

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-A/A

FOR REGISTRATION OF CERTAIN CLASSES OF SECURITIES  
PURSUANT TO SECTION 12(b) OR 12(g) OF THE  
SECURITIES EXCHANGE ACT OF 1934

Merrill Lynch & Co., Inc.

(Exact name of registrant as specified in its charter)

Delaware

13-2740599

(State of incorporation or organization)

(I.R.S. employer  
identification no.)

World Financial Center  
North Tower  
250 Vesey Street  
New York, New York

10281

(Address of principal executive offices)

(zip code)

Securities to be registered pursuant to Section 12(b) of the Act:

Title of each class to be so registered	Name of each exchange on which each class is to be registered
--	--

Depository Shares, each representing a one-four hundredth interest in a share of 9% Cumulative Preferred Stock, Series A, par value \$1.00 per share	New York Stock Exchange
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Securities to be registered pursuant to Section 12(g) of the Act:

9% Cumulative Preferred Stock,  
Series A, par value \$1.00 per share

(Title of class)

Item 1. Description of Registrant's Securities to be Registered.

The descriptions of the general terms and provisions of the 9% Cumulative Preferred Stock, Series A, par value \$1.00 per share (the "Preferred Stock") of Merrill Lynch & Co., Inc. and the Depository Shares, each representing a one-four hundredth interest in a share of Preferred Stock (the "Depository Shares"), to be registered hereunder set forth in the Prospectus Supplement and the Prospectus, each dated October 27, 1994, attached hereto as Exhibit 99(e), are hereby incorporated by reference into this Registration Statement.

Item 2. Exhibits.

- 99(a)\* Form of certificate representing the Preferred Stock
- 99(b)\* Form of Depository Receipt (attached as Exhibit A to Exhibit 99(d) hereto)
- 99(c)\* Certificate of Designations of the registrant establishing the rights, preferences, privileges, qualifications, restrictions and limitations relating to the Preferred Stock
- 99(d)\* Deposit Agreement, dated as of November 3, 1994, among the registrant, Citibank, N.A. as Depositary and the holders from time to time of the Depository Receipts

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\* Previously filed

Other securities issued by Merrill Lynch & Co., Inc. are listed on the New York Stock Exchange.

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SIGNATURE

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereto duly authorized.

MERRILL LYNCH & CO., INC.

By: /s/ Gregory T. Russo  
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Gregory T. Russo  
Secretary

Date: November 14, 1994

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SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

MERRILL LYNCH & CO., INC.

EXHIBITS  
TO  
FORM 8-A/A DATED NOVEMBER 14, 1994

Commission File No. 1-7182

INDEX TO EXHIBITS  
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Exhibit No. -----	Page No. -----
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99(d)* Deposit Agreement, dated as of November 3, 1994, among the registrant, Citibank, N.A. as Depositary and the holders from time to time of the Depositary Receipts	
99(e) Prospectus Supplement and Prospectus, each dated October 27, 1994.	

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\* Previously filed

PROSPECTUS SUPPLEMENT  
(TO PROSPECTUS DATED OCTOBER 27, 1994)

LOGO  
MERRILL LYNCH & CO., INC.  
16,000,000 DEPOSITARY SHARES  
EACH REPRESENTING A ONE-FOUR HUNDREDTH INTEREST IN A SHARE OF  
9% CUMULATIVE PREFERRED STOCK, SERIES A

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Each of the 16,000,000 Depositary Shares offered hereby (the "Depositary Shares") represents a one-four hundredth ownership interest in a share of 9% Cumulative Preferred Stock, Series A, \$10,000 liquidation preference per share (the "Series A Preferred Stock"), of Merrill Lynch & Co., Inc. (the "Company"), deposited with the Depositary (as defined herein) and, through the Depositary, entitles the holder to all proportional rights and preferences of the Series A Preferred Stock represented thereby (including dividend, voting, redemption and liquidation rights). The Depositary Shares are evidenced by the Depositary Receipts (as defined herein). See "Description of Depositary Shares".

