 26 that states as part of the Formation Transaction, the Company will contribute to Evercore LP various entities that conduct your business, with the exception of the general partners of the Evercore Capital Partners I and II and Evercore Ventures funds. In this regard, please discuss in the footnote:*

a. *which are the entities under common control that will form part of the Evercore LP and why the general partners of the two funds are not included as part of the entities under common control. Refer to Note 3, "Recently Issued Accounting Pronouncements" on page F-15 regarding your implementation of EITF 04-5 effective for fiscal years beginning after December 15, 2005.*

b. *State what are the "certain other entities" that will be not be included in the Evercore LP financial statements that you refer to in note (a) on page 34 of the pro forma consolidated statement of income.*

In response to the Staff's comment, Evercore has added "Note 4—Significant Events—Contribution and Sale Agreement" to the Notes to Statement of Financial Condition of Evercore Partners Inc. on page F-3 to F-4 to describe the various entities that will be contributed to Evercore in connection with the Formation Transaction referred to in the "Organizational Structure" section.

61. *We refer to the "Holding Company Structure" section on page 28 that states Evercore Partners will consolidate the financial results of Evercore LP and the ownership interest of your Senior Managing Directors in Evercore LP will be reflected as a minority interest in Evercore Partners financial statements. In this regard, considering that the Founding Senior Managing Directors will continue to have the common control of Evercore LP after the consummation of the Formation Transaction, please tell us and state in the footnote to the financial statements of Evercore Partners the basis for concluding that the ownership interest of the Senior Managing Director in Evercore LP is classifiable as minority interest in the financial statements of Evercore Partners.*

Evercore advises the Staff that in connection with the Offering Transactions described in the "Organizational Structure" section, Evercore Partners Inc. will become 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 exclusive control over the management of Evercore LP. Evercore LP does not qualify as a variable interest entity under FIN 46(R), and therefore is within the scope of EITF 04-5, *Investor's Accounting for an Investment in a Limited Partnership When the Investor Is The Sole General Partner and the Limited Partners Have Certain Rights.*

EITF 04-5 states that "The general partners in a limited partnership are presumed to control that limited partnership." However, EITF 04-5 paragraph 6 goes on to state, in part: "If the limited partners have either (a) the substantive ability to dissolve (liquidate) the limited partnership or otherwise remove the general partners without cause [kick-out rights] or (b) substantive participating rights, the general partners do not control the limited partnership." Although the limited partners of Evercore LP will have a majority economic interest in Evercore LP, they will not have the right to dissolve the limited partnership or substantive kick-out rights or substantive participating rights.

Consolidation is typically appropriate when one entity has a controlling financial interest in another entity and the usual condition for a controlling financial interest is ownership of a majority voting interest. As such, in accordance with EITF 04-5, Evercore Partners Inc., as the sole general partner of Evercore LP, will have a majority voting interest in Evercore LP and will be required to consolidate Evercore LP and record a minority interest for the economic interest in Evercore LP held directly by the Evercore Senior Managing Directors.

Evercore advises the Staff that it has added "Note 4—Significant Events—Amended and Restated Evercore LP Partnership Agreement" to the Notes to Statement of Financial Condition of Evercore Partners Inc. on page F-4 to discuss the above.

62. *We note the last paragraph of the "Holding Company Structure" on page 28. Describe in this section the basis for allocating net profits and net losses of Evercore LP to the holder of the partnership units including:*

    a. *The allocation made to the Evercore Partners Inc. and the Senior Managing Directors as stated in last paragraph of the "Holding Company Structure" on page 28.*

b. *An explanation as to why the Senior Managing Directors are entitled to a separate allocation of the net profits and losses of Evercore LP.*

c. *A description as to when cash distributions to the holders of the vested partnership units will be made based on the taxable income of Evercore LP.*

d. *A discussion of how it will account for any cash distributions to the holders of the vested partnership units of Evercore LP for purposes of funding their tax obligations related to income of Evercore LP that is allocated to them.*

In response to the Staff's comment, Evercore has added "Note 4—Significant Events—Amended and Restated Evercore LP Partnership Agreement" to the Notes to Statement of Financial Condition of Evercore Partners Inc. on page F-4 to discuss the matters requested by the Staff.

