

PERSHING GOVERNMENT ACCOUNT

Prospectus

November 1, 2002

Pershing Government Account utilizes Alliance Government Reserves (the "Fund").

THE SECURITIES AND EXCHANGE COMMISSION HAS NOT APPROVED OR DISAPPROVED THESE SECURITIES OR PASSED UPON THE ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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RISK/RETURN SUMMARY

The following is a summary of certain key information about the Fund. You will find additional information about the Fund, including a detailed description of the risks of an investment in the Fund, after this summary.

Objectives: The investment objectives, which are fundamental, of the Fund are—in the following order of priority—safety of principal, liquidity and maximum current income to the extent consistent with the first two objectives.

Principal Investment Strategy: The Fund is a "money market fund" that seeks to maintain a stable net asset value of \$1.00 per share. The Fund pursues its objectives by investing in a portfolio of U.S. Government securities (including its agencies and instrumentalities). The Fund invests primarily in obligations of the U.S. government, its agencies or instrumentalities, adjustable rate obligations and repurchase agreements.

Principal Risks: The principal risks of investing in the Fund are:

Interest Rate Risk. This is the risk that changes in interest rates will adversely affect the yield or value of the Fund's investments in debt securities.

Credit Risk. This is the risk that the issuer or guarantor of a debt security will be unable or unwilling to make timely interest or principal payments, or to otherwise honor its obligations. The degree of risk for a particular security may be reflected in its credit rating. Credit risk includes the possibility that any of the Fund's investments will have its credit ratings downgraded.

Another important thing for you to note:

An investment in the Fund is not a deposit in a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the Fund.

PERFORMANCE AND BAR CHART INFORMATION

The performance table shows the Fund's average annual total

returns and the bar chart shows the Fund's annual total returns. The table and the bar chart provide an indication of the historical risk of an investment in the Fund by showing:

- the Fund's average annual total returns for one, five, and 10 years; and
- changes in the Fund's performance from year to year over 10 years.

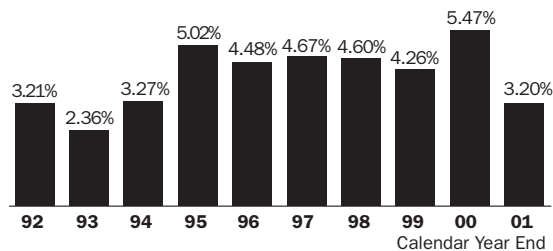
The Fund's past performance does not necessarily indicate how it will perform in the future.

You may obtain current seven-day yield information for the Fund by calling (800) 221-5672 or your financial intermediary.

PERFORMANCE TABLE

	1 Year	5 Years	10 Years
	3.20%	4.44%	4.05%

BAR CHART



Through September 30, 2002, the year to date unannualized return for the Fund was .65%. During the period shown in the bar chart, the highest return for a quarter was 1.42% (quarter ending September 30, 2000) and the lowest return for a quarter was .36% (quarter ending December 31, 2001).

FEES AND EXPENSES OF THE FUND

This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund.

Shareholder Fees (fees paid directly from your investment)

None

Annual Fund Operating Expenses (expenses that are deducted from Fund assets) and Example

The example is to help you compare the cost of investing in the Fund with the cost of investing in other funds. It assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. It also assumes that your investment has a 5% return each year, the Fund's operating expenses stay the same, and all dividends and distributions are reinvested. Your actual costs may be higher or lower.

ANNUAL FUND OPERATING EXPENSES		EXAMPLE*	
Management Fees	.46%	1 Year	\$102
Distribution (12b-1) Fees	.25%	3 Years	\$318
Other Expenses	.30%	5 Years	\$552
Total Operating Expenses	1.01%	10 Years	\$1,225
Waiver and/or Expense Reimbursement*	(.01)%		
Net Expenses	1.00%		

* Reflects Alliance's contractual waiver (which continues from year to year unless changed by vote of the Fund's shareholders) of a portion of its advisory fee and/or reimbursement of a portion of the Fund's operating expenses so that the Fund's expense ratio does not exceed 1.00%.