Dividends on the Series A Preferred Stock are cumulative from the date of original issue and are payable quarterly on March 30, June 30, September 30 and December 30 of each year, commencing December 30, 1994, at the rate per annum of 9% of the \$10,000 liquidation preference per share, equivalent to \$2.25 per annum per Depositary Share. See "Description of Series A Preferred Stock--Dividends" and "Description of Depositary Shares--Dividends and Other Distributions".

The Series A Preferred Stock is not redeemable prior to December 30, 2004. On and after that date, the Series A Preferred Stock will be redeemable at the option of the Company, in whole at any time or from time to time in part, at a redemption price equal to \$10,000 per share (equivalent to \$25 per Depositary Share), plus accrued and unpaid dividends (whether or not declared) to the date fixed for redemption. For a description of the rights and preferences of the Series A Preferred Stock, see "Description of Series A Preferred Stock".

Application will be made to list the Depositary Shares on the New York Stock Exchange. The Series A Preferred Stock will not be listed on any securities exchange and the Company does not expect that there will be any trading market for the Series A Preferred Stock except as represented by the Depositary Shares. Trading of the Depositary Shares on the New York Stock Exchange is expected to commence within a 30-day period after the initial delivery of the Depositary Shares. See "Underwriting".

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THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS SUPPLEMENT OR THE PROSPECTUS TO WHICH IT RELATES. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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<TABLE>  
<CAPTION>

	PRICE TO PUBLIC (1)	UNDERWRITING DISCOUNT (2) (3)	PROCEEDS TO THE COMPANY (1) (3) (4)
<S>	<C>	<C>	<C>
Per Depositary Share.....	\$25.00	\$.7875	\$24.2125
Total(5).....	\$400,000,000	\$12,600,000	\$387,400,000

</TABLE>

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- (1) Plus accrued dividends, if any, from November 3, 1994 to the date of delivery.
- (2) The Company has agreed to indemnify the several Underwriters against certain liabilities, including liabilities under the Securities Act of 1933. See "Underwriting".
- (3) The applicable underwriting discount will be \$.50 per Depositary Share offered hereby with respect to any Depositary Share sold to certain institutions. To the extent of such sales, the actual total Underwriting Discount will be less, and the actual total Proceeds to the Company will be greater, than the amounts shown in the table.
- (4) Before deducting expenses payable by the Company.
- (5) The Company has granted to the several Underwriters an option, exercisable within 30 days from the date of this Prospectus Supplement, to purchase up

to an additional 1,000,000 Depositary Shares to cover over-allotments, if any. If the option is exercised in full, the total Price to Public, Underwriting Discount and Proceeds to the Company will be \$425,000,000, \$13,387,500 and \$411,612,500, respectively. See "Underwriting".

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The Depositary Shares are offered by the several Underwriters, subject to prior sale, when, as and if issued to and accepted by them and subject to approval of certain legal matters by counsel for the Underwriters and certain other conditions. The Underwriters reserve the right to withdraw, cancel or modify such offer and to reject orders in whole or in part. It is expected that delivery of the Depositary Receipts evidencing the Depositary Shares will be made in New York, New York on or about November 3, 1994.

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MERRILL LYNCH & CO.  
 DEAN WITTER REYNOLDS INC.  
 A. G. EDWARDS & SONS, INC.  
 PAINWEBBER INCORPORATED  
 PRUDENTIAL SECURITIES INCORPORATED  
 SMITH BARNEY INC.

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The date of this Prospectus Supplement is October 27, 1994.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE DEPOSITARY SHARES OFFERED HEREBY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH TRANSACTIONS MAY BE EFFECTED ON THE NEW YORK STOCK EXCHANGE, IN THE OVER-THE-COUNTER MARKET OR OTHERWISE. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE COMMISSIONER OF INSURANCE OF THE STATE OF NORTH CAROLINA HAS NOT APPROVED OR DISAPPROVED THIS OFFERING NOR HAS THE COMMISSIONER PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS SUPPLEMENT OR THE PROSPECTUS TO WHICH IT RELATES.

