BNY CAPITAL VIII
Form 424B3
June 16, 2006
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Filed pursuant to Rule 424(b)(3). Based upon the registration of $1 billion of Notes to be offered by means of an applicable pricing supplement, this prospectus supplement and the accompanying prospectus under the Registration Statement (File Nos. 333-134738 and 333-134738-01 through 333-134738-05) filed on June 5, 2006, a filing fee of $107,000 has been calculated in accordance with Rule 457(r) and paid by wire transfer to the Securities and Exchange Commission. This paragraph shall be deemed to update the "Calculation of Registration Fee" table in the registration statement referred to in the preceding sentence above.

PROSPECTUS SUPPLEMENT

(To prospectus dated June 5, 2006)

$1,000,000,000

The Bank of New York Company, Inc. CoreNotes®

Due Nine Months or More from Date of Issue

Terms: We may offer from time to time up to an aggregate initial public offering price of $1,000,000,000 of The Bank of New York Company, Inc. CoreNotes®, which are a class of our debt securities entitled either Senior Medium-Term Notes Series H or Senior Subordinated Medium-Term Notes Series I. Each Note will include the following terms, unless different terms are described in the applicable pricing supplement:

A stated maturity date from nine months or longer from the date of issue.

Payment of principal of and interest on the Senior Notes will be senior to the Senior Subordinated Notes.

Payment of principal of the Senior Subordinated Notes may be accelerated only in the case of our bankruptcy, insolvency or reorganization, and there is no right of acceleration of this payment upon a payment default on these Notes or in the performance of any of our other covenants in the related indenture.

Interest at a fixed rate, if interest-bearing, on the days during the term of the Notes specified in the applicable pricing supplement.

Redemption provisions, if applicable, at our option or otherwise.

Early repayment provisions, if applicable, upon the death of a beneficial owner exercisable by the estate.

Minimum denominations of $1,000 or integral multiples of $1,000.

Book-entry through The Depository Trust Company, except in limited circumstances.

Payment in U.S. dollars.

We will specify final terms for each Note in the applicable pricing supplement, which may be different from the terms described in this prospectus supplement.

See Risk Factors beginning on page S-6 to read about factors you should consider before investing in any Notes.

THE NOTES ARE NOT DEPOSITS OR OTHER OBLIGATIONS OF A BANK AND ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENT AGENCY.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

We may sell the Notes to the Purchasing Agent referred to below as principal for resale at varying or fixed offering prices or through the Purchasing Agent as agent using its reasonable best efforts on our behalf. Unless otherwise specified in the applicable pricing supplement, the price to the public for the Notes will be 100% of their principal amount. If we sell all of the Notes under this prospectus supplement, we expect to receive proceeds of between approximately $975,000,000 and $998,750,000 after paying the Purchasing Agent s discounts and commissions of between approximately $1,250,000 and $25,000,000 and before deducting expenses payable by us. We may also sell the Notes directly to investors on our own behalf where we are authorized to do so.

Merrill Lynch & Co.

The date of this prospectus supplement is June 15, 2006.

CoreNotes® is a registered service mark of Merrill Lynch & Co., Inc.

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Prospectus Supplement

Prospectus

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ABOUT THIS PROSPECTUS SUPPLEMENT,

THE ACCOMPANYING PROSPECTUS AND PRICING SUPPLEMENTS

This prospectus supplement sets forth certain terms of the Notes that we may offer and supplements the prospectus that is attached to the back of this prospectus supplement. This prospectus supplement supersedes the accompanying prospectus to the extent it contains information that is different from or additional to the information in that prospectus.

Each time we offer and sell Notes, you will receive a pricing supplement with this prospectus supplement. The pricing supplement will contain the specific description of the Notes we are offering and the terms of the offering. The pricing supplement will supersede this prospectus supplement and the accompanying prospectus to the extent it contains information that is different from or additional to the information contained in this prospectus supplement or the accompanying prospectus.

It is important for you to read and consider all information contained in this prospectus supplement and the accompanying prospectus, as well as in the applicable pricing supplement relating to the particular offering of Notes, in making your decision to invest in the Notes.

You should rely only on the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and any pricing supplement. Neither we nor the Purchasing Agent has authorized any other person to provide you with different or additional information. If anyone provides you with different or additional information, you should not rely on it. Neither we nor the Purchasing Agent is making an offer to sell the Notes in any jurisdiction where the offer or sale is not permitted. You should assume that the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and any pricing supplement is accurate only as of its date.

References in this prospectus supplement to the Company , we , us or our are to The Bank of New York Company, Inc. and references in this prospectus supplement to the Purchasing Agent is to Merrill Lynch, Pierce, Fenner & Smith Incorporated. In addition, references in this prospectus supplement to the Senior Notes shall mean Senior Medium-Term Notes Series H, references in this prospectus supplement to the Senior Subordinated Notes shall mean Senior Subordinated Medium-Term Notes Series I, and references in this prospectus supplement to the Notes shall mean the Senior Notes and the Senior Subordinated Notes.

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SUMMARY

This section outlines the legal and financial terms of the Notes that are more generally described herein under Description of Notes . You should read the more detailed information appearing elsewhere in this prospectus supplement and the accompanying prospectus, as well as in the applicable pricing supplement relating to the particular offering of Notes.

Company	The Bank of New York Company, Inc.
Name of the Securities	The Bank of New York Company, Inc. CoreNotes®, which are part of the following series:
	Senior Medium-Term Notes Series H or Senior Subordinated Medium-Term Notes Series I
Purchasing Agent	Merrill Lynch, Pierce, Fenner & Smith Incorporated.
Amount	Under this prospectus supplement, up to $1,000,000,000 aggregate initial offering price of either Senior Notes or Senior Subordinated Notes.
Ranking of Senior Notes	The Senior Notes will be our unsecured and unsubordinated obligations and will rank equally with our other unsecured and unsubordinated indebtedness.
Ranking of Senior Subordinated Notes	The Senior Subordinated Notes will be unsecured and subordinated to our Senior Indebtedness as described in the accompanying prospectus.
Maturities	The Notes will be due nine months or longer from the date of issue, as specified in the applicable pricing supplement.
Denominations	Unless otherwise specified in the applicable pricing supplement, we will issue the Notes in denominations of $1,000 and integral multiples of $1,000.
Interest	Each interest-bearing Note will bear interest from its date of issue at a fixed rate per year, specified in the applicable pricing supplement, until the principal thereof is paid. Interest on each such Note will be payable on each interest payment date specified in the applicable pricing supplement and at maturity or, if applicable, earlier redemption or repayment, and will be computed on the basis of a 360-day year of twelve 30-day months.
Principal	The principal amount of each Note will be payable on its stated maturity date specified in the applicable pricing supplement, unless redeemed or repaid prior thereto in accordance with its terms, at the office of the Paying Agent, Registrar and Transfer Agent for the Notes or at such other office in The City of New York as we may designate.

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Redemption	Unless otherwise specified in the applicable pricing supplement, the Notes will not be redeemable prior to the stated maturity date.
Survivor s Option	Unless otherwise specified in the applicable pricing supplement, the Notes will be subject to repayment prior to maturity at least six months after the Notes acquisition by a beneficial owner, if requested, following the death of that beneficial owner. The right to require repayment in these circumstances is referred to herein as the Survivor s Option , which is, subject to limits, both individually and on an aggregate basis, on the permitted dollar amount of exercise in any calendar year, exercisable by the estate of the deceased owner.
Form of Notes	The Notes will be represented by global securities that will be deposited and registered in the name of The Depository Trust Company or its nominee. This means that, except in limited circumstances, you will not receive certificates for the Notes.
Senior Trustee	Deutsche Bank Trust Company Americas.
Senior Subordinated Trustee	J.P. Morgan Trust Company, National Association.
Paying Agent, Registrar and Transfer Agent	The Bank of New York.

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RISK FACTORS

Your investment in the Notes involves certain risks, not all of which are described in this prospectus supplement, some of which relate to the Notes and others of which relate to us. We include a discussion of risk factors relating to our business and an investment in the Notes in our Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q filed, from time to time by us, with the SEC. These reports are incorporated by reference into this prospectus supplement. See Where You Can Find More Information in the accompanying prospectus for an explanation of how to get a copy of any of these reports. Additional risks related to the Notes are described below. In consultation with your own financial and legal advisers, you should carefully consider, among other matters, the following discussion of risks and the risk factors discussed in our periodic reports before deciding whether an investment in the Notes is suitable for you. The Notes are not an appropriate investment for you if you are unsophisticated with respect to their significant components and interrelationships. Although we try to discuss key risks in our risk factor descriptions, new risks may emerge in the future, which may prove to be important. We cannot predict future risks or estimate the extent to which they may affect our financial performance.

We are a holding company, and as a result we are dependent on dividends from our subsidiaries, including The Bank of New York, to meet our obligations, including with respect to the Notes.

We are a non-operating holding company, whose principal asset and source of income is our investment in the Bank. We are a legal entity separate and distinct from the Bank and our other subsidiaries and, therefore, rely primarily on dividends from these subsidiaries to meet our obligations, including with respect to the Notes, and to provide funds for payment of dividends to our shareholders, to the extent declared by our board of directors. There are various legal limitations on the extent to which the Bank and our other subsidiaries can finance or otherwise supply funds to us (by dividend or otherwise) and certain of our affiliates. At March 31, 2006, the Bank could pay dividends of approximately $510 million to us. Although we maintain cash positions for liquidity at the holding company level, if the Bank or other of our subsidiaries were unable to supply us with cash over time, we could be unable to meet our obligations, including with respect to the Notes, or declare or pay dividends in respect of our capital stock. See Certain Regulatory Considerations Restrictions on Payment of Dividends in the accompanying prospectus.

Because we are a holding company, our rights and the rights of our creditors, including the holders of the Notes, to a share of the assets of any subsidiary upon the liquidation or recapitalization of the subsidiary will be subject to the prior claims of the subsidiary s creditors (including, in the case of the Bank and The Bank of New York (Delaware), their depositors), except to the extent that we may ourselves be a creditor with recognized claims against the subsidiary. Accordingly, the Notes will be effectively subordinated to all existing and future liabilities of our subsidiaries.

The Senior Subordinated Notes will be subordinated in right of payment to all of our Senior Indebtedness and noteholders will have limited acceleration rights under the Senior Subordinated Indenture.

The payment of the principal of and interest on the Senior Subordinated Notes will, to the extent set forth in the Senior Subordinated Indenture, be subordinated in right of payment to the prior payment in full of all Senior Indebtedness (as defined in the accompanying prospectus). If certain events of insolvency occur, the payment of the principal of and interest on the Senior Subordinated Notes will, to the extent set forth in the Senior Subordinated Indenture, also be effectively subordinated in right of payment to the prior payment in full of all Other Financial Obligations (as defined in the accompanying prospectus). Indebtedness that would have ranked senior to the Senior Subordinated Notes totaled approximately $5.8 billion at March 31, 2006. The senior subordinated indenture does not limit or prohibit us from incurring additional senior indebtedness.

Payment of principal of the Senior Subordinated Notes may be accelerated only in the case of our bankruptcy, insolvency or reorganization, and there is no right of acceleration of this payment upon a default in the payment of principal of or interest on the Senior Subordinated Notes or in the performance of any of our other covenants in the Senior Subordinated Indenture.

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There may not be any trading market for the Notes; many factors affect the trading market and value of the Notes.

Upon issuance, your Notes will not have an established trading market. We cannot assure you that a trading market for your Notes will ever develop or be maintained if developed. In addition to our creditworthiness, many factors affect the trading market for, and trading value of, your Notes. These factors include:

- the time remaining to the maturity of your Notes,
- the outstanding amount of Notes with terms identical to your Notes,
- the redemption or repayment features, if any, of your Notes, and
- the level, direction and volatility of market interest rates generally.

You should also be aware that there may be a limited number of buyers when you decide to sell your Notes. This may affect the price you receive for your Notes or your ability to sell your Notes at all.

Redemption may adversely affect your return on the Notes.

If your Notes are redeemable at our option, we may choose to redeem your Notes at times when prevailing interest rates are relatively low. In addition, if your Notes are subject to mandatory redemption, we may be required to redeem your Notes also at times when prevailing interest rates are relatively low. As a result, you generally will not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as your Notes being redeemed.

Our credit ratings may not reflect all risks of an investment in the Notes.

Our credit ratings are an assessment of our ability to pay our obligations. Consequently, real or anticipated changes in our credit ratings will generally affect the market value of your Notes. Our credit ratings, however, may not reflect the potential impact of risks related to market or other factors discussed above on the value of your Notes.

The ability to exercise the Survivor s Option may be limited in amount.

We have the discretionary right to limit the aggregate principal amount of Notes subject to the Survivor s Option that may be exercised in any calendar year to an amount equal to the greater of (i) $5,000,000 or (ii) 2.5% of the outstanding principal amount of all Notes offered by this

prospectus supplement as of the end of the most recent calendar year. We also have the discretionary right to limit to $500,000 in any calendar year the aggregate principal amount of Notes offered by this prospectus supplement subject to a Survivor s Option that may be exercised in such calendar year on behalf of any individual deceased owner of a beneficial interest in a Note. Accordingly, no assurance can be given that exercise of the Survivor s Option for the desired amount will be permitted in any single calendar year.

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DESCRIPTION OF NOTES

General

The Company will issue the Senior Notes under an Indenture, dated as of July 18, 1991 (the Senior Indenture) between the Company and Deutsche Bank Trust Company Americas (f/k/a Bankers Trust Company), as trustee (the Senior Trustee). The Company will issue the Senior Subordinated Notes under an Indenture, dated as of October 1, 1993 (the Senior Subordinated Indenture and, together with the Senior Indenture, the Indentures) between the Company and J.P. Morgan Trust Company, National Association (successor by merger to Chase Manhattan Trust Company, National Association), as trustee (the Senior Subordinated Trustee). The accompanying prospectus briefly outlines some of the provisions of the Indentures. If you would like more information about the Indentures, you should review them as filed with the SEC. See Where You Can Find More Information in the accompanying prospectus on how to locate the Indentures.

We provide information to you about the Notes in three separate documents. The first document is the accompanying prospectus, dated June 5, 2006, which provides general information concerning the Notes under Description of Senior Debt Securities and Senior Subordinated Debt Securities , some of which may not apply to a particular Note. The second document is this prospectus supplement, which also provides additional information about the Notes to supplement or replace, to the extent inconsistent, the description in the accompanying prospectus. The third document is the pricing supplement, which will provide final details about the terms of a specific Note and will be filed with the SEC about the time that the Note is sold.

This prospectus supplement includes (and the applicable pricing supplement will include) summaries of the Notes and the Indentures. If the information in this prospectus supplement or in the applicable pricing supplement differs from the terms and provisions of the Notes or the Indentures, you should in all cases rely on the terms and provisions of the Notes and the Indentures. The following description of Notes will apply to each Note offered hereby unless otherwise specified in the applicable pricing supplement.

The Notes will be either Senior Notes or Senior Subordinated Notes (referred to in the accompanying prospectus as the Senior Debt Securities and the Senior Subordinated Debt Securities, respectively). The Senior Notes and the Senior Subordinated Notes are each a single series of debt securities under the Indenture pursuant to which they will be issued. The Notes are currently limited to up to $1,000,000,000 aggregate initial public offering price. The Indentures do not limit the amount of additional debt securities that we may issue in the future under the Indentures.

Each Indenture provides that we may issue debt securities in one or more series up to the aggregate principal amount authorized by us from time to time. Each series of debt securities and each specific Note may differ as to its terms and each series of debt securities need not be issued at the same time. A series of debt securities, including the Senior Notes and the Senior Subordinated Notes, may be reopened or further reopened in order to issue additional debt securities of that series without the consent of the holders of the applicable series of Notes.

Upon issuance, all Notes having the same issue price, Original Issue Date (as defined herein), Maturity Date (as defined herein), interest rate, redemption and repayment provisions, if any, and Interest Payment Dates (as defined herein) will be represented by one global Note, which will be registered in the name of a nominee of The Depository Trust Company, as Depositary under the Indentures (DTC). All references herein to registered holders or holders will be to DTC or its nominee and not to owners of beneficial interests in Notes, except as otherwise provided. See Book-Entry Issuance in the accompanying prospectus.

Unless otherwise specified in the applicable pricing supplement, we will issue Notes in denominations of $1,000 and integral multiples of $1,000.

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Ranking

The Senior Notes will be unsecured and unsubordinated obligations of the Company and will rank equally with other unsecured and unsubordinated indebtedness of the Company. Indebtedness of the Company that would have ranked equally with the Senior Notes totaled approximately $5.8 billion at March 31, 2006.

The Senior Subordinated Notes will be unsecured and subordinated to Senior Indebtedness of the Company as described in the accompanying prospectus under Description of Senior Debt Securities and Senior Subordinated Debt Securities Subordination of Senior Subordinated Debt Securities. The Indentures do not limit or prohibit the incurrence of additional Senior Indebtedness. Indebtedness of the Company which would have been senior to the Senior Subordinated Notes totaled approximately $5.8 billion at March 31, 2006. Indebtedness of the Company which would have ranked equally with the Senior Subordinated Notes totaled approximately $3.0 billion at March 31, 2006.

Because the Company is a holding company, its rights and the rights of its creditors, including the holders of any Notes, to a share of the assets of any subsidiary upon the liquidation or recapitalization of the subsidiary will be subject to the prior claims of the subsidiary s creditors (including, in the case of the Bank and The Bank of New York (Delaware), their depositors), except to the extent that the Company may itself be a creditor with recognized claims against the subsidiary. Accordingly, the Notes will be effectively subordinated to existing and future liabilities of the Company s subsidiaries, and holders of Notes should look only to our assets for payments on the Notes.

