

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

FORM
X-17A-5

FOCUS REPORT
(FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT)
PART II CSE 11

(Please read instructions before preparing Form)

This report is being filed pursuant to (Check Applicable Block(s)):

- 1) Rule 17a-5(a) 16
- 2) Rule 17a-5(b) 17
- 3) Rule 17a-11 18
- 4) Special request by designated examining authority 19
- 5) Other 26

NAME OF BROKER-DEALER

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED 13

ADDRESS OF PRINCIPAL PLACE OF BUSINESS (Do not use P.O. Box No.)

ONE BRYANT PARK 20

(No. and Street)

NEW YORK 21 NY 22 10036 23

(City) (State) (Zip Code)

SEC. FILE NO.

8-07221 14

FIRM ID NO.

7691 15

FOR PERIOD BEGINNING (MM/DD/YY)

01/01/11 24

AND ENDING (MM/DD/YY)

03/31/11 25

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT (Area code) - Telephone No.

William E. Tirrell 30

(201) 671-0132 31

NAME(S) OF SUBSIDIARIES OR AFFILIATES CONSOLIDATED IN THIS REPORT

OFFICIAL USE

32

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DOES RESPONDENT CARRY ITS OWN CUSTOMER ACCOUNTS ? YES 40 NO 41

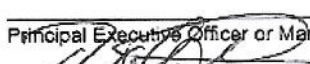
CHECK HERE IF RESPONDENT IS FILING AN AUDITED REPORT 42

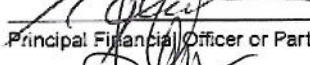
EXECUTION:

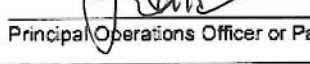
The registrant/broker or dealer submitting this Form and its attachments and the person(s) by whom it is executed represent hereby that all information contained therein is true, correct and complete. It is understood that all required items, statements, and schedules are considered integral parts of this Form and that the submission of any amendment represents that all unamended items, statements and schedules remain true, correct and complete as previously submitted.

Dated the 26th day of April 20 11

Manual Signatures of:

1) 
Principal Executive Officer or Managing Partner

2) 
Principal Financial Officer or Partner

3) 
Principal Operations Officer or Partner

ATTENTION - Intentional misstatements or omissions of facts constitute Federal Criminal Violations. (See 18 U.S.C. 1001 and 15 U.S.C. 78.f (a))

CONFIDENTIAL TREATMENT
REQUESTED BY MERRILL LYNCH,
PIERCE, FENNER & SMITH
INCORPORATED UNDER FOIA

FINRA

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART II CSE

BROKER OR DEALER

as of 03/31/11

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

STATEMENT OF FINANCIAL CONDITION

ASSETS (continued)

Allowable

Nonallowable

Total

10. Securities owned not readily marketable:

A. At Cost \$	0	130	\$	0	440	\$	3,652,290,922	610	\$	3,652,290,922	860
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11. Other investments not readily marketable:

A. At Cost \$	0	140									
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B. At estimated fair value	0	450	160,165,180	620	160,165,180	870
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12. Securities borrowed under subordination agreements and partners' individual and capital securities accounts, at market value:

A. Exempted securities \$

	0	150									
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B. Other \$	0	160	0	460	0	630	0	880
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13. Secured demand notes-market value of collateral:

A. Exempted securities \$

	0	170									
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B. Other \$	0	180	0	470	0	640	0	890
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14. Memberships in exchanges:

A. Owned, at market value \$		14,440,050	190								
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B. Owned at cost		2,733,792	650								
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C. Contributed for use of company, at market value		0	660	2,733,792	900
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15. Investment in and receivables from affiliates, subsidiaries and associated partnerships

	12,607,975	480	2,859,741,666	670	2,872,349,641	910
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16. Property, furniture, equipment, leasehold improvements and rights under lease agreements:

At cost (net of accumulated depreciation and amortization)

	0	490	504,532,810	680	504,532,810	920
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17. Other Assets:

