

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

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

FORM  
X-17A-5

(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

SEC. FILE NO.

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED  13

8-07221  14

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

FIRM ID NO.

ONE BRYANT PARK  20

7691  15

(No. and Street)

FOR PERIOD BEGINNING (MM/DD/YY)

NEW YORK  21 NY  22 10036  23

04/01/12  24

(City)

(State)

(Zip Code)

AND ENDING (MM/DD/YY)

06/30/12  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 25th day of July 20 12

Manual Signatures of:

1) William E. Tirrell  
Principal Executive Officer or Managing Partner

2) [Signature]  
Principal Financial Officer or Partner

3) [Signature]  
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	N 2									
MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED										100

STATEMENT OF FINANCIAL CONDITION

as of (MM/DD/YY) 06/30/12 99

SEC FILE NO. 8-07221 98

Consolidated  198

Unconsolidated  199

ASSETS

Allowable

Nonallowable

Total

1. Cash	\$ 923,723,241	200		\$ 923,723,241	750	
2. Cash segregated in compliance with federal and other regulations	6,272,778,504	210		6,272,778,504	760	
3. Receivable from brokers or dealers and clearing organizations:						
A. Failed to deliver:						
1. Includable in "Formula for Reserve Requirements"	336,101,657	220				
2. Other	1,491,782,215	230		1,827,883,872	770	
B. Securities borrowed:						
1. Includable in "Formula for Reserve Requirements"	7,105,194,132	240				
2. Other	49,004,256,244	250		56,109,450,376	780	
C. Omnibus accounts:						
1. Includable in "Formula for Reserve Requirements"	0	260				
2. Other	357,791,424	270		357,791,424	790	
D. Clearing Organizations:						
1. Includable in "Formula for Reserve Requirements"	0	280				
2. Other	4,603,277,453	290		4,603,277,453	800	
E. Other	6,886,554,663	300	\$ 55,193,955	550	6,941,748,618	810
4. Receivables from customers:						
A. Securities accounts:						
1. Cash and fully secured accounts	5,761,245,207	310				
2. Partly secured accounts	0	320	7,100,576	560		
3. Unsecured Accounts			132,208,632	570		
B. Commodity accounts	620,518,666	330	640,666	580		
C. Allowance for doubtful accounts	( 0 )	335	( 91,948,849 )	590	6,429,764,898	820
5. Receivables from non-customers:						
A. Cash and fully secured accounts	273,798,873	340				
B. Partly secured and unsecured accounts	0	350	78,174	600	273,877,047	830
6. Securities purchased under agreements to resell	129,743,383,840	360	0	605	129,743,383,840	840
7. Derivative Receivables:	351,250,612	291			351,250,612	801
8. Trade Date Receivable:	2,906,544,024	292			2,906,544,024	802
9. Securities and spot commodities owned, at market value:	72,318,798,614	849			72,318,798,614	850
Includes encumbered securities of						
..... \$	10,134,979,616	120				