Note 3, Stockholder's Equity, page F-3

63. *Please revise the statement that all shares of Class A and Class B common stock are identical to provide the following information:*

a. *Describe the differences in voting and economic rights between these two classes of shares as stated in the "Description of Capital Stock" section on page 93.*

b. *Describe the relationship between the Class B common stock and the Class A partnership units held in Evercore LP.*

c. *Describe the conditions and the basis under which the Evercore LP units may be exchanged for shares of Class A common stock, including any income tax effects of the exchange and the terms of the related tax receivable agreement. Refer to the risk factor titled: "We may be required to pay our Senior Managing Directors for most of the benefits relating to any additional tax depreciation..." on page 21.*

In response to the Staff's comment, Evercore has added "Note 4—Significant Events—Amended and Restated Certificate of Incorporation" to the Notes to Statement of Financial Condition of Evercore Partners Inc. on page F-5 to describe the voting and economic rights of the Class A Common Stock, the Class B Common Stock and the relationship between the Class B Common Stock and the Evercore LP partnership units. In addition, Evercore has added "Note 4—Significant Events—Tax Receivable Agreement" to the Notes to Statement of Financial Condition of Evercore Partners Inc. on page F-6 to describe the tax receivable agreement.

64. *Discuss in the notes to the financial statements the voting rights of the Senior Managing Directors and the Founding Directors, Reconcile in your disclosure the following differences with respect to the voting rights of the Class B common shares:*

    a. *The risk factor titled: "Control by Messrs. Altman and Beutner of the voting power in Evercore Partners Inc. may give rise to conflicts of interest" on page 22 states that Messrs Altman, Beutner and Aspe immediately following the offering, will be entitled to the votes equal to the total of vested and unvested partnership units of Evercore LP held by all the Senior Managing Directors and therefore the other Senior Managing Directors will have no voting power in Evercore Partners.*

    b. *The "Description of Capital Stock" section on page 93 states that Class B common shares entitle the holder, other than Evercore Partners, to the number of votes based on a formula related to the number of Class A partnership units held by the holder of Class B stock.*

In response to the Staff's comment, Evercore has added "Note 4—Significant Events—Amended and Restated Certificate of Incorporation" to the Notes to Statement of Financial Condition of Evercore Partners Inc. beginning on page F-5 to describe and clarify the voting and economic rights of the Class B Common Stock and the relationship between the Class B Common Stock and the Evercore LP partnership units.

65. *We refer to the "Class B common stock" section on page 93 that provides a formula for determining the number of votes to which the holders of Class B common shares are entitled. Please tell us and include in the note to the financial statements the following regarding this formula:*

    a. *Explain why the formula applies to holders of Class B common stock other than the Evercore Partners;*

    b. *State how the Class B shares held by Evercore Partners are entitled to vote their shares since they are not included in the formula;*

    c. *Explain why the formula for determining the number of votes of Class B shares is determined by reference to the Class A partnership units in Evercore LP which are held by Messrs. Altman, Beutner and Aspe.*

    d. *Explain why the partnership units in Evercore held by Evercore Partners are excluded from the total number of Class A partnership units outstanding in Evercore LP.*

Evercore advises the Staff that the formula for determining the number of votes to which the holders of shares of Class B Common Stock will be entitled applies to holders other than Evercore Partners Inc. because, under Delaware law, a corporation is precluded from voting shares of its own capital stock. Evercore also advises the Staff that the formula governing the voting power of the Class B Common Stock was determined in a manner designed to allocate to the holders of Class A Common Stock at all times a percentage of the voting power in Evercore Partners Inc. that equals the percentage of the vested and unvested partnership units in Evercore LP held by Evercore Partners Inc. while also providing for continuity of control by Messrs. Altman and Beutner until such time as such individuals, together with Mr. Aspe, the founder of Protego, no longer retain 90% of their initial equity in Evercore LP.

Financial Statements of Evercore Holdings, page F-5

Combined Statements of Financial Condition, page F-5

66. *We refer to the "Organizational Structure, Formations Transaction" section on page 26 that states that in exchange for the contributed entities to Evercore LP, the Company will distribute to the Senor Managing Directors monetary and other consideration equal to all earnings for the period from January 1, 2006 to the date of the closing of the Formation Transaction. In this regard, please record the planned distribution to the owners of the Company by providing a pro forma balance sheet along side the historical financial statements giving effect to the distribution accrual, but not giving effect to the offering proceeds. Refer to SAB 1.B.3.*

Evercore respectfully advises the Staff that it is comprised of a series of partnerships and limited liability companies and that it has not declared a dividend. Moreover, it is not possible for Evercore to estimate the size of the eventual pre-incorporation distributions to its Senior Managing Directors because it is unable to estimate its earnings through the date of the Reorganization. Evercore respectfully submits that investors are adequately informed of the distributions to be effected prior to the offering as this is discussed elsewhere in the Registration Statement and also notes that a distribution of its 2006 earnings through March 31, 2006 is reflected as an adjustment to the pro forma statement of financial condition in the "Unaudited Pro Forma Financial Information" section.

