

SECURITIES AND EXCHANGE COMMISSION

FORM SC 13D

Schedule filed to report acquisition of beneficial ownership of 5% or more of a class of equity securities

Filing Date: **2008-04-07**
SEC Accession No. **0000909518-08-000322**

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SUBJECT COMPANY

Alternative Asset Management Acquisition Corp.

CIK: **1393816** | IRS No.: **208450938** | State of Incorporation: **DE** | Fiscal Year End: **1231**
Type: **SC 13D** | Act: **34** | File No.: **005-83053** | Film No.: **08743508**
SIC: **6770** Blank checks

Mailing Address
590 MADISON AVENUE
35TH FLOOR
NEW YORK NY 10022

Business Address
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35TH FLOOR
NEW YORK NY 10022
212.409.2434

FILED BY

LEVITT MICHAEL J

CIK: **1228160**
Type: **SC 13D**

Mailing Address
IDT CORP
520 BROAD STREET
NEWARK NJ 07102

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

SCHEDULE 13D
UNDER THE SECURITIES EXCHANGE ACT OF 1934

Alternative Asset Management Acquisition Corp.

(Name of Issuer)

Common Stock, Par Value \$0.0001 per Share

(Title of class of securities)

02149U200

(CUSIP number)

Michael J. Levitt
c/o Stone Tower Capital LLC
152 West 57th Street
New York, New York 10019

(Name, address and telephone number of person authorized to receive notices and communications)

April 7, 2008

(Date of event which requires filing of this statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box .

CUSIP No. 02149U200

13D

Page 1 of 12

1. NAME OF REPORTING PERSON: STC INVESTMENT HOLDINGS LLC

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP: (a)
(b)

3. SEC USE ONLY

4. SOURCE OF FUNDS: AF

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM
2 (d) OR 2 (e) :

6. CITIZENSHIP OR PLACE OF ORGANIZATION: DELAWARE

7. SOLE VOTING POWER: 0

NUMBER OF
SHARES
BENEFICIALLY
OWNED BY
EACH
REPORTING
PERSON WITH

8. SHARED VOTING POWER: 3,944,550 [See Item 4]

9. SOLE DISPOSITIVE POWER: 0

10. SHARED DISPOSITIVE POWER: 3,944,550 [See Item 4]

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:
3,944,550 [See Item 4]

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES:

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) :
7.62% [See Item 4]

14. TYPE OF REPORTING PERSON: OO

CUSIP No. 02149U200

13D

Page 2 of 12

1. NAME OF REPORTING PERSON: STONE TOWER OPERATING LP

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP: (a)
(b)

3. SEC USE ONLY

4. SOURCE OF FUNDS: N/A

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2 (d) OR 2 (e):

6. CITIZENSHIP OR PLACE OF ORGANIZATION: DELAWARE

7. SOLE VOTING POWER: 0

NUMBER OF
SHARES
BENEFICIALLY

8. SHARED VOTING POWER: 3,944,550 [See Item 4]

OWNED BY
EACH

9. SOLE DISPOSITIVE POWER: 0

REPORTING
PERSON WITH

10. SHARED DISPOSITIVE POWER: 3,944,550 [See Item 4]

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:
7,944,550 [See Item 4]

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES:

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11):
7.62% [See Item 4]

CUSIP No. 02149U200

13D

Page 3 of 12

1. NAME OF REPORTING PERSON: STONE TOWER CAPITAL LLC

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP: (a)
(b)

3. SEC USE ONLY

4. SOURCE OF FUNDS: N/A

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM
2(d) OR 2(e):

6. CITIZENSHIP OR PLACE OF ORGANIZATION: DELAWARE

7. SOLE VOTING POWER: 0

NUMBER OF
SHARES
BENEFICIALLY

8. SHARED VOTING POWER: 3,944,550 [See Item 4]

OWNED BY
EACH
REPORTING
PERSON WITH

9. SOLE DISPOSITIVE POWER: 0

10. SHARED DISPOSITIVE POWER: 3,944,550 [See Item 4]

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:
3,944,550 [See Item 4]12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES:
13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11):
7.62% [See Item 4]

14. TYPE OF REPORTING PERSON: OO

CUSIP No. 02149U200

13D

Page 4 of 12

1. NAME OF REPORTING PERSON: MICHAEL J. LEVITT

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP: (a)
(b)

3. SEC USE ONLY

4. SOURCE OF FUNDS: N/A

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2 (d) OR 2 (e):

6. CITIZENSHIP OR PLACE OF ORGANIZATION: UNITED STATES

7. SOLE VOTING POWER: 0

NUMBER OF
SHARES
BENEFICIALLY
OWNED BY
EACH
REPORTING
PERSON WITH

8. SHARED VOTING POWER: 3,944,550 [See Item 4]

9. SOLE DISPOSITIVE POWER: 0

10. SHARED DISPOSITIVE POWER: 3,944,550 [See Item 4]

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:
3,944,550 [See Item 4]

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES:

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11):

14. TYPE OF REPORTING PERSON: IN

ITEM 1. SECURITY AND ISSUER

The title and class of equity security to which this statement on Schedule 13D relates is the common stock, par value \$0.0001 per share (the "COMMON STOCK"), of Alternative Asset Management Acquisition Corp., a Delaware corporation (the "COMPANY"). The address of the principal executive office of the Company is 590 Madison Avenue, 35th Floor, New York, New York 10022.

ITEM 2. IDENTITY AND BACKGROUND.

(a) This statement on Schedule 13D is being filed by each of the following persons (each a "REPORTING PERSON" and together, the "REPORTING PERSONS"):

- i. STC Investment Holdings LLC ("STIH"), a Delaware limited liability company;
- ii. Stone Tower Operating LP ("STO"), a Delaware limited partnership and the managing member of STIH;
- iii. Stone Tower Capital LLC ("STC"), a Delaware limited liability company and the General Partner of STO; and
- iv. Michael J. Levitt ("MJL"), a person having United States citizenship and the sole managing member of STC.

(b) The principal business address of each Reporting Person is 152 West 57th Street, New York, New York 10019.

(c) STC is an asset management firm focused on credit and credit-related assets. STC acts through its affiliates, including STO. MJL is the Chairman and Chief Investment Officer of STC and STO. The principal business of STIH is to hold interests in the Company.

(d) and (e) During the last five years, none of the Reporting Persons has been (i) convicted of any criminal proceeding (excluding traffic violations or similar misdemeanors) or (ii) a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding

was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to federal or state securities laws or finding any violation with respect to such laws.

The Reporting Persons have agreed to jointly file this statement on Schedule 13D. A Joint Filing Agreement is filed herewith.

ITEM 3. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION

As described in Item 4 below, STIH purchased 3,881,250 shares of Common Stock with funds provided to STIH by member contributions.

The purchases of Common Stock by STIH pursuant to the 10b5-1 Agreement (described below) are being made with funds provided to STIH by STO and by another affiliate, Stone Tower Equity Partners LLC, in each case pursuant to a promissory note.