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RECENT DEVELOPMENTS

The following summary of certain consolidated financial information concerning the Company was derived from, and is qualified in its entirety by reference to, the financial information and data contained in the Company's Current Report on Form 8-K dated October 18, 1994, Quarterly Report on Form 10-Q for the quarter ended July 1, 1994, and Annual Report on Form 10-K for the year ended December 31, 1993. See "Incorporation of Certain Documents by Reference" in the accompanying Prospectus. The Current Report on Form 8-K, dated October 18, 1994, which includes preliminary unaudited financial information for the quarter ended September 30, 1994, will be superseded by the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1994. The condensed consolidated financial statements contained in the Company's Quarterly Report on Form 10-Q for the quarter ended July 1, 1994 and the results of operations contained in the Company's Current Report on Form 8-K dated October 18, 1994 are unaudited; however, in the opinion of management of the Company, all adjustments (consisting only of normal recurring accruals and, in 1993, a non-recurring charge related to the Company's decision not to occupy certain office space) necessary for a fair statement of the results of operations have been included.

The Company conducts its business in highly volatile markets. Consequently, the Company's results can be affected by many factors, including general market conditions, the liquidity of secondary markets, the level and volatility of interest rates and currency values, the valuation of securities positions, competitive conditions, and the size, number, and timing of transactions. In periods of unfavorable market activity, profitability can be adversely affected because certain expenses remain relatively fixed. As a result, net earnings and revenues can vary significantly from period to period. Thus, interim results may not necessarily be representative of the full year results of operations.

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Income Statement Information

	NINE MONTHS ENDED	
	SEPTEMBER 24, 1993	SEPTEMBER 30, 1994
	(IN THOUSANDS, EXCEPT RATIOS)	
<S>	<C>	<C>
Revenues.....	\$ 12,062,041	\$ 13,749,334
Net revenues (/1/)	\$ 7,800,233	\$ 7,531,792

Earnings before income taxes and cumulative effect of change in accounting principle.....	\$ 1,827,528	\$ 1,474,392
Cumulative effect of change in accounting principle(/2/)	\$ (35,420)	\$ --
Net earnings.....	\$ 1,011,700	\$ 855,147
Ratio of earnings to combined fixed charges and preferred stock dividend requirements(/3/)	1.4	--

<CAPTION>

Balance Sheet Information	DECEMBER 31, 1993	JULY 1, 1994
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(IN THOUSANDS)		
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<S>	<C>	<C>
Total assets(/4/)(/5/)	\$ 152,910,362	\$ 174,006,536
Long-term borrowings(/4/)(/6/)	\$ 13,468,900	\$ 15,289,293
Stockholders' equity(/4/)	\$ 5,485,913	\$ 5,628,394

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Notes--

- Net revenues are revenues net of interest expense.
- Net earnings for 1993 have been reduced by \$35,420,000 for the adoption of Statement of Financial Accounting Standards No. 112, "Employers' Accounting for Postemployment Benefits".
- The ratio of earnings to combined fixed charges and preferred stock dividend requirements for the nine months ended September 30, 1994 is not available as of the date of this Prospectus Supplement. For the six months ended July 1, 1994, the ratio of earnings to combined fixed charges and preferred stock dividend requirements was 1.3. For the purpose of calculating the ratio of earnings to combined fixed charges and preferred stock dividend requirements, "earnings" consists of earnings from continuing operations before income taxes and fixed charges. "Fixed charges" consists of interest costs, that portion of rentals estimated to be representative of the interest factor, amortization of debt expenses, and preferred stock dividend requirements of majority-owned subsidiaries.
- Certain information as of September 30, 1994 is not available as of the date of this Prospectus Supplement.
- On January 1, 1994, the Company adopted Financial Accounting Standards Board Interpretation No. 39, "Offsetting of Amounts Related to Certain Contracts," which increased assets and liabilities at July 1, 1994 by approximately \$13,500,000,000.
- To finance its diverse activities, the Company and certain subsidiaries borrow substantial amounts of short-term funds on a regular basis. Although the amount of short-term borrowings significantly varies with the level of general business activity, on July 1, 1994, \$623,101,000 of bank loans and \$13,932,942,000 of commercial paper were outstanding. In addition, certain of the Company's subsidiaries lend securities and enter into repurchase agreements to obtain financing. At July 1, 1994, cash deposits for securities loaned and securities sold under agreements to repurchase amounted to \$1,525,237,000 and \$60,081,702,000, respectively. From July 2, 1994 to October 25, 1994, long-term borrowings, net of repayments and repurchases, increased in the amount of approximately \$577,993,000.

