

# SEWARD & KISSEL LLP

901 K STREET, NW  
WASHINGTON, DC 20001

WRITER'S DIRECT DIAL:

TELEPHONE: (202) 737-8833  
FACSIMILE: (202) 737-5184  
WWW.SEWKIS.COM

ONE BATTERY PARK PLAZA  
NEW YORK, NEW YORK 10004  
TELEPHONE: (212) 574-1200  
FACSIMILE: (212) 480-8421

December 17, 2014

VIA E-MAIL (shareholderproposals@sec.gov)

Office of Legal and Disclosure  
Division of Investment Management  
U.S. Securities and Exchange Commission  
100 F Street, N.E.  
Washington, D.C. 20549

Re: AllianceBernstein Income Fund, Inc. — Omission of Stockholder  
Proposal Submitted by Karpus Management, Inc.

Ladies and Gentlemen:

We are counsel to AllianceBernstein Income Fund, Inc., a Maryland corporation registered under the Investment Company Act of 1940, as amended (the "1940 Act"), as a closed-end management investment company (the "Fund"), in connection with a proposal and supporting statement (the "Proposal") received by the Fund on October 23, 2014, from Karpus Management, Inc., d/b/a Karpus Investment Management ("Karpus" or the "Proponent"), for inclusion in the Fund's proxy materials (the "Proxy Materials") for its Annual Meeting of Stockholders in 2015 (the "2015 Annual Meeting"), pursuant to Rule 14a-8 promulgated under the Securities Exchange Act of 1934, as amended. We hereby respectfully request confirmation from the staff (the "Staff") of the Securities and Exchange Commission (the "Commission") that no enforcement action will be recommended if the Fund excludes the Proposal from the Proxy Materials.

The Fund currently expects the 2015 Annual Meeting to take place on or about April 26, 2015, and it expects to file its Proxy Materials on or about March 7, 2015. Pursuant to Rule 14a-8(j), the Fund, by separate letter, is contemporaneously advising the Proponent of the Fund's intention to omit the Proposal from the Proxy Materials.

The Proposal, copied below, requests, in relevant part, that the Board of Directors of the Fund (the "Board") authorize a self-tender for 100% of the outstanding common shares of the Fund at or close to net asset value ("NAV") and that, if more than 50% of the Fund's outstanding common shares are tendered, the tender offer should be canceled and the Fund should be liquidated, converted into an exchange-traded fund, or converted/merged into an open-end mutual fund. The Fund believes that the Proposal may be excluded:

1. Pursuant to Rule 14a-8(i)(2), because it would, if implemented, require the Fund to violate Maryland law and the 1940 Act;

2. Pursuant to Rule 14a-8(i)(6), because the Fund does not have the power and authority to liquidate, merge or convert into an open-end or exchange traded fund to implement the Proposal; and

3. Pursuant to Rule 14a-8(i)(3), because the Proposal contains materially false and misleading statements regarding the context in which the proposal is made, including statements that impugn the integrity of the Fund's directors through questioning their adherence to their fiduciary duties and make charges concerning improper and illegal activity without factual foundation, contrary to Rule 14a-9.

## **I. The Proposal**

The Proposal reads, in full, as follows:

**BE IT RESOLVED**, the shareholders of the AllianceBernstein Income Fund ("ACG" or the "Fund") request the Board of Directors promptly consider authorizing a self-tender offer for all outstanding common shares of the Fund at or close to net asset value ("NAV"). If more than 50% of the Fund's outstanding common shares are tendered, the tender offer should be cancelled and the Fund should be liquidated, converted into an exchange-traded fund, or converted/merged into an open-end mutual fund.

### **Supporting Statement**

Pursuant to the Fund's prospectus, in 2013 Karpus (as well as at least 10% of the Fund's outstanding shares) submitted a written request to have the Fund submit a proposal to Fund shareholders to convert the Fund from a closed-end to an open-end investment company. Against shareholders' best interests, our Board unanimously recommended shareholders vote against this proposal.

At the close of last year's meeting on March 27, 2014, this means that shareholders could've received an additional 10.83% or \$0.90 *for each share* if the open-ending would've occurred.

Because the discount of the Fund has remained virtually unchanged, shareholders could receive a similar amount (10.70% or \$0.90) through the date we've submitted this proposal.

Not only did the Board unanimously recommend against the open-ending proposal, but its "solution" to the Fund's discount was to ask shareholders to change the Fund's fundamental investment objectives. Shareholders responded strongly, and the measure did not pass. As we said at the time, if the Board was having difficulty managing the Fund's discount, we didn't believe the answer was to

ask shareholders to assume more risk in a search for yield. Shareholders were right.

Presumably, the Fund included the original language in its prospectus because it saw the possibility for the Fund to trade a persistent discount. While the Fund has conducted open market share repurchases, the Fund's persistently wide discount to net asset value shows that the Board's actions have not proven effective. This is why we believe our proposal should be implemented and the Board should authorize a self-tender offer for the Fund's common shares at or close to net asset value. Should a majority of outstanding shares be tendered, this would indicate that shareholders do not support the Fund continuing in its closed-end format.

The Fund and Board are likely to come up with a litany of arguments against our Proposal but the simple fact of the matter is that the Board has not been able to effectively manage the Fund's discount.

Tell the Board that you want it to take more effective action to narrow the discount. Vote **FOR** Karpus' Proposal to tell the Board you want it to adhere to the spirit and intent of the prospectus' lifeboat provision to enhance shareholder value. (Emphasis original.)

## **II. The Proposal May Be Excluded Pursuant to Rule 14a-8(i)(2) Because It Would, if Implemented, Cause the Fund to Violate Maryland Law and the 1940 Act**

Rule 14a-8(i)(2) permits a company to omit a stockholder proposal that would, if implemented, cause the company to violate any state, federal or foreign law to which it is subject. The implementation of the Proposal would cause the Fund to violate Maryland law and the 1940 Act. The Proposal, in part, requests that the Board authorize a self-tender for 100% of the outstanding common shares of the Fund at or close to NAV and states that, if more than 50% of the Fund's outstanding common shares are tendered, the Fund should be liquidated, converted to an exchange-traded fund, or converted/merged into an open-end mutual fund.<sup>1</sup>

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<sup>1</sup> For purposes of this letter, discussion of conversion to an open-end fund shall apply to the concept of conversion to an exchange-traded fund as well. It should be noted, however, that conversion to an exchange-traded fund would require steps in addition to those required for a conversion to an open-end fund. In addition, conversion to an open-end fund or an exchange-traded fund would have an adverse impact on portfolio management as discussed in the Proxy Statement (as defined below) at page 19.

A. The Proposal Would, if Implemented, Violate Maryland Law

The Proposal's first alternative should more than 50% of the Fund's common shares be tendered, as discussed above, is the liquidation of the Fund. A liquidation would necessarily involve the sale of all of the Fund's assets, which is governed by Section 3-105 and Section 3-902 of the Maryland General Corporation Law (the "MGCL"). Customarily, a liquidation also involves the dissolution of a corporation under Section 3-403 of the MGCL. While not acknowledged in the statements of the Proponent, both the sale of all the Fund's assets and the dissolution of the Fund with shares outstanding require both Board and stockholder approval under the MGCL.

The Proposal's second and third alternatives should more than 50% of the Fund's common shares be tendered are conversion of the Fund into an exchange-traded fund or merging or converting the Fund into an open-end fund. However, the Proposal fails to specify how any of the "conversions" would be effected. The MGCL does not specifically provide for "conversion" of a closed-end fund into an open-end fund; rather, a "conversion" would require an amendment to the Fund's charter (the "Charter")<sup>2</sup> or a consolidation, merger, share exchange, a transfer or sale of assets or a conversion into another business entity. Under the MGCL, these actions would require the Board to consider and adopt a resolution setting forth the proposed transaction, declare the advisability of the transaction and direct that the proposed transaction be submitted for consideration at either an annual or special meeting of the stockholders. Then, pursuant to Section 3-105(e) of the MGCL, with respect to consolidations and share exchanges, and Section 3-902(e), with respect to conversions into other business entities, the stockholders would have to vote to approve the proposed transaction. If a "conversion" is accomplished by an amendment to the Charter, Section 2-604 of the MGCL would require the same statutory procedures—namely, board and stockholder approval.