Maturity

The Notes will be offered on a continuous basis and will mature on any day nine months or longer from the date of issue, as specified in the applicable pricing supplement. Each Note will also be due and payable (in whole or in part) on any earlier date on which the principal or an installment of principal of a Note becomes due and payable, whether by a declaration of acceleration, a call for redemption at our option, notice of election to exercise any Survivor s Option or otherwise as agreed to by the purchaser and the Company and specified in the applicable pricing supplement.

Payment of the principal of the Senior Subordinated Notes may be accelerated only in case of the bankruptcy, insolvency or reorganization of the Company. As a holder of a Note, you do not have a right to accelerate the payment of principal on the Senior Subordinated Notes if there is a default in the payment of principal of or interest on such Notes or in our performance of any covenant contained in the Senior Subordinated Indenture. See Description of Senior Debt Securities and Senior Subordinated Debt Securities Defaults The Senior Subordinated Indenture in the accompanying prospectus.

Payment of Principal and Interest

We will make payments of principal of, and premium, if any, and interest, if any, on global Notes to DTC. See Book-Entry Issuance in the accompanying prospectus for more information. Beneficial interests in the Notes will be reflected on the records of DTC; transfers of interests in the Notes can only be effected through these records. We will only issue definitive (paper) certificates for the Notes to owners of beneficial interests in the Notes in limited circumstances, which include DTC ceasing to be registered under the Securities Exchange Act of 1934.

We will make payments of principal, premium, if any, and interest with respect to the Notes in U.S. dollars unless otherwise stated in the applicable pricing supplement.

If any Interest Payment Date or the Maturity Date on a Note falls on a day that is not a Business Day, the applicable payments may be made on the next Business Day. In such case, no interest will accrue on the amount so payable for such period of delay.

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Business Day means any day other than a Saturday, Sunday, legal holiday or other day on which banking institutions in The City of New York are authorized or required by law, regulation or executive order to close.

We will pay any administrative costs incurred by banks in connection with transmitting payments of principal, interest or premium by wire transfer. However, any tax, assessment or governmental charge imposed upon payments will be borne by owners of beneficial interests in Notes.

Interest

Unless otherwise indicated in the applicable pricing supplement, each Note will bear interest from the date of original issuance (the Original Issue Date) at a fixed rate. Interest payable and punctually paid or duly provided for on any date on which interest is payable (an Interest Payment Date) and on the stated maturity date or upon earlier redemption or repayment (such stated maturity date or date of redemption or repayment, as the case may be, being collectively hereinafter referred to as the Maturity Date), or on a later date on which payment may be made hereunder in respect of such Interest Payment Date, will be paid to the person in whose name a Note is registered at the close of business on the Regular Record Date (as hereinafter defined) next preceding such Interest Payment Date; *provided, however*, that the first payment of interest on any Note with an Original Issue Date (as set forth in the applicable pricing supplement) between a Regular Record Date and an Interest Payment Date or on an Interest Payment Date will be made on an Interest Payment Date following the next succeeding Regular Record Date to the registered holder on such next succeeding Regular Record Date; *provided, further*, that interest payable at maturity or upon earlier redemption or repayment will be payable to the person to whom principal shall be payable. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

Interest on the Notes will be payable on each Interest Payment Date therefor, which will be the days during the term of the Notes specified in the applicable pricing supplement, and on the Maturity Date with respect to the principal then maturing.

Interest rates that we offer on the Notes may differ depending upon, among other factors, the aggregate principal amount of Notes purchased in any single transaction. Notes with different variable terms other than interest rates may also be offered concurrently to different investors. We may change interest rates or formulas and other terms of Notes from time to time, but no change of terms will affect any Note we have previously issued or as to which we have accepted an offer to purchase.

Unless otherwise specified in the applicable pricing supplement, the Regular Record Date for any Note will be the calendar day fifteen days preceding each Interest Payment Date whether or not such day is a Business Day.

Redemption at Our Option; No Sinking Fund

If one or more Redemption Dates are specified in the applicable pricing supplement, we may redeem the particular Notes prior to their stated maturity date at our option on any Redemption Date, in whole or from time to time in part in increments of $1,000 (provided that any remaining principal amount thereof shall be at least $1,000), at a redemption price equal to 100% of the unpaid principal amount thereof to be redeemed, together with unpaid interest accrued thereon to the date of redemption. We must give written notice to registered holders of the particular Notes to be redeemed at our option not more than 60 nor less than 30 calendar days prior to the date of redemption. For a discussion of the redemption of Discount Notes, see Discount Notes.

The Notes will not be subject to, or entitled to the benefit of, any sinking fund.

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Repayment Upon Exercise of Survivor s Option; Repurchases by Us

A Survivor s Option is our agreement with the beneficial owner of a Note to repurchase that Note, in whole or in part, at least six months after the Note s acquisition by a beneficial owner, if requested, following the death of that beneficial owner. Unless otherwise specified in the applicable pricing supplement, the estate of the deceased beneficial owner of a Note will be eligible for a Survivor s Option.

If a Survivor s Option is exercised, we will repay any Note that is properly tendered for repayment by or on behalf of the person that has authority to act on behalf of the deceased owner of that Note under the laws of the appropriate jurisdiction at a price equal to 100% of the unpaid principal amount of the beneficial interest to be repaid, together with unpaid interest accrued thereon to the date of repayment. For a discussion of repayment of Discount Notes, see Discount Notes.

We have the discretionary right to limit the aggregate principal amount of Notes subject to a Survivor s Option that may be exercised in any calendar year (the Annual Put Limitation) to an amount equal to the greater of (i) $5,000,000 or (ii) 2.5% of the outstanding principal amount of all Notes offered by this prospectus supplement as of the end of the most recent calendar year. We also have the discretionary right to limit the aggregate principal amount of Notes offered by this prospectus supplement subject to a Survivor s Option that may be exercised in any calendar year on behalf of any individual deceased owner of a beneficial interest in a Note to $500,000 (the Individual Put Limitation). In addition, we will not permit the exercise of a Survivor s Option for an amount that is less than $1,000 or that will result in a Note with a principal amount of less than $1,000 to remain outstanding.

An otherwise valid election to exercise the Survivor s Option may not be withdrawn. Each election to exercise a Survivor s Option will be accepted in the order received, except for any Note the acceptance of which would contravene the Annual Put Limitation or the Individual Put Limitation. Notes accepted for repayment pursuant to exercise of the Survivor s Option will be repaid no later than the first Interest Payment Date that occurs 20 or more calendar days after the date of the acceptance. Each Note submitted for repayment that is not accepted in any calendar year due to the application of the Annual Put Limitation or the Individual Put Limitation will be deemed to be tendered on the first day of the following calendar year in the order in which all such Notes were originally tendered. If a Note submitted for repayment pursuant to a valid election of the Survivor s Option is not accepted, the Paying Agent will deliver a written notice by first-class mail to the registered holder, at its last known address as indicated in the Security Register, that states the reason that particular Note has not been accepted for repayment.

With respect to Notes represented by a global security, DTC or its nominee will be treated as the registered holder of the Notes and will be the only entity that can exercise the Survivor s Option for such Notes. To obtain repayment pursuant to exercise of the Survivor s Option for a Note, the deceased owner s authorized person must provide the following items to DTC s participants (Participants) through which the related beneficial interest is owned.

- a written instruction to such Participant to notify DTC of the authorized person s desire to obtain repayment pursuant to exercise of the Survivor s Option;
- appropriate evidence that (a) the deceased was the owner of a beneficial interest in the related Note at the time of death and that the beneficial interest was purchased at least six months prior to the date of exercise of the Survivor s Option, (b) the death of the owner has occurred and (c) the person has authority to act on behalf of the deceased owner;
- if the beneficial interest in the related Note is held by a nominee of the deceased owner, a certificate from the nominee attesting to the deceased owner s ownership of a beneficial interest in such Note;

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a written request for repayment signed by the authorized person for the deceased owner with signature guaranteed by a member firm of a registered national securities exchange or of the National Association of Securities Dealers, Inc. (the NASD) or a commercial bank or trust company having an office or correspondent in the United States, sometimes referred to as a Medallion Signature Guarantee;

if applicable, a properly executed assignment or endorsement;

tax waivers and any other instruments or documents reasonably required in order to establish the validity of the ownership of the beneficial interest in the related Note and the claimant s entitlement to payment; and

any additional information reasonably required to document the ownership or authority to exercise the Survivor s Option and to cause the repayment of the related Note.

In turn, the applicable Participant will deliver each of these items to the Paying Agent, together with evidence satisfactory to the Paying Agent from the Participant stating that it represents the deceased owner of the beneficial interest in the related Note.

Apart from our discretionary right to limit the aggregate principal amount of the Notes subject to a Survivor s Option that may be exercised in any one calendar year as described above, all other questions regarding the eligibility or validity of any exercise of the Survivor s Option will be determined by the Paying Agent, in its sole discretion, which determination will be final and binding on all parties.

The death of a person owning a Note in joint tenancy or tenancy by the entirety with another or others will be deemed the death of the owner of that Note, and the entire principal amount of the Note so owned will be subject to repayment.

The death of a person owning a Note by tenancy in common will be deemed the death of an owner of that Note only with respect to the deceased owner s interest in that Note. However, if a Note is held by husband and wife as tenants in common, the death of either spouse will be deemed the death of the owner of that Note, and the entire principal amount of the Note so owned will be subject to repayment.

The death of a person who, during his or her lifetime, was entitled to substantially all of the beneficial interests of ownership of a Note will be deemed the death of the owner of that Note if the beneficial interest can be established to the satisfaction of the Paying Agent. The beneficial interest will be deemed to exist in typical cases of nominee ownership, ownership under the Uniform Transfers to Minors Act, community property or other joint ownership arrangements between a husband and wife and custodial and trust arrangements where one person has substantially all of the beneficial interests of ownership in a Note during his or her lifetime.

The applicable Participant will be responsible for disbursing payments received from the Paying Agent to the authorized person for the deceased owner.

We have attached as Annex A to this prospectus supplement the form to be used to exercise the Survivor s Option. In addition, forms for the exercise of the Survivor s Option may be obtained from the Paying Agent at its corporate trust office located at 101 Barclay Street, New York, New York 10286, attention: Remo Reale, telephone number: 212-815-2492.

If applicable, we will comply with the requirements of Section 14(e) of the Securities Exchange Act of 1934, and the rules promulgated thereunder, and any other securities laws or regulations in connection with any repayment of Notes at the option of the registered holders thereof.

We may at any time purchase Notes at any price or prices in the open market or otherwise. Notes so purchased by us may, at our discretion, be held, resold or surrendered to the Paying Agent for cancellation.

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Discount Notes

We may from time to time offer Notes that have an Issue Price (as specified in the applicable pricing supplement) which is less than 100% of the principal amount thereof (i.e. par) and that are designated as Discount Notes. Discount Notes may not bear any interest currently or may bear interest at a rate that is below market rates at the time of issuance. The difference between the Issue Price of a Discount Note and par is referred to as the Discount. In the event of redemption, repayment or acceleration of maturity of a Discount Note, the amount payable to the Holder of a Discount Note will be equal to the sum of:

the Issue Price (increased by any accruals of Discount); and

any unpaid interest accrued on the Discount Notes to the date of the redemption, repayment or acceleration of maturity, as the case may be.

For purposes of determining the amount of Discount that has accrued as of any date on which a redemption, repayment or acceleration of maturity occurs for a Discount Note, a Discount will be accrued using the following constant yield method. The constant yield will be calculated using a 30-day month, 360-day year convention, a compounding period that, except for the Initial Period (as defined below), corresponds to the shortest period between Interest Payment Dates for the applicable Discount Note (with ratable accruals within a compounding period), and an assumption that the maturity of a Discount Note will not be accelerated. If the period from the date of issue to the first Interest Payment Date for a Discount Note (the Initial Period) is shorter than the compounding period for the Discount Note, a proportionate amount of the yield for an entire compounding period will be accrued. If the Initial Period is longer than the compounding period, then the period will be divided into a regular compounding period and a short period with the short period being treated as provided in the preceding sentence. The accrual of the applicable Discount may differ from the accrual of original issue discount for purposes of the Internal Revenue Code of 1986, as amended (the Code), certain Discount Notes may not be treated as having original issue discount within the meaning of the Code, and Notes other than Discount Notes may be treated as issued with original issue discount for federal income tax purposes. See United States Federal Income Tax Consequences.

Paying Agent, Registrar and Transfer Agent

The initial Paying Agent, Registrar and Transfer Agent for the Notes is the Bank, acting through its principal corporate trust offices in The City of New York. We may vary or terminate the appointment of the Paying Agent, Registrar and Transfer Agent and appoint additional Paying Agents, Registrars and Transfer Agents or approve any change in the office through which the Paying Agent, Registrar or Transfer Agent acts, provided that, so long as any Notes remain outstanding, there will at all times be a Paying Agent in The City of New York and we will maintain in The City of New York one or more offices or agencies where Notes may be presented for registration of transfer and exchange.

Other Provisions; Addendum

Any provisions with respect to the Notes may be modified or supplemented as specified under Other Provisions on the face thereof or in an Addendum relating thereto, if so specified on the face of such Note and described in the applicable pricing supplement.

Governing Law

The Indentures and the Notes will be governed by, and construed in accordance with, the laws of the State of New York.

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UNITED STATES FEDERAL INCOME TAX CONSEQUENCES

Following is a discussion of the material United States federal income and estate tax consequences of the purchase, ownership and disposition of the Notes. This discussion is based on laws, regulations, rulings and decisions now in effect, all of which are subject to change (possibly with retroactive effect) or possible differing interpretations. This discussion deals only with Notes held as capital assets within the meaning of Section 1221 of the Code and does not purport to deal with persons in special tax situations, such as financial institutions, insurance companies, regulated investment companies, dealers in securities or currencies, former citizens or long-term residents of the United States, persons holding Notes as a hedge against currency risks or as a position in a straddle, hedge, constructive sale transaction or conversion transaction for tax purposes, or persons whose functional currency is not the U.S. dollar. It also does not deal with holders other than original purchasers except where otherwise specifically noted. If you are considering purchasing Notes you should consult your own tax advisor concerning the application of the United States federal tax laws to you in light of your particular situation, as well as any consequences to you of purchasing, owning and disposing of Notes under the laws of any other taxing jurisdiction.

For purposes of this discussion, the term U.S. holder means a beneficial owner of a Note that is, for United States federal income tax purposes,

- an individual citizen or resident of the United States,
- a corporation, or 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,
- a trust (i) subject to the control of one or more United States persons and the primary supervision of a court in the United States or (ii) that has a valid election in effect to be treated as a U.S. person, or
- an estate the income of which is subject to United States federal income taxation regardless of its source.

If a partnership holds Notes, the United States federal income tax treatment of a partner generally will depend upon the status of the partner and the activities of the partnership. Partners of partnerships holding Notes should consult their own tax advisors. The term non-U.S. holder means a beneficial owner of a Note that is not a U.S. holder.

U.S. Holders

Payments of Interest. Payments of interest on a Note generally will be taxable to a U.S. holder as ordinary interest income at the time they are accrued or received, in accordance with the U.S. holder s regular method of tax accounting.

Original Issue Discount. Following is a general discussion of the United States federal income tax consequences to U.S. holders of the purchase, ownership and disposition of Notes issued with original issue discount, or OID. Notes issued with OID are referred to in this discussion as OID Notes.

In general, a Note is an OID Note for United States federal income tax purposes if its stated redemption price at maturity exceeds its issue price by an amount that equals or exceeds 0.25% of the stated redemption price at maturity multiplied by the number of complete years to its maturity. A Note s stated redemption price at maturity is the sum of all payments on the Note other than payments of qualified stated interest. Qualified stated interest generally means stated interest that is unconditionally payable in cash or property (other than debt instruments of the Company) at least annually at a single fixed rate, provided that the rate appropriately takes into account the length of intervals between payments, or at certain variable rates of interest or certain

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combinations. The issue price of each Note in an issuance of Notes is the first price at which a substantial amount of the Notes in that issuance has been sold for cash, excluding sales to bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers.

A U.S. holder of an OID Note that matures more than one year from the date of issuance must include OID in income as ordinary interest for United States federal income tax purposes as it accrues under a constant yield method in advance of the receipt of cash payments attributable to such income, regardless of the U.S. holder s regular method of tax accounting. In general, the amount of OID included in income by a U.S. holder is the sum of the daily portions of OID with respect to the Note for each day during the taxable year (or portion of the taxable year) on which the U.S. holder held the Note. The daily portion of OID on an OID Note is determined by allocating to each day in any accrual period a ratable portion of the OID allocable to that accrual period. An accrual period may be of any length and accrual periods may vary in length over the term of the Note, provided that each accrual period is no longer than one year and each scheduled payment of principal or interest occurs either on the first or final day of an accrual period. The amount of OID allocable to each accrual period is generally equal to the difference between

- the product of the OID Note s adjusted issue price at the beginning of the accrual period and its yield to maturity (determined on the basis of compounding at the close of each accrual period and appropriately adjusted to take into account the length of the particular accrual period), and
- the amount of any qualified stated interest payments allocable to such accrual period.

The adjusted issue price of an OID Note at the beginning of any accrual period is the sum of the issue price of the OID Note plus the amount of OID allocable to all prior accrual periods, minus the amount of any prior payments on the OID Note other than payments of qualified stated interest. Under these rules, U.S. holders generally will have to include in income increasingly greater amounts of OID in successive accrual periods.

