

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

FORM  
X-17A-5

FOCUS REPORT  
(FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT)  
PART II CSE 13

(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  25

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)

11/01/10  24

AND ENDING (MM/DD/YY)

11/30/10  25

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

William E. Timm  30

(201) 871-0132  31

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

OFFICIAL USE

32

33

34

35

36

37

38

39

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 herein 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 December 2010

Manual Signatures of:

- 1) [Signature]  
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. 78ff (e))

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 <u>11/30/10</u>
MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED	

STATEMENT OF FINANCIAL CONDITION

	<u>ASSETS (continued)</u>		
	<u>Allowable</u>	<u>Nonallowable</u>	<u>Total</u>
10. Securities owned not readily marketable:			
A. At Cost . . . . . \$	130	\$ 440	\$ 3,718,759,702 610
			\$ 3,718,759,702 860
11. Other investments not readily marketable:			
A. At Cost . . . . . \$	140		
B. At estimated fair value . . . . .	450	161,917,082 620	161,917,082 870
12. Securities borrowed under subordination agree- ments and partners' individual and capital securities accounts, at market value:			
A. Exempted securities . . . . . \$	150		
B. Other . . . . . \$	160	460	630
			880
13. Secured demand notes- market value of collateral:			
A. Exempted securities . . . . . \$	170		
B. Other . . . . . \$	180	470	640
			890
14. Memberships in exchanges:			
A. Owned, at market value . . . . . \$	12,713,710 190		
B. Owned at cost . . . . .		2,906,720 650	
C. Contributed for use of company, at market value . . . . .		660	2,906,720 900
15. Investment in and receivables from affiliates, subsidiaries and associated partnerships . . . . .	7,580,086 480	2,875,747,830 670	2,883,327,916 910
16. Property, furniture, equipment, leasehold improvements and rights under lease agreements: At cost (net of accumulated depreciation and amortization) . . . . .	0 490	571,614,288 680	571,614,288 920
17. Other Assets:			
A. Dividends and interest receivable . . . . .	968,646,656 500	9,801,738 690	
B. Free shipments . . . . .	0 510	19,672,637 700	
C. Loans and advances . . . . .	520	10,429,989 710	
D. Miscellaneous . . . . .	147,236,840 530	7,983,286,729 720	
E. Collateral accepted under SFAS 140 . . . . .	18,371,219,593 536		
F. SPE Assets . . . . .	3,250,224,770 537		30,760,518,952 930
18. TOTAL ASSETS . . . . . \$	303,157,501,832 540	\$ 15,483,058,098 740	\$ 318,640,559,930 940

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART II CSE

BROKER OR DEALER

as of 11/30/10

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

STATEMENT OF FINANCIAL CONDITION  
LIABILITIES AND OWNERSHIP EQUITY

Liabilities	Total
19. Bank loans payable:	
A. Includable in "Formula for Reserve Requirements" .....	\$ 1460
B. Other .....	1470
20. Securities sold under repurchase agreements.	156,187,426,439 1480
21. Payable to brokers or dealers and clearing organizations:	
A. Failed to receive:	
1. Includable in "Formula for Reserve Requirements" .....	1,228,952,689 1490
2. Other .....	7,430,194,268 1500
B. Securities loaned:	
1. Includable in "Formula for Reserve Requirements" .....	1,076,279,079 1510
2. Other .....	15,882,364,645 1520
C. Omnibus accounts:	
1. Includable in "Formula for Reserve Requirements" .....	4,548,709,721 1530
2. Other .....	74,016,566 1540
D. Clearing organizations:	
1. Includable in "Formula for Reserve Requirements" .....	1550
2. Other .....	501,872,983 1560
E. Other .....	1,108,731,964 1570
22. Payable to customers:	
A. Securities accounts - including free credits of ..... \$ 7,995,454,825 950	10,522,113,229 1580
B. Commodities accounts .....	6,938,895,821 1590
23. Payable to non customers:	
A. Securities accounts .....	4,779,467,284 1600
B. Commodities accounts .....	2,494,300,623 1610
24. Derivative Payables: .....	563,074,050 1561
25. Trade Date Payable: .....	501,254,771 1562
26. Securities sold not yet purchased at market value - including arbitrage of ..... \$ 1,980,923,656 960	32,524,528,347 1620
27. Accounts payable and accrued liabilities and expenses:	
A. Drafts payable .....	473,934,041 1630
B. Accounts payable .....	8,927,046,633 1640
C. Income taxes payable .....	1650
D. Deferred income taxes .....	1660
E. Accrued expenses and other liabilities ..	3,733,139,953 1670
F. Other .....	0 1680
G. Obligation to return securities .....	18,371,219,593 1686
H. SPE Liabilities .....	3,250,224,770 1687

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART II CSE

BROKER OR DEALER

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

as of 11/30/10

STATEMENT OF FINANCIAL CONDITION  
LIABILITIES AND OWNERSHIP EQUITY (continued)