In each instance, the MGCL requires that the foregoing actions must be considered and approved by both the Board and the stockholders. Board approval alone is not sufficient. Accordingly, the Proposal, if implemented, would cause the Fund to violate Maryland law because it calls for the Board, after conducting the conditional tender offer, to unilaterally without the statutorily required stockholder vote — sell all of the assets of, or dissolve, the Fund; amend the Charter; convert the Fund into an exchange-traded fund or convert/merge the Fund into an open-end fund; or compel the Fund to engage in a share exchange. A supporting opinion of Venable LLP with respect to matters of Maryland law is attached hereto as Exhibit A.

Exclusion of the Proposal on these grounds is consistent with prior Staff positions. The Staff has determined that a company may properly exclude a stockholder proposal recommending the board of directors to take an action that would result in the company violating state law. *See Adams Express Company* (January 26, 2011) ("Adams Express") (finding a proposal similar to the one in the Proposal — requesting that the board authorize a fund to conduct a self-tender offer for all outstanding shares at net asset value or within 1% thereof, and that if more than 50% of the outstanding shares are tendered, the offer should be cancelled and the fund should be liquidated or merged or converted into an open-end mutual fund — excludable pursuant to Rule 14a-8(i)(2), noting that in the opinion of the fund's

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<sup>2</sup> A copy of the Charter is attached hereto as Exhibit B.

counsel “the Board lack[ed] authority to liquidate, merge, or convert the Fund and implementation of these aspects of the Proposal would violate state law”); *Northrop Grumman Corporation* (Feb. 29, 2008) (“Northrop”) (a proposal recommending that the board adopt cumulative voting — an action requiring both board and subsequent stockholder approval — was excludable pursuant to, among others, Rule 14a-8(i)(2)); *Xerox Corporation* (Feb. 23, 2004) (permitting exclusion of a stockholder proposal under Rule 14a-8(i)(2) because it recommended that the board amend the company’s certificate of incorporation, which under state law could only be done “upon authorization thereof by the board of directors initially, followed by approval thereof by the shareholders”); and *Burlington Resources Inc.* (Feb. 7, 2003) (“Burlington”) (holding a stockholder proposal — requesting that the board of directors amend the certificate of incorporation to reinstate the rights of the stockholders to take action by written consent and to call special meetings — properly excludable under Rule 14a-8(i)(2) because, if implemented, it would cause the company to violate Delaware law).

#### B. The Proposal Would, if Implemented, Violate the 1940 Act

The unilateral Board action called for by the Proposal would also violate the 1940 Act. Section 5(a) of the 1940 Act divides management companies into closed-end funds and open-end funds. Under Section 5(a)(1), an open-end fund is defined as a “management company which is offering for sale or has outstanding any redeemable security of which it is the issuer.” Section 5(a)(2) provides that a closed-end fund is “any management company other than an open-end company.” Under Section 13(a) of the 1940 Act, a registered investment company may not change its subclassification under Section 5(a)(1) or (2) of the 1940 Act, unless authorized by a majority of its outstanding voting securities. Because the “conversion” of the Fund to an open-end fund would necessarily involve a change in the Fund’s subclassification, implementation of the Proposal by the Board, without shareholder approval, would violate the 1940 Act, and it thus may be excluded pursuant to Rule 14a-8(i)(2).

### III. **The Proposal May Be Excluded Pursuant to Rule 14a-8(i)(6) Because the Fund Does Not Have the Power and Authority to Liquidate, Merge or Convert Into an Open-End or Exchange Traded Fund to Implement the Proposal**

Rule 14a-8(i)(6) permits a company to exclude a stockholder proposal if the company “lacks the power or authority to implement” such proposal. The Fund believes that it does not have the power or authority to implement the Proposal. As discussed above, (1) the MGCL does not permit the Fund to implement the Proposal without a stockholder vote and (2) the 1940 Act prohibits the Fund from “converting” to an open-end fund unless authorized by a majority of its outstanding voting securities. Moreover, the Charter does not (and, under the MCGL, may not) vest in the Fund the power to unilaterally implement the Proposal.

The stockholder voting provisions in the Charter are consistent with the approval requirements of the MGCL described above. In addition to Board approval, Article Seventh, Section 4(b) of the Charter requires stockholder approval by the affirmative vote of at least two-thirds of the votes entitled to be cast on the matter to convert the Fund from a closed-end company to an open-end company. Accordingly, without both Board and stockholder approval,

the Fund does not have the power to implement the Proposal. A supporting opinion of Venable LLP with respect to matters of Maryland law is attached hereto as Exhibit A.

As provided in *Staff Legal Bulletin 14D* (Nov. 7, 2008), “[i]f a proposal recommends, requests, or requires the board of directors to amend the company’s charter, we may concur that there is some basis for the company to omit the proposal in reliance on rule 14a-8(i)(1), rule 14a-8(i)(2), or rule 14a-8(i)(6) if . . . applicable state law requires any such amendment to be initiated by the board and then approved by shareholders in order for the charter to be amended as a matter of law.” The Staff has concurred in the exclusion of proposals that would require amending the company’s certificate of incorporation under Rule 14a-8(i)(6). *See, e.g., Advanced Photonix, Inc.* (May 15, 2014) (concurring with the exclusion of a proposal because “implementation of the proposal would cause [the company] to violate state law because the proposed bylaw would conflict with [the company’s] certificate of incorporation.”); *CVS Caremark Corp.* (Mar. 9, 2010) (same); *Northrop Grumman Corp.* (Mar. 10, 2008) (concurring with the exclusion of a proposal that would have required either the adoption of a bylaw inconsistent with the certificate of incorporation or a unilateral board amendment to the certificate of incorporation); *Boeing Co.* (Feb. 19, 2008) (concurring with the exclusion of a proposal that would have required unilateral board amendment to the certificate of incorporation).

The Staff has previously determined that a company may exclude a stockholder proposal where, as here, the board lacks the power and authority to implement it. *See Adams Express, supra*, (finding the proposal similar to the one in the Proposal as outlined above excludable under Rules 14a-8(i)(6) after noting that in the opinion of the fund’s counsel “the Board lacks authority to liquidate, merge, or convert the Fund”); *Northrop, supra*, (finding the proposal excludable pursuant to Rule 14a-8(i)(6) because it was not within the power of the company or the board to adopt cumulative voting (a stockholder vote was required)); *Burlington, supra*, (holding the proposal excludable because it was beyond the board’s power and authority to amend the certificate of incorporation).

**IV. The Proposal May Be Excluded Pursuant to Rule 14a-8(i)(3) Because It Contains Materially False and Misleading Statements Regarding the Context in which the Proposal Is Made, Including Statements that Impugn the Integrity of the Fund’s Directors and Make Charges Concerning Improper and Illegal Activity Without Factual Foundation, Contrary to Rule 14a-9.**

Rule 14a-8(i)(3) permits the exclusion of a shareholder proposal if the proposal or supporting statement is contrary to any of the Commission’s proxy rules, including Rule 14a-9, which prohibits materially false or misleading statements in proxy soliciting materials.

**A. The Proposal Contains Materially False and Misleading Statements Regarding the Context in which the Proposal Is Made**

The Supporting Statement asserts that the Proposal is made in reaction to past proposals and board recommendations, but it imprecisely, and partly incorrectly, describes the circumstances to which it refers, and thus bases the Proposal upon materially false and misleading premises in violation of Rule 14a-9.

The Proposal refers to written requests submitted to the Fund in 2013 to have the Fund submit a proposal to the Fund's stockholders to convert the Fund from a closed-end to an open-end investment company at the 2014 Annual Meeting of Stockholders ("2014 Annual Meeting"). In addition to materially mischaracterizing another proposal put before the 2014 Annual Meeting, repeatedly impugning the good faith and integrity of the Fund's directors, and failing to note that the open-ending proposal was rejected by stockholders at the 2014 Annual Meeting, the Proposal purports to evaluate the potential financial gain for stockholders if the open-ending proposal had been adopted. The Proposal states as follows: "At the close of last year's meeting on March 27, 2014, this means that shareholders could've received an additional 10.83% or \$0.90 for each share if the open-ending would've occurred. Because the discount of the Fund has remained virtually unchanged, shareholders could receive a similar amount (10.70% or \$0.90) through the date we've submitted this proposal".

