

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)

07/01/14 24

AND ENDING (MM/DD/YY)

09/30/14 25

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

William E. Tirrell 30

(201) 557-2105 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 23rd day of October 20 14

Manual Signatures of:

1) _____
Principal Executive Officer or Managing Partner

2) William E. Tirrell
Principal Financial Officer or Partner

3) Mark Alexander
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
REQUIRED BY MERRILL LYNCH,
PIERCE, FENNER & SMITH
INCORPORATED UNDER FOIA

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

PART II CSE

BROKER OR DEALER MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED	N 2		100
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STATEMENT OF FINANCIAL CONDITION

as of (MM/DD/YY) 09/30/14 99

SEC FILE NO. 8-07221 98

Consolidated 198

Unconsolidated X 199

	<u>ASSETS</u>		
	<u>Allowable</u>	<u>Nonallowable</u>	<u>Total</u>
1. Cash	\$ 1,105,690,374		\$ 1,105,690,374
2. Cash segregated in compliance with federal and other regulations	6,182,455,258		6,182,455,258
3. Receivable from brokers or dealers and clearing organizations:			
A. Failed to deliver:			
1. Includable in "Formula for Reserve Requirements"	418,461,581		
2. Other	1,384,183,517		1,802,645,098
B. Securities borrowed:			
1. Includable in "Formula for Reserve Requirements"	12,783,759,915		
2. Other	61,533,605,184		74,317,365,099
C. Omnibus accounts:			
1. Includable in "Formula for Reserve Requirements"	0		
2. Other	547,244,087		547,244,087
D. Clearing Organizations:			
1. Includable in "Formula for Reserve Requirements"	0		
2. Other	11,031,993,770		11,031,993,770
E. Other	6,724,903,333	175,715,981	6,900,619,314
4. Receivables from customers:			
A. Securities accounts:			
1. Cash and fully secured accounts	9,826,553,124		
2. Partly secured accounts	0	10,453,297	10,453,297
3. Unsecured Accounts		118,038,083	118,038,083
B. Commodity accounts	39,681,949	1,664,122	41,346,071
C. Allowance for doubtful accounts	(0)	(68,139,306)	(68,139,306)
5. Receivables from non-customers:			
A. Cash and fully secured accounts	201,412,579		
B. Partly secured and unsecured accounts	0	4,018	4,018
6. Securities purchased under agreements to resell	75,948,428,696	0	75,948,428,696
7. Derivative Receivables:	11,478,816		11,478,816
8. Trade Date Receivable:	0		0
9. Securities and spot commodities owned, at market value:	57,562,881,769		57,562,881,769
Includes encumbered securities of			
..... \$	18,552,123,476		18,552,123,476

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART II CSE

BROKER OR DEALER

as of 09/30/14

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	\$ 4,309,931,153 610 \$ 4,309,931,153 860
11. Other investments not readily marketable:			
A. At Cost \$	0 140		
B. At estimated fair value	0 450	34,292,626 620	34,292,626 870
12. Securities borrowed under subordination agree- ments and partners' individual and capital securities accounts, at market value:			
A. Exempted securities \$	0 150		
B. Other \$	0 160	0 630	0 880
13. Secured demand notes- market value of collateral:			
A. Exempted securities \$	0 170		
B. Other \$	0 180	0 640	0 890
14. Memberships in exchanges:			
A. Owned, at market value \$	8,846,920 190		
B. Owned at cost		1,551,939 650	
C. Contributed for use of company, at market value		0 660	1,551,939 900
15. Investment in and receivables from affiliates, subsidiaries and associated partnerships	0 480	3,128,305,046 670	3,128,305,046 910
16. Property, furniture, equipment, leasehold improvements and rights under lease agreements: At cost (net of accumulated depreciation and amortization)	0 490	222,168,538 680	222,168,538 920
17. Other Assets:			
A. Dividends and interest receivable	560,576,756 500	4,006,822 690	
B. Free shipments	0 510	10,904,735 700	
C. Loans and advances	0 520	0 710	
D. Miscellaneous	94,636,531 530	7,458,806,930 720	
E. Collateral accepted under SFAS 140	8,990,166,430 536		
F. SPE Assets	1,864,725,631 537		18,983,823,835 930
18. TOTAL ASSETS \$	<u>256,812,839,300</u> 540	<u>15,407,703,984</u> 740	<u>272,220,543,284</u> 940

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART II CSE

BROKER OR DEALER	as of <u>09/30/14</u>
MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED	