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART II CSE

BROKER OR DEALER

as of 06/30/12

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 <u>130</u>	\$ 0 <u>440</u>	\$ 2,419,536,636 <u>610</u> \$ 2,419,536,636 <u>860</u>
11. Other investments not readily marketable:			
A. At Cost . . . . . \$	0 <u>140</u>		
B. At estimated fair value . . . . .	0 <u>450</u>	55,791,471 <u>620</u>	55,791,471 <u>870</u>
12. Securities borrowed under subordination agree- ments and partners' individual and capital securities accounts, at market value:			
A. Exempted securities . . . . . \$	0 <u>150</u>		
B. Other . . . . . \$	0 <u>160</u>	0 <u>630</u>	0 <u>880</u>
13. Secured demand notes- market value of collateral:			
A. Exempted securities . . . . . \$	0 <u>170</u>		
B. Other . . . . . \$	0 <u>180</u>	0 <u>640</u>	0 <u>890</u>
14. Memberships in exchanges:			
A. Owned, at market value . . . . . \$	9,776,220 <u>190</u>		
B. Owned at cost . . . . .		1,579,314 <u>650</u>	
C. Contributed for use of company, at market value . . . . .		0 <u>660</u>	1,579,314 <u>900</u>
15. Investment in and receivables from affiliates, subsidiaries and associated partnerships . . . . .	7,797,715 <u>480</u>	2,981,940,210 <u>670</u>	2,989,737,925 <u>910</u>
16. Property, furniture, equipment, leasehold improvements and rights under lease agreements: At cost (net of accumulated depreciation and amortization) . . . . .	0 <u>490</u>	323,184,289 <u>680</u>	323,184,289 <u>920</u>
17. Other Assets:			
A. Dividends and interest receivable . . . . .	705,706,775 <u>500</u>	3,407,739 <u>690</u>	
B. Free shipments . . . . .	0 <u>510</u>	1,367,415 <u>700</u>	
C. Loans and advances . . . . .	0 <u>520</u>	2,500,000 <u>710</u>	
D. Miscellaneous . . . . .	98,584,115 <u>530</u>	7,967,707,147 <u>720</u>	
E. Collateral accepted under SFAS 140 . . . . .	8,007,650,707 <u>536</u>		
F. SPE Assets . . . . .	3,424,637,863 <u>537</u>		20,211,561,761 <u>930</u>
18. TOTAL ASSETS . . . . . \$	<u>301,201,376,544</u> <u>540</u>	<u>\$ 13,860,287,375</u> <u>740</u>	<u>\$ 315,061,663,919</u> <u>940</u>

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART II CSE

BROKER OR DEALER	as of <u>06/30/12</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> <span style="border: 1px solid black; padding: 0 2px;">1460</span>
B. Other .....	<u>0</u> <span style="border: 1px solid black; padding: 0 2px;">1470</span>
20. Securities sold under repurchase agreements.	<u>177,889,516,423</u> <span style="border: 1px solid black; padding: 0 2px;">1480</span>
21. Payable to brokers or dealers and clearing organizations:	
A. Failed to receive:	
1. Includable in "Formula for Reserve Requirements" .....	<u>400,562,415</u> <span style="border: 1px solid black; padding: 0 2px;">1490</span>
2. Other .....	<u>1,346,493,644</u> <span style="border: 1px solid black; padding: 0 2px;">1500</span>
B. Securities loaned:	
1. Includable in "Formula for Reserve Requirements" .....	<u>705,481,063</u> <span style="border: 1px solid black; padding: 0 2px;">1510</span>
2. Other .....	<u>15,756,574,131</u> <span style="border: 1px solid black; padding: 0 2px;">1520</span>
C. Omnibus accounts:	
1. Includable in "Formula for Reserve Requirements" .....	<u>7,366,199,267</u> <span style="border: 1px solid black; padding: 0 2px;">1530</span>
2. Other .....	<u>1,075,771</u> <span style="border: 1px solid black; padding: 0 2px;">1540</span>
D. Clearing organizations:	
1. Includable in "Formula for Reserve Requirements" .....	<u>0</u> <span style="border: 1px solid black; padding: 0 2px;">1550</span>
2. Other .....	<u>141,059,006</u> <span style="border: 1px solid black; padding: 0 2px;">1560</span>
E. Other .....	<u>421,149,504</u> <span style="border: 1px solid black; padding: 0 2px;">1570</span>
22. Payable to customers:	
A. Securities accounts - including free credits of . . . . . \$ <u>9,200,869,838</u> <span style="border: 1px solid black; padding: 0 2px;">950</span>	<u>11,194,312,363</u> <span style="border: 1px solid black; padding: 0 2px;">1580</span>
B. Commodities accounts .....	<u>7,396,149,511</u> <span style="border: 1px solid black; padding: 0 2px;">1590</span>
23. Payable to non customers:	
A. Securities accounts .....	<u>3,966,133,242</u> <span style="border: 1px solid black; padding: 0 2px;">1600</span>
B. Commodities accounts .....	<u>1,967,099,007</u> <span style="border: 1px solid black; padding: 0 2px;">1610</span>
24. Derivative Payables: .....	<u>481,909,951</u> <span style="border: 1px solid black; padding: 0 2px;">1561</span>
25. Trade Date Payable: .....	<u>0</u> <span style="border: 1px solid black; padding: 0 2px;">1562</span>
26. Securities sold not yet purchased at market value - including arbitrage of . . . . . \$ <u>1,274,746,633</u> <span style="border: 1px solid black; padding: 0 2px;">960</span>	<u>42,166,216,904</u> <span style="border: 1px solid black; padding: 0 2px;">1620</span>
27. Accounts payable and accrued liabilities and expenses:	
A. Drafts payable .....	<u>554,362,721</u> <span style="border: 1px solid black; padding: 0 2px;">1630</span>
B. Accounts payable .....	<u>2,987,463,355</u> <span style="border: 1px solid black; padding: 0 2px;">1640</span>
C. Income taxes payable .....	<u>0</u> <span style="border: 1px solid black; padding: 0 2px;">1650</span>
D. Deferred income taxes .....	<u>0</u> <span style="border: 1px solid black; padding: 0 2px;">1660</span>
E. Accrued expenses and other liabilities ..	<u>2,138,812,946</u> <span style="border: 1px solid black; padding: 0 2px;">1670</span>
F. Other .....	<u>0</u> <span style="border: 1px solid black; padding: 0 2px;">1680</span>
G. Obligation to return securities .....	<u>8,007,650,707</u> <span style="border: 1px solid black; padding: 0 2px;">1686</span>
H. SPE Liabilities .....	<u>3,424,637,863</u> <span style="border: 1px solid black; padding: 0 2px;">1687</span>