The quoted statements are materially false and misleading for a number of reasons. First, even if the Fund's stockholders had approved the open-ending proposal (instead of rejecting it) the open-ending could not have occurred immediately. As disclosed in the Fund's February 20, 2014 proxy statement (the "Proxy Statement") for the 2014 Annual Meeting, a number of steps would need to be taken before the Fund could convert to an open-end investment company, including filing a registration statement with the Commission, and the process was estimated to "take several months" after a vote to approve open-ending (see pages 15-16 of the Proxy Statement). In addition, stockholders would not receive any cash upon an open-ending unless they immediately redeemed their shares. The Proxy Statement disclosed (at page 20) that "[t]ypically, temporary redemption fees are imposed in situations where large redemptions are anticipated in connection with a closed-end fund's conversion to an open-end fund" and that if open-ending were approved, "the Board may determine to impose a fee of up to 2% of the NAV of the shares redeemed for a temporary period following the conversion." It is materially false and misleading for the Proposal to quantify the amount stockholders would have received upon open-ending if the open-ending proposal had been approved at the 2014 Annual Meeting, since the actual date of open-ending had the proposal passed would not have been the date of the meeting and any proceeds of redemption would have been reduced by the amount of a redemption fee.

In addition, the Proposal's use of the terms "virtually unchanged" to describe the evolution of the discount of the Fund over a period of eight months is false and misleading. In fact the discount fluctuated materially over that period (11.94% or \$1.08 per share on April 21, 2014 and 9.99% or \$0.84 per share on July 29, 2014), demonstrating that the "virtually unchanged" statement is materially false and misleading. In addition, the statement that shareholders could have received "10.70% or \$0.90" for each share from March 27, 2014 through the date when the Proposal was submitted (October 23, 2014) is patently false. Indeed, the discount on July 29, 2014 was 9.99% or \$0.84. This statement is also materially false and misleading in quantifying the results of open-ending on the date of the submission of the Proposal whereas for the reasons discussed above the implementation of the Proposal by the Fund would be impossible since such implementation would be in violation of the 1940 Act and Maryland state law. The Fund notes as well that the current discount is considerably lower than the figures in the Proposal (9.29% or \$0.78 per share on December 1, 2014, for example).

In light of the foregoing the second and third paragraphs of the supporting statement are materially false and misleading. They would also appear to be irrelevant to a consideration of the subject matter of the Proposal, such that there is a strong likelihood that a reasonable stockholder would be uncertain as to the matter on which he or she is being asked to vote if such statements were to be included in the Fund's 2015 proxy statement.

The Proposal also contains a materially false and misleading statement concerning a recommendation by the Board for the 2014 Annual Meeting. The fourth paragraph of the supporting statement includes the following statement: "Not only did the Board unanimously recommend against the open-ending proposal, but its "solution" to the Fund's discount was to ask shareholders to change the Fund's fundamental investment objectives." In fact the Board made no such request and the Proxy Statement did not contain any proposal to change the Fund's investment objective. It is materially false and misleading for the Proposal to suggest otherwise. Proposal Two for the 2014 Annual Meeting was a proposal to eliminate the Fund's fundamental investment policy requiring the Fund to invest, under normal circumstances, at least 65% of its total assets in obligations issued or guaranteed by the U.S. government, its agencies or instrumentalities and repurchase agreements pertaining to U.S. government securities (see pages 13-15 of the Proxy Statement).

As the Staff explained in Staff Legal Bulletin No. 14B (Sep. 15, 2004), Rule 14a-8(i)(3) permits the exclusion of all or part of a shareholder proposal or the supporting statement if, among other things, the company demonstrates objectively that a factual statement is materially false or misleading. The Staff has allowed the exclusion of an entire proposal that contains false and misleading statements where the false or misleading statement speaks to the proposal's fundamental premise. *See State Street Corp.* (Mar. 1, 2005) (after evaluating a registrant's objections to a proposal requesting shareholder action under a section of state law that was not applicable to the company — because the proposal by its terms invoked a statute that was not applicable to the company, the Staff concurred that the proposal was based upon a false premise that made it materially misleading to shareholders and, therefore, was excludable under Rule 14a-8(i)(3)). The Staff has allowed exclusion of portions of supporting statements containing potentially false and misleading statements. *See INVESCO Global Health Science Fund* (May 8, 1998) (proposal recommending (1) conversion to an open-end investment company, or (2) a merger with Invesco's existing open-end Health Sciences Fund, whose supporting statement specified the potential financial benefits of open-ending in a potentially false and misleading way. The Staff advised that portions of the supporting statement were excludable under Rule 14a-8(i)(3)).

B. The Proposal May Be Excluded Pursuant to Rule 14a-8(i)(3) Because It Contains Statements that Impugn the Integrity of the Fund's Directors and Make Charges Concerning Improper and Illegal Activity Without Factual Foundation, Contrary to Rule 14a-9

The Note to Rule 14a-9 gives as an example of material that may be misleading for purposes of Rule 14a-9: material that "directly or indirectly impugns character, integrity or personal reputation, or directly or indirectly makes charges concerning improper, illegal or immoral conduct or associations, without factual foundation."



The supporting statement in the Proposal contains a number of statements of the type contemplated by the Note to Rule 14a-9, two of which could be interpreted as defamatory in addition to being materially false and misleading. In the first paragraph, the Board's integrity and good faith are brought into question by an assertion that the Board acted against shareholders' best interests ("Against shareholders' best interests, our Board unanimously recommended shareholders vote against this proposal."). In the last paragraph of the supporting statement, there is an assertion that the Board has violated the spirit and intent of the Fund's charter provision (which was described in the prospectus) relating to open-ending votes, as stockholders are urged to: "tell the Board you want it to adhere to the spirit and intent of the prospectus's lifeboat provision to enhance shareholder value." These statements are unwarranted assertions of misconduct by the Fund's Directors that are neither accurate nor supportable. They impugn the integrity of the Directors by alleging breaches by the Directors of their fiduciary duty to stockholders and violations of the Fund's charter that are entirely without factual foundation. The mandate of the open-ending provision of the Fund's charter was followed by the Fund in connection with the 2014 Annual Meeting and the fact that the Proponent disagrees with the actions of the Board and is disappointed that the stockholders did not pass the open-ending proposal does not make the Board's actions, taken in good faith by the Fund's Directors after due deliberation, violations of their duties under the charter or applicable law. Rule 14a-9 prohibits the inclusion of such statements in the Fund's proxy statement because they impugn the integrity of the Directors, and accuse them of improper or illegal conduct with no factual foundation.

The Staff has granted no-action relief in the past where a statement impugned the character, integrity or personal reputation of a company's directors and management without factual foundation. See *Phoenix Gold International, Inc.* (Nov. 21, 2000) (a proposal seeking to "give an opportunity to elect a truly independent director" was excludable under Rule 14a-8(i)(3)); and *ConocoPhillips* (Mar. 13, 2012) (same regarding a proposal recommending an audit of the compliance controls for failing to prevent Foreign Corrupt Practices Act violations by the board chairman). See also *Weyerhaeuser Co.* (Jan. 21, 2003) (the statement: "Improving accountability of directors to shareholders is essential to improving integrity at Weyerhaeuser" was excludable based on Rule 14a-8(i)(3)); and *CCBT Bancorp, Inc.* (Apr. 20, 1999) (statement concerning the directors' alleged breach of fiduciary duty excludable under Rule 14a-8(i)(3)).

## V. Request

While we recognize that the Staff, on occasion, will permit proponents to revise their proposals to correct errors that are "minor in nature and do not alter the substance of the proposal;" the Fund believes, for the reasons previously stated, that if the Proponent is allowed to revise its Proposal, the Staff would be permitting the alteration of the *substance* of the Proposal, in contradiction of the Staff's long-standing practice. See *Staff Legal Bulletin* No. 14B (CF) (2004).

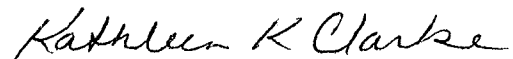
Pursuant to *Staff Legal Bulletin* No. 14D (CF), Shareholder Proposals (November 7, 2008), Question C, we have submitted this letter and the related exhibits to the Commission via email to [shareholderproposals@sec.gov](mailto:shareholderproposals@sec.gov).