In certain cases, we may have the option to redeem Notes prior to their stated maturity or holders may have the option to require us to repay Notes prior to their stated maturity. Notes containing such features may be subject to rules that differ from the general rules discussed above. If you intend to purchase Notes with such features, you should consult your own tax advisor, since the OID consequences will depend, in part, on the particular terms and features of the purchased Notes.

Election to Treat All Interest as OID. Subject to certain limitations, a U.S. holder may elect to include in income all interest on a Note using a constant yield method. For this purpose, interest includes stated interest, acquisition discount, OID, de minimis OID, market discount, de minimis market discount and unstated interest, as adjusted by any amortizable bond premium or acquisition premium. This election is made for the taxable year in which the U.S. holder acquired the Note, and may not be revoked without the consent of the IRS. U.S. holders should consult their tax advisors concerning the propriety and consequences of this election.

Short-Term Notes. Notes that have a fixed maturity of one year or less short-term notes will be treated as having been issued with OID. Absent an election, however, an individual or other cash method U.S. holder of a short-term note generally is not required to accrue OID. If the election is not made, any gain recognized by such a U.S. holder on the sale, exchange or maturity of the short-term note will be ordinary income to the extent of the accrued OID, and a portion of the deductions otherwise allowable to the U.S. holder for interest on borrowings allocable to the short-term note will be deferred until a corresponding amount of income is recognized. U.S. holders who report income for United States federal income tax purposes under the accrual method, and certain other holders, including banks and dealers in securities, are required to accrue OID on a short-term note on a straight-line basis or, if they so elect, under a constant yield method.

Market Discount. If a U.S. holder purchases a Note, other than an OID Note, for an amount that is less than its stated redemption price at maturity or, in the case of an OID Note, for an amount that is less than its adjusted issue price as of the purchase date, the U.S. holder will be treated as having purchased the Note at a market discount, unless the market discount is less than a specified de minimis amount.

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Under the market discount rules, a U.S. holder will be required to treat any partial principal payment (or, in the case of an OID Note, any payment that does not constitute qualified stated interest) on, or any gain realized on the sale, exchange, retirement or other disposition of, a Note as ordinary income to the extent of the lesser of

- the amount of the payment or the realized gain, or
- the market discount that has not previously been included in income and is treated as having accrued on the Note at the time of the payment or disposition.

Market discount will be considered to accrue ratably during the period from the date of acquisition to the maturity date of the Note, unless the U.S. holder elects to accrue market discount under a constant yield method. A U.S. holder may be required to defer the deduction of all or a portion of the interest paid or accrued on any indebtedness incurred or maintained to purchase or carry a Note with market discount until the maturity of the Note or certain earlier dispositions. A U.S. holder may elect to include market discount in income currently as it accrues, either ratably or under a constant yield method, in which case the rules described above regarding the treatment as ordinary income of gain upon the disposition of the Note and upon the receipt of certain cash payments and regarding the deferral of interest deductions will not apply. Currently included market discount generally is treated as ordinary interest for United States federal income tax purposes. The election will apply to all debt instruments acquired by the U.S. holder on or after the first day of the taxable year to which the election applies and may be revoked only with the consent of the IRS.

Premium. A U.S. holder that purchases an OID Note for an amount that is greater than its adjusted issue price as of the purchase date and less than or equal to the sum of all amounts payable on the OID Note after the purchase date, other than payments of qualified stated interest, will be considered to have purchased the OID Note at an acquisition premium. Under the acquisition premium rules, the amount of OID that the U.S. holder must include in its gross income with respect to the OID Note for any taxable year, or the portion of any taxable year during which the U.S. holder holds the OID Note, will be reduced (but not below zero) by the portion of the acquisition premium properly allocable to the period.

A U.S. holder that purchases a Note for an amount that is greater than the sum of all amounts payable on the Note after the purchase date, other than payments of qualified stated interest, will be considered to have purchased the Note with amortizable bond premium equal to the excess. A U.S. holder may elect to amortize this premium under a constant yield method over the remaining term of the Note and may offset interest otherwise required to be included in respect of the Note during any taxable year by the amortized amount of such excess for the taxable year. However, if the Note may be redeemed at a price that is greater than its stated redemption price at maturity, special rules would apply that could result in a deferral of the amortization of some bond premium until later in the term of the Note. Any election to amortize bond premium applies to all taxable debt obligations then owned and thereafter acquired by the U.S. holder and may be revoked only with the consent of the IRS.

Disposition of a Note. Except as discussed above, upon the sale, exchange or retirement of a Note, a U.S. holder generally will recognize taxable gain or loss equal to the difference between the amount realized on the sale, exchange or retirement (excluding amounts representing accrued and unpaid interest, which are treated as ordinary income) and the U.S. holder s adjusted tax basis in the Note. A U.S. holder s adjusted tax basis in a Note generally will equal the U.S. holder s initial investment in the Note increased by any OID included in income (and accrued market discount, if any, if the U.S. holder has included such market discount in income) and decreased by the amount of any payments received, other than qualified stated interest payments, and amortizable bond premium taken with respect to such Note. Except as described above under Market Discount, gain or loss generally will be long-term capital gain or loss if the Note was held for more than one year. Generally, for U.S. holders who are individuals, long-term capital gains are subject to a preferential rate of United States federal income tax. The distinction between capital gain or loss and ordinary income or loss is also important in other contexts; for example, for purposes of the limitations on a U.S. holder s ability to offset capital losses against ordinary income.

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Non-U.S. Holders

A non-U.S. holder will not be subject to United States federal income taxes on payments of principal, premium (if any) or interest (including OID, if any) on a Note provided that

- income on the Note is not effectively connected with the conduct by the non-U.S. holder of a trade or business within the United States,
- the non-U.S. holder is not a controlled foreign corporation related to the Company through stock ownership,
- in the case of interest income, the recipient is not a bank receiving interest described in Section 881(c)(3) of the Code,
- the non-U.S. holder does not own (actually or constructively) 10% or more of the total combined voting power of all classes of stock of the Company, and
- the non-U.S. holder provides a statement signed under penalties of perjury that includes its name and address and certifies that it is a non-U.S. holder in compliance with applicable requirements, or satisfies documentary evidence requirements for establishing that it is a non-U.S. holder.

A non-U.S. holder that is not exempt from tax under these rules generally will be subject to United States federal income tax withholding at a rate of 30% unless

- the income is effectively connected with the conduct of a United States trade or business, in which case the interest will be subject to United States federal income tax on a net income basis as applicable to U.S. holders generally (unless an applicable income tax treaty provides otherwise), or
- an applicable income tax treaty provides for a lower rate of, or exemption from, withholding tax.

In the case of a non-U.S. holder that is a corporation and that receives income that is effectively connected with the conduct of a United States trade or business, such income may also be subject to a branch profits tax (which is generally imposed on a foreign corporation on the actual or deemed repatriation from the United States of earnings and profits attributable to a United States trade or business) at a 30% rate. The branch profits tax may not apply (or may apply at a reduced rate) if a recipient is a qualified resident of a country with which the United States has an income tax treaty.

To claim the benefit of an income tax treaty or to claim exemption from withholding because income is effectively connected with a United States trade or business, the non-U.S. holder must timely provide the appropriate, properly executed IRS forms. These forms may be required to be periodically updated. Also, a non-U.S. holder who is claiming the benefits of a treaty may be required to obtain a United States taxpayer identification number and to provide certain documentary evidence issued by foreign governmental authorities to prove residence in the foreign country.

Generally, a non-U.S. holder will not be subject to United States federal income or withholding taxes on any amount that constitutes capital gain upon retirement or disposition of a Note, provided the gain is not effectively connected with the conduct of a trade or business in the United States by the non-U.S. holder. Certain other exceptions may be applicable, and a non-U.S. holder should consult its tax advisor in this regard.

The Notes will not be includible in the estate of an individual who is not a citizen or resident (as specially defined for estate tax purposes) of the United States at the date of death unless the individual is a direct or indirect 10% or greater stockholder of the Company or, at the time of such individual s death, payments in respect of the Notes would have been effectively connected with the conduct by such individual of a United States trade or business.

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Information Reporting and Backup Withholding

A U.S. holder (other than an exempt recipient, including a corporation and certain other persons who, when required, demonstrate their exempt status) may be subject to backup withholding at the applicable rate on, and to information reporting requirements with respect to, payments of principal or interest on, and to proceeds from the sale, exchange or retirement of, Notes. In general, if a non-corporate U.S. holder subject to information reporting fails to furnish a correct taxpayer identification number or otherwise fails to comply with applicable backup withholding requirements, backup withholding at the applicable rate may apply. Payments of interest to a non-U.S. holder generally will be reported to the IRS and to the non-U.S. holder. Copies of applicable IRS information returns may be made available under the provisions of a specific tax treaty or agreement to the tax authorities of the country in which the non-U.S. holder resides. Non-U.S. holders generally are exempt from backup withholding and additional information reporting provided, if necessary, they demonstrate their qualification for exemption.

Holders should consult their tax advisors regarding the qualification for an exemption from backup withholding and information reporting and the procedures for obtaining such an exemption, if applicable. Any amounts withheld under the backup withholding rules from a payment to a beneficial owner generally would be allowed as a refund or a credit against such beneficial owner s United States federal income tax provided the required information is furnished to the IRS.

PLAN OF DISTRIBUTION

We are offering the Notes on a continuing basis for sale to or through Merrill Lynch, Pierce, Fenner & Smith Incorporated (the Purchasing Agent) as described herein. The Purchasing Agent may purchase Notes from us, as principal, from time to time for resale to investors at a fixed offering price equal to 100% of the principal amount thereof or such other price specified in the applicable pricing supplement or, if so specified in the applicable pricing supplement, for resale at varying prices relating to prevailing market prices at the time of resale as determined by the Purchasing Agent. However, we may also explicitly agree with the Purchasing Agent that it will utilize its reasonable best efforts on an agency basis on our behalf to solicit offers to purchase Notes at 100% of the principal amount thereof, unless otherwise specified in the applicable pricing supplement.

We will pay the Purchasing Agent a gross selling concession in the form of a discount ranging from 0.125% to 2.500%, depending upon the maturity, for each Note purchased from us by it as principal, unless otherwise specified in the applicable pricing supplement. The amount of commissions payable to the Purchasing Agent acting as our agent in the sale of Notes will be identical to the scheduled discount payable to the Purchasing Agent acting as principal. In addition, we estimate that our expenses that will be incurred in connection with the offering and sale of the Notes, including reimbursement of certain of the Purchasing Agent s expenses, will total approximately $350,000.

The Purchasing Agent may sell Notes it has purchased from us as principal to other NASD dealers in good standing at a concession and, unless otherwise specified in the applicable pricing supplement, such concession allowed to any dealer will not, during the distribution of the Notes, be in excess of the concession to be received by the Purchasing Agent from us. We may not sell Notes offered by this prospectus supplement to any broker or dealer other than the Purchasing Agent. We may sell Notes directly to investors on our own behalf in those jurisdictions where we are permitted to do so.

After the initial public offering of Notes, the offering price (in the case of Notes to be resold on a fixed offering price basis) and the concession may be changed.

We reserve the right to withdraw, cancel or modify the offer made hereby without notice and may reject offers in whole or in part (whether placed directly by us or through the Purchasing Agent). The Purchasing Agent will have the right, in its discretion reasonably exercised, to reject in whole or in part any offer to purchase Notes received by it on an agency basis.

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Upon issuance, the Notes will not have an established trading market. The Notes will not be listed on any securities exchange. The Purchasing Agent may from time to time purchase and sell Notes in the secondary market, but the Purchasing Agent is not obligated to do so, and there can be no assurance that a secondary market for the Notes will develop or that there will be liquidity in the secondary market if one develops. From time to time, the Purchasing Agent may make a market in the Notes, but the Purchasing Agent is not obligated to do so and may discontinue any market-making activity at any time.

In connection with an offering of Notes purchased by the Purchasing Agent as principal on a fixed offering price basis, the Purchasing Agent will be permitted to engage in certain transactions that stabilize the price of Notes. These transactions may consist of bids or purchases for the purpose of pegging, fixing or maintaining the price of Notes. If the Purchasing Agent creates a short position in Notes, i.e., if it sells Notes in an amount exceeding the amount referred to in the applicable pricing supplement, it may reduce that short position by purchasing Notes in the open market. In general, purchases of Notes for the purpose of stabilization or to reduce a short position could cause the price of Notes to be higher than it might be in the absence of these type of purchases.

Neither we nor the Purchasing Agent makes any representation or prediction as to the direction or magnitude of any effect that the transactions described in the immediately preceding paragraph may have on the price of Notes. In addition, neither we nor the Purchasing Agent makes any representation that the Purchasing Agent will engage in any such transactions or that such transactions, once commenced, will not be discontinued without notice.

The Purchasing Agent may be deemed to be an underwriter within the meaning of the Securities Act of 1933, as amended (the Securities Act). We have agreed to indemnify the Purchasing Agent against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the Purchasing Agent may be required to make in respect thereof.

Broker-dealers and/or securities firms have executed dealer agreements with the Purchasing Agent and have agreed to market and sell the Notes in accordance with the terms of these agreements along with all other applicable laws and regulations.

In the ordinary course of its business, the Purchasing Agent and its affiliates have engaged, and may in the future engage, in investment and commercial banking transactions with us and certain of our affiliates.

From time to time, we may sell other securities referred to in the accompanying prospectus, and the amount of Notes offered hereby may be reduced as a result of these sales.

LEGAL MATTERS

The validity of the Notes is being passed upon for us by Maria J. Petti, Esq., Senior Counsel to the Bank, and on behalf of the Purchasing Agent by Pillsbury Winthrop Shaw Pittman LLP, New York, New York. Pillsbury Winthrop Shaw Pittman LLP regularly performs legal services for us and our affiliates.

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ANNEX A

REPAYMENT ELECTION FORM

The Bank of New York Company, Inc.

[Senior Medium-Term Notes Series H]

[Senior Subordinated Medium-Term Notes Series I]

CUSIP Number

To: The Bank of New York Company, Inc. (the Company)

The Bank of New York (the Bank) as Paying and Authenticating Agent, represents the following:

The Bank has received a request for repayment from the executor or other authorized representative (the Authorized Representative) of the deceased beneficial owner listed below (the Deceased Beneficial Owner) of Notes Series Due (CUSIP No.) (the Notes).

At the time of his or her death, the Deceased Beneficial Owner owned Notes in the principal amount listed below, and the Bank currently holds such Notes as a direct or indirect participant in The Depository Trust Company (the Depositary).

The Bank agrees to the following terms:

The Bank shall follow the instructions (the Instructions) accompanying this Repayment Election Form (the Form).

The Bank shall make all records specified in the Instructions supporting the above representations available to The Bank of New York Company, Inc. (the Company) for inspection and review within five Business Days of the Company s request.

If the Bank or the Company, in either s reasonable discretion, deems any of the records specified in the Instructions supporting the above representations unsatisfactory to substantiate a claim for repayment, the Financial Institution shall not be obligated to submit this Form, and the Company may deny repayment. If the Bank cannot substantiate a claim for repayment, it shall notify the Company immediately.

Other than as described in the prospectus supplement relating to the Notes in the limited situation involving tenders of notes that are not accepted during one calendar year as a result of the Annual Put Limitation, repayment elections may not be withdrawn.

The Bank agrees to indemnify and hold harmless the Company against and from any and all claims, liabilities, costs, losses, expenses, suits and damages resulting from the Bank s above representations and request for repayment on behalf of the Authorized Representative.

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REPAYMENT ELECTION FORM

(1) Name of Deceased Beneficial Owner

(2) Date of Death

(3) Name of Authorized Representative Requesting Repayment

(4) The Bank of New York
Name of Financial Institution Requesting Repayment

(5) Signature of Representative of Financial Institution Requesting Repayment

(6) Principal Amount of Requested Repayment

(7) Date of Election

(8) Date Requested for Repayment

(9) Financial Institution Representative:
Name: Remo Reale,

Corporate Trust Department

Phone Number: (212) 815-2492

Fax Number: (212) 815-5707

Mailing Address: 101 Barclay Street

New York, NY 10286

(10) Wire instructions for payment:
Bank Name:

ABA Number:

Account Name:

Account Number:

Reference (optional):

TO BE COMPLETED BY THE COMPANY:

(A) Election Number*:
(B) Delivery and Payment Date:
(C) Principal Amount:
(D) Accrued Interest:

(E) Date of Receipt of Form by the Company:
(F) Date of Acknowledgment by the Company:

* To be assigned by the Company upon receipt of this Form. An acknowledgement, in the form of a copy of this document with the assigned Election Number, will be returned to the party and location designated on line (9) above.

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INSTRUCTIONS FOR COMPLETING REPAYMENT ELECTION FORM

AND EXERCISING REPAYMENT OPTION

Capitalized terms used and not defined herein have the meanings defined in the accompanying Repayment Election Form.

1. Collect and retain for a period of at least three years (1) satisfactory evidence of the authority of the Authorized Representative, (2) satisfactory evidence of death of the Deceased Beneficial Owner, (3) satisfactory evidence that the Deceased Beneficial Owner beneficially owned, at the time of his or her death and for at least six months prior to the date of election for repayment, the Notes being submitted for repayment, and (4) any necessary tax waivers. For purposes of determining whether the Company will deem Notes beneficially owned by an individual at the time of death, the following rules shall apply:

   Notes beneficially owned by tenants by the entirety or joint tenants will be regarded as beneficially owned by a single owner. The death of a tenant by the entirety or joint tenant will be deemed the death of the beneficial owner, and the Notes beneficially owned will become eligible for repayment. The death of a person beneficially owning a Note by tenancy in common will be deemed the death of a holder of a Note only with respect to the deceased holder s interest in the Note so held by tenancy in common, unless a husband and wife are the tenants in common, in which case the death of either will be deemed the death of the holder of the Note, and the entire principal amount of the Note so held will be eligible for repayment.