The information set forth in Item 4 of this Schedule 13D is hereby incorporated herein by reference.

ITEM 4. PURPOSE OF TRANSACTION

The Company was formed as a blank check company on January 26, 2007 for the purpose of acquiring through a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination (a "BUSINESS COMBINATION"), one or more businesses or assets in the alternative

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asset management sector or a related business. STIH and certain other unaffiliated individuals and entities, namely Hanover Overseas Limited, Solar Capital, LLC, Jakal Investments LLC, Mark Klein, David Hawkins, Steven Shenfeld, Bradford Peck and Frederick Kraegel, were the founding shareholders of the Company (the "FOUNDERS").

On March 22, 2007, STIH purchased 3,881,250 shares of Common Stock for total consideration of \$9,375. In addition, on July 7, 2007, STIH agreed to purchase an aggregate of 1,423,000 warrants at a price of \$1.00 per warrant in a private placement that occurred simultaneously with the consummation of the Initial Public Offering of the Company (the "IPO") on August 1, 2007, in which the Company offered for sale 36,000,000 of its securities, consisting of one share of Common Stock and one warrant (the "Warrants"). The Warrants were issued pursuant to a Warrant Agreement, dated as of August 1, 2007 between the Company and Continental Stock Transfer & Trust Company (the "WARRANT AGREEMENT"). Each warrant entitles the holder to purchase one share of Common Stock at a price of \$7.50. Pursuant to the Warrant Agreement, the Warrants held by STIH (i) may not be sold or transferred prior to and (ii) become exercisable upon the date that

is 30 days after the date upon which the Company completes a Business Combination. The warrants expire July 31, 2012, unless earlier redeemed. The conditions to exercise the warrants by STIH have not yet been satisfied.

In addition, the Founders placed all of their Common Stock and Warrants into a trust account pursuant to an escrow agreement dated as of August 1, 2007 between the Founders and Continental Stock Transfer & Trust Company, acting as escrow agent (the "ESCROW AGREEMENT"), which, except for certain permitted transfers, prohibits (i) the transfer of the Common Stock until the date that is one year after the consummation of the Business Combination and (ii) the transfer of Warrants until termination of the transfer restrictions set forth in the Warrant Agreement.

Pursuant to a letter agreement dated August 1, 2007 with the Company (the "INSIDER LETTER"), STIH has agreed, among other things, (i) if the Company solicits approval of its stockholders of a Business Combination, to vote all shares of Common Stock owned by it in accordance with the majority of the votes cast by the holders of Common Stock purchased in the IPO, (ii) to take all reasonable actions with its power to cause the Company to liquidate in the event the Company fails to consummate a Business Combination within 24 months from the effective date of the registration statement relating to the IPO, (iii) that the Company will not consummate any Business Combination with an affiliate of the Founders and (iv) to waive its right to receive distributions with respect to its Common Stock upon the Company's liquidation.

Also in connection with the IPO, on July 24, 2007, STIH entered into a Rule 10b5-1 Stock Purchase Plan (the "10B5-1 AGREEMENT") with Citigroup Global Markets Inc. ("CITI"), pursuant to which it placed a limit order for up to \$10,000,000 of the Company's Common Stock subject to certain conditions. The obligation of STIH to purchase Common Stock was triggered pursuant to the 10b5-1 Agreement and the Company's announcement of the proposed Business Combination described. As of April 4, 2008, Citi had purchased 63,300 shares of the Company's Common Stock during the period from March 28, 2008 to April 4, 2008 for an average price per share of \$9.4650, as set out in the below schedule:

TRADING DATE	NUMBER OF SHARES* PURCHASED	AVERAGE PRICE PER SHARE*	WHERE AND HOW EFFECTED	TOTAL AMOUNT
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American Stock
Exchange

March 28, 2008	23,500	9.4650	(Purchase)	\$ 222,427.50

March 31, 2008	5,800	9.4681	American Stock Exchange (Purchase)	54,914.98

April 01, 2008	3,600	9.4619	American Stock Exchange (Purchase)	34,062.84

April 02, 2008	5,000	9.4660	American Stock Exchange (Purchase)	47,330.00

April 03, 2008	20,000	9.4659	American Stock Exchange (Purchase)	189,318.00

April 04, 2008	5,400	9.4600	American Stock Exchange (Purchase)	51,084.00
=====				
TOTAL	63,300	9.4650		\$ 599,137.32

* Shares of Common Stock were purchased over the day, and the aggregate amount and average price are indicated. Excludes brokerage commissions.

On March 12, 2008, the Company entered into a purchase agreement (the "PURCHASE AGREEMENT"), with Halcyon Management Group LLC, ("Halcyon"), Halcyon Partners LP (the "PARTNER VEHICLE"), Halcyon Asset Management LLC, Halcyon Offshore Asset Management LLC, Halcyon Structured Asset Management LP, Halcyon Asset-Backed Advisors LP and Halcyon Loan Investors LP (together with Halcyon and the Halcyon Partner Vehicle, the "Halcyon Parties") and on March 13, 2008, the Company announced a proposed Business Combination, the acquisition of a majority interest in a newly formed entity which will own all of the management and fee generating entities of the Partner Vehicle. The Company announced that immediately after the closing of the Business Combination, assuming no cash shortfall, the Partner Vehicle is expected to beneficially own, directly or indirectly, approximately 43.6% of the outstanding voting securities of the Company on a fully diluted basis (assuming no conversion of shares by the Company's public stockholders).

MJL is currently the Chairman of the Board of Directors of the Company. Upon consummation of the proposed Business Combination, MJL would resign as Chairman.

Simultaneously with the execution of the Purchase Agreement, the Founders executed a Founders' Voting and Support Agreement (the "FOUNDERS' VOTING AND SUPPORT AGREEMENT"), pursuant to which the Founders have agreed to vote their

shares of the Common Stock (i) in favor of the Business Combination and related matters and (ii) against any action that would reasonably be expected to adversely affect or delay the Business Combination, subject to the Founders' existing obligations to vote certain of their shares in proportion to the vote of the Company's public stockholders with respect to certain matters.

Also pursuant to the Founders' Voting and Support Agreement, the Founders have agreed to forfeit 25% of their Common Stock (as specified in the agreement) at the closing of the Business Combination, which in the case of STIH would amount to 967,500 shares of Common Stock. Further, in the event the Purchase Agreement is terminated for certain reasons, the Founders shall transfer to Partner Vehicle 50% of the Founders Common Stock, which in the case of STIH would amount to 1,940,625 shares of Common Stock.

In connection with the Purchase Agreement, the Company, the Founders and the Partner Vehicle have agreed upon consummation of the proposed Business Combination to enter into a Stockholders Agreement (the "STOCKHOLDERS AGREEMENT"), pursuant to which, among other things, (i) the Founders would agree that they will not directly or indirectly transfer, or publicly announce any intention to transfer (subject to certain exceptions contained in the Warrant Agreement), their Common Stock or Warrants, or any Common Stock received pursuant to exercise of the Warrants, for a period of one year after the closing of the Business Combination, (ii) the Founders and Partner Vehicle would receive certain registration rights for their shares of Common Stock and Warrants, which would supersede the registration rights described below, and (iii) holders of interests in the Partner Vehicle would receive certain corporate governance rights.