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If you have any questions regarding this matter or require additional information, please contact the undersigned at (202) 737-8833. If the Staff does not agree with the conclusions set forth in this letter, we respectfully request the opportunity to confer with you before the determination of the Staff's final position.

Sincerely,



Kathleen K. Clarke

cc; Emilie D. Wrapp, Esq.  
Marshall C. Turner, Jr.  
Donald R. Crawshaw, Esq.  
Paul M. Miller, Esq.

**Exhibit A**

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December 17, 2014

AllianceBernstein Income Fund, Inc.  
1345 Avenue of the Americas  
New York, New York 10105

Re: AllianceBernstein Income Fund, Inc. – Omission of the Stockholder  
Proposal Submitted by Karpus Management, Inc.

Ladies and Gentlemen:

We are Maryland counsel to AllianceBernstein Income Fund, Inc., a Maryland corporation (the “Fund”), in connection with certain matters of Maryland law arising out of a stockholder proposal (the “Proposal”) submitted by Karpus Management, Inc. for inclusion in the Fund’s proxy materials for the 2015 Annual Meeting of the Stockholders. We have been asked to consider whether (1) the Proposal, if implemented, would cause the Fund to violate Maryland law and (2) the Fund lacks the power and authority to implement the Proposal. In connection with our representation of the Fund, and as a basis for the opinion hereinafter set forth, we have examined the charter (the “Charter”) of the Fund, the Proposal and such matters of law as we have deemed necessary or appropriate to issue this opinion.

The Proposal reads, in full, as follows:

**BE IT RESOLVED**, the shareholders of the AllianceBernstein Income Fund (“ACG” or the “Fund”) request the Board of Directors promptly consider authorizing a self-tender offer for all outstanding common shares of the Fund at or close to net asset value (“NAV”). If more than 50% of the Fund’s outstanding common shares are tendered, the tender offer should be cancelled and the Fund should be liquidated, converted into an exchange-traded fund, or converted/merged into an open-end mutual fund.

**Supporting Statement**

Pursuant to the Fund’s prospectus, in 2013 Karpus (as well as at least 10% of the Fund’s outstanding shares) submitted a written request to have the Fund submit a proposal to Fund shareholders to convert the Fund from a closed-end to an open-end investment company. Against shareholders’ best interests, our Board unanimously recommended shareholders vote against this proposal.

AllianceBernstein Income Fund, Inc.

December 17, 2014

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At the close of last year's meeting on March 27, 2014, this means that shareholders could've received an additional 10.83% or \$0.90 *for each share* if the open-ending would've occurred.

Because the discount of the Fund has remained virtually unchanged, shareholders could receive a similar amount (10.70% or \$0.90) through the date we've submitted this proposal.

Not only did the Board unanimously recommend against the open-ending proposal, but its "solution" to the Fund's discount was to ask shareholders to change the Fund's fundamental investment objectives. Shareholders responded strongly, and the measure did not pass. As we said at the time, if the Board was having difficulty managing the Fund's discount, we didn't believe the answer was to ask shareholders to assume more risk in a search for yield. Shareholders were right.

Presumably, the Fund included the original language in its prospectus because it saw the possibility for the Fund to trade a persistent discount. While the Fund has conducted open market share repurchases, the Fund's persistently wide discount to net asset value shows that the Board's actions have not proven effective. This is why we believe our proposal should be implemented and the Board should authorize a self-tender offer for the Fund's common shares at or close to net asset value. Should a majority of outstanding shares be tendered, this would indicate that shareholders do not support the Fund continuing in its closed-end format.

The Fund and Board are likely to come up with a litany of arguments against our Proposal but the simple fact of the matter is that the Board has not been able to effectively manage the Fund's discount.

Tell the Board that you want it to take more effective action to narrow the discount. Vote **FOR** Karpus' Proposal to tell the Board you want it to adhere to the spirit and intent of the prospectus' lifeboat provision to enhance shareholder value. (Emphasis original.)

## **I. Violation of Law**

The Proposal requests, in relevant part, that the Board of Directors (the “Board”) of the Fund authorize a self-tender for 100% of the outstanding shares of the Fund at or close to net asset value. If more than 50% of the Fund’s outstanding shares are tendered, the tender offer should be cancelled, and (a) the Fund should be “liquidated” or (b) “converted” into an exchange-traded fund or “converted/merged” into an open-end mutual fund. The proposal provides that the Board alone has the authority to take these actions. As more fully discussed below, in the case of each of a liquidation, merger or conversion, the Board of Directors (the “Board”) of the Fund is required, under the Maryland General Corporation Law (the “MGCL”), to approve the proposed action, declare it advisable and then submit it to the stockholders for consideration at an annual or special meeting and the stockholders are required to approve the action. In view of the board approval and stockholder voting requirements of the MGCL, the Board may not unilaterally liquidate the Fund or merge or convert the Fund to an open-end fund. If the Board were to unilaterally approve and carry out the liquidation or the merger or conversion of the Fund, the Fund would violate the MGCL. Thus, because the MGCL does not vest in a corporation the power to act in a manner inconsistent with law, the Fund lacks the power and authority under Maryland law to implement the Proposal.

### Liquidation

To liquidate the Fund as contemplated by the Proposal, the Fund would be required to sell all of its assets, pay off its debts and obligations and make one or more cash distributions to its stockholders. The liquidation of the Fund involves the sale of all<sup>1</sup> of the Fund’s assets outside the ordinary course of business.<sup>2</sup> Section 3-105(b) and (e) of the MGCL, respectively, provide that a Maryland corporation may transfer all or substantially all of its assets only if (1) the board approves the sale, declares the sale advisable and submits the proposed sale to the stockholders for consideration at an annual or special meeting and (2) the stockholders approve the proposed sale.<sup>3</sup>

Moreover, a liquidation customarily involves the statutory dissolution of a corporation. While the Proposal is unclear, if it is contemplated that the liquidation of the Fund would be followed by the dissolution of the Fund, such an action would be governed by Section 3-403 of the MGCL. As with a sale of assets, the dissolution of a Maryland corporation under

<sup>1</sup> Section 1-101(cc) of the MGCL provides that “‘transfer of assets’ mean[s] to sell, lease, exchange, or otherwise transfer all or substantially all of the assets of a corporation.”

<sup>2</sup> See MGCL Section 3-104(a)(1), which provides that a “[t]ransfer of assets by a corporation in the ordinary course of business actually conducted by it” does not require a stockholder vote or the filing of Articles of Transfer.

<sup>3</sup> The requirements of Section 3-105 are subject to certain exceptions, not relevant for the purposes of this opinion, including certain exceptions for open-end funds.

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Section 3-403 requires (1) the board of directors to approve the dissolution, declare the dissolution advisable and direct that the proposed dissolution be submitted to the stockholders for consideration at an annual or special meeting and (2) the stockholders to approve the dissolution.<sup>4</sup>

### Merger

The merger of a Maryland corporation is governed by Section 3-105 of the MGCL. With respect to a merger into an open-end fund, as contemplated by the Proposal, the approvals required under Section 3-105 are the same as for a liquidation. Section 3-105 requires (1) the board of directors to approve the merger, declare the merger advisable and direct that the proposed merger be submitted to the stockholders for consideration at an annual or special meeting and (2) the stockholders to approve the merger.

### Conversion

While the MGCL does not have specific provisions governing the “conversion” of a corporation from a closed-end format to an open-end format, a closed-end fund could become an open-end fund through a share exchange, consolidation, merger, transfer or sale of assets or a conversion into another business entity.<sup>5</sup> The same analysis applies to the “conversion” into an exchange-traded fund, which is a special type of open-end fund. Section 3-105 governs consolidations and share exchanges and Section 3-902 governs conversions into other business entities and, in this context, provide that these extraordinary transactions are subject to the same board approval and stockholder voting requirements as a liquidation or merger as described above.