Combined Statements of Income, page F-6

67. *You do not report a cost of services in your income statement as required by Article 5 of Regulation S-X. Tell us:*

- *how you determined that this is an appropriate presentation; and*
- *how you gather costs to make management decisions*.

Evercore respectfully submits that its financial statement presentation is consistent with the requirements of Article 5 of Regulation S-X. Article 5 of Regulation S-X is applicable to financial statements filed for all persons defined as Commercial and Industrial Companies and includes several exceptions such as Bank Holding Companies and Broker Dealers Filing Form X-17A-5. The businesses within Evercore are more analogous to the excluded businesses. For example, Article 9 of Regulation S–X for bank holding companies does not distinguish between operating and non-operating revenue and expenses, and does specify itemization or breakout of Fees for Customer Services and Commissions and Fees from Fiduciary Services. These revenue types are similar to the revenues generated from Evercore's advisory and investment management businesses. Accordingly, Evercore believes that its financial statement presentation, which is consistent with its peer companies and other financial services firms, present the appropriate line items for its businesses and it does not distinguish between operating and non-operating income and expenses as Evercore considers all the various components of its revenues and expenses as operating items when making management decisions.

Note 2. Significant Accounting Policies, page F-10

Minority Interest, page F-11

68. *Please revise this footnote to explain the accounting basis for stating you control and have consolidated EVM although you have recorded a* minority interest *of approximately 53%.*

In response to the Staff's comment, Evercore has revised Note 2 on page F-14 to explain the accounting basis for recording minority interest in EVM.

Client Expense Reimbursement, page F-14

69. *We refer to the statement that you have recorded reimbursements for transaction-related expenses on behalf you your clients as Advisory or Investment Revenues in the statement of income. We also note the "Revenue" section of MD&A on page 45 states that beginning in 2006 you have changed your accounting policy regarding expense reimbursements and will no longer record revenues and expenses on a gross basis, and will record them on a net basis with respect to these transaction-related reimbursements and expenditures. In this regard, tell us why you consider that your current policy of recording expense reimbursements is appropriate and include specific reference to the authoritative accounting literature that supports you conclusion. Alternatively, revise the financial statements for the three-year period to record expense reimbursements as offsets to the related expenses and record the change as a correction of an accounting error as required by paragraph 13 of APB 20.*

Evercore respectfully advises the Staff that it has for all fiscal periods presented in the Registration Statement recorded client expense reimbursements gross, with the billed reimbursable amount appearing in revenues in adherence to the guidance within EITF 01-14, "*Income Statement Characterization of Reimbursements Received for "Out-of-Pocket" Expenses Incurred"*. (EITF 01-14 states "Entities that provide services as part of their central ongoing operations generally incur incidental expenses that in practice are commonly referred to as "out-of-pocket" expenses…[and] that reimbursements received for out-of-pocket expenses incurred should be characterized as revenue in the income statement.") Evercore has determined following further review not to effect any change in its accounting policies in this respect and advises the Staff that it has removed references to such a change from the Registration Statement.

Note 3, Recently Issued Accounting Pronouncements, page F-15

70. *We refer to your implementation of EITF Issue No. 04-5, "Determining Whether a General Partner, or the General Partners as a Group, Controls a Limited Partner or Similar Entity When the Limited Partners have Certain Rights", which is effective for fiscal periods beginning after December 15, 2005. We note you state that, pursuant to EITF 04-5, as of December 31, 2005 you have determined that the consolidation of the Private Equity Funds will not be required. In this regard, please tell us and provide in the footnote the following information:*

    a. *Explain the basis under EITF 04-5 why you have determined that consolidation of these funds is not necessary. Discuss why you consider that the limited partners have "kick-out" rights, including the substantive ability, without significant barriers, to dissolve the limited partnership or remove the general partner without cause as required by EITF 04-5. Describe how Private Equity Funds were structured to include these "kick-out" rights considering the Founding Senior Managing Directors of the Company control these Private Equity Funds and have consolidated them in the financial statements for 2005.*