Pursuant to a Registration Rights Agreement, dated as of August 1, 2007, among the Company and the Founders party thereto (the "Registration Rights Agreement"), STIH is entitled to certain registration rights.

The foregoing acquisitions of shares of Common Stock of the Company were made by STIH for investment purposes. The Reporting Persons intend to review their investment on a regular basis and, as a result thereof, may at any time or from time to time determine, either alone or as part of a group, (a) to acquire additional securities of the Company, through open market purchases, privately negotiated transactions or otherwise, (b) to dispose of all or a portion of the securities of the Company owned by it in the open market, in privately negotiated transactions or otherwise, or (c) to take any other available course of action, which could involve one or more of the types of transactions or have one or more of the results described in clauses (a) through (j) of this Item 4.

Any such acquisition or disposition or other transaction would be made in

compliance with all applicable laws and regulations. Notwithstanding anything contained herein, the Reporting Persons specifically reserve the right to change their intention with respect to any or all of such matters. In reaching any decision as to its future courses of action (as well as to the specific elements therein), each Reporting Person currently expects that it would take into consideration a variety of factors, including, but not limited to, the following: the Company's business and prospects; other developments concerning the Company and its businesses generally; other business opportunities available to the Reporting Persons; changes in law and government regulations; general economic conditions; and money and stock market conditions, including the market price of the securities of the Company. Except as set forth herein (and after giving effect to the proposed Business Combination), the Reporting Persons have no present plans or proposals that relate to or that would result in:

- (a) the acquisition by any person of additional securities of the Company, or the disposition of securities of the Company;
- (b) an extraordinary corporate transaction, such as a merger, reorganization or liquidation, involving the Company;
- (c) a sale or transfer of a material amount of assets of the Company;
- (d) any change in the present board of directors or management of the Company, including any plans or proposals to change the number or term of directors or to fill any existing vacancies on the board;
- (e) any material change in the present capitalization or dividend policy of the Company;
- (f) any other material change in the Company's business or corporate structure;
- (g) changes in the Company's charter, bylaws or instruments corresponding thereto or other actions which may impede the acquisition of control of the Company by any person;
- (h) causing a class of securities of the Company to be delisted from a national securities exchange or to cease to be authorized to be quoted in an inter-dealer quotation system of a registered national securities association;
- (i) a class of equity securities of the Company becoming eligible for termination of registration pursuant to Section 12(g)(4) of the Securities Exchange Act of 1934; or
- (j) any action similar to any of those enumerated above.

The Escrow Agreement, the Warrant Agreement, the Insider Letter, the 10b5-1 Agreement, the Purchase Agreement, the Founders' Voting and Support Agreement, the term sheet relating to the Stockholders Agreement, or forms thereof, which are filed as exhibits, are each incorporated by reference hereto.

ITEM 5. INTEREST IN SECURITIES OF THE ISSUER

(a) The response of the Reporting Persons to rows (11) through (13) of the cover pages of this statement are incorporated herein by reference. The Reporting Persons are the beneficial owners of 3,944,550 shares of Common Stock of the Company, representing 7.62% of the issued and outstanding Common Stock (based on 51,750,000 shares of common stock outstanding as reported in the Company's Quarterly Report on Form 10-Q for the Quarter ended September 30, 2007). This description of beneficial ownership does not include an aggregate of 1,423,000 Warrants described in Item 4 above. STIH holds all of the shares of Common Stock of the Company beneficially owned by the Reporting Persons directly. Michael J. Levitt may be considered to have beneficial ownership of STIH's interests in the Company. Mr. Levitt disclaims beneficial ownership of any shares in which he does not have a pecuniary interest.

(b) The response of the Reporting Persons to (i) rows (7) through (10) of the cover pages of this statement and (ii) Item 5(a) are incorporated herein by reference.

(c) Other than the purchases pursuant to the 10b5-1 Agreement described in Item 4 herein and incorporated herein by reference, no Reporting Person has effected any other transactions in the Common Stock during the past 60 days.

(d) Holders of membership and limited partnership interests in STIH and STO have the right to receive dividends and proceeds from any sale of shares of Common Stock. No such interest relates to more than five percent of shares of Common Stock.

(e) Not applicable.

ITEM 6. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO SECURITIES OF THE ISSUER.

The information set forth in Item 4 of this Schedule 13D is hereby incorporated herein by reference.

ITEM 7. MATERIAL TO BE FILED AS EXHIBITS.

1. Form of Rule 10b5-1 Stock Purchase Plan incorporated by reference to Exhibit 10.10 to the Company's Registration Statement on Form S-1, as amended, (File No. 333-141593).

2. Form of Warrant Agreement among Hanover - STC Acquisition Corp. and Continental Stock Transfer & Trust Company, incorporated by reference to Exhibit 4.4 to the Company's Registration Statement on Form S-1, as amended (File No. 333-141593).
3. Form of Insider Letter between STIH and the Company, incorporated by reference to Exhibit 10.4 to the Company's Registration Statement on Form S-1, as amended (File No. 333-141593).
4. Form of Escrow Agreement by and among Alternative Asset Management Acquisition Corp., Hanover Overseas Limited, STC Investment Holdings LLC, Solar Capital, LLC, Jakal Investments, LLC, Mark D. Klein, David Hawkins, Steven A. Shenfeld, Bradford R. Peck and Frederick G. Kraegel and Mark Klein, incorporated by reference to Exhibit 10.6 to the Company's Registration Statement on Form S-1, as amended (File No. 333-141593).
5. Purchase Agreement, dated March 12, 2008 among Alternative Asset Management Acquisition Corp., Halcyon Management Group LLC, Halcyon Partners LP, Halcyon Asset Management LLC, Halcyon Offshore Asset Management LLC, Halcyon Structured Asset Management LP, Halcyon Asset-Backed Advisors LP and Halcyon Loan Investors LP, incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated March 17, 2008.

6. Founders' Voting and Support Agreement, dated March 12, 2008 among Alternative Asset Management Acquisition Corp., Halcyon Employees LP, solely in its capacity as Halcyon Representative and Hanover Overseas Limited, STC Investment Holdings LLC, Solar Capital, LLC, Jakal Investments, LLC, Mark D. Klein, David Hawkins, Steven A. Shenfeld, Bradford R. Peck and Frederick G. Kraegel, incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K dated March 17, 2008.
7. Term Sheet relating to the Exchange and Support Agreement between Alternative Asset Management Acquisition Corp. and Halcyon Management Group LLC, incorporated by reference to Exhibit 99.3 to the Company's Current Report on Form 8-K dated March 17, 2008.
8. Term Sheet relating to the AAMAC Stockholders Agreement among Halcyon Management Inc. (as successor to Alternative Asset Management Acquisition Corp., Halcyon Partners LP and Hanover Overseas Limited, STC Investment Holdings LLC, Solar Capital, , Jakal Investments, LLC, Mark D. Klein, David Hawkins, Steven A. Shenfeld, Bradford R. Peck and Frederick G.