A closed-end fund could also become an open-end fund by amending its charter, *inter alia*, to make its shares redeemable at the option of the stockholders. Section 2-604 of the MGCL governs the type of charter amendments that would be necessary for the “conversion” of the Fund to an open-end fund that is a mutual fund or an exchange-traded fund.<sup>6</sup> Like the MGCL provisions governing liquidation, merger, consolidation, share exchange and dissolution, Section 2-604 requires (1) the board of directors to approve the proposed amendment, declare the amendment advisable and direct that the proposed amendment be submitted to the stockholders

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<sup>4</sup> See MGCL Section 3-403.

<sup>5</sup> As previously discussed, a sale or transfer of assets and a merger require both board and stockholder approval.

<sup>6</sup> The MGCL does provide some exceptions to stockholder approval of charter amendment (*e.g.*, change in the name of the corporation, changes in the name or other designation of a class or series of stock, changes to the par value of stock, change to the aggregate number of shares of stock of the corporation or of any class or series). None of these exceptions apply to the transactions described in the Proposal.

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for consideration at an annual or special meeting and (2) the stockholders to approve the proposed charter amendment.

The statutory framework of the MGCL for the approval of extraordinary actions has long been upheld by Maryland courts.<sup>7</sup>

## II. Lack of Power or Authority

Section 2-103 of the MGCL sets forth the general powers of a Maryland corporation. Section 2-103 does not specifically address liquidations, mergers or conversions. However, in addition to specific enumerated powers, Section 2-103(17) provides that a corporation may “[e]xercise generally the powers set forth in its charter and those granted by law.” Section 2-103(18) states that a corporation may “[d]o every other Act *not inconsistent with law* which is appropriate to promote and attain the purposes set forth in the charter.” (Emphasis added.) In other words, a corporation does not have the power to do what it is prohibited from doing by law or in its charter. As discussed above, under the MGCL it is impermissible for the Fund to liquidate or merge or convert into an open-end fund by unilateral Board action. The Charter has similar limitations on disenfranchising stockholders.

The vote required under the MGCL for stockholders to approve a dissolution, charter amendment, merger, sale of all or substantially all of the assets, consolidation, share exchange or conversion is the affirmative vote of stockholders entitled to cast two-thirds of the votes entitled to be cast on the matter.<sup>8</sup> However, the MGCL permits a Maryland corporation to provide in its charter for the approval of these matters by a lesser percentage, but not less than a majority of all of the votes entitled to be cast on the matter, or a greater percentage.<sup>9</sup> Article Seventh, Section 3 of the Charter generally provides for approval of these matters by a majority of the votes entitled to be cast, subject to certain exceptions, including the requirement in Article Seventh, Section 4(b) that the conversion of the Fund from a closed-end company to an open-end company, and any amendment to the Charter to effect such conversion, be approved by the affirmative vote of two-thirds of the votes entitled to be cast on the matter.<sup>10</sup>

<sup>7</sup> See *In re May Oil Burner Corp.*, 38 F. Supp. 516, 519–20 (D. Md.1941); *Downing Dev. Corp. v. Brazelton*, 253 Md. 390, 395–96, 252 A.2d 849, 852–53 (1969); *Prince George’s Country Club v. Edward R. Carr, Inc.*, 235 Md. 591, 596, 202 A.2d 354, 356 (1964).

<sup>8</sup> See MGCL Section 2-604, Section 3-105, Section 3-403 and Section 3-902.

<sup>9</sup> See MGCL Section 2-104(b)(4) and (5).

<sup>10</sup> The “lifeboat provision” referred to in the Proposal’s supporting statement is contained in Article Seventh, Section 4(a) of the Charter. While not applicable here, if the conditions of the lifeboat provision were met, a proposal to open-end the fund submitted in accordance with such provision would also require approval by the stockholders by the affirmative vote of two-thirds of the votes entitled to be cast on the matter.



# VENABLE<sup>®</sup><sub>LLP</sub>

AllianceBernstein Income Fund, Inc.

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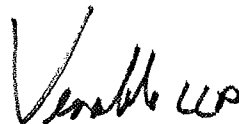
While the MGCL allows flexibility on the percentage of votes required to approve a matter, the MGCL *does not* permit the actions described in the Proposal (liquidation, merger, conversion) *without* a stockholder vote. Unlike the Proposal itself, which needs to be approved by only a majority of *votes cast*, any of the actions ultimately contemplated by the Proposal require a vote of at least a majority, or two-thirds, depending upon the extraordinary action, of the votes *entitled to be cast* on the matter. Because the Proposal requests that the Board carry out these actions without a stockholder vote, the Proposal would cause the Fund to violate both the MGCL and the Charter. Because the implementation of the Proposal would cause the Fund to violate both the MGCL and its Charter, the Fund lacks the power and authority to implement the Proposal.

Based upon the foregoing analysis and subject to the limitations, assumptions and qualifications set forth herein, it is our opinion that (1) the Proposal would, if implemented, cause the Fund to violate Maryland law and (2) the Fund lacks the power and authority to implement the Proposal.

The foregoing opinion is limited to the MGCL, and judicial interpretations thereof, in effect on the date hereof and we do not express any opinion herein concerning any law other than the MGCL. Furthermore, the foregoing opinion is limited to the matters specifically set forth therein and no other opinion shall be inferred beyond the matters expressly stated. We assume no obligation to supplement this opinion if any provision of the MGCL, or any judicial interpretation of any provision of the MGCL, changes after the date hereof.

The opinion presented in this letter is solely for your use in connection with the Proposal and may not be relied upon by any other person or entity, or by you for any other purpose, without our prior written consent. However, we consent to inclusion of this opinion with a request by you to the Securities and Exchange Commission (the "Commission") for concurrence by the Commission with your decision to exclude the Proposal from the proxy materials for your next annual meeting of stockholders.

Very truly yours,



**Exhibit B**

STATE DEPARTMENT OF ASSESSMENTS  
AND TAXES

APPROVED FOR RECORD  
6/15/87 at 10:24 .M.

ARTICLES OF INCORPORATION

OF

ACM GOVERNMENT INCOME FUND, INC.

FIRST: (1) The name of the incorporator is Donna L. Schaeffer.

(2) The incorporator's post office address is Wall Street Plaza, New York, New York 10005.

(3) The incorporator is over eighteen years of age.

(4) The incorporator is forming the corporation named in these Articles of Incorporation under the general laws of the State of Maryland.

SECOND: The name of the corporation (hereinafter called the "Corporation") is ACM Government Income Fund, Inc.

THIRD: The purposes for which the Corporation is formed are:

(a) to conduct, operate and carry on the business of an investment company;

(b) to subscribe for, invest in, reinvest in, purchase or otherwise acquire, hold, pledge, sell, assign, transfer, exchange, distribute or otherwise dispose of notes, bills, bonds, debentures and other negotiable or non-negotiable instruments, obligations and evidences of indebtedness issued or guaranteed as to principal and interest by foreign governments, any agencies or instrumentalities thereof, the United States Government, or any agencies or instrumentalities thereof, any State or local government, or any agencies or instrumentalities thereof, or any other securities of any kind issued by any corporation or other issuer organized under the laws of any foreign country, the United States or any State,

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territory, possession or subdivision thereof or otherwise, or commodities (including foreign currencies, financial instruments, indexes and any other securities or items which are now, or may hereafter be, the subject of futures contract trading), commodity futures, forward contracts and futures rate agreements, or options on any of the foregoing, to enter into investment contracts with any person or entity; to pay for the same in cash or by the issue of stock, including treasury stock, bonds or notes of the Corporation or otherwise; and to exercise any and all rights, powers and privileges of ownership or interest in respect of any and all such investments of every kind and description, including, without limitation, the right to consent and otherwise act with respect thereto, with power to designate one or more persons, firms, associations or corporations to exercise any of said rights, powers and privileges in respect of any said investments;

(c) to conduct research and investigations in respect of securities, organizations, business and general business and financial conditions throughout the world for the purpose of obtaining information pertinent to the investment and employment of the assets of the Corporation and to procure any or all of the foregoing to be done by others as independent contractors and to pay compensation therefor;

(d) to borrow money or otherwise obtain credit and, from time to time without limit as to amount, to issue, accept, endorse, and execute promissory notes, drafts, bills of exchange, warrants, bonds, debentures, and other negotiable or non-negotiable instruments and evidences of indebtedness, and to secure the same by mortgaging, pledging or otherwise subjecting as security the assets of the Corporation, and to endorse, guarantee or undertake the performance of any obligation, contract or engagement of any other person, firm, association or corporation;