   Notes beneficially owned by a trust will be regarded as beneficially owned by each beneficiary of the trust to the extent of that beneficiary s interest in the trust (however, a trust s beneficiaries collectively cannot be beneficial owners of more Notes than are owned by the trust). The death of a beneficiary of a trust will be deemed the death of the beneficial owner of the Notes beneficially owned by the trust to the extent of that beneficiary s interest in the trust. The death of an individual who was a tenant by the entirety or joint tenant in a tenancy which is the beneficiary of a trust will be deemed the death of the beneficiary of the trust. The death of an individual who was a tenant in common in a tenancy which is the beneficiary of a trust will be deemed the death of the beneficiary of the trust only with respect to the deceased holder s beneficial interest in the Note, unless a husband and wife are the tenants in common, in which case the death of either will be deemed the death of the beneficiary of the trust.

   The death of a person who, during his or her lifetime, was entitled to substantially all of the beneficial interest in a Note will be deemed the death of the beneficial owner of that Note, regardless of the registration of ownership, if such beneficial interest can be established to the satisfaction of the Trustee. Such beneficial interest will exist in many cases of street name or nominee ownership, ownership by a trustee, ownership under the Uniform Gift to Minors Act and community property or other joint ownership arrangements between spouses. Beneficial interest will be evidenced by such factors as the power to sell or otherwise dispose of a Note, the right to receive the proceeds of sale or disposition and the right to receive interest and principal payments on a Note.

2. Indicate the name of the Deceased Beneficial Owner on line (1).

3. Indicate the date of death of the Deceased Beneficial Owner on line (2).

4. Indicate the name of the Authorized Representative requesting repayment on line (3).

5. Indicate the name of the Financial Institution requesting repayment on line (4).

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6. Affix the authorized signature of the Financial Institution s representative on line (5). THE SIGNATURE MUST BE MEDALLION SIGNATURE GUARANTEED.

7. Indicate the principal amount of Notes to be repaid on line (6).

8. Indicate the date this Form was completed on line (7).

9. Indicate the date of requested repayment on line (8). The date of requested repayment may not be earlier than the first Interest Payment Date to occur at least 20 calendar days after the date of the Company s acceptance of the Notes for repayment, unless such date is not a Business Day, in which case the date of requested payment may be no earlier than the next succeeding Business Day.

10. Indicate the name, mailing address (no P.O. boxes, please), telephone number and facsimile-transmission number of the party to whom the acknowledgment of this election may be sent on line (9).

11. Indicate the wire instruction for payment on line (10).

12. Leave lines (A), (B), (C), (D), (E) and (F) blank.

13. Attach the following documents to the Form:

    Death certificate;

    Proof of ownership; and

    Proof of identity of the Authorized Representative.

14. Mail or otherwise deliver an original copy of the completed Form to:

The Bank of New York

101 Barclay Street

New York, NY 10286

Attn. Remo Reale, Corporate Trust Department

FACSIMILE TRANSMISSIONS OF THE REPAYMENT ELECTION FORM

WILL NOT BE ACCEPTED.

15. If the acknowledgement of the Company s receipt of this Form, including the assigned Election Number, is not received within 10 days of the date such information is sent to the Bank, contact the Bank at (212) 815-2492.

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PROSPECTUS

The Bank of New York Company, Inc.

Senior Debt Securities

Senior Subordinated Debt Securities

Junior Subordinated Debt Securities

Preferred Stock

Common Stock

Depositary Shares

BNY Capital VI

BNY Capital VII

BNY Capital VIII

BNY Capital IX

BNY Capital X

Trust Preferred Securities

(fully and unconditionally guaranteed on a subordinated basis,

as described herein, by The Bank of New York Company, Inc.)

The Bank of New York Company, Inc., a New York corporation (also referred to as the Company or we), and each BNY Trust referred to above may offer and sell from time to time, in one or more series, the securities listed above. Any selling shareholder named in a prospectus supplement may offer and sell from time to time shares of the Common Stock, par value $7.50 per share, of the Company that it acquires or acquired in transactions that were not, or will not be, registered under the Securities Act of 1933, as amended. The Company will not receive any proceeds from the sale of shares by a selling shareholder.

The Common Stock of the Company is listed on the New York Stock Exchange under the symbol BK. Unless otherwise indicated in the applicable prospectus supplement, the other securities offered hereby will not be listed on a national securities exchange.

This prospectus contains a general description of the securities which may be offered. The specific terms of the securities will be contained in one or more supplements to this prospectus. Read this prospectus and any supplement carefully before you invest. The supplement may also add to, update or change information contained in this prospectus.

See Risk Factors on page 2 of this prospectus to read about certain important factors you should consider in making an investment decision.

THE SECURITIES WILL BE EQUITY SECURITIES IN OR UNSECURED OBLIGATIONS OF THE COMPANY, OR ANY BNY TRUST AND WILL NOT BE SAVINGS ACCOUNTS, DEPOSITS OR OTHER OBLIGATIONS OF ANY BANK OR NONBANK SUBSIDIARY OF THE COMPANY AND ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, THE BANK INSURANCE FUND OR ANY OTHER GOVERNMENT AGENCY.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

This prospectus and applicable prospectus supplement may be used in the initial sale of the securities. In addition, the Company, BNY Capital Markets, Inc. or any other affiliate controlled by the Company may use this prospectus and applicable prospectus supplement in a market-making transaction involving the securities after the initial sale. These transactions may be executed at negotiated prices that are related to market prices at the time of purchase or sale, or at other prices. The Company and its affiliates may act as principal or agent in these transactions.

The date of this prospectus is June 5, 2006.

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ABOUT THIS PROSPECTUS

This document is called a prospectus. This summary highlights selected information from this prospectus and may not contain all of the information that is important to you. To understand the terms of the securities, you should carefully read this prospectus with the attached prospectus supplement. This prospectus and the prospectus supplement together give the specific terms of the securities being offered. You should also read the documents referred to under the heading Where You Can Find More Information for information on the Company and its financial statements. The Company has its principal offices at One Wall Street, New York, New York 10286 (telephone: 212-495-1784). Certain capitalized terms used in this summary are defined elsewhere in this prospectus.

The Company and BNY Capital VI, BNY Capital VII, BNY Capital VIII, BNY Capital IX and BNY Capital X, each a statutory trust formed under the laws of the State of Delaware (separately each trust is also referred to as a BNY Trust and together as the BNY Trusts), have filed a registration statement with the Securities and Exchange Commission (the SEC) under a shelf registration procedure. Under this procedure the Company and each BNY Trust may offer and sell from time to time, in one or more series, any one or a combination of the following securities:

(i) unsecured senior debt securities of the Company,

(ii) unsecured senior subordinated debt securities of the Company,

(iii) unsecured junior subordinated debt securities of the Company,

(iv) shares of Preferred Stock, no par value, of the Company (No Par Preferred Stock),

(v) shares of Class A Preferred Stock, par value $2.00 per share, of the Company (Class A Preferred Stock),

(vi) depositary shares representing No Par Preferred Stock or Class A Preferred Stock,

(vii) shares of Common Stock, par value $7.50 per share, of the Company,

(viii) Trust Preferred Securities of a BNY Trust, and

(ix) Guarantees of the Company relating to the Trust Preferred Securities.

The securities may be sold for U.S. dollars, foreign denominated currency or currency units, including the euro. Amounts payable with respect to any such securities may be payable in U.S. dollars or foreign denominated currency or currency units.

This prospectus provides you with a general description of the securities we may offer. Each time we offer securities, we will provide you with a prospectus supplement that will describe the specific amounts, prices and terms of the securities being offered. The prospectus supplement may also add, update or change information contained in this prospectus.

Any of the securities described in this prospectus and in a prospectus supplement may be convertible or exchangeable into other securities that are described in this prospectus or will be described in a prospectus supplement or may be issued separately, together or as part of a unit consisting of two or more securities, which may or may not be separate from one another. These securities may include new or hybrid securities developed in the future that combine features of any of the securities described in this prospectus.

The prospectus supplement may also contain information about certain United States federal income tax considerations relating to the securities covered by the prospectus supplement.

The Company and each BNY Trust may sell securities to underwriters who will sell the securities to the public on terms fixed at the time of sale. In addition, the securities may be sold by the Company and each BNY Trust directly or through dealers or agents designated from time to time, who may be affiliates of the Company and each BNY Trust. If the Company, directly or through agents, solicits offers to purchase the securities, the Company reserves the sole right to accept and, together with its agents, to reject, in whole or in part, any such offer.

For the securities being sold, the prospectus supplement will also include the names of the underwriters, dealers or agents, if any, their compensation, the terms of offering, and the net proceeds to the Company and each BNY Trust.

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Any underwriters, dealers or agents participating in the offering may be deemed underwriters within the meaning of the Securities Act of 1933, as amended (the Securities Act).

Additionally, shares of Common Stock may be offered and sold from time to time by any selling shareholder named in a prospectus supplement who has acquired, or will acquire, Common Stock from the Company in transactions that were not, or will not be, registered under the Securities Act, as described under Plan of Distribution. Specific information with respect to any offer and sale by any selling shareholder will be set forth in the prospectus supplement relating to that transaction.

The No Par Preferred Stock and the Class A Preferred Stock are sometimes collectively referred to in this prospectus as the Preferred Stock .

RISK FACTORS

We include a discussion of risk factors relating to our businesses and an investment in our securities in our Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q filed, from time to time by us, with the SEC. These reports are incorporated by reference into this prospectus. See Where You Can Find More Information for an explanation of how to get a copy of any of these reports. Additional risks related to our securities may also be described in a prospectus supplement. Before purchasing our securities, you should carefully consider the risk factors we describe in those reports and in any prospectus supplement. Although we try to discuss key risks in those risk factor descriptions, additional risks not currently known to us or that we currently deem immaterial also may impair our business. Our subsequent filings with the SEC may contain amended and updated discussions of significant risks. We cannot predict future risks or estimate the extent to which they may affect our financial performance.

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THE COMPANY

The Company, a New York corporation, is a bank holding company and financial holding company subject to the Bank Holding Company Act of 1956, as amended (the BHC Act). Our principal wholly-owned banking subsidiary is The Bank of New York (the Bank). We provide a broad array of banking and other financial services worldwide through our core competencies: Institutional Services, Private Banking and Asset Management. The Company s extensive global client base includes a broad range of leading financial institutions, corporations, government entities, endowments and foundations. The Bank, which was founded in 1784, was New York s first bank and is the nation s oldest bank. The Bank is a state-chartered New York banking corporation and a member of the Federal Reserve System (the Federal Reserve).

The Company is a non-operating holding company, whose principal asset and source of income is its investment in the Bank. The Company is a legal entity separate and distinct from the Bank and the Company s other subsidiaries and, therefore, relies primarily on dividends from such subsidiaries to meet its obligations, including obligations under its debt securities, and to enable it to declare and pay dividends on its Preferred Stock and Common Stock. There are various legal limitations on the extent to which the Bank and the other subsidiaries can finance or otherwise supply funds to the Company (by dividend or otherwise) and certain of its affiliates. See Certain Regulatory Considerations Restrictions on Payment of Dividends below.

THE BNY TRUSTS

Each BNY Trust is a statutory trust created under Delaware law pursuant to:

(i) a trust agreement executed by the Company, as Depositor of the BNY Trust, and the Delaware Trustee of such BNY Trust, and

(ii) a certificate of trust filed with the Delaware Secretary of State.

Each such trust agreement will be amended and restated in its entirety (each, as so amended and restated, a Trust Agreement) substantially in the form filed as an exhibit to the registration statement of which this prospectus forms a part.

Each Trust Agreement will be qualified as an indenture under the Trust Indenture Act of 1939, as amended (the Trust Indenture Act).

Each BNY Trust may offer to the public, from time to time, preferred securities (the Trust Preferred Securities) representing preferred beneficial interests in the applicable BNY Trust. In addition to Trust Preferred Securities offered to the public, each BNY Trust will sell to the Company common securities representing common ownership interests in such BNY Trust (the Trust Common Securities). All of the Trust Common Securities of each BNY Trust will be owned by the Company. The Trust Common Securities and the Trust Preferred Securities together are also referred to as the Trust Securities.

When any BNY Trust sells its Trust Preferred Securities to the public it will use the money it receives together with the money it receives from the sale of its Trust Common Securities to buy a series of the Company s Junior Subordinated Debt Securities (the Corresponding Junior Subordinated Debt Securities for such BNY Trust and Trust Preferred Securities). The payment terms of the Corresponding Junior Subordinated Debt Securities will be virtually the same as the terms of that BNY Trust s Trust Preferred Securities (the Related Trust Preferred Securities).

Each BNY Trust exists for the exclusive purposes of:

(i) issuing and selling its Trust Securities,

(ii) using the proceeds from the sale of such Trust Securities to acquire a series of Corresponding Junior Subordinated Debt Securities issued by the Company, and

(iii) engaging in only those other activities necessary or incidental thereto (such as registering the transfer of the Trust Securities).

Each BNY Trust will own only the applicable series of Corresponding Junior Subordinated Debt Securities. The only source of funds for each BNY Trust will be the payments it receives from the Company on the Corresponding Junior Subordinated Debt Securities. The BNY Trust will use such funds to make cash payments to holders of the Trust Preferred Securities.

Each BNY Trust will also be a party to an Expense Agreement with the Company. Under the terms of the Expense Agreement the BNY Trust will have the right to be reimbursed by the Company for certain expenses.

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The Trust Common Securities of a BNY Trust will rank equally, and payments will be made thereon pro rata, with the Trust Preferred Securities of such BNY Trust, except that upon the occurrence and continuance of an event of default under a Trust Agreement resulting from an event of default under the Junior Indenture, the rights of the Company, as holder of the Trust Common Securities, to payment in respect of Distributions and payments upon liquidation or redemption will be subordinated to the rights of the holders of the Trust Preferred Securities of such BNY Trust. See Description of Trust Preferred Securities Subordination of Trust Common Securities . The Company will acquire Trust Common Securities in an aggregate Liquidation Amount equal to not less than 3% of the total capital of each BNY Trust.

The prospectus supplement relating to any Trust Preferred Securities will contain the details of the preferential cash distributions (Distributions) to be made periodically to the holders of the Trust Securities.

Under certain circumstances the Company may redeem the Corresponding Junior Subordinated Debt Securities which it sold to a BNY Trust. If it does this, the BNY Trust will redeem a like amount of the Trust Preferred Securities which it sold to the public and the Trust Common Securities which it sold to the Company. Under certain circumstances the Company may terminate each BNY Trust and cause the Corresponding Junior Subordinated Debt Securities to be distributed to the holders of the Related Trust Preferred Securities. If this happens, owners of the Related Trust Preferred Securities will no longer have any interest in such BNY Trust and will only own the Corresponding Junior Subordinated Debt Securities.

Generally the Company needs the approval of the Board of Governors of the Federal Reserve System (including the Federal Reserve Bank of New York or any other Federal Reserve Bank having jurisdiction over the Company, the Federal Reserve Board) to redeem the Corresponding Junior Subordinated Debt Securities or to terminate one or more BNY Trusts. A more detailed description is provided under the heading Description of Trust Preferred Securities Liquidation Distribution Upon Termination .

Unless otherwise specified in the applicable prospectus supplement:

Each BNY Trust will have a term of approximately 55 years from the date it issues its Trust Securities, but may terminate earlier as provided in the applicable Trust Agreement.

Each BNY Trust s business and affairs will be conducted by its trustees.

The trustees will be appointed by the Company as holder of the Trust Common Securities.

The trustees will be J.P. Morgan Trust Company, National Association (successor to Bank One, National Association), as the Property Trustee (the Property Trustee), Chase Bank USA, National Association (successor to Bank One Delaware, Inc.), as the Delaware Trustee (the Delaware Trustee), and two individual trustees who are employees or officers of or affiliated with the Company (the Administrative Trustees) (collectively, the BNY Trust Trustees). J.P. Morgan Trust Company, National Association, as Property Trustee, will act as sole indenture trustee under each Trust Agreement for purposes of compliance with the Trust Indenture Act. J.P. Morgan Trust Company, National Association will also act as trustee under the Guarantees and the Junior Indenture. See Description of Guarantees and Description of Junior Subordinated Debt Securities.

If an event of default under the Trust Agreement for a BNY Trust has occurred and is continuing, the holder of the Trust Common Securities of that BNY Trust, or the holders of a majority in Liquidation Amount of the Related Trust Preferred Securities, will be entitled to appoint, remove or replace the Property Trustee or the Delaware Trustee for such BNY Trust.

Under all circumstances, only the holder of the Trust Common Securities has the right to vote to appoint, remove or replace the Administrative Trustees.

The duties and obligations of each BNY Trust Trustee are governed by the applicable Trust Agreement.

The Company will pay all fees and expenses related to each BNY Trust and the offering of the Trust Preferred Securities and will pay, directly or indirectly, all ongoing costs, expenses and liabilities of each BNY Trust.

The principal executive office of each BNY Trust is One Wall Street, New York, New York 10286, and its telephone number is (212) 495-1784.