Kraegel, incorporated by reference to Exhibit 99.2 to the Company's Current Report on Form 8-K dated March 17, 2008.

9. Promissory Note dated April 2, 2008, by and between STC Investment Holdings LLC and Stone Tower Equity Partners LLC.
10. Promissory Note dated April 2, 2008, by and between STC Investment Holdings LLC and Stone Tower Operating LP.
11. Joint Filing Agreement dated April 7, 2008, by and among the Reporting Persons.

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SIGNATURE

After reasonable inquiry and to the best of the undersigned's knowledge and belief, the undersigned hereby certifies that the information set forth in this statement is true, complete and correct.

Dated: April 7, 2008

STC INVESTMENT HOLDINGS LLC

By: /s/ Michael J. Levitt

Name: Michael J. Levitt
Title: Chief Investment Officer

STONE TOWER OPERATING LP

By: STONE TOWER CAPITAL LLC, as
General Partner

By: /s/ Michael J. Levitt

Name: Michael J. Levitt
Title: Chairman and Chief Investment
Officer

STONE TOWER CAPITAL LLC

By: /s/ Michael J. Levitt

Name: Michael J. Levitt
Title: Chairman and Chief Investment
Officer

By: /s/ Michael J. Levitt

Michael J. Levitt

EXHIBIT INDEX

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3. Form of Insider Letter between STIH and the Company, incorporated by

reference to Exhibit 10.4 to the Company's Registration Statement on Form S-1, as amended (File No. 333-141593).

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6. Founders' Voting and Support Agreement, dated March 12, 2008 among Alternative Asset Management Acquisition Corp., Halcyon Employees LP, solely in its capacity as Halcyon Representative and Hanover Overseas Limited, STC Investment Holdings LLC, Solar Capital, LLC, Jakal Investments, LLC, Mark D. Klein, David Hawkins, Steven A. Shenfeld, Bradford R. Peck and Frederick G. Kraegel, incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K dated March 17, 2008.
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8. Term Sheet relating to the AAMAC Stockholders Agreement among Halcyon Management Inc. (as successor to Alternative Asset Management Acquisition Corp., Halcyon Partners LP and Hanover Overseas Limited, STC Investment Holdings LLC, Solar Capital, , Jakal Investments, LLC, Mark D. Klein, David Hawkins, Steven A. Shenfeld, Bradford R. Peck and Frederick G. Kraegel, incorporated by reference to Exhibit 99.2 to the Company's Current Report on Form 8-K dated March 17, 2008.
9. Promissory Note dated April 2, 2008, by and between STC Investment Holdings LLC and Stone Tower Equity Partners LLC.
10. Promissory Note dated April 2, 2008, by and between STC Investment Holdings LLC and Stone Tower Operating LP.
11. Joint Filing Agreement dated April 7, 2008, by and among the Reporting Persons.

JOINT FILING AGREEMENT

In accordance with the requirements of Rule 13d-1(k) under the Securities Exchange Act of 1934, as amended, and subject to the limitations set forth therein, the parties set forth below agree to jointly file the Schedule 13D to which this joint filing agreement is attached, and have duly executed this joint filing agreement as of the date set forth below.

Dated: April 7, 2008

STC INVESTMENT HOLDINGS LLC

By: /s/ Michael J. Levitt

Name: Michael J. Levitt
Title: Chief Investment Officer

STONE TOWER OPERATING LP

By: STONE TOWER CAPITAL LLC, as
General Partner

By: /s/ Michael J. Levitt

Name: Michael J. Levitt
Title: Chairman and Chief Investment
Officer

STONE TOWER CAPITAL LLC

By: /s/ Michael J. Levitt

Name: Michael J. Levitt
Title: Chairman and Chief Investment
Officer

By: /s/ Michael J. Levitt

Michael J. Levitt

PROMISSORY NOTE AGREEMENT

\$200,000 (Initial Amount)

April 2, 2008

FOR VALUE RECEIVED, the undersigned, STC Investment Holdings LLC, a Delaware limited liability company (the "BORROWER"), hereby unconditionally promises to pay to Stone Tower Equity Partners LLC, a Delaware limited liability company (the "HOLDER"), in lawful money of the United States of America, the sum of (i) a principal sum of two hundred thousand dollars (\$200,000) (the "INITIAL ADVANCE"), plus the principal amount of any Additional Advances (as defined below), in each case, on April 1, 2010 (the "MATURITY DATE"), and to pay interest on the unpaid Principal Amount of this Note as set forth in Section 2 below from the date hereof until such principal amount is paid in full.

1. CERTAIN DEFINED TERMS. As used in this Note, the following terms shall have the following meanings:

"ADDITIONAL ADVANCE" means any additional advance made by the Holder to the Borrower hereunder, in the sole and absolute discretion of the Holder; PROVIDED that the principal sum of the Initial Advance and all Additional Advances (collectively, the "PRINCIPAL AMOUNT" of this Note) shall not exceed four million dollars (\$4,000,000). The Initial Advance and all Additional Advances shall be set forth by the Holder on Annex A hereto, as the same shall be updated from time to time by the Holder to reflect the making of Additional Advances and the prepayments of principal amounts hereunder in accordance with Section 3 hereof. The amounts reflected on Annex A hereto shall be binding upon the parties hereto and conclusive evidence of the unpaid principal amount of this Note outstanding from time to time, absent manifest error.

"COMPANY" means STC Investment Holdings LLC, a Delaware limited liability company.

"COMPANY AGREEMENT" means the First Amended and Restated Limited Liability Company Agreement of STC Investment Holdings LLC, dated as of March 4, 2008 (as the same may be amended, supplemented or otherwise modified from time to time).

"PRIME RATE" means the prime rate as published in the "Money Rates" table in THE WALL STREET JOURNAL. If more than one rate is published, the highest rate prevails.

"LIEN" means with respect to any Property, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such

Property.

"NET CASH PROCEEDS" means proceeds, if any, in the form of cash received by the Borrower from (a) any sale by the Borrower to an unaffiliated third party of the Borrower's interest in the Company or (b) a distribution from the Company to the Borrower of proceeds resulting from any sale of asset, in each case net of (i) the costs related to such sale and (ii) taxes paid or reasonably estimated to be payable as a result of such sale.

1

"NOTE" Means this Note Agreement.

"PROPERTY" means any right or interest in or to property of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible.