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART II CSE

BROKER OR DEALER MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED	as of <u>06/30/12</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 .....	\$ 300,390,859,794	1760
<u>Ownership Equity</u>		
31. Sole proprietorship .....	\$ 0	1770
32. Partnership - limited partners .....	\$ 0	1020
33. Corporation: .....		
A. Preferred stock .....	0	1791
B. Common stock .....	1,000	1792
C. Additional paid- in capital .....	10,315,774,301	1793
D. Retained Earnings .....	4,355,028,824	1794
E. Total .....	14,670,804,125	1795
F. Less capital stock in treasury .....	( 0 )	1796
34. TOTAL OWNERSHIP EQUITY .....	\$ 14,670,804,125	1800
35. TOTAL LIABILITIES AND OWNERSHIP EQUITY .....	\$ 315,061,663,919	1810

OMIT PENNIES

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART II CSE

BROKER OR DEALER

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

as of 06/30/12

COMPUTATION OF NET CAPITAL

1. Total ownership equity (from Statement of Financial Condition - Item 1800)	\$	14,670,804,125	3480
2. Deduct: Ownership equity not allowable for Net Capital		( 0 )	3490
3. Total ownership equity qualified for Net Capital		14,670,804,125	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	\$	26,748,804,125	3530
6. Deductions and/or charges:			
A. Total non-allowable assets from			
Statement of Financial Condition (Notes B and C)	\$	13,860,287,375	3540
1. Additional charges for customers' and non-customers' security accounts		13,102,443	3550
2. Additional charges for customers' and non-customers' commodity accounts		0	3560
B. Aged fail-to-deliver:		65,410,967	3570
1. number of items		1,307	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		369,623,627	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		( 14,308,424,412 )	3620
7. Other additions and/or allowable credits (List)		0	3630
8. Tentative Net Capital	\$	12,440,379,713	3640
9. Total Market Risk Exposure	\$	1,645,143,539	3635
10. Total Credit Risk Exposure	\$	1,058,228	3679
11. Net Capital	\$	10,794,177,946	3750

OMIT PENNIES

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART II CSE

BROKER OR DEALER

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

as of 06/30/12

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	\$	684,419,129	3870
13. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries	\$	604,408,616	3880
14. Net capital requirement (greater of line 12 or 13)	\$	684,419,129	3760
15. Excess net capital (line 11 less 14)	\$	10,109,758,817	3910
16. Percentage of Net Capital to Aggregate Debits (line 11 divided by line 18 page 10)	%	76.08	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)	%	76.06	3854
18. Net capital in excess of the greater of: 5% of combined aggregate debit items or 120% of minimum net capital requirement	\$	10,068,887,607	3920

OTHER RATIOS

Part B

19. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1 (d)	%	23.25	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