Evercore respectfully submits that, as of December 31, 2005 and at all times thereafter, the private equity funds' partnership agreements provide for the right to remove the general partners without cause by a simple majority vote of the limited partners. As a result, Evercore has determined that consolidation of the private equity funds it manages is not required pursuant to EITF 04-5. Under EITF 04-5, 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.

b. *Assuming that you comply with the requirements of EITF 04-5 to not consolidate the private equity funds, state how you will implement the elimination of the consolidation of these funds. Refer to paragraph 9 of EITF 04-5 that requires the limited partnerships be accounted for by using the equity method of accounting which will not result in an adjustment to previously reported equity or net income,*

Evercore respectfully advises the Staff that the private equity funds it manages are not consolidated in the financial statements of Evercore Holdings and, accordingly, elimination of the consolidation of these entities is not required. Evercore also respectfully advises the Staff that the general partners of the Evercore Capital Partners I and II and Evercore Ventures funds are not being contributed to Evercore LP, based on Evercore's assessment of each fund's status in its respective lifecycle (fundraising period, investment period and realization or harvesting period) and the manner in which the contribution of these entities would be valued by Evercore's public stockholders.

c. *Reconcile the requirements for the use of the equity method under EITF 04-5 to the deconsolidation of the private equity funds in adjustment (e) to the pro forma consolidated income statement on page 34 and adjustment (j) to the pro forma consolidated statement of financial condition on page 37 that eliminate a net loss of $976,000 and $13 million of investments related to these funds.*

As discussed above, the private equity funds managed by Evercore are not consolidated in the financial statements of Evercore Holdings and, accordingly, elimination of the consolidation of these entities is not required. Evercore also respectfully advises the Staff that, as discussed above and disclosed on pages 3-4, 53 and 76-77, the general partners of the Evercore Capital Partners I and II and Evercore Ventures funds are not being contributed to Evercore LP.

d. *If the elimination of these private equity funds are not related to the implementation of EITF 04-5, please provide the full audited financial statements of Evercore LP since this is the acquired component of the business of Evercore Holdings, excluding the continuing operations of the Private Equity Funds. Tell us and disclose in the filing if Evercore Holdings will retain and continue to operate the Private Equity Funds,*

As discussed above in our response to comment 56, Evercore respectfully submits that financial statements for Evercore LP are not required to be filed as part of the Registration Statement. The general partners of the private equity funds managed by Evercore will remain the general partners of such funds and will continue to be owned by Evercore's Senior Managing Directors and other third parties and are not being contributed to Evercore LP.

e. *Discuss your consideration of your commitment for capital contributions of $13.458 million for these funds as of December 31, 2005. Refer to Note 11, "Commitments and Contingencies, Other Commitments" on page F-22.*

Evercore has revised its disclosure on page 53 to clarify the discussion of the general partners' commitments to make capital contributions to these funds.

f. *We refer to the "Relationship with the Evercore Capital Partners Funds" section on page 88 that states Evercore GP Holdings LLC will become a non-managing member of the general partner of the Evercore Capital Partners II private equity fund that will entitle the Company to receive 8% to 9% o the carved interest realized from that fund following the offering. In this regard, please tell us why you consider that this private equity fund falls under EITF 04-5 considering it appears the Company continues to have significant influence over this fund.*

Evercore respectfully advises the Staff that the non-managing minority equity interest in the general partner of the Evercore Capital Partners II private equity fund to be contributed to Evercore LP will not afford Evercore LP with either a) the substantive ability to dissolve the limited partnership or otherwise remove the general partners without cause or b)

substantive participating rights. Control over this entity will remain with Messrs. Altman and Beutner as the sole managing members of the entity's sole general partner.

Financial Statement of Protego Asesores, S.A. de C.V, Subsidiaries and Protego SI, S.C.

Combined and Consolidated Balance Sheets, page F-28

71. *We refer to the "Organizational Structure, Combination with Protego" section on page 26 that states Protego will distribute to is Directors monetary and other consideration equal to all earnings for the period from January 1, 2005 to the date of the closing of the acquisition transaction. In this regard, please record the planned distribution to the owners of the Company by providing a pro forma balance sheet giving effect to the distribution accrual, but not giving effect to the offering proceeds, along side the historical balance sheet. Refer to SAB 1.B.3.*

Evercore respectfully advises the Staff that Protego has not declared a dividend and that it is not possible for Protego to estimate the size of the eventual pre-incorporation distributions to its Directors because it is unable to estimate its earnings through the date of the Reorganization. Evercore respectfully submits that investors are adequately informed of the distributions to be effected prior to the offering as it is discussed elsewhere in the Registration Statement and notes that a distribution of its earnings through March 31, 2006 is reflected as an adjustment to the pro forma statement of financial condition in the "Unaudited Pro Forma Financial Information" section.