2. INTEREST. The Borrower hereby unconditionally promises to pay to Holder interest (computed on the basis of a 360 day year, for the actual number of days elapsed in the period for which interest is being computed) on the unpaid Principal Amount of this Note from the date hereof to and including the date of repayment at a rate per annum equal to the Prime Rate plus 1.0%. Notwithstanding the foregoing, the Borrower hereby unconditionally promises to pay to the Holder interest on any principal or interest payable by the Borrower under this Note that shall not be paid in full when due (whether at stated maturity or upon optional or mandatory prepayment or otherwise), for the period from and including the due date of such payment to but excluding the date the same is paid in full, at a rate per annum equal to the Prime Rate plus 2.0% (the "POST-DEFAULT RATE"). All accrued interest shall be due and payable (a) on the first Business Day of each month, commencing on the first such day following the date hereof, (b) to the extent not previously paid in full, on the Maturity Date, (c) upon the payment or prepayment of any principal owing under this Note (but only on the Principal Amount so paid or prepaid), and (d) in the case of interest payable at the Post-Default Rate, from time to time on demand of the Holder. At the election of the Borrower, the Borrower may pay accrued interest on each interest payment date either in (i) cash or (ii) through the addition of such accrued interest (a "PIK INTEREST AMOUNT") to the Principal Amount of this Note. For all purposes of this Note, all PIK interest amounts shall be treated as principal hereunder and all references to the Principal Amount shall include all PIK interest amounts.

3. PREPAYMENT.

(a) PREPAYMENT AT THE OPTION OF THE BORROWER. The Borrower may prepay the Principal Amount of this Note without premium or penalty at any time or from time to time. Each such prepayment of principal shall be accompanied by the payment of all accrued and unpaid interest on the Principal Amount so

prepaid to the date of prepayment. The Holder shall reflect any such repayment on Annex A hereto.

(b) MANDATORY PREPAYMENT. To the fullest extent permitted by applicable law, upon receipt by the Borrower of Net Cash Proceeds, the Borrower shall promptly thereafter apply such Net Cash Proceeds to repay all obligations of the Borrower to the Holder under this Note.

4. RECORDATION OF AMOUNTS OWING. The Holder shall maintain records of the amounts owing under this Note, and such records shall, absent manifest error, be conclusive evidence of such amounts. Prior to any sale, assignment or transfer of this Note, each payment of principal theretofore made under this Note shall be endorsed by the Holder on Annex A hereto (or any continuation of said Annex).

2

5. MANNER OF PAYMENT. All payments of principal and interest to be made by the Borrower under this Note shall be made in U.S. Dollars, in immediately available funds, by wire transfer to an account identified in a notice to the Borrower not later than three Business Days prior to the date of such payment, not later than 4:00 p.m. New York time on the date on which such payment shall become due (each such payment made after such time on such due date to be deemed to have been made on the next succeeding Business Day). All amounts payable under this Note shall be paid free and clear of and without deduction by reason of any set-off, counterclaim, deduction or withholding whatsoever (including, without limitation, any deduction or withholding in respect of taxes). The Borrower shall, at the time of making each payment under this Note, specify to the Holder the amounts payable by the Holder under this Note to which such payment is to be applied, in which case such payment shall be so applied (and in the event that the Borrower fails to so specify, or if an Event of Default has occurred and is continuing, such payment shall be applied in such manner as is determined to be appropriate by the Holder). As used in this Note, "Business Day" means any day except a Saturday, Sunday or other day on which commercial banks in New York City are authorized by law to close.

6. PAYMENTS ON BUSINESS DAYS. If the due date of any payment under this Note would otherwise fall on a day that is not a Business Day, such due date shall be extended to the next succeeding Business Day, and interest shall be payable on any principal so extended for the period of such extension.

7. RIGHT OF SETOFF. The Borrower agrees that, in addition to (and without limitation of) any right of setoff the Holder may otherwise have, the Holder shall be entitled at its option, to offset amounts owing by the Borrower to the Holder, in Dollars or in any other currency (regardless of whether such amounts are then due to the Borrower), against any amount payable by the

Borrower to the Holder under this Note that is not paid when due; provided that nothing contained herein shall require the Holder to exercise any such right.

8. REPRESENTATIONS AND WARRANTIES. The Borrower hereby represents and warrants to the Holder as follows:

(a) ORGANIZATION. The Borrower is a limited liability company duly organized and validly existing under the law of the State of Delaware and has all requisite limited liability power necessary to own its assets and carry on its business as now being or as proposed to be conducted.

(b) NO BREACH. None of the execution or delivery of this Note, the making of the extension(s) of credit evidenced hereby, the consummation of the transactions herein contemplated and compliance with the terms and provisions hereof will conflict with or result in a breach of, or require any consent under, the certificate of formation of the Borrower or the limited liability agreement (or any equivalent documents) of the Borrower, or any applicable law or regulation, or any order, writ, injunction or decree of any court or governmental authority or agency, or any agreement or instrument to which the Borrower is a party or by which the Borrower is bound or to which the Borrower is subject, or constitute a default under, or result in the creation of any Lien under, any such agreement or instrument.

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(c) ACTION; EXECUTION AND DELIVERY; ENFORCEABILITY. The Borrower has all necessary limited liability company power and authority to execute, deliver and perform its obligations under this Note; the execution, delivery and performance by the Borrower of this Note have been duly authorized by all necessary limited liability company action on its part; and this Note has been duly and validly executed and delivered by the Borrower and constitutes its legal, valid and binding obligation, enforceable against the Borrower in accordance with its terms.

(d) APPROVALS. No authorizations, approvals or consents of, and no filings or registrations with, any governmental or regulatory authority or agency are necessary for the execution, delivery or performance by the Borrower of this Note or for the validity or enforceability hereof. This Note is the legal, valid, and binding obligation of the Borrower, enforceable in accordance with the terms hereof, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, moratorium, or other similar laws affecting the enforcement of creditors' rights generally.

9. COVENANTS. The Borrower covenants and agrees with the Holder that, until the payment in full of all amounts payable by the Borrower hereunder:

(a) NOTICE OF DEFAULT. Promptly after the Borrower knows or has reason to believe that any Event of Default has occurred, the Borrower shall deliver to the Holder a notice thereof describing the same in reasonable detail and, together with such notice or as soon thereafter as possible, a description of the action that the Borrower has taken or proposes to take with respect thereto.

(b) CONDUCT OF BUSINESS. The Borrower shall (i) preserve and maintain its legal existence and all of its material rights and privileges; (ii) pay and discharge all taxes, assessments and governmental charges or levies imposed on it or on its income or profits or on any of its Property prior to the date on which penalties attach thereto, except for any such tax, assessment, charge or levy the payment of which is being contested in good faith and by proper proceedings and against which adequate reserves are being maintained; and (iii) keep adequate records and books of account, in which complete entries will be made in accordance with generally accepted accounting principles consistently applied.