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>123,262,040,650</u> 1480
21. Payable to brokers or dealers and clearing organizations:	
A. Failed to receive:	
1. Includable in "Formula for Reserve Requirements"	<u>975,533,508</u> 1490
2. Other	<u>684,614,371</u> 1500
B. Securities loaned:	
1. Includable in "Formula for Reserve Requirements"	<u>919,836,632</u> 1510
2. Other	<u>19,629,284,856</u> 1520
C. Omnibus accounts:	
1. Includable in "Formula for Reserve Requirements"	<u>6,674,035,245</u> 1530
2. Other	<u>6,836,818</u> 1540
D. Clearing organizations:	
1. Includable in "Formula for Reserve Requirements"	<u>0</u> 1550
2. Other	<u>117,954,696</u> 1560
E. Other	<u>928,746,716</u> 1570
22. Payable to customers:	
A. Securities accounts - including free credits of \$ <u>10,998,855,830</u> 950	<u>18,161,390,466</u> 1580
B. Commodities accounts	<u>11,687,319,058</u> 1590
23. Payable to non customers:	
A. Securities accounts	<u>2,965,718,560</u> 1600
B. Commodities accounts	<u>2,710,776,855</u> 1610
24. Derivative Payables:	<u>662,964,166</u> 1561
25. Trade Date Payable:	<u>660,925,051</u> 1562
26. Securities sold not yet purchased at market value - including arbitrage of \$ <u>694,223,641</u> 960	<u>33,043,041,094</u> 1620
27. Accounts payable and accrued liabilities and expenses:	
A. Drafts payable	<u>451,918,253</u> 1630
B. Accounts payable	<u>7,147,292,552</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>3,035,532,213</u> 1670
F. Other	<u>0</u> 1680
G. Obligation to return securities	<u>8,990,166,431</u> 1686
H. SPE Liabilities	<u>1,864,725,632</u> 1687

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART II CSE

BROKER OR DEALER MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED	as of <u>09/30/14</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	\$	0 1690
B. Secured		0 1700
29. Liabilities subordinated to claims of general creditors:		
A. Cash borrowings:		12,078,000,000 1710
1. from outsiders \$ _____ 0 970		
2. Includes equity subordination(15c3-1(d)) of \$ 5,858,000,000 980		
B. Securities borrowings, at market value:		0 1720
from outsiders \$ _____ 0 990		
C. Pursuant to secured demand note collateral agreements:		0 1730
1. from outsiders \$ _____ 0 1000		
2. Includes equity subordination(15c3-1(d)) of \$ _____ 0 1010		
D. Exchange memberships contributed for use of company, at market value		0 1740
E. Accounts and other borrowings not qualified for net capital purposes		0 1750
30. TOTAL LIABILITIES	\$	256,658,653,823 1760
<u>Ownership Equity</u>		
31. Sole proprietorship	\$	0 1770
32. Partnership - limited partners	\$	0 1020 1780
33. Corporation:		
A. Preferred stock		0 1791
B. Common stock		1,000 1792
C. Additional paid- in capital		10,366,527,304 1793
D. Retained Earnings		5,195,361,157 1794
E. Total		15,561,889,461 1795
F. Less capital stock in treasury	(0) 1796
34. TOTAL OWNERSHIP EQUITY	\$	15,561,889,461 1800
35. TOTAL LIABILITIES AND OWNERSHIP EQUITY	\$	272,220,543,284 1810

OMIT PENNIES

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART II CSE

BROKER OR DEALER

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

as of 09/30/14

COMPUTATION OF NET CAPITAL

1. Total ownership equity (from Statement of Financial Condition - Item 1800)	\$	15,561,889,461	3480
2. Deduct: Ownership equity not allowable for Net Capital		(0)	3490
3. Total ownership equity qualified for Net Capital		15,561,889,461	3500
4. Add:			
A. Liabilities subordinated to claims of general creditors allowable in computation of net capital		12,078,000,000	3520
B. Other (deductions) or allowable credits (List)		0	3525
5. Total capital and allowable subordinated liabilities	\$	27,639,889,461	3530
6. Deductions and/or charges:			
A. Total non-allowable assets from			
Statement of Financial Condition (Notes B and C)	\$	15,407,703,984	3540
1. Additional charges for customers' and non-customers' security accounts		6,570,000	3550
2. Additional charges for customers' and non-customers' commodity accounts		0	3560
B. Aged fail-to-deliver:		19,824,710	3570
1. number of items		926	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		392,435,132	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		(15,826,533,826)	3620
7. Other additions and/or allowable credits (List)		0	3630
8. Tentative Net Capital	\$	11,813,355,635	3640
9. Total Market Risk Exposure	\$	1,406,131,561	3635
10. Total Credit Risk Exposure	\$	9,887	3679
11. Net Capital	\$	10,407,214,187	3750

OMIT PENNIES

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART II CSE

BROKER OR DEALER

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

as of 09/30/14

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	\$	1,172,966,836	3870
13. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries	\$	646,164,258	3880
14. Net capital requirement (greater of line 12 or 13)	\$	1,172,966,836	3760
15. Excess net capital (line 11 less 14)	\$	9,234,247,351	3910
16. Percentage of Net Capital to Aggregate Debits (line 11 divided by line 18 page 10)	%	39.95	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)	%	39.95	3854
18. Net capital in excess of the greater of: 5% of combined aggregate debit items or 120% of minimum net capital requirement	\$	9,104,561,613	3920

OTHER RATIOS

Part B

19. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1 (d)	%	22.50	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