* * * * * * * *

Please do not hesitate to call Vincent Pagano, Jr. at 212-455-3125 or Joshua Ford Bonnie at 212-455-3986 with any questions or further comments you may have regarding this filing or if you wish to discuss the above responses.

Very truly yours,
/s/ Simpson Thacher & Bartlett LLP

SIMPSON THACHER & BARTLETT LLP

cc: Securities and Exchange Commission
Todd K. Schiffman, Esq.
Donald Walker
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ANNEX A

Worldwide Announced Advisor Ranking (AD1)

Based on Value

Excluding Equity Carveouts, Withdrawn Deals & Open Market Repurchases

01/01/2001 - 06/22/2006

Financial Advisor Full to Each Eligible Advisor	Ranking Value inc. Net Debt of Target ($ Mil)	Rank	Mkt. Share	Number of Deals
Goldman Sachs & Co	3,199,907.2	1	30.8	1,888
Morgan Stanley	2,378,567.2	2	22.9	1,692
JP Morgan	2,254,815.2	3	21.7	1,988
Citigroup	2,186,604.2	4	21.0	1,969
Merrill Lynch & Co Inc	2,041,921.8	5	19.6	1,290
UBS	1,476,694.4	6	14.2	1,514
Lehman Brothers	1,440,444.6	7	13.9	1,060
Credit Suisse	1,424,952.5	8	13.7	1,772
Deutsche Bank AG	1,287,419.8	9	12.4	1,254
Lazard	1,183,978.8	10	11.4	1,123
Rothschild	979,790.3	11	9.4	1275
BNP Paribas SA	627,088.1	12	6.0	573
ABN AMRO	432,301.0	13	4.2	791
Banc of America Securities LLC	431,317.9	14	4.2	583
Bear Stearns & Co Inc	403,894.9	15	3.9	344
HSBC Holdings PLC	399,999.7	16	3.9	421
Dresdner Kleinwort Wasserstein	347,296.2	17	3.3	437
Evercore Partners	**271,308.8**	**18**	**2.6**	**65**
Societe Generale	247,011.4	19	2.4	411
Calyon	235,742.8	20	2.3	285
CIBC World Markets Inc	196,130.6	21	1.9	452
Mediobanca	182,419.1	22	1.8	158
PricewaterhouseCoopers	174,408.7	23	1.7	1448
Nomura	173,551.4	24	1.7	681
Rohatyn Associates LLC	173,526.1	25	1.7	4
Macquarie Bank	170,314.4	26	1.6	367
Houlihan Lokey Howard & Zukin	160,781.2	27	1.6	777
KPMG Corporate Finance	155,384.1	28	1.5	2298
Wachovia Corp	152,361.9	29	1.5	262
Greenhill & Co, LLC	141,703.6	30	1.4	113
RBC Capital Markets	130,357.5	31	1.3	311
Cazenove & Co	118,092.3	32	1.1	139
The Blackstone Group	117,635.3	33	1.1	63
Ernst & Young LLP	114,493.7	34	1.1	1080
Santander Investment SA	112,795.2	35	1.1	145
Keefe Bruyette & Woods Inc	99,699.7	36	1.0	271
Mitsubishi UFJ Financial Group	96,655.1	37	.9	574
Deloitte & Touche LLP	95,854.3	38	.9	766
MCC	95,023.1	39	.9	40
Mizuho Financial Group	91,859.5	40	.9	588
BMO Capital Markets	90,547.0	41	.9	201
Quadrangle Group LLC	80,378.9	42	.8	3
TD Securities Inc	78,073.0	43	.8	128
ING	74,476.8	44	.7	398
Daiwa Securities SMBC	64,534.4	45	.6	477
HVB/UBM	64,298.2	46	.6	166
Jefferies & Co Inc	62,587.5	47	.6	509
Scotiabank-Bank of Nova Scotia	61,027.3	48	.6	144
D Carnegie & Co AB	59,299.2	49	.6	224
Enskilda	59082.6	50	0.6	233
Subtotal with Financial Advisor	**8,999,210.1**	**—**	**86.6**	**36,036**
Subtotal without Financial Advisor	**1,397,818**	**—**	**13**	**128,960**
Industry Total	**10,397,028**	**—**	**100**	**164,996**