10. EVENTS OF DEFAULT; REMEDIES.

(a) EVENTS OF DEFAULT. The occurrence of any of the following shall constitute an "EVENT OF DEFAULT" under this Note:

(i) the Borrower shall fail to pay any payment of principal or interest payable under this Note within 5 business days of such payment becoming due;

(ii) any representation, warranty or certification made herein or pursuant hereto by the Borrower proves to have been false or misleading as of the time made in any material respect;

(iii) the Borrower defaults in any material respect in the performance of any of its obligations under this Note and such default (if remediable) continues unremedied for a period of 10 days after notice thereof to the Borrower by the Holder; or

(iv) (A) the Borrower shall admit in writing its inability to pay its debts generally or shall make a general assignment for the benefit of creditors, (B) any proceeding shall be instituted by or against the Borrower seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts, under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a custodian, receiver, trustee or other similar

official for it or for any substantial part of its property and, in the case of any such proceedings instituted against the Borrower (but not instituted by the Borrower) either such proceedings shall remain un-dismissed or un-stayed for a period of 60 days or more or any action sought in such proceedings shall occur, or (C) the Borrower authorizes the liquidation, dissolution or winding-up of the Borrower.

(b) ACCELERATION; REMEDIES. If an Event of Default (other than an Event of Default specified in clause (iv) above) occurs and is continuing, then the Holder, by written notice to the Borrower, may declare all unpaid principal of, and accrued interest on, this Note to be due and payable (in which event such principal and accrued interest shall be immediately due and payable). If an Event of Default specified in clause (iv) above occurs, all unpaid principal of, and accrued interest on, this Note shall ipso facto become and be immediately due and payable.

The Borrower agrees to pay or reimburse the Holder for paying all costs and expenses of the Holder (including, without limitation, reasonable counsels' fees) in connection with any enforcement or collection proceedings resulting from an Event of Default under this Note (including, without limitation, enforcement of this paragraph).

11. NO WAIVER BY THE HOLDER. No delay, failure or discontinuance by or of the Holder in exercising any right, power or remedy under this Note shall affect or operate as a waiver of such right, power or remedy, and no single or partial exercise by the Holder of any right, power, or remedy will be presumed to preclude any subsequent or further exercise by the Holder, of that right, power or remedy. The rights, powers, and remedies and privileges of the Holder provided in this Note are cumulative and not exclusive of any rights, powers, remedies and privileges provided by law.

12. WAIVER BY THE BORROWER. Except as otherwise expressly provided herein, the Borrower hereby waives presentment and demand in connection with the enforcement of this Note.

13. REPLACEMENT OF NOTE. Upon receipt of evidence reasonably satisfactory to the Borrower of the loss, theft, destruction or mutilation of this Note and, in the case of any loss, theft or destruction, upon delivery of an appropriate indemnification agreement from the Holder or, in the case of any such mutilation, upon surrender and cancellation of such Note, the Borrower will execute and deliver, in lieu thereof, a new Note of like tenor, dated the date to which interest on such lost, stolen, destroyed or mutilated Note has been paid.

14. GOVERNING LAW; CONSENT TO JURISDICTION. THIS NOTE SHALL BE GOVERNED BY AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO ITS CONFLICT OF LAWS PRINCIPLES.

15. WAIVER OF JURY TRIAL. EACH OF THE BORROWER AND THE HOLDER, BY ITS ACCEPTANCE OF THE BENEFITS OF THIS NOTE, HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS NOTE OR THE TRANSACTIONS CONTEMPLATED HEREBY.

16. MISCELLANEOUS.

(a) NOTICES. Any notice or other communication required or permitted hereunder shall be in writing and shall be transmitted by messenger, reputable delivery service, certified mail or facsimile, if (i) to the Borrower, to it at 152 West 57th Street - 33rd Floor, New York, NY 10019 USA, and (ii) if to the Holder, to it at 152 West 57th Street - 34th Floor, New York, NY 10019 USA, or to such other address for a party as such party shall designate in a written notice to the other party given in accordance with this Section. All notices and other communications shall be effective (A) if sent by messenger or reputable delivery service, when delivered and (B) if sent certified mail from and to locations within the United States of America, 5 days after having been sent by such mail, with return receipt requested.

(b) SUCCESSORS AND ASSIGNS. This Note shall be binding upon the parties hereto and their respective successors and permitted assigns. The rights and benefits of the parties under this Note shall inure to the benefit of their respective successors and permitted assigns. The Borrower shall not assign or delegate any of its rights or obligations under this Note without the prior written consent of the Holder, and any purported assignment without such consent shall be void and of no effect. The Holder may at any time and from time to time, without consent of the Borrower, assign all of its rights under this Note to any one person, and, upon the Holder giving notice of such assignment to the Borrower specifying the interest being assigned, each reference herein to the Holder shall (solely in respect of the interest so assigned) constitute a reference to such assignee (as if such assignee were named herein) rather than the Holder.

(c) AMENDMENT. This Note may not be amended unless such amendment is in writing and signed by the Holder and the Borrower. Any waiver or consent by the Holder or the Borrower under this Note must be in writing signed by the party against which such waiver is to be enforced or that grants such consent and shall be effective only in the instance and to the extent set forth in such writing.

(d) FURTHER ASSURANCES. The Borrower agrees that from time to time it will promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary, or that the Holder may reasonably request, in order to perfect and protect any assignment, pledge and security interest granted or purported to be granted hereby or to enable the Holder to exercise and enforce the rights and remedies provided hereunder.

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IN WITNESS WHEREOF, the undersigned Borrower has executed and delivered this Note to the Holder on the date and year first above written.

STC INVESTMENT HOLDINGS LLC

By: _____

Name:

Title:

Accepted and Agreed:

By:

Name: William J. Sheoris

Title: Chief Financial Officer

PROMISSORY NOTE AGREEMENT

\$300,000 (Initial Amount)

April 2, 2008

FOR VALUE RECEIVED, the undersigned, STC Investment Holdings LLC, a Delaware limited liability company (the "BORROWER"), hereby unconditionally promises to pay to Stone Tower Operating LP, a Delaware limited partnership (the "HOLDER"), in lawful money of the United States of America, the sum of (i) a principal sum of three hundred thousand dollars (\$300,000) (the "INITIAL ADVANCE"), plus the principal amount of any Additional Advances (as defined below), in each case, on April 1, 2010 (the "MATURITY DATE"), and to pay interest on the unpaid Principal Amount of this Note as set forth in Section 2 below from the date hereof until such principal amount is paid in full.

1. CERTAIN DEFINED TERMS. As used in this Note, the following terms shall have the following meanings:

"ADDITIONAL ADVANCE" means any additional advance made by the Holder to the Borrower hereunder, in the sole and absolute discretion of the Holder; PROVIDED that the principal sum of the Initial Advance and all Additional Advances (collectively, the "PRINCIPAL AMOUNT" of this Note) shall not exceed six million dollars (\$6,000,000). The Initial Advance and all Additional Advances shall be set forth by the Holder on Annex A hereto, as the same shall be updated from time to time by the Holder to reflect the making of Additional Advances and the prepayments of principal amounts hereunder in accordance with Section 3 hereof. The amounts reflected on Annex A hereto shall be binding upon the parties hereto and conclusive evidence of the unpaid principal amount of this Note outstanding from time to time, absent manifest error.