	<u>Liabilities</u>	<u>Total</u>
28. Notes and mortgages payable:		
A. Unsecured .....		\$ 9,146,250,000 <span style="border: 1px solid black; padding: 0 5px;">1690</span>
B. Secured .....		<u>0</u> <span style="border: 1px solid black; padding: 0 5px;">1700</span>
29. Liabilities subordinated to claims of general creditors:		
A. Cash borrowings: .....		<u>14,578,000,000</u> <span style="border: 1px solid black; padding: 0 5px;">1710</span>
1. from outsiders \$ <span style="border: 1px solid black; padding: 0 5px;">970</span>		
2. Includes equity subordination(15c3-1(d)) of ..... \$ <u>5,858,000,000</u> <span style="border: 1px solid black; padding: 0 5px;">980</span>		
B. Securities borrowings, at market value: .....		<u>1720</u> <span style="border: 1px solid black; padding: 0 5px;">1720</span>
from outsiders \$ <span style="border: 1px solid black; padding: 0 5px;">990</span>		
C. Pursuant to secured demand note collateral agreements: .....		<u>1730</u> <span style="border: 1px solid black; padding: 0 5px;">1730</span>
1. from outsiders \$ <span style="border: 1px solid black; padding: 0 5px;">1000</span>		
2. Includes equity subordination(15c3-1(d)) of ..... \$ <span style="border: 1px solid black; padding: 0 5px;">1010</span>		
D. Exchange memberships contributed for use of company, at market value .....		<u>1740</u> <span style="border: 1px solid black; padding: 0 5px;">1740</span>
E. Accounts and other borrowings not qualified for net capital purposes .....		<u>1750</u> <span style="border: 1px solid black; padding: 0 5px;">1750</span>
30. TOTAL LIABILITIES .....		\$ <u>304,841,997,469</u> <span style="border: 1px solid black; padding: 0 5px;">1760</span>
<u>Ownership Equity</u>		
31. Sole proprietorship .....		\$ <u>1770</u> <span style="border: 1px solid black; padding: 0 5px;">1770</span>
32. Partnership - limited partners .....	\$ <span style="border: 1px solid black; padding: 0 5px;">1020</span>	<u>1780</u> <span style="border: 1px solid black; padding: 0 5px;">1780</span>
33. Corporation: .....		
A. Preferred stock .....		<u>1791</u> <span style="border: 1px solid black; padding: 0 5px;">1791</span>
B. Common stock .....		<u>1,000</u> <span style="border: 1px solid black; padding: 0 5px;">1792</span>
C. Additional paid- in capital .....		<u>9,639,969,586</u> <span style="border: 1px solid black; padding: 0 5px;">1793</span>
D. Retained Earnings .....		<u>4,158,591,875</u> <span style="border: 1px solid black; padding: 0 5px;">1794</span>
E. Total .....		<u>13,798,562,461</u> <span style="border: 1px solid black; padding: 0 5px;">1795</span>
F. Less capital stock in treasury .....		( <u>1796</u> ) <span style="border: 1px solid black; padding: 0 5px;">1796</span>
34. TOTAL OWNERSHIP EQUITY .....		\$ <u>13,798,562,461</u> <span style="border: 1px solid black; padding: 0 5px;">1800</span>
35. TOTAL LIABILITIES AND OWNERSHIP EQUITY .....		\$ <u>318,640,559,930</u> <span style="border: 1px solid black; padding: 0 5px;">1810</span>

OMIT PENNIES

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART II CSE

BROKER OR DEALER MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED	as of <u>11/30/10</u>
--	-----------------------

COMPUTATION OF NET CAPITAL

1. Total ownership equity (from Statement of Financial Condition - Item 1800)	\$	13,798,562,461	3480
2. Deduct: Ownership equity not allowable for Net Capital	(		3490
3. Total ownership equity qualified for Net Capital		13,798,562,461	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)	.....		3525
5. Total capital and allowable subordinated liabilities	\$	28,376,562,461	3530
6. Deductions and/or charges:			
A. Total non-allowable assets from			
Statement of Financial Condition (Notes B and C)	\$	15,483,058,098	3540
1. Additional charges for customers' and non-customers' security accounts	.....	109,405,971	3550
2. Additional charges for customers' and non-customers' commodity accounts	.....		3560
B. Aged fail-to-deliver:	.....	576,381,291	3570
1. number of items	.....	5,794	3450
C. Aged short security differences-less reserve of	\$	3480	3580
number of items	.....	3470	3470
D. Secured demand note deficiency	.....		3590
E. Commodity futures contracts and spot commodities - proprietary capital charges	.....		3600
F. Other deductions and/or charges	.....	1,138,601,797	3610
G. Deductions for accounts carried under Rule 15c3-1(a)(6), (a)(7) and (c)(2)(x)	.....		3615
H. Total deductions and/or charges	(	17,307,447,157	3620
7. Other additions and/or allowable credits (List)	.....		3630
8. Tentative Net Capital	\$	11,069,115,304	3640
9. Total Market Risk Exposure	\$	2,941,116,211	3635
10. Total Credit Risk Exposure	\$	1,310,821	3679
11. Net Capital	\$	8,126,688,272	3750

OMIT PENNIES

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART II CSE

BROKER OR DEALER

as of 11/30/10

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

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		\$	773,615,457	3870
13. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries		\$	598,471,647	3880
14. Net capital requirement (greater of line 12 or 13)		\$	773,615,457	3760
15. Excess net capital (line 11 less 14)		\$	7,353,072,815	3910
16. Percentage of Net Capital to Aggregate Debits (line 11 divided by line 18 page 10)		%	59.22	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)		%	59.19	3854
18. Net capital in excess of the greater of: 5% of combined aggregate debit items or 120% of minimum net capital requirement		\$	7,168,779,905	3920

OTHER RATIOS

Part B

19. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1 (d)		%	30.73	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