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#### RESULTS OF OPERATIONS FOR THE PERIOD ENDED SEPTEMBER 30, 1994

Financial markets, strong throughout 1993 and the first six weeks of 1994, weakened as a result of rising interest rates, unsettled currency markets, volatile stock and bond markets, and investor caution. The broad market decline, initially triggered by an increase in short-term interest rates in February 1994 by the Federal Reserve, continued during the remainder of the period ended September 30, 1994. As a result, volumes in institutional and retail investor business activities decreased industrywide. These conditions affected the Company's 1994 third quarter results. Net earnings were \$231.6 million in the 1994 third quarter, down 8% from the 1994 second quarter and 36% from the 1993 third quarter. Net revenues in the 1994 third quarter were \$2,302 million, down 4% from the 1994 second quarter and 13% from the 1993 third quarter, while non-interest expenses were \$1,913 million, down 3% from the 1994 second quarter and 4% from the 1993 third quarter.

For the first nine months of 1994, net earnings were \$855.1 million, down \$156.6 million (15%) from \$1,011.7 million reported in last year's record nine-month period. Net earnings for the 1993 nine-month period included a \$35.4 million cumulative effect charge (net of \$25.1 million of applicable income tax benefits) related to the adoption of Statement of Financial Accounting Standards No. 112, "Employers' Accounting for Postemployment Benefits." Earnings before the cumulative effect of the change in accounting principle decreased 18% from \$1,047.1 million reported in the comparable 1993 period. Earnings per common share for the first nine months of 1994 were \$3.98 primary and \$3.97 fully diluted versus \$4.45 primary and \$4.42 fully diluted (\$4.61 primary and \$4.58 fully diluted, before the 1993 cumulative effect charge) in the prior year's period. As previously reported, 1993 nine-month results included a non-recurring pretax lease charge totaling \$103.0 million (\$59.7 million after

income taxes) related to the Company's decision not to occupy certain office space at its World Financial Center Headquarters ("Headquarters") facility. An agreement to sublet this space was entered into in the 1993 fourth quarter.

Total revenues increased 14% from the 1993 nine-month period to \$13,749 million. Net revenues (revenues after interest expense) decreased 3% to \$7,532 million for the first nine months of 1994.

Commissions revenues increased 7% from the 1993 nine-month period to \$2,232 million on the strength of higher mutual fund, commodity, and listed securities transactions commissions. Mutual fund commissions benefited from increased distribution fees and redemption fees earned on mutual funds sold in prior periods. Sales of third-party mutual funds were up from a year ago; however, transactions in such funds declined during the 1994 second and third quarters relative to the 1994 first quarter. Sales of mutual funds managed by the Company have increased from the 1993 nine-month period. Commissions on listed securities benefited from higher trading volume. Other commissions revenues advanced principally as a result of higher revenues from commodity transactions partially offset by lower commissions from money market instruments.

Interest and dividend revenues for the first nine months of 1994 rose 38% to \$6,956 million. Interest expense, which includes dividend expense, increased 46% to \$6,218 million. Net interest profit decreased 7% to \$738 million due primarily to an increase in short-term interest rates and a general flattening of the yield curve, which is the difference between short-term and long-term interest rates. As a result, interest spreads declined, while financing and hedging costs increased from the comparable 1993 period.