"COMPANY" means STC Investment Holdings LLC, a Delaware limited liability company.

"COMPANY AGREEMENT" means the First Amended and Restated Limited Liability Company Agreement of STC Investment Holdings LLC, dated as of March 4, 2008 (as the same may be amended, supplemented or otherwise modified from time to time).

"PRIME RATE" means the prime rate as published in the "Money Rates" table in THE WALL STREET JOURNAL. If more than one rate is published, the highest rate prevails.

"LIEN" means with respect to any Property, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such

Property.

"NET CASH PROCEEDS" means proceeds, if any, in the form of cash received by the Borrower from (a) any sale by the Borrower to an unaffiliated third party of the Borrower's interest in the Company or (b) a distribution from the Company to the Borrower of proceeds resulting from any sale of asset, in each case net of (i) the costs related to such sale and (ii) taxes paid or reasonably estimated to be payable as a result of such sale.

1

"NOTE" Means this Note Agreement.

"PROPERTY" means any right or interest in or to property of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible.

2. INTEREST. The Borrower hereby unconditionally promises to pay to Holder interest (computed on the basis of a 360 day year, for the actual number of days elapsed in the period for which interest is being computed) on the unpaid Principal Amount of this Note from the date hereof to and including the date of repayment at a rate per annum equal to the Prime Rate plus 1.0%. Notwithstanding the foregoing, the Borrower hereby unconditionally promises to pay to the Holder interest on any principal or interest payable by the Borrower under this Note that shall not be paid in full when due (whether at stated maturity or upon optional or mandatory prepayment or otherwise), for the period from and including the due date of such payment to but excluding the date the same is paid in full, at a rate per annum equal to the Prime Rate plus 2.0% (the "POST-DEFAULT RATE"). All accrued interest shall be due and payable (a) on the first Business Day of each month, commencing on the first such day following the date hereof, (b) to the extent not previously paid in full, on the Maturity Date, (c) upon the payment or prepayment of any principal owing under this Note (but only on the Principal Amount so paid or prepaid), and (d) in the case of interest payable at the Post-Default Rate, from time to time on demand of the Holder. At the election of the Borrower, the Borrower may pay accrued interest on each interest payment date either in (i) cash or (ii) through the addition of such accrued interest (a "PIK INTEREST AMOUNT") to the Principal Amount of this Note. For all purposes of this Note, all PIK interest amounts shall be treated as principal hereunder and all references to the Principal Amount shall include all PIK interest amounts.

3. PREPAYMENT.

(a) PREPAYMENT AT THE OPTION OF THE BORROWER. The Borrower may prepay the Principal Amount of this Note without premium or penalty at any time or from time to time. Each such prepayment of principal shall be accompanied by

the payment of all accrued and unpaid interest on the Principal Amount so prepaid to the date of prepayment. The Holder shall reflect any such repayment on Annex A hereto.

(b) MANDATORY PREPAYMENT. To the fullest extent permitted by applicable law, upon receipt by the Borrower of Net Cash Proceeds, the Borrower shall promptly thereafter apply such Net Cash Proceeds to repay all obligations of the Borrower to the Holder under this Note.

4. RECORDATION OF AMOUNTS OWING. The Holder shall maintain records of the amounts owing under this Note, and such records shall, absent manifest error, be conclusive evidence of such amounts. Prior to any sale, assignment or transfer of this Note, each payment of principal theretofore made under this Note shall be endorsed by the Holder on Annex A hereto (or any continuation of said Annex).

2

5. MANNER OF PAYMENT. All payments of principal and interest to be made by the Borrower under this Note shall be made in U.S. Dollars, in immediately available funds, by wire transfer to an account identified in a notice to the Borrower not later than three Business Days prior to the date of such payment, not later than 4:00 p.m. New York time on the date on which such payment shall become due (each such payment made after such time on such due date to be deemed to have been made on the next succeeding Business Day). All amounts payable under this Note shall be paid free and clear of and without deduction by reason of any set-off, counterclaim, deduction or withholding whatsoever (including, without limitation, any deduction or withholding in respect of taxes). The Borrower shall, at the time of making each payment under this Note, specify to the Holder the amounts payable by the Holder under this Note to which such payment is to be applied, in which case such payment shall be so applied (and in the event that the Borrower fails to so specify, or if an Event of Default has occurred and is continuing, such payment shall be applied in such manner as is determined to be appropriate by the Holder). As used in this Note, "Business Day" means any day except a Saturday, Sunday or other day on which commercial banks in New York City are authorized by law to close.

6. PAYMENTS ON BUSINESS DAYS. If the due date of any payment under this Note would otherwise fall on a day that is not a Business Day, such due date shall be extended to the next succeeding Business Day, and interest shall be payable on any principal so extended for the period of such extension.

7. RIGHT OF SETOFF. The Borrower agrees that, in addition to (and without limitation of) any right of setoff the Holder may otherwise have, the Holder shall be entitled at its option, to offset amounts owing by the Borrower to the Holder, in Dollars or in any other currency (regardless of whether such

amounts are then due to the Borrower), against any amount payable by the Borrower to the Holder under this Note that is not paid when due; provided that nothing contained herein shall require the Holder to exercise any such right.

8. REPRESENTATIONS AND WARRANTIES. The Borrower hereby represents and warrants to the Holder as follows:

(a) ORGANIZATION. The Borrower is a limited liability company duly organized and validly existing under the law of the State of Delaware and has all requisite limited liability power necessary to own its assets and carry on its business as now being or as proposed to be conducted.

(b) NO BREACH. None of the execution or delivery of this Note, the making of the extension(s) of credit evidenced hereby, the consummation of the transactions herein contemplated and compliance with the terms and provisions hereof will conflict with or result in a breach of, or require any consent under, the certificate of formation of the Borrower or the limited liability agreement (or any equivalent documents) of the Borrower, or any applicable law or regulation, or any order, writ, injunction or decree of any court or governmental authority or agency, or any agreement or instrument to which the Borrower is a party or by which the Borrower is bound or to which the Borrower is subject, or constitute a default under, or result in the creation of any Lien under, any such agreement or instrument.

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(c) ACTION; EXECUTION AND DELIVERY; ENFORCEABILITY. The Borrower has all necessary limited liability company power and authority to execute, deliver and perform its obligations under this Note; the execution, delivery and performance by the Borrower of this Note have been duly authorized by all necessary limited liability company action on its part; and this Note has been duly and validly executed and delivered by the Borrower and constitutes its legal, valid and binding obligation, enforceable against the Borrower in accordance with its terms.

(d) APPROVALS. No authorizations, approvals or consents of, and no filings or registrations with, any governmental or regulatory authority or agency are necessary for the execution, delivery or performance by the Borrower of this Note or for the validity or enforceability hereof. This Note is the legal, valid, and binding obligation of the Borrower, enforceable in accordance with the terms hereof, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, moratorium, or other similar laws affecting the enforcement of creditors' rights generally.