OTHER INFORMATION ABOUT THE FUND'S OBJECTIVES, STRATEGIES, AND RISKS

This section of the Prospectus provides a more complete description of the investment objectives, principal strategies and risks of the Fund.

Please note:

- Additional descriptions of the Fund's strategies and investments, as well as other strategies and investments not described below, may be found in the Fund's Statement of Additional Information or SAI.
- There can be no assurance that the Fund will achieve its investment objectives.
- Except as noted, the Fund's investment objectives and strategies are not fundamental and thus can be changed without a shareholder vote.

Investment Objectives and Strategies

As a money market fund, the Fund must meet the requirements of Securities and Exchange Commission Rule 2a-7. The Rule imposes strict requirements on the investment quality, maturity and diversification of the Fund's investments. Under that Rule, the Fund's investments must each have a remaining maturity of no more than 397 days, which is a fundamental policy, and the Fund must maintain an average weighted maturity that does not exceed 90 days.

As a matter of fundamental policy, the Fund may not purchase securities other than marketable obligations of, or guaranteed by, the U.S. Government, its agencies or instrumentalities, or repurchase agreements pertaining thereto. The Fund's investments may include:

- marketable obligations issued or guaranteed by the U.S. Government, its agencies, or instrumentalities, including issues of the U.S. Treasury, such as bills, certificates of indebtedness, notes, and bonds;
- adjustable rate obligations; and
- repurchase agreements that are fully collateralized.

The Fund may also purchase when-issued securities.

Risk Considerations

The Fund's principal risks are interest rate risk and credit risk. Because the Fund invests in short-term securities, a decline in interest rates will affect the Fund's yields as these securities mature or are sold and the Fund purchases new short-term securities with lower yields. Generally, an increase in interest rates causes the value of a debt instrument to decrease. The change in value for shorter-term securities is usually smaller than for securities with longer maturities. Because the Fund invests in securities with short maturities and seeks to maintain a stable net asset value of \$1.00 per share, it is possible, though unlikely, that an increase in interest rates would change the value of your investment.

Credit risk is the possibility that a security's credit rating will be downgraded or that the issuer of the security will default (fail to make scheduled interest and principal payments). The Fund invests in highly-rated securities to minimize credit risk.

The Fund's investments in when-issued securities are subject to the risk of market fluctuations because the Fund agrees to buy the securities at a certain price even though the market price of the securities at the time of delivery may be lower than the agreed-upon purchase price.

The Fund may invest up to 10% of its net assets in illiquid securities. Investments in illiquid securities may be subject to liquidity risk, which is the risk that, under certain circumstances, particular investments may be difficult to sell at an advantageous price.

The Fund also is subject to management risk because it is an actively managed portfolio. The Adviser will apply its investment techniques and risk analyses in making investment decisions for the Fund, but there is no guarantee that its techniques will produce the intended result.

THE ADVISER

The Fund's investment adviser is Alliance Capital Management L.P., 1345 Avenue of the Americas, New York, New York 10105. The Adviser is a leading international investment adviser supervising client accounts with assets as of June 30, 2002 totaling more than \$412 billion (of which more than \$157 billion represented assets of investment companies). As of June 30, 2002, the Adviser managed retirement assets for many of the largest public and private employee benefit plans (including 43 of the nation's FORTUNE 100 companies), for public employee retirement funds in 44 states, for investment companies, and for foundations, endowments, banks and insurance companies worldwide. The 57 registered investment companies managed by the Adviser, comprising 145 separate investment portfolios, currently have more than 7.5 million shareholder accounts.

The Adviser provides investment advisory services and order placement facilities for the Fund. For the fiscal year ended June 30, 2001, the Fund paid the Adviser .45% as a percentage of average daily net assets, net of any waivers. (See the "Annual Fund Operating Expenses" at the beginning of the Prospectus for more information about fee waivers.)