A. Dividends and interest receivable	1,015,185,744	500	9,970,653	690
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B. Free shipments	0	510	6,666,911	700
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C. Loans and advances	0	520	9,770,000	710
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D. Miscellaneous	155,425,632	530	7,764,395,396	720
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E. Collateral accepted under SFAS 140	8,523,520,719	536			
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F. SPE Assets	3,359,241,234	537	20,844,176,289			930
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18. TOTAL ASSETS \$	299,357,696,583	540	\$	15,103,188,119	740	\$	314,460,884,702	940
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FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART II CSE

BROKER OR DEALER MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED	as of <u>03/31/11</u>
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STATEMENT OF FINANCIAL CONDITION
LIABILITIES AND OWNERSHIP EQUITY

<u>Liabilities</u>	<u>Total</u>
19. Bank loans payable:	
A. Includable in "Formula for Reserve Requirements"	\$ <u>0</u> 1460
B. Other	<u>0</u> 1470
20. Securities sold under repurchase agreements.	<u>161,723,827,505</u> 1480
21. Payable to brokers or dealers and clearing organizations:	
A. Failed to receive:	
1. Includable in "Formula for Reserve Requirements"	<u>651,954,599</u> 1490
2. Other	<u>1,900,379,512</u> 1500
B. Securities loaned:	
1. Includable in "Formula for Reserve Requirements"	<u>849,589,500</u> 1510
2. Other	<u>17,357,623,542</u> 1520
C. Omnibus accounts:	
1. Includable in "Formula for Reserve Requirements"	<u>5,617,828,980</u> 1530
2. Other	<u>1,122,890</u> 1540
D. Clearing organizations:	
1. Includable in "Formula for Reserve Requirements"	<u>0</u> 1550
2. Other	<u>157,816,476</u> 1560
E. Other	<u>988,935,637</u> 1570
22. Payable to customers:	
A. Securities accounts - including free credits of \$ <u>8,393,549,140</u> 950	<u>11,300,930,572</u> 1580
B. Commodities accounts	<u>7,329,165,378</u> 1590
23. Payable to non customers:	
A. Securities accounts	<u>5,230,420,441</u> 1600
B. Commodities accounts	<u>2,487,745,053</u> 1610
24. Derivative Payables:	<u>620,284,668</u> 1561
25. Trade Date Payable:	<u>0</u> 1562
26. Securities sold not yet purchased at market value - including arbitrage of \$ <u>3,351,151,938</u> 960	<u>39,732,745,374</u> 1620
27. Accounts payable and accrued liabilities and expenses:	
A. Drafts payable	<u>354,433,359</u> 1630
B. Accounts payable	<u>6,861,486,632</u> 1640
C. Income taxes payable	<u>0</u> 1650
D. Deferred income taxes	<u>0</u> 1660
E. Accrued expenses and other liabilities ..	<u>2,206,179,761</u> 1670
F. Other	<u>0</u> 1680
G. Obligation to return securities	<u>8,523,520,719</u> 1686
H. SPE Liabilities	<u>3,359,241,234</u> 1687

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART II CSE

BROKER OR DEALER MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED	as of <u>03/31/11</u>
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STATEMENT OF FINANCIAL CONDITION
LIABILITIES AND OWNERSHIP EQUITY (continued)

<u>Liabilities</u>	<u>Total</u>
28. Notes and mortgages payable:	
A. Unsecured	\$ <u>8,228,700,000</u> 1690
B. Secured	<u>0</u> 1700
29. Liabilities subordinated to claims of general creditors:	
A. Cash borrowings:	<u>14,578,000,000</u> 1710
1. from outsiders \$ <u>0</u> 970	
2. Includes equity subordination(15c3-1(d)) of \$ <u>5,858,000,000</u> 980	
B. Securities borrowings, at market value:	<u>0</u> 1720
from outsiders \$ <u>0</u> 990	
C. Pursuant to secured demand note collateral agreements:	<u>0</u> 1730
1. from outsiders \$ <u>0</u> 1000	
2. Includes equity subordination(15c3-1(d)) of \$ <u>0</u> 1010	
D. Exchange memberships contributed for use of company, at market value	<u>0</u> 1740
E. Accounts and other borrowings not qualified for net capital purposes	<u>0</u> 1750
30. TOTAL LIABILITIES	\$ <u>300,061,931,832</u> 1760
<u>Ownership Equity</u>	
31. Sole proprietorship	\$ <u>0</u> 1770
32. Partnership - limited partners	\$ <u>0</u> 1020 <u>0</u> 1780
33. Corporation:	
A. Preferred stock	<u>0</u> 1791
B. Common stock	<u>1,000</u> 1792
C. Additional paid- in capital	<u>9,639,187,425</u> 1793
D. Retained Earnings	<u>4,759,764,445</u> 1794
E. Total	<u>14,398,952,870</u> 1795
F. Less capital stock in treasury	(<u>0</u>) 1796
34. TOTAL OWNERSHIP EQUITY	\$ <u>14,398,952,870</u> 1800
35. TOTAL LIABILITIES AND OWNERSHIP EQUITY	\$ <u>314,460,884,702</u> 1810