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CERTAIN REGULATORY CONSIDERATIONS

General

As a bank holding company and a financial holding company, the Company is subject to the regulation, supervision and examination of the Federal Reserve Board under the BHC Act. As a financial holding company, the Company may engage in a broader range of activities and is entitled to use a more streamlined regulatory approval framework than bank holding companies that are not financial holding companies. In order to continue its financial holding company status, the Company must remain well capitalized and well managed and must maintain at least a satisfactory rating under the Community Reinvestment Act, all as determined by the Federal Reserve Board.

For a discussion of the material elements of the regulatory framework applicable to bank holding companies and their subsidiaries, financial holding companies and specific information relevant to the Company, please refer to the Company s Annual Report on Form 10-K for the year ended December 31, 2005 and any other subsequent report filed with the SEC by the Company, which are incorporated by reference in this prospectus. This regulatory framework is intended primarily for the protection of depositors and the federal deposit insurance funds and not for the protection of investors.

The Company s earnings are affected by the legislative and governmental actions of various regulatory authorities, including the Federal Reserve Board. In addition, there are numerous governmental requirements and regulations which affect the Company s business activities. A change in the applicable statutes, regulations or regulatory policy may have a material effect on the Company s business. Depository institutions, such as the Bank, are also affected by various state and federal laws, including those related to consumer protection, privacy, anti-money laundering and similar matters.

The Federal Reserve Board is the principal federal regulator of the Company s banking subsidiaries, which are also subject to regulation, supervision and examination by applicable state banking agencies. The Bank, the Company s principal banking subsidiary, is a New York chartered banking corporation, a member of the Federal Reserve and subject to regulation, supervision and examination by the Federal Reserve Board, the New York State Banking Department and the Federal Deposit Insurance Corporation, which insures, up to applicable limits, the deposits of the Bank and the Company s other insured bank subsidiaries.

The Company also has other financial service subsidiaries that are subject to regulation, supervision and examination by the Federal Reserve Board, as well as other applicable state and federal regulatory agencies and self regulatory organization. For example, the Company s brokerage subsidiaries are subject to supervision and regulation by the SEC, the National Association of Securities Dealers, the New York Stock Exchange and state securities regulators.

Restrictions on Payment of Dividends

The Company is a legal entity separate and distinct from its subsidiaries (including the Bank). The Company relies primarily on dividends from such subsidiaries to meet its obligations and to declare and pay dividends on its Preferred Stock and Common Stock. There are various legal and regulatory limitations on the extent to which the Bank can finance or otherwise supply funds (by dividend or otherwise) to the Company and certain of its other affiliates.

The Bank is subject to dividend limitations under the Federal Reserve Act and the New York Banking Law. Under these statutes, prior regulatory approval is required for dividends in any year that would exceed the net income of the Bank for such year combined with retained net income for the prior two years. Also, the Bank is prohibited from paying a dividend in an amount greater than undivided profits then on hand.

Under the first of these two standards, at March 31, 2006 the Bank could declare dividends of $510 million. As of March 31, 2006 the second standard was less restrictive than the first.

In addition to these statutory tests, the Bank s primary federal regulator (the Federal Reserve Board) could prohibit a dividend if it determined that the payment would constitute an unsafe or unsound banking practice. The Federal Reserve Board has indicated that, generally, dividends should be paid by banks only to the extent of earnings from continuing operations.

Consistent with its policy regarding bank holding companies serving as a source of financial strength for their subsidiary banks, the Federal Reserve Board has indicated that, as a matter of prudent banking, a bank holding company generally should not maintain a rate of cash dividends unless its net income available to common shareholders has been sufficient to fully fund the dividends, and the prospective rate of earnings retention appears consistent with the bank holding company s capital needs, asset quality and overall financial condition. In the three months ended March 31, 2006, the Company s net income available to common shareholders was $422 million, and it paid cash dividends totaling $164

million on its Common Stock.

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Transactions with Affiliates

The Federal Reserve Act limits and requires collateral for extensions of credit by the Company s insured subsidiary banks to the Company and, with certain exceptions, its non-bank affiliates. Also, there are restrictions on the amounts of investments by such banks in stock and other securities of the Company and such affiliates, and restrictions on the acceptance of their securities as collateral for loans by such banks. Extensions of credit by the banks to each of the Company and such affiliates are limited to 10% of such bank s regulatory capital, and in the aggregate for the Company and all such affiliates to 20%, and collateral must be between 100% and 130% of the amount of the credit, depending on the type of collateral.

CONSOLIDATED RATIOS OF EARNINGS TO FIXED CHARGES AND EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDEND REQUIREMENTS

For the three months ended March 31, 2006 and 2005 and for the five years ended December 31, 2005, the consolidated ratios of earnings to fixed charges of the Company, computed as set forth below, were as follows:

	Three Months Ended March 31,		Year Ended December 31,				
	2006	2005	2005	2004	2003	2002	2001
Earnings to Fixed Charges:							
Excluding Interest on Deposits	4.23	6.39	5.20	7.62	7.59	4.98	4.40
Including Interest on Deposits	2.20	2.96	2.56	3.47	3.27	2.38	2.03

For purposes of computing the ratios of earnings to fixed charges, earnings represent net income (loss) before extraordinary items plus applicable income taxes and fixed charges. Fixed charges, excluding interest on deposits, include interest expense (other than on deposits) and the proportion deemed representative of the interest factor of rent expense, net of income from subleases. Fixed charges, including interest on deposits, include all interest expense and the proportion deemed representative of the interest factor of rent expense, net of income from subleases. For the periods presented, the Company had an immaterial amount of preferred stock outstanding. Accordingly, the Company s consolidated ratios of earnings to combined fixed charges and preferred stock dividend requirements are identical to the consolidated ratios of earnings to fixed charges for the periods presented.

WHERE YOU CAN FIND MORE INFORMATION

The Company and each BNY Trust have filed a registration statement with the SEC. This prospectus is part of the registration statement but the registration statement also contains additional information and exhibits. The Company also files proxy statements, annual, quarterly and special reports, and other information with the SEC. You may read and copy the registration statement and any reports, proxy statements and other information at the public reference room maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549. You can call the SEC for further information about its public reference room at 1-800-732-0330. Such material is also available at the SEC s website at http://www.sec.gov.

The Company s Common Stock ($7.50 par value) is listed on the New York Stock Exchange under the symbol BK . Reports and other information concerning the Company can be inspected at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005.

The SEC allows the Company to incorporate documents by reference in this prospectus. This means that if we list or refer to a document which we have filed with the SEC in this prospectus, that document is considered to be a part of this prospectus and should be read with the same care. Documents that we file with the SEC in the future will automatically update and supersede information incorporated by reference in this prospectus.

The documents listed below are incorporated by reference into this prospectus:

The Company s Annual Report on Form 10-K for the year ended December 31, 2005;

The Company s Quarterly Report on Form 10-Q for the quarter ended March 31, 2006;

The Company s Current Reports on Form 8-K, dated January 18, 2006, February 23, 2006, March 13, 2006, April 7, 2006, April 20, 2006 and April 21, 2006 (other than, in each case, information that is deemed not to have been filed in accordance with SEC rules);

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The description of the Company s Common Stock contained in the Company s Registration Statement on Form 8-A filed pursuant to Section 12 of the Securities Exchange Act of 1934, as amended (the Exchange Act), including any amendment or report filed for the purpose of updating such description; and

Any documents filed by the Company pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act on or after the date of this prospectus and before the termination of the offering of the securities.

You may request a free copy of any or all of these filings by writing or telephoning us at the following address:

The Bank of New York Company, Inc.

One Wall Street

New York, New York 10286

Attention: Corporate Secretary

Telephone number: (212) 635-1787

No separate financial statements of any BNY Trust are included in this prospectus. The Company and the BNY Trusts do not consider that such financial statements would be material to holders of the Trust Preferred Securities because each BNY Trust is a special purpose entity, has no operating history or independent operations and is not engaged in and does not propose to engage in any activity other than holding as trust assets the Corresponding Junior Subordinated Debt Securities of the Company and issuing the Trust Securities. Furthermore, taken together, the Company s obligations under each series of Corresponding Junior Subordinated Debt Securities, the Junior Indenture pursuant to which the Corresponding Junior Subordinated Debt Securities will be issued, the related Trust Agreement, the related Expense Agreement and the related Guarantee provide, in the aggregate, a full, irrevocable and unconditional guarantee of payments of Distributions and other amounts due on the related Trust Preferred Securities of a BNY Trust. For a more detailed discussion see The BNY Trusts , Description of Trust Preferred Securities , Description of Junior Subordinated Debt Securities Corresponding Junior Subordinated Debentures and Description of Guarantees . In addition, the Company does not expect that any of the BNY Trusts will be filing reports under the Exchange Act with the SEC.

You should only rely on the information contained in this prospectus or any prospectus supplement or incorporated by reference. Neither the Company nor any BNY Trust has authorized anyone to provide you with different information. Neither the Company nor any BNY Trust is making an offer of its securities in any state or country where the offer is not permitted. You should not assume that the information in this prospectus or any prospectus supplement is accurate as of a later date than the date of this prospectus or any prospectus supplement. The financial condition, results of operations or business prospects of the Company may have changed since those dates.

USE OF PROCEEDS

Except as may be set forth in a prospectus supplement, the Company will use the net proceeds from the sale of the securities offered hereby for general corporate purposes, including refinancing of existing debt, financing acquisitions or business expansion, investments in, or extensions of credit to, the Bank and, to a lesser extent, other existing or future subsidiaries. Pending such use, the net proceeds may be temporarily invested in short-term obligations. The precise amounts and timing of the application of proceeds used for general corporate purposes will depend upon funding requirements of the Company and its subsidiaries and the availability of other funds. The Company expects, on a recurring basis, to engage in additional financing of a character and amount to be determined as the need arises.

Except as may be set forth in a prospectus supplement, each BNY Trust will invest all proceeds received from any sale of its Trust Securities in Corresponding Junior Subordinated Debt Securities to be issued by the Company in connection with any issuance of Trust Securities. Except as may be set forth in a prospectus supplement, the Company will use the net proceeds from the sale of the Corresponding Junior Subordinated Debt Securities to each BNY Trust for the purposes described above.

The Company will not receive any proceeds from the sale of any shares of Common Stock by any selling shareholder.

DESCRIPTION OF SENIOR DEBT SECURITIES AND

SENIOR SUBORDINATED DEBT SECURITIES

Summary

The following description of the terms of the Senior Debt Securities and the Senior Subordinated Debt Securities (referred to as the Debt Securities in this section only) sets forth certain general terms and provisions. The particular terms of any series of Debt Securities will be contained in a prospectus supplement. The prospectus supplement will describe the following terms of the Debt Securities:

the title of the series of Debt Securities;

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whether the series of Debt Securities are Senior Debt Securities or Senior Subordinated Debt Securities;

any limit on the aggregate principal amount of the series of Debt Securities;

the price (expressed as a percentage of the aggregate principal amount thereof) at which the series of the Debt Securities will be issued;

the Person to whom any interest on a Debt Security of the series will be payable, if other than the Person in whose name that Debt Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest;

the date or dates on which the principal of the series of Debt Securities will be payable;

the rate or rates per annum at which the series of Debt Securities will bear interest, if any (or the formula pursuant to which such rate or rates shall be determined);

the date or dates from which any such interest will accrue and the dates on which such payment of any such interest will be payable and the Regular Record Dates for such interest payment dates;

the place or places where the principal of (and premium, if any) and interest on the series of Debt Securities shall be payable;

the period or periods within which, the price or prices at which, and the terms and conditions upon which, Debt Securities of the series may be redeemed, in whole or in part, at the option of the Company;

the obligation, if any, of the Company to redeem, repay, or purchase Debt Securities of the series pursuant to any sinking fund or analogous provision or at the option of a Holder thereof and the period or periods within which, the price or prices at which, and the terms and conditions upon which, such Debt Securities shall be redeemed, repaid or purchased, in whole or in part, pursuant to such obligation;

the denominations in which the series of Debt Securities will be issuable, if other than denominations of $1,000 and any integral multiple thereof;

the currency or currencies in which payment of principal and premium, if any, and interest on the series of Debt Securities will be payable, if other than United States dollars;

if the principal of (and premium, if any) or interest, if any, on Debt Securities of the series is to be payable, at the election of the Company or a Holder thereof, in a currency or currencies other than that in which such series of Debt Securities are stated to be payable, the currency or currencies in which payment of the principal of (and premium, if any) or interest, if any, on such Debt Securities as to which such election is made will be payable, and the period or periods within which, and the terms and conditions upon which, such election may be made;

the index, formula or other method, if any, with reference to which the amount of any payment of principal of (and premium, if any) or interest on the series of Debt Securities will be determined;

whether, and the terms and conditions relating to when the Company may satisfy all or a part of its obligations with regard to payment upon maturity or any redemption or required repurchase or in connection with any exchange provisions by delivering to the holders of the Debt Securities, other securities, which may or may not be issued by or be obligations of the Company, or a combination of cash, other securities and/or property (Maturity Consideration);

the portion of the principal amount of the series of Debt Securities which will be payable upon declaration of acceleration of the maturity thereof, if other than the principal amount thereof;

the terms, if any, upon which the Debt Securities of the series are convertible into Common Stock or other securities of the Company and the terms and conditions upon which any conversion will be effected, including the initial conversion price or rate, the conversion period and any other provisions in addition to or instead of those described in this Prospectus;

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any additional Events of Default or, in the case of Senior Subordinated Debt Securities, Defaults, solely with respect to the series of Debt Securities;

Executive Vice President and Chief Financial Officer	2004	165,000	60,500	10,000	10,874
	2003	122,595		20,000	4,522
R. Brian Hanson Former Executive Vice President and Chief Financial Officer	2005	243,772	254,275	45,000	4,718
	2004	107,500	44,733	50,000	1,482
	2003				
Russell D. Phillips, Jr. Former Executive Vice President, General Counsel and Secretary	2005	197,526		20,000	16,057
	2004	192,000	92,000	20,000	13,226
	2003	190,400		40,000	15,553
Nicholas A. Poan Vice President and Corporate Controller	2005	225,000		5,000	4,977
	2004	75,000	25,000		2,169
	2003	45,769		3,000	144

(1) Rows specified 2005, 2004 and 2003 represent fiscal years ended December 31, 2005, 2004 and 2003, respectively.

(2) With respect to each named officer for each fiscal year this table excludes perquisites which did not exceed the lesser of $50,000 or 10% of the named officer s salary and bonus for the fiscal year.

(3) Stock options were granted under our 1999 Equity Plan.

(4) Includes: 401(k) matching contributions (for 2005, 2004 and 2003, respectively): Mr. Hayek $6,515, $4,544 and $271; Mr. Phillips $5,035, $4,495 and $4,301; Mr. Aihara $5,032, $4,511 and $4,322; Mr. Hanson $4,246, $1,426 and $0; and Mr. Poan $3,018 (2005 only). Cash payments in lieu of accrued vacation (for 2005, 2004 and 2003, respectively): Mr. Phillips $10,608, $8,335 and $10,962; Mr. Aihara $3,029, $6,058 and $0;and Mr. Poan $1,923 (2005 only). The balance for each named officer represents life insurance premiums paid by us.

(5) Mr. Viviano joined us in January 2003 as our President and Chief Operating Officer and a member of our Board. Effective April 2003, Mr. Viviano became our President and Chief Executive Officer and effective November 2003, Mr. Viviano became the Chairman of our Board. As of October 1, 2004, Mr. Viviano serves as Chairman of the Board and Chief Executive Officer.

(6) Includes a $225,000 signing bonus paid to Mr. Viviano under his employment agreement.

(7) Mr. Hayek joined us in April 2003 as our Executive Vice President and Chief Operating Officer. As of October 1, 2004, Mr. Hayek serves as our President and Chief Operating Officer.

(8) Includes a $10,000 discretionary bonus paid to Mr. Aihara for his efforts in connection with our December 2004 debt refinancing.

(9) Mr. Hanson was employed by us as Executive Vice President and Chief Financial Officer from July 26, 2004 through November 1, 2005.

(10) Includes a $25,000 discretionary bonus paid to Mr. Hanson for his efforts in connection with our December 2004 debt refinancing.

(11) Represents relocation costs, temporary housing expenses and closing costs associated with the sale of Mr. Hanson s prior residence.

(12) Mr. Phillips resigned from all positions with Alliance Imaging and its affiliates effective February 3, 2006.

(13) Mr. Poan became Vice President and Corporate Controller effective December 1, 2005.

(14) Includes a $5,000 discretionary bonus paid to Mr. Poan for his efforts in connection with our December 2004 debt refinancing.

Option Grants in Last Fiscal Year

The following table sets forth grants of stock options in fiscal 2005 to the named executive officers. No stock appreciation rights have ever been granted to the named executive officers.

Name	Number of Securities Underlying Options Granted(1)	Percent of Total Options Granted to Employees in 2005	Exercise Price Per Share	Expiration Date	Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Option Term 5%(2)	10%(2)
Paul S. Viviano	140,000 (3)	13.0 %	$ 12.35	2015	$ 1,087,359	$ 2,755,581
Andrew P. Hayek	100,000 (3)	9.3 %	12.35	2015	776,685	1,968,272
Howard K. Aihara	150,000 (3)	13.9 %	5.56	2015	524,498	1,329,181
	20,000 (3)	1.9 %	12.35	2015	155,337	393,654
R. Brian Hanson	75,000 (3)	7.0 %	12.35	2015 (4)	582,514	1,476,204
Russell D. Phillips, Jr.	20,000 (3)	1.9 %	12.35	2015 (5)	155,337	393,654
Nicholas A. Poan	5,000 (3)	0.5 %	12.25	2015	38,834	98,414

(1) The option grants in 2005 were made under our 1999 Equity Plan. These options were issued at fair market value on the date of grant and expire ten years from the date of grant.