The Adviser makes significant payments from its own resources, which include the management fees paid by the Fund, to compensate your broker-dealer, depository institutions, or other persons for providing distribution assistance and administrative services and to otherwise promote the sale of Fund shares, including paying for the preparation, printing, and distribution of prospectuses and sales literature or other promotional activities.

PURCHASES AND REDEMPTION OF SHARES

Purchase of Shares

Participants in eligible accounts (IRAs, SEPs, Qualified Retirement Plans, 403(b)(7) Custodial Accounts, and Education Savings Accounts) for which Pershing LLC is the Custodian or servicing agent are eligible to invest in shares of the Fund. Unless

participants elect otherwise, the cash portion of their account will be invested in the Fund. All free credit balances will be invested automatically on the business day following the date they are received in the account. Proceeds of the sales of securities will be invested in the Fund on the day following the settlement date of

the security sale. There will be no minimum, initial or subsequent purchase requirement for investments.

Redemption of Shares

Pershing LLC, as Custodian or servicing agent of the account, has instituted an automatic redemption for participants enrolled in the Fund. Pershing LLC will redeem a sufficient number of shares on settlement date to pay for any securities purchased in the account. Shares may also be redeemed to meet any debits in the account arising from, e.g., cash distributions or other charges. Shares will also be redeemed to satisfy any periodic or other distribution instructions from the owner of the account.

Other

The Fund has two transaction times each Fund business day, 12:00 Noon and 4:00 p.m., Eastern time. Investments receive the full dividend for a day if Federal funds or bank wire monies

are received by State Street Bank before 4:00 p.m., Eastern time, on that day.

Redemption proceeds are normally wired the same business day if a redemption request is received prior to 12:00 Noon, Eastern time. Redemption proceeds are wired or mailed the same day or the next business day, but in no event later than seven days, unless redemptions have been suspended or postponed due to the determination of an "emergency" by the Securities and Exchange Commission or to certain other unusual conditions. Shares do not earn dividends on the day a redemption is effected.

The Fund may refuse any order to purchase shares. The Fund reserves the right to suspend the sale of its shares to the public in response to conditions in the securities market or for other reasons.

DIVIDENDS, DISTRIBUTIONS, AND TAXES

The Fund's net income is calculated at 4:00 p.m., Eastern time, each business day and paid as dividends to shareholders. The dividends are automatically invested in additional shares in your account. These additional shares are entitled to dividends on following days resulting in compounding growth of income. The Fund expects that its distributions will primarily consist of net income, or, if any, short-term capital gains as opposed to long-term capital gains. The Fund's dividend distributions of net

income (or short-term capital gains) will be taxable to you as ordinary income. Any capital gains distributions may be taxable to you as capital gains.

Each year shortly after December 31, the Fund will send you tax information stating the amount and type of all of its distributions for the year.

Consult your tax adviser about the federal, state and local tax consequences in your particular circumstances.

DISTRIBUTION ARRANGEMENTS

The Fund has adopted a plan under Securities and Exchange Commission Rule 12b-1 that allows it to pay asset-based sales charges or distribution and service fees in connection with the distribution of its shares. The amount of these fees is .25% as a per-

centage of aggregate average daily net assets. Because these fees are paid out of the Fund's assets on an on-going basis, over time these fees will increase the cost of your investment and may cost you more than paying other types of sales fees.

GENERAL INFORMATION

During drastic economic or market developments, you might have difficulty in reaching your Intermediary by telephone,

in which event you should issue written instructions to your Intermediary.

FINANCIAL HIGHLIGHTS

The financial highlights table is intended to help you understand the Fund's financial performance for the past five years. Certain information reflects financial information for a single Fund share. The total return in the table represents the rate that an investor would have earned (or lost) on an investment in the Fund (assuming investment of all dividends and distributions). The information has been audited by PricewaterhouseCoopers LLP,

the Fund's independent accountants, for the fiscal years ended June 30, 2002, June 30, 2001 and June 30, 2000, and by other independent accountants for years prior to June 30, 2000. The report of PricewaterhouseCoopers LLP, along with the Fund's financial statements, appears in the Fund's Annual Report, which are available upon request.