9. COVENANTS. The Borrower covenants and agrees with the Holder that, until the payment in full of all amounts payable by the Borrower hereunder:

(a) NOTICE OF DEFAULT. Promptly after the Borrower knows or has reason to believe that any Event of Default has occurred, the Borrower shall deliver to the Holder a notice thereof describing the same in reasonable detail and, together with such notice or as soon thereafter as possible, a description of the action that the Borrower has taken or proposes to take with respect thereto.

(b) CONDUCT OF BUSINESS. The Borrower shall (i) preserve and maintain its legal existence and all of its material rights and privileges; (ii) pay and discharge all taxes, assessments and governmental charges or levies imposed on it or on its income or profits or on any of its Property prior to the date on which penalties attach thereto, except for any such tax, assessment, charge or levy the payment of which is being contested in good faith and by proper proceedings and against which adequate reserves are being maintained; and (iii) keep adequate records and books of account, in which complete entries will be made in accordance with generally accepted accounting principles consistently applied.

10. EVENTS OF DEFAULT; REMEDIES.

(a) EVENTS OF DEFAULT. The occurrence of any of the following shall constitute an "EVENT OF DEFAULT" under this Note:

(i) the Borrower shall fail to pay any payment of principal or interest payable under this Note within 5 business days of such payment becoming due;

(ii) any representation, warranty or certification made herein or pursuant hereto by the Borrower proves to have been false or misleading as of the time made in any material respect;

(iii) the Borrower defaults in any material respect in the performance of any of its obligations under this Note and such default (if remediable) continues unremedied for a period of 10 days after notice thereof to the Borrower by the Holder; or

(iv) (A) the Borrower shall admit in writing its inability to pay its debts generally or shall make a general assignment for the benefit of creditors, (B) any proceeding shall be instituted by or against the Borrower seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts, under any law relating to bankruptcy, insolvency

or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a custodian, receiver, trustee or other similar official for it or for any substantial part of its property and, in the case of any such proceedings instituted against the Borrower (but not instituted by the Borrower) either such proceedings shall remain un-dismissed or un-stayed for a period of 60 days or more or any action sought in such proceedings shall occur, or (C) the Borrower authorizes the liquidation, dissolution or winding-up of the Borrower.

(b) ACCELERATION; REMEDIES. If an Event of Default (other than an Event of Default specified in clause (iv) above) occurs and is continuing, then the Holder, by written notice to the Borrower, may declare all unpaid principal of, and accrued interest on, this Note to be due and payable (in which event such principal and accrued interest shall be immediately due and payable). If an Event of Default specified in clause (iv) above occurs, all unpaid principal of, and accrued interest on, this Note shall ipso facto become and be immediately due and payable.

The Borrower agrees to pay or reimburse the Holder for paying all costs and expenses of the Holder (including, without limitation, reasonable counsels' fees) in connection with any enforcement or collection proceedings resulting from an Event of Default under this Note (including, without limitation, enforcement of this paragraph).

11. NO WAIVER BY THE HOLDER. No delay, failure or discontinuance by or of the Holder in exercising any right, power or remedy under this Note shall affect or operate as a waiver of such right, power or remedy, and no single or partial exercise by the Holder of any right, power, or remedy will be presumed to preclude any subsequent or further exercise by the Holder, of that right, power or remedy. The rights, powers, and remedies and privileges of the Holder provided in this Note are cumulative and not exclusive of any rights, powers, remedies and privileges provided by law.

12. WAIVER BY THE BORROWER. Except as otherwise expressly provided herein, the Borrower hereby waives presentment and demand in connection with the enforcement of this Note.

13. REPLACEMENT OF NOTE. Upon receipt of evidence reasonably satisfactory to the Borrower of the loss, theft, destruction or mutilation of this Note and, in the case of any loss, theft or destruction, upon delivery of an appropriate indemnification agreement from the Holder or, in the case of any such mutilation, upon surrender and cancellation of such Note, the Borrower will

execute and deliver, in lieu thereof, a new Note of like tenor, dated the date

to which interest on such lost, stolen, destroyed or mutilated Note has been paid.

14. GOVERNING LAW; CONSENT TO JURISDICTION. THIS NOTE SHALL BE GOVERNED BY AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO ITS CONFLICT OF LAWS PRINCIPLES.

15. WAIVER OF JURY TRIAL. EACH OF THE BORROWER AND THE HOLDER, BY ITS ACCEPTANCE OF THE BENEFITS OF THIS NOTE, HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS NOTE OR THE TRANSACTIONS CONTEMPLATED HEREBY.

16. MISCELLANEOUS.

(a) NOTICES. Any notice or other communication required or permitted hereunder shall be in writing and shall be transmitted by messenger, reputable delivery service, certified mail or facsimile, if (i) to the Borrower, to it at 152 West 57th Street - 33rd Floor, New York, NY 10019 USA, and (ii) if to the Holder, to it at 152 West 57th Street - 35th Floor, New York, NY 10019 USA, or to such other address for a party as such party shall designate in a written notice to the other party given in accordance with this Section. All notices and other communications shall be effective (A) if sent by messenger or reputable delivery service, when delivered and (B) if sent certified mail from and to locations within the United States of America, 5 days after having been sent by such mail, with return receipt requested.

(b) SUCCESSORS AND ASSIGNS. This Note shall be binding upon the parties hereto and their respective successors and permitted assigns. The rights and benefits of the parties under this Note shall inure to the benefit of their respective successors and permitted assigns. The Borrower shall not assign or delegate any of its rights or obligations under this Note without the prior written consent of the Holder, and any purported assignment without such consent shall be void and of no effect. The Holder may at any time and from time to time, without consent of the Borrower, assign all of its rights under this Note to any one person, and, upon the Holder giving notice of such assignment to the Borrower specifying the interest being assigned, each reference herein to the Holder shall (solely in respect of the interest so assigned) constitute a reference to such assignee (as if such assignee were named herein) rather than the Holder.

(c) AMENDMENT. This Note may not be amended unless such amendment is in writing and signed by the Holder and the Borrower. Any waiver or consent by the Holder or the Borrower under this Note must be in writing signed by the party against which such waiver is to be enforced or that grants such consent and shall be effective only in the instance and to the extent set forth in such writing.

(d) FURTHER ASSURANCES. The Borrower agrees that from time to time it will promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary, or that the Holder may reasonably request, in order to perfect and protect any assignment, pledge and security interest granted or purported to be granted hereby or to enable the Holder to exercise and enforce the rights and remedies provided hereunder.

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IN WITNESS WHEREOF, the undersigned Borrower has executed and delivered this Note to the Holder on the date and year first above written.

STC INVESTMENT HOLDINGS LLC

By:

Name:
Title:

Accepted and Agreed:

STONE TOWER OPERATING LP

By: Stone Tower Capital LLC, its General Partner

By:

Name: William J. Sheoris
Title: Chief Financial Officer