(2) We are required to use a 5% and 10% assumed rate of appreciation over the ten-year option term from the respective exercise prices of the various options. The 5% and 10% assumed annual rates of stock price appreciation related to the options granted would result in the price of our common stock increasing to $20.12 and $32.03 per share, respectively, for Messrs. Viviano, Hayek, Hanson, Phillips and Poan and the 20,000 options granted to Mr. Aihara. The 5% and 10% assumed annual rates of stock appreciation related to the 150,000 options granted to Mr. Aihara would result in the price of our common stock increasing to $9.06 and $14.42, respectively. This does not represent our projection of the future stock price.

(3) The options vest 5% on the first anniversary of the grant date; 20% on the second anniversary of the grant date; and 25% on each of the third through fifth anniversaries of the grant date.

(4) The options granted to Mr. Hanson in fiscal year 2005 were forfeited on Mr. Hanson s final day of employment, November 1, 2005

(5) The unvested options granted to Mr. Phillips in fiscal year 2005 were forfeited on Mr. Phillips s final day of employment, February 3, 2006.

Aggregated Option Exercises in Last Fiscal Year and Fiscal Year-End Option Values

The following table presents information with respect to options exercised by each of the named executive officers in 2005, as well as the unexercised options to purchase our common stock granted under the 1999 Equity Plan and the 1997 Option Plan to the named executive officers and held by them as of December 31, 2005. The value of unexercised in-the-money options as of fiscal year end is based upon last reported sales price of the Company Common Stock on December 31, 2005, of $5.95 per share.

	Shares Acquired	Value	Number of Shares Underlying Unexercised Options at Year-End		Value of Unexercised In-The-Money Options at Fiscal Year-End	
Name and Principal Position	On Exercise	Realized	Exercisable	Unexercisable	Exercisable	Unexercisable
Paul S. Viviano Chairman of the Board and Chief Executive Officer			506,000	754,000	$ 353,680	$ 599,920
Andrew P. Hayek President and Chief Operating Officer			204,000	376,000	609,120	773,280
Howard K. Aihara Executive Vice President and Chief Financial Officer			40,500	194,500	17,190	91,560
R. Brian Hanson Former Executive Vice President and Chief Financial Officer			35,000		61,600	
Russell D. Phillips, Jr. Former Executive Vice President, General Counsel and Secretary			120,500	86,500	186,580	66,120
Nicholas A. Poan Vice President and Corporate Controller			1,500	6,500	1,500	1,500

Employment Arrangements

We have entered into employment agreements with Messrs. Viviano and Hayek, effective May 9, 2005, and with Mr. Aihara, effective December 1, 2005. The agreements provide for the following base salaries, subject to adjustment by the Board of Directors from time to time: $465,000 per year in 2005 for Mr. Viviano, $300,000 per year in 2005 for Mr. Hayek, and $210,000 per year in 2006 for Mr. Aihara. The agreements provide that the executives are entitled to receive cash bonuses based upon our achievement of certain operating and/or financial or other goals, with an annual target bonus amount for Mr. Viviano equal to 80% of his then-current annual base salary, and annual target bonus amounts for Messrs. Hayek and Aihara equal to 75% of their then-current annual base salaries. The bonus plan is adopted and administered by the compensation committee of the Board of Directors. The agreements also provide for expense reimbursement, participation in employee benefits arrangements, and a monthly automobile

allowance of not less than $800, in the case of Mr. Viviano, and $600, in the case of Messrs. Hayek and Aihara.

The agreements of Messrs. Viviano and Hayek have terms of two years, and Mr. Aihara s agreement has a term of nine months. Under each agreement, the term automatically extends by three months on the last day of each quarterly period unless either we or the executive gives notice of a desire to modify or terminate the agreement at least thirty days prior to the quarterly extension date. We may terminate the executive s employment at any time and for any reason and the executive may resign at any time and for any reason. Following termination of the executive s employment without cause, as a result of death or disability, or following his resignation with good reason, the employment agreement obligates us to:

- pay any earned but unpaid salary, benefits or bonuses;

- continue to provide benefits for a two year period (a nine month period, in the case of Mr. Aihara) at least equal to those received prior to severance; and

- provide the executive with outplacement services the scope and provider of which shall be mutually agreed upon by us and the executive.

In addition, following such termination of Mr. Viviano s or Mr. Hayek s employment, the terminated executive would receive, over time, an amount equal to twice the sum of his then-current annual salary and his actual bonus earned for the last completed calendar year. Following such termination of Mr. Aihara s employment, Mr. Aihara would receive, over time, an amount equal to nine-months of his then-current annual salary.

If we terminate the executive s employment for cause, or he resigns without good reason, or the executive s employment terminates due to death or disability, we must pay the executive (or his estate in the case of death) any earned but unpaid salary, benefits or bonuses. In the event of termination due to the executive s disability, we will continue to provide for a period of two years (a nine month period, in the case of Mr. Aihara) from the commencement of such disability benefits at least equal to those he would otherwise have received.

Under the employment agreements:

- cause means the executive s conviction of a felony, conviction of stealing funds or property from us or otherwise engaging in fraudulent conduct against us, engaging in knowing and willful misconduct which is materially injurious to us, failure or refusal to comply with the directions of our Board in way materially injurious to us, or repeated failure or refusal to comply with the directions of our Board.

- good reason means reduction of the executive s base salary, the assignment of any duties inconsistent in any material respect with the executive s positions, authority, duties or responsibilities provide for under his agreement, our material failure to comply with the agreement after notification of the noncompliance, requiring the executive to change the location of his principal office in a manner inconsistent with the amended agreement, our notification to the executive that we do not wish to renew the term of his agreement, or, in the case of Messrs. Viviano and Hayek, otherwise subjecting the executive to abusive, critical or adversarial conditions such that there is a material worsening of the general quality of his job conditions immediately prior to such change.

Effective November 1, 2005, we entered into a General Release and Separation Agreement with R. Brian Hanson, our Executive Vice President and Chief Financial Officer. Pursuant to the agreement, Mr. Hanson resigned from all positions as an officer of Alliance and as an officer or board member of any of our affiliates. Pursuant to the agreement, we agreed to pay Mr. Hanson approximately nine months of Mr. Hanson s current base salary and the bonus he would otherwise be eligible to receive for the calendar

year ending December 31, 2005, pro rated for the period ending November 1, 2005. Mr. Hanson retained the right to receive an unpaid portion of his 2004 bonus, which is payable following our 2006 and 2007 fiscal years. We also agreed to reimburse Mr. Hanson for his COBRA payments for a period of nine months if he elected to continue health, dental and life insurance benefits at the same level in effect as of the resignation date. We and Viewer Holdings LLC, an affiliate of KKR, also agreed to waive various restrictions on transfer that apply under a Stockholders Agreement to 11,933 shares of our common stock held by Mr. Hanson, as well as to options to purchase an additional 35,000 shares of common stock held by Mr. Hanson and to the shares underlying the options.

On January 26, 2006, we entered into a Separation and Consulting Agreement and General Release with Russell D. Phillips, Jr., our Executive Vice President and General Counsel. Pursuant to the Agreement, Mr. Phillips resigned from all positions as an officer of Alliance and as an officer or board member of any of our affiliates effective February 3, 2006. Pursuant to the Agreement, we agreed to pay Mr. Phillips all accrued wages payable through February 3rd, and Mr. Phillips agreed to provide consulting services through December 31, 2006 at our request in consideration of aggregate payments (less applicable withholdings) of $75,000. The agreements with Messrs. Hanson and Phillips also contain general releases in our favor.

401(k) Plan

We established a tax deferred 401(k) savings plan in January 1990. Effective January 1, 2001, the 401(k) plan was amended and restated in its entirety. Currently, all employees who are over 21 years of age are eligible to participate after attaining three months of service. Employees may contribute between 1% and 25% of their annual compensation. We match 50 cents for every dollar of employee contributions up to 5% of their compensation, subject to statutory limitations. The rates of pre-tax and matching contributions may be reduced with respect to highly compensated employees, as defined in the Internal Revenue Code of 1986, as amended, so that the 401(k) plan will comply with Sections 401(k) and 401(m) of the Code. Pre-tax and matching contributions are allocated to each employee s individual account, which are invested in selected fixed income or stock managed accounts according to the directions of the employee. An employee s pre-tax contributions are fully vested and nonforfeitable at all times. Matching contributions vest over four years of service. An employee may forfeit unvested amounts upon termination of employment, unless the termination is because of death, disability or retirement, in which case matching contributions vest in their entirety.

Matching contributions made by us pursuant to the 401(k) plan to the named executive officers for the 2005 fiscal year are included under All Other Compensation in the Summary Compensation Table.

Stock Option Plans

We have issued stock options to our employees under the following three plans:

- The 1999 Equity Plan for Employees of Alliance Imaging, Inc. and Subsidiaries dated November 2, 1999, or the 1999 Equity Plan;

- The Alliance Imaging, Inc. 1997 Stock Option Plan dated December 18, 1997, as amended, or the 1997 Option Plan; and

- The Three Rivers Holding Corp. 1997 Stock Option Plan dated October 14, 1997, as amended, or the Three Rivers Plan.

The 1999 Equity Plan, the 1997 Option Plan and the Three Rivers Plan are collectively referred to in this proxy statement as the plans. The plans are designed to promote our interests by providing eligible persons with the opportunity to acquire a proprietary interest, or otherwise increase their proprietary interest, in us as an incentive for them to remain in our service.

Types of Options. The Three Rivers Plan provides for the grant of options to our employees that are not qualified as incentive stock options as defined by Section 422 of the Internal Revenue Code. The 1997 Option Plan provides for the grant of options to employees that are either incentive stock options or non-qualified stock options. The 1999 Equity Plan provides for the grant of options to employees, consultants or other persons with a unique relationship to us or our subsidiaries, and that are non-qualified stock options. If approved, the Amended and Restated 1999 Equity Plan for Employees of Alliance Imaging, Inc. and Subsidiaries would add the ability to award restricted stock, restricted stock unit, stock bonus and performance-based award grants.

Options Available and Outstanding. A total of 5,399,500 shares were reserved for issuance under the 1999 Equity Plan as of December 31, 2005, of which 3,499,775 were subject to outstanding options as of such date. As of December 31, 2005, there were options outstanding to purchase 62,500 shares under the 1997 Option Plan and 9,000 shares under the Three Rivers Plan. The 1997 Option Plan and the Three Rivers Plan were amended upon completion of our 1999 recapitalization to provide that no further options would be granted under those plans after November 2, 1999, and there are no additional shares reserved for issuance under those plans. Options under the 1997 Option Plan and the Three Rivers Plan that were not cancelled as part of the 1999 recapitalization remain outstanding subject to the terms and conditions of the 1997 Option Plan, the Three Rivers Plan and the option agreements under which they were granted, as they have been amended. All options granted under the 1997 Option Plan and the Three Rivers Plan are fully vested and exercisable.

Administration. The Compensation Committee administers each of the plans. The Compensation Committee has authority to select the employees, consultants or others to whom options will be granted under the plans, the number of shares to be subject to those options, and the terms and conditions of the options. In addition, the Compensation Committee has the authority to construe and interpret the plans and to adopt rules for the administration, interpretation and application of the plans that are consistent with the terms of the plans. Awards granted under the 1999 Equity Plan become vested and exercisable as determined by the Compensation Committee at the time of the grant, at a price determined by the committee.

Stockholders Agreement. The initial option grants and shares acquired upon exercise of such option grants made to an optionee under our 1999 Equity Plan are subject to the terms and conditions of stockholders agreements entered into by the optionholders. The stockholders agreements provide that except for limited exceptions, the optionholder may not transfer, sell or otherwise dispose of any shares prior to the fifth anniversary of the grant date.

Amendment. The 1997 Stock Option Plan and the Three Rivers Plan may be amended or modified by our Board of Directors. The 1999 Equity Plan may be amended or modified by the Compensation Committee, and may be terminated by our Board of Directors.

Exercise of Options. Options granted under the plans may be exercised in cash or, at the discretion of the Compensation Committee, through the delivery of previously owned shares, through the surrender of shares which would otherwise be issuable upon exercise of the option, or any combination of the foregoing. In order to use previously owned shares to exercise an option granted under the Three Rivers Plan, the optionholder must have owned the shares used for at least six months prior to the exercise of the option.

Change of Control. Under the 1999 Equity Plan, the Compensation Committee may, in its sole discretion, provide that awards granted under the plan cannot be exercised after a change of control, in which case they will become fully vested and exercisable prior to the completion of the change of control. The committee may also provide that awards remaining exercisable after the change of control may only be exercised for the consideration received by stockholders in the change of control, or its cash equivalent. A change of control is defined in the 1999 Equity Plan as the:

- merger or consolidation of our corporation into another corporation;
- exchange of all or substantially all of our assets for the securities of another corporation;
- acquisition by another corporation of 80% or more of our then outstanding shares of voting stock; or
- recapitalization, reclassification, liquidation or dissolution of our corporation, or other adjustment or event which results in shares of our common stock being exchanged for or converted into cash, securities or other property.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

During fiscal 2005, Messrs. Michelson and Momtazee served as members of the Compensation Committee of our Board of Directors. Messrs. Michelson and Momtazee are affiliated with KKR. See Certain Relationships and Related Party Transactions .

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

We believe that we have executed all of the transactions set forth below on terms no less favorable to us than we could have obtained from unaffiliated third parties. It is our intention to ensure that all future transactions between us and our officers, directors and principal stockholders and their affiliates, are on terms no less favorable to us than those that we could obtain from unaffiliated third parties.

We will address any conflicts of interest and future transactions we may have with our affiliates, including KKR, or other interested parties in accordance with applicable law. Delaware law provides that any transaction with any director or officer or other entity in which any of our directors or officers are also directors or officers, or have a financial interest, will not be void or voidable solely due to the fact of the interest or affiliation, nor because the votes of interested directors are counted in approving the transaction, so long as (i) the material facts of the relevant party and its interest are disclosed to the Board of Directors or the stockholders, as applicable, and the transaction is approved in good faith by a majority of the disinterested directors or by a specific vote of the stockholders, as applicable; or (ii) the transaction is fair to the company at the time it is authorized, approved or ratified.

KKR provides management, consulting and financial services to us and we paid KKR an annual fee of $650,000 in 2005 in quarterly installments in arrears at the end of each calendar quarter, for these services. In addition, we reimburse KKR and its affiliates for all reasonable costs and expenses incurred in connection with the management, consulting and financial services provided by KKR. We are also contractually obligated to reimburse KKR and its affiliates for all reasonable costs and expenses incurred in connection with their ownership of our shares of common stock. However, no amounts have been sought by, or paid to, KKR or its affiliates in connection with this contractual obligation.

REPORT OF THE COMPENSATION COMMITTEE ON EXECUTIVE COMPENSATION

The compensation of Alliance s executive officers is determined by our Compensation Committee (the Committee) which consists of Messrs. Michelson and Momtazee. Our Board has determined that Messrs. Michelson and Momtazee both meet the independence requirements of the New York Stock Exchange listing standards. In developing the executive compensation program of Alliance, the Committee has reviewed compensation packages of various peer group companies as well as published compensation data on companies of similar size.

Compensation Philosophy

The primary components of Alliance s executive compensation program are base salary, an annual cash incentive award based primarily on Alliance s performance, and a long term incentive program which consists of grants of stock options. It is the philosophy of the Board of Directors of Alliance generally to set base salary and the annual incentive award comparable to the salaries and bonus paid by a selected peer group of companies. Through the use of stock options, executive officers have the opportunity to receive total compensation, including base salary, annual incentive award and long term incentives, above the executives of the same peer group of companies. This opportunity depends, in part, on the performance of Alliance s Common Stock. This emphasis on long term incentives is intended to encourage the executives to focus on the growth of Alliance and the value of its Common Stock.

Base Salary

Base salaries for executives are set at levels consistent with the compensation philosophy, and that are considered appropriate in view of the responsibilities of each position. Individual performance is also considered. The Committee approves all salary increases for executive officers.

Annual Incentive Award

The annual incentive award program provides for cash awards to be determined shortly after audited financial results are available each fiscal year. The Committee establishes financial targets as an incentive for superior corporate performance. Each executive has a target award based on a percentage of base salary. The payout of the award to executives is based primarily on the attainment of the financial targets established at the start of the fiscal year and, on a case-by-case basis, the accomplishment of extraordinary achievements during the fiscal year. The financial targets for fiscal 2005 were not met and the payouts for our Chairman of the Board and Chief Executive Officer, our President and Chief Operating Officer, our Executive Vice President and Chief Financial Officer, and our Vice President and Corporate Controller were determined based on accomplishments during the year. The former Executive Vice President, General Counsel and Secretary and the former Executive Vice President and Chief Financial Officer did not receive a payout because they had ceased employment prior to the date that payouts were determined. Payout to the executives can range from zero to 175% of the target award based on achievement of the financial targets.

Long Term Incentive Plan Compensation

Long term incentives are addressed through grants of stock options. The Committee believes that using stock options as a long term incentive aligns the interests of the officers of Alliance with those of the stockholders. The Committee approves and recommends to the full Board all option grants for executive officers and the guidelines to be used for option grants for other management employees. Individual grants of stock options are made based on level of responsibility and individual performance.