	Year Ended June 30				
	2002	2001	2000	1999	1998
Net asset value, beginning of period.....	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Income from Investment Operations					
Net investment income (a)015	.049	.047	.042	.046
Less: Dividends					
Dividends from net investment income	(.015)	(.049)	(.047)	(.042)	(.046)
Net asset value, end of period	1.00%	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Total Return					
Total investment return based on net asset value (b)	1.49%	5.05%	4.82%	4.27%	4.74%
Ratios/Supplemental Data					
Net assets, end of period (in millions).....	\$7,800	\$7,192	\$5,867	\$5,583	\$4,909
Ratio to average net assets of:					
Expenses, net of waivers and reimbursements	1.00%	1.00%	1.00%	1.00%	1.00%
Expenses, before waivers and reimbursements.....	1.01%	1.01%	1.03%	1.02%	1.01%
Net investment income (a).....	1.48%	4.89%	4.74%	4.18%	4.63%

(a) Net of expenses reimbursed or waived by Alliance.

(b) Total investment return is calculated assuming an initial investment made at net asset value at the beginning of the period, reinvestment of all dividends and distributions at net asset value during the period, and redemption on the last day of the period. Total investment return does not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of shares. Total investment return calculated for a period of less than one year is not annualized.

For more information about the Fund, the following documents are available upon request:

Annual/Semi-Annual Reports to Shareholders

The Fund's annual and semi-annual reports to shareholders contain additional information on the Fund's investments.

Statement of Additional Information (SAI)

The Fund has an SAI, which contains more detailed information about the Fund, including its operations and investment policies. The Fund's SAI is incorporated by reference into (and is legally part of) this Prospectus.

You may request a free copy of a current annual/semi-annual report or the SAI, or make inquiries concerning the Fund, by contacting your intermediary, or by contacting Alliance:

By mail: c/o Alliance Global Investor Services, Inc.
P.O. Box 786003
San Antonio, TX 78278-6003

By phone: For Information and Literature:
(800) 221-5672

Or you may view or obtain these documents from the Securities and Exchange Commission:

- Call the Commission at 1-202-942-8090 for information on the operation of the Public Reference Room.
- Reports and other information about the Fund are available on the EDGAR Database on the Commission's Internet site at <http://www.sec.gov>
- Copies of the information may be obtained, after paying a duplicating fee, by electronic request at publicinfo@sec.gov, or by writing the Commission's Public Reference Section, Wash. DC 20549-0102

You may also find more information about Alliance and the Fund on the Internet at: www.Alliancecapital.com

Privacy Notice (This information is not part of the Prospectus.)

Alliance, the Alliance Family of Funds and Alliance Fund Distributors, Inc. (collectively, "Alliance" or "we") understand the importance of maintaining the confidentiality of our customers' nonpublic personal information. In order to provide financial products and services to our customers efficiently and accurately, we may collect nonpublic personal information about our customers from the following sources: (1) information we receive from account documentation, including applications or other forms (which may include information such as a customer's name, address, social security number, assets and income) and (2) information about our customers' transactions with us, our affiliates and others (including information such as a customer's account balances and account activity).

It is our policy not to disclose nonpublic personal information about our customers (or former customers) except to our affiliates, or to others as permitted or required by law. From time to time, Alliance may disclose nonpublic personal information that we collect about our customers (or former customers), as described above, to non-affiliated third party providers, including those that perform processing or servicing functions and those that provide marketing services for us or on our behalf pursuant to a joint marketing agreement that requires the third party provider to adhere to Alliance's privacy policy. We have policies and procedures to safeguard nonpublic personal information about our customers (or former customers) which include: (1) restricting access to such nonpublic personal information and (2) maintaining physical, electronic and procedural safeguards that comply with federal standards to safeguard such nonpublic personal information.

Pershing[®]

A BNY Securities Group Co.
Solutions from The Bank of New York

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