(e) to issue, sell, distribute, repurchase, redeem, retire, cancel, acquire, hold, resell, reissue, dispose of, transfer and otherwise deal in, shares of stock of the Corporation, including shares of stock of the Corporation in fractional denominations, and to apply to any such repurchase, redemption, retirement, cancellation or acquisition of shares of stock of the Corporation, any funds or property of the Corporation, whether capital or surplus or otherwise, to the full extent now or hereafter permitted by the laws of the State of Maryland and by these Articles of Incorporation;

(f) to conduct its business, promote its purposes, and carry on its operations in any and all of its branches and maintain offices both within and without the State of Maryland, in any and all foreign countries, in any and all States of the United States of America, in the District of Columbia, and in any or all commonwealths, territories, dependencies, colonies, possessions, agencies or instrumentalities of the United States of America and of foreign governments;

(g) to carry out all or any part of the foregoing purposes or objects as principal or agent, or in conjunction with any other person, firm, association, corporation or other entity, or as a partner or member of a partnership, syndicate or joint venture or otherwise, and in any part of the world to the same extent and as fully as natural persons might or could do;

(h) to have and exercise all of the powers and privileges conferred by the laws of the State of Maryland upon corporations formed under the laws of such State; and

(i) to do any and all such further acts and things and to exercise any and all such further powers and privileges as may be necessary, incidental, relative, conducive,

appropriate or desirable for the foregoing purposes.

The enumeration herein of the objects and purposes of the Corporation shall be construed as powers as well as objects and purposes and shall not be deemed to exclude by inference any powers, objects or purposes which a corporation is empowered to exercise, whether expressly by force of the laws of the State of Maryland now or hereafter in effect, or impliedly by the reasonable construction of the said laws.

FOURTH: The post office address of the principal office of the Corporation within the State of Maryland is 32 South Street, Baltimore, Maryland 21202, in care of The Corporation Trust, Incorporated. ✓

The resident agent of the Corporation in the State of Maryland is The Corporation Trust, Incorporated, 32 South Street, Baltimore, Maryland 21202.

FIFTH: (1) The total number of shares of capital stock which the Corporation shall have authority to issue is Three Hundred Million (300,000,000), all of which shall be Common Stock having a par value of one cent (\$.01) per share and an aggregate par value of Three Million Dollars (\$3,000,000) subject to the following provisions:

(2) The Corporation may issue shares of stock in fractional denominations to the same extent as its whole shares, and shares in fractional denominations shall be shares of stock having proportionately to the respective fractions represented thereby all the rights of whole shares, including without limitation, the right to vote, the right to receive dividends and distributions, and the right to participate upon liquidation of the Corporation, but excluding the right to receive a stock certificate representing fractional shares.

(3) No holder of any shares of stock of the Corporation shall be entitled as of right to subscribe

for, purchase, or otherwise acquire any such shares which the Corporation shall issue or propose to issue; and any and all of the shares of stock of the Corporation, whether now or hereafter authorized, may be issued, or may be reissued or transferred if the same have been reacquired and have treasury status, by the Board of Directors to such persons, firms, corporations and associations, and for such lawful consideration, and on such terms, as the Board of Directors in its discretion may determine, without first offering same, or any thereof, to any said holder.

(4) All persons who shall acquire stock or other securities of the Corporation shall acquire the same subject to the provisions of these Articles of Incorporation, as from time to time amended.

SIXTH: The number of directors of the Corporation, until such number shall be increased pursuant to the By-Laws of the Corporation, shall be one. The number of directors shall never be less than the number prescribed by the Maryland General Corporation Law and shall never be more than twenty. The name of the person who shall act as director of the Corporation until the first annual meeting or until his successor is duly chosen and qualifies is David H. Dievler.

SEVENTH: The following provisions are inserted for the purpose of defining, limiting and regulating the powers of the Corporation and of the Board of Directors and stockholders.

(1) The business and affairs of the Corporation shall be managed under the direction of the Board of Directors which shall have and may exercise all powers of the Corporation except those powers which are by law, by these Articles of Incorporation or by the By-Laws conferred upon or reserved to the stockholders. In furtherance and not in limitation of the powers conferred by law, the Board of Directors shall have power:

(a) to make, alter and repeal by-laws of the Corporation;

(b) to issue and sell, from time to time, shares of any class of the Corporation's stock in such amounts and on such terms and conditions, and for such amount and kind of consideration, as the Board of Directors shall determine;

(c) from time to time to set apart out of any assets of the Corporation otherwise available for dividends a reserve or reserves for working capital or for any other proper purpose or purposes, and to reduce, abolish or add to any such reserve or reserves from time to time as said Board of Directors may deem to be in the best interests of the Corporation; and to determine in its discretion what part of the assets of the Corporation available for dividends in excess of such reserve or reserves shall be declared in dividends and paid to the stockholders of the Corporation;

(d) from time to time to determine the net asset value per share of the Corporation's stock or to establish methods to be used by the Corporation's officers, employees or agents for determining the net asset value per share of the Corporation's stock; and

(e) from time to time to determine to what extent and at what times and places and under what conditions and regulations the accounts, books and records of the Corporation, or any of them, shall be open to the inspection of the stockholders; and no stockholder shall have any right to inspect any account or book or document of the Corporation, except as conferred by the laws of the State of Maryland, unless and until authorized to do so by resolution of the Board of Directors or of the stockholders of the Corporation.

(2) The presence in person or by proxy of the holders of a majority of the shares of stock of the Corporation entitled to vote shall constitute a quorum at any meeting of the stockholders.

(3) Except as provided in Sections 4 and 5 of this Article SEVENTH and in Article NINTH, notwithstanding any provision of the Maryland General Corporation Law requiring a greater proportion than a majority of the votes of the Corporation's stock entitled to be cast in order to take or authorize any action, any such action may be taken or authorized upon the concurrence of a majority of the aggregate number of votes entitled to be cast thereon



subject to any applicable requirements of the Investment Company Act of 1940, as in effect from time to time, or rules, regulations or orders thereunder promulgated by the Securities and Exchange Commission or any successor thereto.

(4) (a) Commencing with the calendar year which begins on January 1, 1992, and in each calendar year thereafter, the Corporation shall, if the conditions set forth in the immediately following sentence have been satisfied, submit to its stockholders at the annual meeting of stockholders next following the end of such year a proposal that the Corporation, consistent with the Investment Company Act of 1940 as then in effect, amend these Articles of Incorporation to convert the Corporation from a "closed-end company" to an "open-end company" as those terms are defined in Sections 5(a)(2) and 5(a)(1), respectively, of the Investment Company Act of 1940, as in effect from time to time. The Corporation shall be required to submit such proposal at such annual meeting of stockholders only if both (i) shares of the Corporation's Common Stock have traded on the principal securities exchange where listed at an average discount from net asset value of more than 10%, determined on the basis of the discount as of the end of the last trading day in each week during the period of 12 calendar weeks preceding December 31 in such year, and (ii) during such year the Corporation receives at its principal executive office written requests from the holders of 10% or more of the Corporation's outstanding shares of Common Stock that such a proposal be submitted to the Corporation's stockholders.

(b) Notwithstanding any other provisions of these Articles of Incorporation, the conversion of the corporation from a "closed-end company" to an "open-end company," and any amendment to the charter of the Corporation to effect any such conversion, shall require the affirmative vote of seventy-five percent (75%) of the outstanding shares of Common Stock of the Corporation. Such affirmative vote shall be in addition to the vote of the holders of the stock of the Corporation otherwise required by law or any agreement between the Corporation and any national securities exchange.

(5) (a) Notwithstanding any other provision of these Articles of Incorporation, and subject to the exceptions provided in Paragraph (d) of this Section 5,

the types of transactions described in Paragraph (c) of this Section 5 shall require the affirmative vote of seventy-five percent (75%) of the outstanding shares of Common Stock of the Corporation when a Principal Shareholder (as defined in Paragraph (b) of this Section 5) is a party to the transaction. Such affirmative vote shall be in addition to the vote of the holders of the stock of the Corporation otherwise required by law or any agreement between the Corporation and any national securities exchange.