Compensation of Chief Executive Officer

The Committee meets annually to review the performance of our Chairman and Chief Executive Officer. In January 2006, the Committee reviewed the salary of our Chief Executive Officer as well as other executive officers. In the light of: (1) the modest salary increases for executives in the healthcare industry during 2005; (2) management s commitment to Alliance s long-term success, and (3) Company financial performance below its operating forecasts, the Compensation Committee did not increase Mr. Viviano s base salary for 2006. However, the Compensation Committee did elect to award Mr. Viviano a discretionary bonus in the amount of $125,000 and a stock option grant under the 1999 Plan to purchase 150,000 shares of Common Stock in consideration of management s effective efforts to streamline operations and mitigate expected declines in certain of the Company s markets by developing new product offerings during 2005.

Tax Treatment of Executive Compensation

Section 162(m) of the Internal Revenue Code imposes a limitation on the deductibility of nonperformance-based compensation in excess of $1 million paid to the named executive officers. The Committee intends that Alliance will generally manage its executive compensation program so as to preserve the related federal income tax deductions.

The Compensation Committee

Michael W. Michelson, Chairman
James C. Momtazee

REPORT OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

During fiscal 2005, the Audit Committee of the Board of Directors consisted of three non-employee directors who met the independence requirements of the New York Stock Exchange listing standards. The Audit Committee operates under a written charter, approved and adopted by the Board, a copy of which is available at: *www.allianceimaging.com / investorrelations / corporategovernance.*

What are the responsibilities of management, the independent auditors and the Audit Committee?

The purpose of the Audit Committee, which is solely responsible for appointing our independent registered public accounting firm, subject to stockholder approval, is to assist the Board of Directors with its oversight responsibilities regarding: (i) the integrity of our financial statements and internal controls; (ii) our compliance with legal and regulatory requirements; (iii) the independent registered public accounting firm s qualifications and independence; and (iv) the performance of our internal audit function and independent registered public accounting firm. The Audit Committee s responsibilities are limited to oversight.

Alliance s management is responsible for the preparation, presentation and integrity of our financial statements as well as our financial reporting process, accounting policies, internal audit function, internal accounting controls and disclosure controls and procedures. Alliance s independent registered public accounting firm, Deloitte & Touche LLP, is responsible for performing an audit of our annual financial statements, expressing an opinion as to the conformity of such annual financial statements with accounting principles generally accepted in the United States, auditing management s assessment of internal controls over financial reporting as well as the effectiveness of those internal controls and reviewing our quarterly financial statements.

How does the Audit Committee carry out its responsibilities?

- The Audit Committee has convened eight times during the year to discuss the interim and annual financial statements and Alliance s internal controls on the financial reporting process.

- The Audit Committee reviewed our audited financial statements for the fiscal year ended December 31, 2005 and met with both management and our independent registered public accounting firm, Deloitte & Touche LLP, to discuss those financial statements. Management and Deloitte & Touche LLP have represented to the Audit Committee that the financial statements were prepared in accordance with generally accepted accounting principles.

- The Audit Committee has received from and discussed with Deloitte & Touche LLP its written disclosure and letter regarding its independence from Alliance as required by Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees).

- The Audit Committee has also reviewed and considered whether the provision of other non-audit services by Deloitte & Touche LLP is compatible with maintaining the independent registered public accounting firm s independence.

- The Audit Committee has also discussed with Deloitte & Touche LLP any matters required to be discussed by Statement of Auditing Standard No. 61.

Based upon these reviews and discussions, the Audit Committee has recommended to the Board of Directors that the audited financial statements be included in Alliance s Annual Report on Form 10-K for the year ended December 31, 2005 to be filed with the Securities and Exchange Commission. The Committee has also recommended, subject to stockholder ratification and approval, the appointment of Deloitte & Touche LLP as Alliance s independent registered public accounting firm for fiscal year 2006.

The Audit Committee

Neil F. Dimick, Chairman
Anthony B. Helfet
Edward L. Samek

STOCK PERFORMANCE GRAPH

The following graph sets forth the cumulative return on our common stock from July 27, 2001, the date on which our common stock commenced trading on the New York Stock Exchange, through December 31, 2005, as compared to the cumulative return of the S&P 500 Index and the cumulative return of the S&P Healthcare Index. The graph assumes that $100 was invested on July 27, 2001 in each of the (1) our common stock, (2) the S&P 500 Index, and (3) the S&P Healthcare Index and that all dividends (if applicable) were reinvested.

**COMPARISON OF THE CUMULATIVE TOTAL RETURN AMONG
ALLIANCE IMAGING, INC., THE S&P 500 INDEX, AND
THE S&P HEALTHCARE INDEX**

	Cumulative Total Return					
	7/27/01	12/31/01	12/31/02	12/31/03	12/31/04	12/31/05
Alliance Imaging, Inc.	100.00	93.85	40.77	28.46	86.54	45.77
S&P 500	100.00	95.44	73.14	92.43	100.75	103.77
S&P Healthcare Index	100.00	101.35	81.11	91.91	92.12	96.59

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Alliance believes that during fiscal 2005, all SEC filings of directors, officers and ten percent stockholders complied with the requirements of Section 16 of the Securities Exchange Act. This belief is based on our review of forms filed, or written notice that no forms were required.

AVAILABILITY OF CERTAIN DOCUMENTS

Alliance will mail without charge to any Stockholder upon written request a copy of Alliance s Annual Report on Form 10-K for the year ended December 31, 2005, including the financial statements, schedules and a list of exhibits. We will also mail without charge upon written request copies of our corporate goverance guidelines and the charters of our standing Board Committees.

Our Code of Business Conduct and Ethics governing our directors, officers and employees is posted on our web site, which is located at *www.allianceimaging.com* (and is available in print, upon request) and we will also post on our web site any amendment to the Code of Business Conduct and Ethics and any waiver applicable to our senior financial officers, as defined in the Code, and our executive officers or directors.

Requests for the above documents should be sent to Secretary, Alliance Imaging, Inc., 1900 S. State College Boulevard, Suite 600, Anaheim, CA 92806.

By Order of the Board of Directors,
/s/ CHRISTOPHER J. JOYCE
Christopher J. Joyce
Secretary

Anaheim, California
April 28, 2006

Appendix A

1999 EQUITY PLAN
FOR EMPLOYEES OF
ALLIANCE IMAGING, INC. AND SUBSIDIARIES
(As amended and restated April 7, 2006)
(Approved by stockholders May 24, 2006)

1. PURPOSE OF PLAN

The 1999 Equity Plan, as amended and restated, for Employees of Alliance Imaging, Inc. and Subsidiaries (the Plan) is designed:

(a) to promote the long term financial interests and growth of Alliance Imaging, Inc., a Delaware corporation (the Company) and its Subsidiaries by attracting and retaining management and personnel with the training, experience and ability to enable them to make a substantial contribution to the success of the Company s business;

(b) to motivate personnel by means of growth-related incentives to achieve long range goals; and

(c) to further the identity of interests of participants with those of the stockholders of the Company through opportunities for stock or stock-based ownership in the Company.

2. DEFINITIONS

As used in the Plan, the following words shall have the following meanings:

(a) Affiliate means (i) with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with, such Person, and (ii) with respect to the Company, also any entity designated by the Board of Directors of the Company in which the Company or one of its Affiliates has an interest, and (iii) with respect to Kohlberg Kravis Roberts & Co., L.P. (KKR), also any Affiliate of any partner of KKR. For purposes of the Plan, Person means an individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, governmental authority or other entity of whatever nature, and control shall have the meaning given such term under Rule 405 of the Securities Act.

(b) Award means any right granted under the Plan, including a Stock Option award, a Restricted Stock award, a Restricted Stock Unit award, a Stock Bonus award and a Performance-Based Award.

(c) Award Agreement means an agreement between the Company and a Participant that sets forth the terms, conditions and limitations applicable to an Award.

(d) Board of Directors means the Board of Directors of the Company.

(e) Code means the Internal Revenue Code of 1986, as amended.

(f) Committee means the Compensation Committee of the Board of Directors or another committee of the Board of Directors designated by the Board of Directors to administer the Plan.

(g) Common Stock or Share means $.01 par value common stock of the Company.

(h) Covered Employee means an Employee who is, or could be, a covered employee within the meaning of Section 162(m) of the Code.

(i) Employee means a person, including an officer, in the regular full-time employment of the Company or one of its Subsidiaries.

(j) Exchange Act means the Securities Exchange Act of 1934, as amended.

(k) Fair Market Value means such value of a Share as reported for stock exchange transactions and/or determined in accordance with any applicable resolutions or regulations of the Committee in effect at the relevant time.

(l) Participant means an Employee, consultant, or other person having a unique relationship with the Company or one of its Subsidiaries, to whom one or more Awards have been made and such Awards have not all been forfeited or terminated under the Plan; provided, however, a non-employee director of the Company or one of its Subsidiaries may not be a Participant.

(m) Performance-Based Award means an Award granted to selected Covered Employees pursuant to Sections 6 and 7, but which is subject to the terms and conditions set forth in Section 8. All Performance-Based Awards are intended to qualify as Qualified Performance-Based Compensation.

(n) Performance Criteria means the criteria that the Committee selects for purposes of establishing the Performance Goal or Performance Goals for a Participant for a Performance Period. The Performance Criteria that will be used to establish Performance Goals are limited to the following: [net earnings (either before or after interest, taxes, depreciation and amortization), economic value-added (as determined by the Committee), sales or revenue, net income (either before or after taxes), operating earnings, cash flow (including, but not limited to, operating cash flow and free cash flow), cash flow return on capital, return on net assets, return on stockholders equity, return on assets, return on capital, stockholder returns, return on sales, gross or net profit margin, productivity, expense, margins, operating efficiency, customer satisfaction, working capital, earnings per share, price per share of Stock, and market share, any of which may be measured either in absolute terms or as compared to any incremental increase or as compared to results of a peer group.] The Committee shall, within the time prescribed by Section 162(m) of the Code, define in an objective fashion the manner of calculating the Performance Criteria it selects to use for such Performance Period for such Participant.

(o) Performance Goals means, for a Performance Period, the goals established in writing by the Committee for the Performance Period based upon the Performance Criteria. Depending on the Performance Criteria used to establish such Performance Goals, the Performance Goals may be expressed in terms of overall Company performance or the performance of a division, business unit, or an individual. The Committee, in its discretion, may, within the time prescribed by Section 162(m) of the Code, adjust or modify the calculation of Performance Goals for such Performance Period in order to prevent the dilution or enlargement of the rights of Participants (a) in the event of, or in anticipation of, any unusual or extraordinary corporate item, transaction, event, or development, or (b) in recognition of, or in anticipation of, any other unusual or nonrecurring events affecting the Company, or the financial statements of the Company, or in response to, or in anticipation of, changes in applicable laws, regulations, accounting principles, or business conditions.

(p) Performance Period means the one or more periods of time, which may be of varying and overlapping durations, as the Committee may select, over which the attainment of one or more Performance Goals will be measured for the purpose of determining a Participant s right to, and the payment of, a Performance-Based Award.

(q) Qualified Performance-Based Compensation means any compensation that is intended to qualify as qualified performance-based compensation as described in Section 162(m)(4)(C) of the Code.

(r) Restricted Stock means restricted shares of Common Stock granted pursuant to Section 6 of the Plan.

(s) Restricted Stock Unit means a right to receive a specified number of shares of Common Stock pursuant to Section 7(a).

(t) Securities Act means the Securities Act of 1933, as amended and the rules and regulations promulgated thereunder.

(u) Stock Bonus means the right to receive a bonus of Common Stock for past services pursuant to Section 7(b) of the Plan.

(v) Stock Options means the Non-Qualified Stock Options described in Section 5.

(w) Subsidiary means any corporation (or other entity) other than the Company in an unbroken chain of entities beginning with the Company if each of the entities, or group of commonly controlled entities, other than the last entity in the unbroken chain, then owns stock (or other equity interest) possessing 50% or more of the total combined voting power of all classes of equity in one of the other entities in such chain.

3. ADMINISTRATION OF PLAN

(a) The Plan shall be administered by the Committee. The members of the Committee shall consist solely of individuals who are both non-employee directors as defined by Rule 16b-3 promulgated under the Exchange Act and outside directors for purposes of Section 162(m) of the Code, to the extent that the Company and its Employees are subject to Section 16 of the Exchange Act or Section 162(m) of the Code. The Committee may adopt its own rules of procedure, and the action of a majority of the Committee, taken at a meeting or taken without a meeting by a writing signed by such majority, shall constitute action by the Committee. The Committee shall have the power, authority and the discretion to administer, construe and interpret the Plan and Award Agreements, to make rules for carrying out the Plan and to make changes in such rules. Any such interpretations, rules, and administration shall be made and done in good faith and consistent with the basic purposes of the Plan.

(b) The Committee may delegate to the Chief Executive Officer and to other senior officers of the Company its duties under the Plan subject to such conditions and limitations as the Committee shall prescribe except that only the Committee may designate and make Awards to Participants who are subject to Section 16 of the Exchange Act or Section 162(m) of the Code.

(c) The Committee may employ attorneys, consultants, accountants, appraisers, brokers or other persons. The Committee, the Company, and the officers and directors of the Company shall be entitled to rely upon the advice, opinions or valuations of any such persons. Subject to the terms and conditions of the Plan and any applicable Award Agreement, all actions taken and all interpretations and determinations made by the Committee in good faith shall be final and binding upon all Participants, the Company and all other interested persons. No member of the Committee shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or the Awards, and all members of the Committee shall be fully protected by the Company with respect to any such action, determination or interpretation.

4. ELIGIBILITY

The Committee may from time to time make Awards under the Plan to such Employees, consultants, or other persons having a unique relationship with the Company or any of its Subsidiaries, and in such form and having such terms, conditions and limitations as the Committee may determine. No Awards may be made under the Plan to non-employee directors of the Company or any of its Subsidiaries. Awards may be granted singly, in combination or in tandem. The terms, conditions and limitations of each Award under the Plan shall be set forth in an Award Agreement, in a form approved by the Committee, consistent, however, with the terms of the Plan; provided, however, such Award Agreement shall contain provisions dealing with the treatment of Awards in the event of the termination, death or disability of the Participant, and may also include provisions concerning the treatment of Awards in the event of a change in control of the Company.

5. STOCK OPTION AWARDS

From time to time, the Committee will grant options to purchase Common Stock which are not incentive stock options, within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended. At the time of grant, the Committee shall determine, and shall have specified in the Stock Option Award Agreement or other Plan rules, the option exercise period, the option exercise price, and such other conditions or restrictions on the grant or exercise of the Stock Option as the Committee deems appropriate. In addition to other restrictions contained in the Plan and Stock Option Award Agreement, Stock Options granted under this Section 5 (i) may not be exercised more than 10 years after the date granted and (ii) may not have an option exercise price less than 85% of the Fair Market Value of Common Stock on the date the option is granted. Payment of the option exercise price shall be made in cash or, with the consent of the Committee, in shares of Common Stock (including shares acquired by contemporaneous exercise of other Stock Options), or a combination thereof, in accordance with the terms of the Plan, the Stock Option Award Agreement and any applicable guidelines of the Committee in effect at the time.

6. RESTRICTED STOCK AWARDS

(a) The Committee is authorized to make Awards of Restricted Stock to any Participant selected by the Committee in such amounts and subject to such terms and conditions as determined by the Committee. All Awards of Restricted Stock shall be evidenced by an Award Agreement.

(b) Restricted Stock shall be subject to such restrictions on transferability and other restrictions as the Committee may impose (including, without limitation, limitations on the right to vote Restricted Stock or the right to receive dividends on the Restricted Stock). These restrictions may lapse separately or in combination at such times, pursuant to such circumstances, in such installments, or otherwise, as the Committee determines at the time of the grant of the Award or thereafter.

(c) The Committee may establish the exercise or purchase price, if any, of any Restricted Stock; provided, however, that such price shall not be less than the par value of a Share on the date of grant, unless otherwise permitted by applicable state law. The Committee may determine that Participants in the Plan may be awarded Restricted Stock in consideration for past services actually rendered to the Company for its benefit.

(d) Except as otherwise determined by the Committee at the time of the grant of the Award or thereafter, upon termination of employment or service during the applicable restriction period, Restricted Stock that is at that time subject to restrictions shall be forfeited; provided, however, that the Committee may (i) provide in any Restricted Stock Award Agreement that restrictions or forfeiture conditions relating to Restricted Stock will be waived in whole or in part in the event of terminations resulting from specified causes, and (ii) in other cases waive in whole or in part restrictions or forfeiture conditions relating to Restricted Stock.

(e) Restricted Stock granted pursuant to the Plan may be evidenced in such manner as the Committee shall determine. If certificates representing shares of Restricted Stock are registered in the name of the Participant, certificates must bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Restricted Stock, and the Company may, at its discretion, retain physical possession of the certificate until such time as all applicable restrictions lapse.

7. OTHER TYPES OF AWARDS

(a) The Committee is authorized to make Awards of Restricted Stock Units to any Participant selected by the Committee in such amounts and subject to such terms and conditions as determined by the Committee. At the time of grant, the Committee shall specify the date or dates on which the Restricted Stock Units shall become fully vested and nonforfeitable, and may specify such conditions to vesting as it deems appropriate. At the time of grant, the Committee shall specify the maturity date applicable to each

grant of Restricted Stock Units which shall be no earlier than the vesting date or dates of the Award and may be determined at the election of the grantee. On the maturity date, the Company shall transfer to the Participant one unrestricted, fully transferable Share for each Restricted Stock Unit scheduled to be paid out on such date and not previously forfeited.

(b) The Committee is authorized to make Awards of Stock Bonuses to any Participant selected by the Committee in such amounts and subject to such terms and conditions as determined by the Committee. All Awards of Stock Bonuses shall be evidenced by an Award Agreement.

(c) Except as otherwise provided herein, the term of any Award of a Restricted Stock Unit or Stock Bonus shall be set by the Committee in its discretion.