OMIT PENNIES

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART II CSE

BROKER OR DEALER

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

as of 03/31/11

COMPUTATION OF NET CAPITAL

1. Total ownership equity (from Statement of Financial Condition - Item 1800)	\$	14,398,952,870	3480
2. Deduct: Ownership equity not allowable for Net Capital		(0)	3490
3. Total ownership equity qualified for Net Capital		14,398,952,870	3500
4. Add:			
A. Liabilities subordinated to claims of general creditors allowable in computation of net capital		14,578,000,000	3520
B. Other (deductions) or allowable credits (List)		0	3525
5. Total capital and allowable subordinated liabilities	\$	28,976,952,870	3530
6. Deductions and/or charges:			
A. Total non-allowable assets from			
Statement of Financial Condition (Notes B and C)	\$	15,103,188,119	3540
1. Additional charges for customers' and non-customers' security accounts		38,722,674	3550
2. Additional charges for customers' and non-customers' commodity accounts		0	3560
B. Aged fail-to-deliver:		144,467,570	3570
1. number of items		3,796	3450
C. Aged short security differences-less reserve of	\$	0	3460
number of items		0	3470
D. Secured demand note deficiency		0	3590
E. Commodity futures contracts and spot commodities - proprietary capital charges		0	3600
F. Other deductions and/or charges		576,338,667	3610
G. Deductions for accounts carried under Rule 15c3-1(a)(6), (a)(7) and (c)(2)(x)		0	3615
H. Total deductions and/or charges		(15,862,717,030)	3620
7. Other additions and/or allowable credits (List)		0	3630
8. Tentative Net Capital	\$	13,114,235,840	3640
9. Total Market Risk Exposure	\$	2,952,635,404	3635
10. Total Credit Risk Exposure	\$	30,961	3679
11. Net Capital	\$	10,161,569,475	3750

OMIT PENNIES

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART II CSE

BROKER OR DEALER

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

as of 03/31/11

COMPUTATION OF NET CAPITAL REQUIREMENT

Part A

12. 2% of combined aggregate debit items as shown in Formula for Reserve Requirements pursuant to Rule 15c3-3 prepared as of the date of net capital computation including both brokers or dealers and consolidated subsidiaries' debits	\$	833,406,047	3870
13. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries	\$	633,793,462	3880
14. Net capital requirement (greater of line 12 or 13)	\$	833,406,047	3760
15. Excess net capital (line 11 less 14)	\$	9,328,163,428	3910
16. Percentage of Net Capital to Aggregate Debits (line 11 divided by line 18 page 10)	%	55.41	3851
17. Percentage of Net Capital, <u>after</u> anticipated capital withdrawals, to Aggregate Debits item 11 less Item 4880 page 19 divided by line 18 page 10)	%	55.40	3854
18. Net capital in excess of the greater of: 5% of combined aggregate debit items or 120% of minimum net capital requirement	\$	9,161,482,218	3920

OTHER RATIOS

Part B

19. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1 (d)	%	30.09	3860
20. Options deductions/Net Capital ratio (1000% test) total deductions exclusive of liquidating equity under Rule 15c3-1(a)(6), (a)(7) and (c)(2)(x) divided by Net Capital	%		3852