(b) The term "Principal Shareholder" shall mean any corporation, person or other entity which is the beneficial owner, directly or indirectly, of more than five percent (5%) of the outstanding shares of stock of the Corporation and shall include any affiliate or associate, as such terms are defined in clause (B) below, of a Principal Shareholder. For the purposes of this Section 5, in addition to the shares of stock which a corporation, person or other entity beneficially owns directly, (i) any corporation, person or other entity shall be deemed to be the beneficial owner of any shares of stock of the Corporation (A) which it has the right to acquire pursuant to any agreement or upon exercise of conversion rights or warrants, or otherwise (but excluding stock options granted by the Corporation) or (B) which are beneficially owned, directly or indirectly (including shares deemed owned through application of clause (A) above), by any other corporation, person or entity with which it or its "affiliate" or "associate" (as defined below) has any agreement, arrangement or understanding for the purpose of acquiring, holding, voting or disposing of stock of the Corporation, or which is its "affiliate" or "associate" as those terms are defined in Rule 12b-2 of the General Rules and Regulations under the Securities Exchange Act of 1934 as in effect from time to time, and (ii) the outstanding shares of any class of stock of the Corporation shall include shares deemed owned through application of clauses (A) and (B) above but shall not include any other shares which may be issuable pursuant to any agreement, or upon exercise of conversion rights or warrants, or otherwise.

(c) This Section 5 shall apply to the following transactions:

(i) The merger, consolidation or statutory share exchange of the Corporation with or into any Principal Shareholder.

(ii) The issuance of any securities of the Corporation to any Principal Shareholder for cash.

(iii) The sale, lease or exchange of all or any substantial part of the assets of the Corporation to any Principal Shareholder (except assets having an aggregate fair market value of less than \$1,000,000, aggregating for the purpose of such computation all assets sold, leased or exchanged in any series of similar transactions within a twelve-month period).

(iv) The sale, lease or exchange to the Corporation or any subsidiary thereof, in exchange for securities of the Corporation, of any assets of any Principal Shareholder (except assets having an aggregate fair market value of less than \$1,000,000, aggregating for the purposes of such computation all assets sold, leased or exchanged in any series of similar transactions within a twelve-month period).

(d) The provisions of this Section 5 shall not be applicable to (i) any of the transactions described in Paragraph (c) of this Section if the Board of Directors of the Corporation shall by resolution have approved a memorandum of understanding with such Principal Shareholder with respect to and substantially consistent with such transaction, or (ii) any such transaction with any corporation of which a majority of the outstanding shares of all classes of stock normally entitled to vote in elections of directors is owned of record or beneficially by the Corporation and its subsidiaries.

(e) The Board of Directors shall have the power and duty to determine for the purposes of this Section 5 on the basis of information known to the Corporation, whether (i) a corporation, person or entity beneficially owns more than five percent (5%) of the outstanding shares of any class of stock of the Corporation, (ii) a corporation, person or entity is an "affiliate" or "associate" (as defined above) of another, (iii) the assets being acquired or leased to or by the Corporation, or any subsidiary thereof, constitute a substantial part of the assets of the Corporation and have an aggregate fair market value of less than \$1,000,000, and (iv) the memorandum of understanding referred to in Paragraph (d) hereof is

substantially consistent with the transaction covered thereby. Any such determination shall be conclusive and binding for all purposes of this Article.

(6) Any determination made in good faith by or pursuant to the direction of the Board of Directors, as to the amount of the assets, debts, obligations, or liabilities of the Corporation, as to the amount of any reserves or charges set up and the propriety thereof, as to the time of or purpose for creating such reserves or charges, as to the use, alteration or cancellation of any reserves or charges (whether or not any debt, obligation or liability for which such reserves or charges shall have been created shall have been paid or discharged or shall be then or thereafter required to be paid or discharged), as to the value of or the method of valuing any investment owned or held by the Corporation, as to the market value or fair value of any investment or fair value of any other asset of the Corporation, as to the number of shares of the Corporation outstanding, as to the estimated expense to the Corporation in connection with purchases of its shares, as to the ability to liquidate investments in orderly fashion, or as to any other matters relating to the issue, sale, purchase or other acquisition or disposition of investments or shares of the Corporation, shall be final and conclusive and shall be binding upon the Corporation and all holders of its shares, past, present and future, and shares of the Corporation are issued and sold on the condition and understanding that any and all such determinations shall be binding as aforesaid.

(7) Except to the extent prohibited by the Investment Company Act of 1940, as in effect from time to time, or rules, regulations or orders thereunder promulgated by the Securities and Exchange Commission or any successor thereto or by the By-Laws of the Corporation, a director, officer or employee of the Corporation shall not be disqualified by his position from dealing or contracting with the Corporation, nor shall any transaction or contract of the Corporation be void or voidable by reason of the fact that any director, officer or employee or any firm of which any director, officer or employee is a member or any corporation of which any director, officer or employee is a stockholder, officer or director, is in any way interested in such transaction or contract; provided that in case a director, or a firm or corporation of which a director is a member, stockholder, officer or director, is so interested, such fact shall be disclosed to or shall have been known by

the Board of Directors or a majority thereof; and any director of the Corporation who is so interested, or who is a member, stockholder, officer or director of such firm or corporation, may be counted in determining the existence of a quorum at any meeting of the Board of Directors of the Corporation which shall authorize any such transaction or contract, with like force and effect as if he were not such director, or member, stockholder, officer or director of such firm or corporation.

(8) Specifically and without limitation of Section 7 of this Article SEVENTH but subject to the exception therein prescribed, the Corporation may enter into management or advisory, underwriting, distribution and administration contracts and other contracts, and may otherwise do business, with Alliance Capital Management Corporation, and any parent, subsidiary or affiliate of such firm or any affiliate of any such affiliate, or the stockholders, directors, officers and employees thereof and may deal freely with one another notwithstanding that the Board of Directors of the Corporation may be composed in part of directors, officers or employees of such firm and/or its parents, subsidiaries or affiliates and that officers of the Corporation may have been, be or become directors, officers, or employees of such firm and/or its parents, subsidiaries or affiliates, and neither such management or advisory, underwriting, distribution or administration contracts nor any other contract or transaction between the Corporation and such firm and/or its parents, subsidiaries or affiliates shall be invalidated or in any way affected thereby, nor shall any director or officer of the Corporation be liable to the Corporation or to any stockholder or creditor thereof or to any person for any loss incurred by it or him under or by reason of such contract or transaction; provided that nothing herein shall protect any director or officer of the Corporation against any liability to the Corporation or to its security holders to which he would otherwise be subject by reason of willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of his office; and provided always that such contract or transaction shall have been on terms that were not unfair to the corporation at the time at which it was entered into.

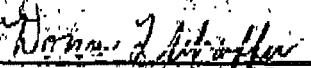
EIGHTH: To the maximum extent permitted by the Maryland General Corporation Law as from time to time amended, the Corporation shall indemnify its currently acting and its former directors and officers and those

persons who, at the request of the Corporation, serve or have served another corporation, partnership, joint venture, trust or other enterprise in one or more of such capacities.

**NINTH:** (1) The Corporation reserves the right to amend, alter, change or repeal any provision contained in these Articles of Incorporation or in any amendment hereto in the manner now or hereafter prescribed by the laws of the State of Maryland, including any amendment which alters the contract rights, as expressly set forth in these articles, of any outstanding stock, and all rights conferred upon stockholders herein are granted subject to this reservation.

(2) Notwithstanding Section 1 of this Article NINTH or any other provisions of these Articles of Incorporation, no amendment to these Articles of Incorporation of the Corporation shall amend, alter, change or repeal any of the provisions of Sections 4 and 5 of Article SEVENTH and this Article NINTH unless the amendment effecting such amendment, alteration, change or repeal shall receive the affirmative vote of seventy-five percent (75%) of the outstanding shares of Common Stock of the Corporation. Such affirmative vote shall be in addition to the vote of the holders of the stock of the Corporation otherwise required by law or any agreement between the Corporation and any national securities exchange.

IN WITNESS WHEREOF, the undersigned, being the incorporator of the Corporation, has adopted and signed these Articles of Incorporation for the purpose of forming the corporation described herein pursuant to the Maryland General Corporation Law and does hereby acknowledge that said adoption and signing are her act.