(d) The Committee may establish the exercise or purchase price, if any, of any Restricted Stock Unit or Stock Bonus Award; provided, however, that such price shall not be less than the par value of a Share on the date of grant, unless otherwise permitted by applicable state law. The Committee may determine that Participants in the Plan may be awarded a Restricted Stock Unit or Stock Bonus in consideration for past services actually rendered to the Company for its benefit.

(e) An Award of a Restricted Stock Unit or Stock Bonus shall only be exercisable or payable while the Participant is an Employee or consultant, as applicable; provided, however, that the Committee in its sole and absolute discretion may provide that an Award of a Restricted Stock Unit or Stock Bonus may be exercised or paid subsequent to a termination of employment or service, as applicable, or following a change in control of the Company, or because of the Participant s retirement, death or disability, or otherwise.

(f) All Awards under this Section 7 shall be subject to such additional terms and conditions as determined by the Committee and shall be evidenced by an Award Agreement.

8. PERFORMANCE-BASED AWARDS

(a) Purpose. The purpose of this Section 8 is to provide the Committee the ability to qualify Awards other than Stock Options and that are granted pursuant to Sections 6 and 7 as Qualified Performance-Based Compensation. If the Committee, in its discretion, decides to grant a Performance-Based Award to a Covered Employee, the provisions of this Section 8 shall control over any contrary provision contained in Sections 6 and 7; provided, however, that the Committee may in its discretion grant Awards to Covered Employees that are based on Performance Criteria or Performance Goals but that do not satisfy the requirements of this Section 8.

(b) Applicability. This Section 8 shall apply only to those Covered Employees selected by the Committee to receive Performance-Based Awards. The designation of a Covered Employee as a Participant for a Performance Period shall not in any manner entitle the Participant to receive an Award for the period. Moreover, designation of a Covered Employee as a Participant for a particular Performance Period shall not require designation of such Covered Employee as a Participant in any subsequent Performance Period and designation of one Covered Employee as a Participant shall not require designation of any other Covered Employees as a Participant in such period or in any other period.

(c) Procedures with Respect to Performance-Based Awards. To the extent necessary to comply with the Qualified Performance-Based Compensation requirements of Section 162(m)(4)(C) of the Code, with respect to any Award granted under Sections 6 and 7 which may be granted to one or more Covered Employees, no later than 90 days following the commencement of any fiscal year in question or any other designated fiscal period or period of service (or such other time as may be required or permitted by Section 162(m) of the Code), the Committee shall, in writing, (a) designate one or more Covered Employees, (b) select the Performance Criteria applicable to the Performance Period, (c) establish the Performance Goals, and amounts of such Awards, as applicable, which may be earned for such

Performance Period, and (d) specify the relationship between Performance Criteria and the Performance Goals and the amounts of such Awards, as applicable, to be earned by each Covered Employee for such Performance Period. Following the completion of each Performance Period, the Committee shall certify in writing whether the applicable Performance Goals have been achieved for such Performance Period. In determining the amount earned by a Covered Employee, the Committee shall have the right to reduce or eliminate (but not to increase) the amount payable at a given level of performance to take into account additional factors that the Committee may deem relevant to the assessment of individual or corporate performance for the Performance Period.

(d) Payment of Performance-Based Awards. Unless otherwise provided in the applicable Award Agreement, a Participant must be employed by the Company or a Subsidiary on the day a Performance-Based Award for such Performance Period is paid to the Participant. Furthermore, a Participant shall be eligible to receive payment pursuant to a Performance-Based Award for a Performance Period only if the Performance Goals for such period are achieved.

(e) Additional Limitations. Notwithstanding any other provision of the Plan, any Award which is granted to a Covered Employee and is intended to constitute Qualified Performance-Based Compensation shall be subject to any additional limitations set forth in Section 162(m) of the Code (including any amendment to Section 162(m) of the Code) or any regulations or rulings issued thereunder that are requirements for qualification as qualified performance-based compensation as described in Section 162(m)(4)(C) of the Code, and the Plan shall be deemed amended to the extent necessary to conform to such requirements.

9. LIMITATIONS AND CONDITIONS

(a) Subject to Section 11, the number of Shares available for Awards under the Plan shall be 6,325,000 shares of the authorized Common Stock as of the effective date of the Plan. Unless restricted by applicable law, Shares related to Awards that are forfeited, terminated, canceled or expire unexercised, shall immediately become available for Awards.

(b) No Participant shall be granted, in any calendar year, Awards to purchase more than 2,000,000 Shares. The foregoing limitation shall be adjusted proportionately in connection with any change in the Company s capitalization as described in Section 11 and 12. For purposes of this Section 9(b), if a Stock Option is canceled in the same calendar year it was granted (other than in connection with a transaction described in Section 11 and 12), the canceled Stock Option will be counted against the limit set forth in this Section 9(b). For this purpose, if the exercise price of a Stock Option is reduced, the transaction shall be treated as a cancellation of the Stock Option and the grant of a new Stock Option.

(c) No Awards shall be made under the Plan beyond ten years after the effective date of the Plan, as amended and restated on April 7, 2006, but the terms of Awards made on or before the expiration thereof may extend beyond such expiration. At the time an Award is made or amended or the terms or conditions of an Award are changed, the Committee may provide for limitations or conditions on such Award.

(d) Nothing contained herein shall affect the right of the Company or any Subsidiary to terminate any Participant s employment at any time or for any reason.

(e) Except as otherwise prescribed by the Committee, the amounts of the Awards for any employee of a Subsidiary, along with interest, dividends, and other expenses accrued on deferred Awards shall be charged to the Participant s employer during the period for which the Award is made. If the Participant is employed by more than one Subsidiary or by a combination of the Company and a Subsidiary during the period for which the Award is made, the Participant s Award and related expenses will be allocated between the companies employing the Participant in a manner prescribed by the Committee.

(f) Other than as specifically provided by will or by the applicable laws of descent and distribution or the terms of any applicable trust, no benefit under the Plan shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, or charge, and any attempt to do so shall be void. No such benefit shall, prior to receipt thereof by the Participant, be in any manner liable for or subject to the debts, contracts, liabilities, engagements, or torts of the Participant.

(g) Participants shall not be, and shall not have any of the rights or privileges of, stockholders of the Company in respect of any Shares purchasable or otherwise acquired in connection with any Award unless and until certificates representing any such Shares have been issued by the Company to such Participants; provided, however, that no delay in the issuance of certificates due to be issued hereunder representing any such Shares shall operate to impair or prejudice any Participant s rights to participate in a corporate transaction providing for the disposition of such Shares.

(h) No election as to benefits or exercise of Stock Options, Restricted Stock, Restricted Stock Units, Stock Bonuses, Performance-Based Awards or other rights may be made during a Participant s lifetime by anyone other than the Participant except by a legal representative appointed for or by the Participant.

(i) Absent express provisions to the contrary, no Award under the Plan shall be deemed compensation for purposes of computing benefits or contributions under any retirement plan of the Company or its Subsidiaries and shall not affect any benefits under any other benefit plan of any kind or subsequently in effect under which the availability or amount of benefits is related to level of compensation. The Plan is not a Pension Plan or Welfare Plan under the Employee Retirement Income Security Act of 1974, as amended.

(j) Unless the Committee determines otherwise, no benefit or promise under the Plan shall be secured by any specific assets of the Company or any of its Subsidiaries, nor shall any assets of the Company or any of its Subsidiaries be designated as attributable or allocated to the satisfaction of the Company s obligations under the Plan.

10. TRANSFERS AND LEAVES OF ABSENCE

For purposes of the Plan, unless the Committee determines otherwise: (a) a transfer of a Participant s employment without an intervening period of separation among the Company and any Subsidiary shall not be deemed a termination of employment, and (b) a Participant who is granted in writing a leave of absence shall be deemed to have remained in the employ of the Company or a Subsidiary during such leave of absence.

11. ADJUSTMENTS

In the event of any change in the outstanding Common Stock (including an exchange for cash) by reason of a stock split, reverse stock split, spin-off, stock dividend, stock combination or reclassification, recapitalization, reorganization, consolidation, merger, change of control, or similar event, the Committee shall adjust appropriately the number and kind of Shares subject to the Plan and available for or covered by Awards and Share prices related to outstanding Awards, and make such other revisions to outstanding Awards as it deems are equitably required. Any adjustment affecting an Award intended as Qualified Performance-Based Compensation shall be made consistent with the requirements of Section 162(m) of the Code.

12. MERGER, CONSOLIDATION, EXCHANGE, ACQUISITION, DISTRIBUTION, LIQUIDATION OR DISSOLUTION

In its sole discretion, and on such terms and conditions as it deems appropriate, coincident with or after the grant of any Award, the Committee may provide that such Award cannot be exercised after the consummation of the merger or consolidation of the Company into another corporation, the exchange of all or substantially all of the assets of the Company for the securities of another corporation, the

acquisition by another corporation of 80% or more of the Company s then outstanding shares of voting stock or the recapitalization, reclassification, liquidation or dissolution of the Company, or other adjustment or event which results in shares of Common Stock being exchanged for or converted into cash, securities or other property, and if the Committee so provides, it shall, on such terms and conditions as it deems appropriate in its absolute discretion, also provide, either by the terms of such Award or by a resolution adopted prior to the consummation of such merger, consolidation, exchange, acquisition, recapitalization, reclassification, liquidation or dissolution, that, for some period of time prior to the consummation of such transaction or event, such Award shall be exercisable as to all shares subject thereto, notwithstanding anything to the contrary herein (but subject to the provisions of Section 9(c)) and that, upon the consummation of such event, such Award shall terminate and be of no further force or effect; provided, however, that the Committee may also provide, in its absolute discretion, that even if the Award shall remain exercisable after any such event, from and after such event, any such Award shall be exercisable only for the kind and amount of cash, securities and/or other property, or the cash equivalent thereof (net of any applicable exercise price), receivable as a result of such event by the holder of a number of shares of stock for which such Award could have been exercised immediately prior to such event.

In the event of a spin-off or other substantial distribution of assets of the Company which has a material diminutive effect upon the Fair Market Value of the Company s Common Stock, the Committee shall in its discretion make an appropriate and equitable adjustment to any Award exercise price to reflect such diminution.

13. AMENDMENT AND TERMINATION

The Committee shall have the authority to make such amendments to any terms and conditions applicable to outstanding Awards as are consistent with the Plan; provided, that, except for adjustments under Section 11 or 12 hereof, no such action shall modify such Award in a manner adverse to the Participant without the Participant s consent except as such modification is provided for or contemplated in the terms of the Award. The Board of Directors may amend, suspend or terminate the Plan.

14. WITHHOLDING TAXES

The Company shall have the right to deduct from any cash payment made under the Plan any federal, state or local income or other taxes required by law to be withheld with respect to such payment. It shall be a condition to the obligation of the Company to deliver Shares upon the exercise of an Award that the Participant pay to the Company such amount as may be requested by the Company for the purpose of satisfying any liability for such withholding taxes. Any Award Agreement may provide that the Participant may elect, in accordance with any conditions set forth in such Award Agreement, to pay a portion or all of such withholding taxes in shares of Common Stock (including shares acquired by contemporaneous exercise of other Stock Options).

15. REGISTRATION

(a) If the Company shall have filed a registration statement pursuant to the requirements of Section 12 of the Exchange Act, or engaged in a Public Offering (as defined below), (i) the Company shall use reasonable efforts to register the Awards and the Common Stock to be acquired on exercise of the Awards on a Form S-8 Registration Statement or any successor to Form S-8 to the extent that such registration is then available with respect to such Awards and Common Stock and (ii) the Company will use reasonable efforts to file the reports required to be filed by it under the Securities Act and the Exchange Act and the rules and regulations adopted by the Securities and Exchange Commission (SEC) thereunder, to the extent required from time to time to enable the Participant to sell shares of Common Stock without registration under the Securities Act within the limitations of the exemptions provided under any applicable rule or regulation of the SEC. Notwithstanding anything contained in this Section 15, the Company may deregister under Section 12 of the Exchange Act if it is then permitted to do so pursuant to

the Exchange Act and the rules and regulations thereunder. Nothing in this Section 15 shall be deemed to limit in any manner otherwise applicable restrictions on sales of Common Stock.

(b) As used herein the term Public Offering shall mean the sale of shares of Common Stock to the public pursuant to a registration statement under the Securities Act which has been declared effective by the SEC (other than a registration statement on Form S-8 or any other similar form) which results in an active trading market in the Common Stock.

16. EFFECTIVE DATE AND TERMINATION DATES

The Plan as amended and restated by the Board of Directors on April 7, 2006 shall be effective on and as of the date of its approval by the stockholders of the Company and shall terminate on May 24, 2016, subject to earlier termination by the Board of Directors pursuant to Section 13.

17. SECTION 409A

To the extent that the Committee determines that any Award granted under the Plan is subject to Section 409A of the Code, the Award Agreement evidencing such Award shall incorporate the terms and conditions required by Section 409A of the Code. To the extent applicable, the Plan and Award Agreements shall be interpreted in accordance with Section 409A of the Code and Department of Treasury regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the effective date of the Plan. Notwithstanding any provision of the Plan to the contrary, in the event that following the effective date of the Plan the Committee determines that any Award may be subject to Section 409A of the Code and related Department of Treasury guidance (including such Department of Treasury guidance as may be issued after the effective date of the Plan), the Committee may adopt such amendments to the Plan and the applicable Award Agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, that the Committee determines are necessary or appropriate to (a) exempt the Award from Section 409A of the Code and/or preserve the intended tax treatment of the benefits provided with respect to the Award, or (b) comply with the requirements of Section 409A of the Code and related Department of Treasury guidance.

* * * * * * * * * *

I hereby certify that the foregoing Plan was duly amended and restated by the Board of Directors of Alliance Imaging, Inc. and approved by the shareholders of the Company on May 24, 2006. Executed on this ____ day of May, 2006.

Christopher J. Joyce,
Senior Vice President and Secretary

ALLIANCE IMAGING, INC.

ANNUAL MEETING OF STOCKHOLDERS

To Be Held May 24, 2006

This Proxy is solicited on behalf of the Board of Directors

The undersigned stockholders of Alliance Imaging, Inc. (the Company) hereby nominate, constitute and appoint Christopher J. Joyce and Howard K. Aihara, or any one of them, each with full power of substitution, as the lawful attorneys, agents and proxies of the undersigned, for the Annual Meeting of Stockholders of Alliance Imaging, Inc. (the Annual Meeting) to be held at the Company s headquarters at 1900 S. State College Blvd., Suite 600, Anaheim, CA 92806, on Tuesday, May 24, 2006 at 10:00 a.m., Pacific time, and at any and all adjournments thereof, to represent the undersigned and to cast all votes to which the undersigned would be entitled to cast if personally present, as follows:

This proxy will be voted FOR the election of the nominee unless authority to do so is withheld for the nominee or for any other nominee. Unless AGAINST or ABSTAIN is indicated, this proxy will be voted FOR approval of the Amended and Restated 1999 Equity Plan and FOR ratification of the appointment of Deloitte & Touche LLP as the Company s independent registered public accounting firm .. PLEASE SIGN, DATE AND RETURN THIS PROXY AS PROMPTLY AS POSSIBLE IN THE POSTAGE PREPAID ENVELOPE PROVIDED.

IMPORTANT: Continued and to be signed on the reverse side.

*/ Please Detach and Mail in the Envelope Provided */

ý **Please mark your votes as indicated in this example.**

		FOR THE NOMINEE (EXCEPT AS INDICATED TO THE CONTRARY)	WITHHOLD AUTHORITY TO VOTE FOR THE NOMINEE LISTED			FOR	AGAINST	ABSTAIN
1.	ELECTION OF DIRECTOR. **Class II Term will expire in 2009**	**o**	**o**	**Nominee:** Anthony B. Helfet	2. APPROVAL OF THE AMENDED AND RESTATED 1999 EQUITY PLAN. To approve the Amended and Restated 1999 Equity Plan for Employees of Alliance Imaging, Inc. and Subsidiaries.	**o**	**o**	**o**
(INSTRUCTIONS: To withhold authority to vote for any individual nominee, write that nominee s name in the space provided below.)					3. RATIFICATION OF THE APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM. To ratify the appointment of	**o**	**o**	**o**

Deloitte & Touche LLP as the Company s independent registered public accounting firm for fiscal year ending December 31, 2006.

4. OTHER BUSINESS. To transact such other business as may properly come before the Meeting and at any and all adjournments thereof. The Board of Directors at the present knows of no other business to be presented by or on behalf of the Company or the Board of Directors at the Annual Meeting.

The Board of Directors recommends a vote FOR the election of the nominee for director, FOR approval of the Amended and Restated 1999 Equity Plan and FOR ratification of the appointment of Deloitte & Touche LLP as the Company s independent registered public accounting firm. If any other business is properly presented at such meeting, this proxy shall be voted in accordance with the recommendations of the Board of Directors.

The undersigned hereby ratifies and confirms all that said attorneys and Proxy Holders, or any of them, or their substitutes, shall lawfully do or cause to be done by virtue hereof, and hereby revokes any and all proxies heretofore given by the undersigned to vote at the Annual Meeting. The undersigned acknowledges receipt of the Notice of Annual Meeting and Proxy Statement accompanying said notice.

Date: , 2006

Signature Signature if held jointly

NOTE: Please date this proxy and sign above as your name(s) appear(s) on this Proxy. Joint owners should each sign personally. Corporate proxies should be signed by an authorized officer. Partnership proxies should be signed by an authorized partner. Personal representatives, executors, administrators, trustees or guardians should give their full titles.