  
Donna L. Schaeffer

Dated: June 12, 1987

ARTICLES OF INCORPORATION  
OF  
ACM GOVERNMENT INCOME FUND, INC.

APPROVED AND RECEIVED FOR RECORD BY THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION  
OF MARYLAND JUNE 15, 1987 AT 10:24 O'CLOCK A. M. AS IN CONFORMITY  
WITH LAW AND ORDERED RECORDED.

ORGANIZATION AND  
CORPORATION FEE \$ 330  
RECORDING  
FEE PAID \$ 34  
SPECIAL  
FEE PAID \$  
D2359198

TO THE CLERK OF THE COURT OF BALTIMORE CITY

IT IS HEREBY CERTIFIED THAT THE WITHIN INSTRUMENT, TOGETHER WITH ALL INDORSEMENTS THEREON HAS  
BEEN RECEIVED APPROVED AND RECORDED BY THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION OF MARYLAND

RETURN TO:  
VERABLE, BAETJER E HOWARD  
2 MCKINS PLAZA  
1800 MERCANTILE BANK & TRUST BLDG  
BALTIMORE MD 21201

STATE OF MARYLAND 234C3001033  
I hereby certify that this is a true and complete copy of the original as filed in this office. DATED: 1/30/02  
BY: [Signature] DEPARTMENT OF ASSESSMENTS AND TAXATION  
Custodian  
This statement is subject to previous certification of the Department of Assessments and Taxation. Effective: 6/95  
AND TAXATION OF MARYLAND IN LIBER FOLIO



STATE DEPARTMENT OF ASSESSMENTS  
AND TAXATION

APPROVED FOR RECORD

8/14/87 at 10:56 P.M.

ACM GOVERNMENT INCOME FUND, INC.

ARTICLES OF AMENDMENT

ACM GOVERNMENT INCOME FUND, INC., a Maryland corporation having its principal office in the State of Maryland in Baltimore City, Maryland (hereinafter called the "Corporation"), certifies that:

FIRST: The charter of the Corporation is hereby amended:

(a) by striking out the words "seventy-five percent (75%)" in Article SEVENTH, Section 4(b) and inserting in lieu thereof the words "two-thirds."

(b) by striking out Article EIGHTH and inserting in lieu thereof the following:

"EIGHTH: To the maximum extent permitted by the Maryland General Corporation Law as from time to time amended, the Corporation shall indemnify its currently acting and its former directors and officers and those persons who, at the request of the Corporation, serve or have served another corporation, partnership, joint venture, trust or other enterprise in one or more of such capacities; provided that nothing herein shall protect any director or officer of the Corporation against any liability to the Corporation or to its security holders to which he would otherwise be subject by reason of willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of his office."

SECOND: The amendments to the charter of the Corporation as set forth above have been advised by the Board of Directors and approved by the sole stockholder of the Corporation.

72268480  
AUG 14 1987



The undersigned Chairman of ACM Government Income Fund, Inc. has caused these Articles of Amendment to be signed in its name and on its behalf by its duly authorized officers who acknowledge that these Articles of Amendment are the act of the Corporation, that to the best of their knowledge, information and belief all matters and facts set forth therein relating to the authorization and approval of the Articles of Amendment are true in all material respects and that this statement is made under the penalties of perjury.


IN WITNESS WHEREOF, these Articles of Amendment have been executed on behalf of ACM Government Income Fund, Inc. this 13th day of August, 1987.

Attest:

ACM GOVERNMENT INCOME FUND, INC.

[SEAL]

  
Edmund P. Bergan, Jr.  
Secretary

By:   
David H. Dievler  
Chairman

*M*

*Effective  
8/31/01 at  
5pm*

ACM GOVERNMENT INCOME FUND, INC.

ARTICLES OF AMENDMENT

(Changing its Name to  
ACM Income Fund, Inc.)

ACM Government Income Fund, Inc., a Maryland corporation having its principal office in Maryland in Baltimore City, Maryland (hereinafter called the "Corporation"), certifies to the State Department of Assessments and Taxation of Maryland that:

**FIRST:** The charter of the Corporation is hereby amended by striking out Article SECOND of the Articles of Incorporation and inserting in lieu thereof the following:

"SECOND: The name of the corporation (hereinafter called the Corporation) is ACM Income Fund, Inc."

**SECOND:** The amendment to the charter of the Corporation as herein set forth was approved by a majority of the entire Board of Directors of the Corporation. The charter amendment is limited to changes expressly permitted by Section 2-605 of the Maryland General Corporation Law to be made without action by the stockholders of the Corporation. The Corporation is registered as a closed-end investment company under the Investment Company Act of 1940.

**THIRD:** This amendment to the charter of the Corporation will become effective as of 5:00 p.m., Eastern time, on August 31, 2001, as permitted by Section 2-610.1 of the Maryland General Corporation Law.

IN WITNESS WHEREOF, ACM Government Income Fund, Inc., has caused these Articles of Amendment to be executed in its name and on its behalf by Wayne D. Lyski, President of the Corporation, and witnessed by Domenick Pugliese, the Assistant Secretary of the Corporation, this 21st day of August, 2001. The undersigned President of the Corporation acknowledges these Articles of Amendment to be the corporate act of the Corporation and states that to the best of his knowledge, information and belief, the matters and facts set forth in these Articles with respect to the authorization and approval of the amendment of the Corporation's charter are true in all material respects, and that this statement is made under the penalties for perjury.

STATE OF MARYLAND  
DEPT OF ASSESSMENTS AND TAXATION  
CUST ID: 0000703464  
WORK ORDER: 000488136  
DATE: 08-28-2001 07:29 PM  
GMT: 00:05:0100:1MW

STATE OF MARYLAND  
I hereby certify that this is a true and complete copy of the 3 page document on file in this office. DATED: 1/29/02  
BY: Sherry J. Rust, Custodian  
This stamp replaces our previous certification system. Effective: 6/95

ACM GOVERNMENT INCOME FUND, INC.

By: Wayne D. Lyski  
Wayne D. Lyski  
President

WITNESS:

Domenick Pugliese  
Domenick Pugliese  
Assistant Secretary

00250.065 #261544

*JK*

*Effective  
1/26/07*

ACM INCOME FUND, INC.  
ARTICLES OF AMENDMENT  
(Changing its Name to  
AllianceBernstein Income Fund, Inc.)

ACM Income Fund, Inc., a Maryland corporation having its principal office in Maryland in Baltimore City, Maryland (hereinafter called the "Corporation"), certifies to the State Department of Assessments and Taxation of Maryland that:

FIRST: The Charter of the Corporation is hereby amended by striking out Article SECOND and inserting in lieu thereof the following:

SECOND: The name of the corporation (hereinafter called the "Corporation") is AllianceBernstein Income Fund, Inc.

SECOND: The amendment to the Charter of the Corporation as herein set forth was approved by a majority of the entire Board of Directors of the Corporation. The Charter amendment is limited to changes expressly permitted by Section 2-605 of the Maryland General Corporation Law to be made without action by the stockholders of the Corporation. The Corporation is registered as a closed-end investment company under the Investment Company Act of 1940.

THIRD: This amendment to the Charter of the Corporation will be effective on January 26, 2007, as permitted by Section 2-610.1 of the Maryland General Corporation Law.

IN WITNESS WHEREOF, ACM Income Fund, Inc. has caused these Articles of Amendment to be executed in its name and on its behalf by Marc O. Mayer, President of the Corporation, and witnessed by Emilie D. Wrapp, the Secretary of the Corporation, this 14th day of December, 2006. The undersigned President of the Corporation acknowledges these Articles of Amendment to be the corporate act of the Corporation and states that to the best of his knowledge, information and belief, the matters and facts set forth in these Articles with respect to the authorization and approval of the amendment of the Corporation's Charter are true in all material respects, and that this statement is made under the penalties of perjury.


CUST ID:0001900920  
WORK ORDER:0001343958  
DATE:01-11-2007 09:17 PM  
AMT. PAID:\$197.00

ACM INCOME FUND, INC.

By: 

Marc O. Mayer  
President

WITNESS:

  
Emilie D. Wrapp  
Secretary

SK 00250 0065 730516