Principal transactions revenues decreased 16% from the 1993 nine-month period to \$1,881 million as a result of rising interest rates and lower volumes. For the first nine months of 1994, fixed-income and foreign exchange trading revenues, in the aggregate, decreased 16% to \$1,432 million. Lower revenues from corporate bonds and preferred stock, non-U.S. governments and agencies securities, foreign exchange trading, and money market instruments, were partially offset by higher revenues from swaps and derivatives, municipal securities, mortgage-backed securities, and U.S. Government and agency securities. Equity and commodity trading revenues, in the aggregate, declined 16% to \$449 million as lower trading revenues and a loss in convertible securities were partially offset by higher revenues from trading in commodities and foreign equities.

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Investment banking revenues totaled \$1,012 million, down 23% in the 1994 nine-month period. Underwriting activity was slow as domestic volume industrywide declined 29% from the comparable 1993 period. Lower underwriting revenues were reported in most categories, including equities, corporate bonds and preferred stock, convertible securities, and municipal bonds. Strategic services revenues, which include merger and acquisition fees and advisory fees, benefited from increased merger and acquisition advisory assignments in various industries.

Asset management and portfolio service fees increased 15% to \$1,308 million principally as a result of growth in stock and bond fund assets under management. Other revenues rose 63% from the 1993 nine-month period to \$360 million due to net realized investment gains in the 1994 period, compared with net investment losses in the comparable 1993 period.

Non-interest expenses increased 1% over the corresponding 1993 period to \$6,057 million (3% excluding the non-recurring pretax lease charge of \$103.0 million). Compensation and benefits expense, which represented approximately 63% of non-interest expenses, was virtually unchanged from the 1993 nine-month period. Higher salary and benefit expenses related to an increase in the number of full-time employees were offset by lower levels of variable compensation. Compensation and benefits expense, as a percentage of net revenues, was 50.8% in the first nine months of 1994, compared with 49.2% in the corresponding 1993 period.

Occupancy costs decreased 28% from the corresponding 1993 period (7% excluding the non-recurring pretax lease charge of \$103.0 million), benefiting from continued relocation of support staff to lower cost facilities and reduced space requirements at the Headquarters facility. Other facilities-related costs, which include communications and equipment rental expense and depreciation and amortization expense, rose 11% primarily due to the increased use of market data and news services, and higher depreciation expense from the acquisition of technology-related equipment.

Advertising and market development expenses rose 8% from the 1993 nine-month period as a result of increased travel costs related to international business activity and higher recognition program costs. These expenses were partially offset by reductions in advertising costs. Professional fees were up 37% from the year-ago period due primarily to increased system consulting fees related to technology improvements. Brokerage, clearing, and exchange fees were up 22% from last year's nine-month period reflecting increased clearinghouse fees related to risk management activities in volatile markets and higher commodity

trading volume. Other expenses advanced 6% due, in part, to increased provisions related to various business activities.

Income tax expense totaled \$619 million for the first nine months of 1994, down 21% from the year earlier period due primarily to lower profitability. The effective tax rate for the 1994 nine-month period was 42.0% versus 42.7% in the comparable 1993 period.

#### CERTAIN BALANCE SHEET INFORMATION AS OF JULY 1, 1994

Balance sheet information as of September 30, 1994 is not available as of the date of this Prospectus Supplement. On January 1, 1994, the Company adopted Financial Accounting Standards Board Interpretation No. 39 ("Interpretation No. 39"), "Offsetting of Amounts Related to Certain Contracts." Interpretation No. 39 affects the financial statement presentation of balances related to swap, forward, and other similar exchange or conditional type contracts, and certain unconditional type contracts. Prior to the adoption of Interpretation No. 39, the Company followed industry practice in reporting balances related to certain types of contracts on a net basis. Unrealized gains and losses for swap, forward, and other similar contracts were reported net on the balance sheet by contract type, while certain receivables and payables related to resale and repurchase agreements were reported net by counterparty. The effect of Interpretation No. 39 increased assets and liabilities at July 1, 1994 by approximately \$13.5 billion.

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The Company believes that its equity base is adequate relative to the level and composition of its assets and the mix of its businesses.

In the normal course of business, the Company underwrites, trades, and holds non-investment grade securities in connection with its market-making, investment banking, and derivative structuring activities. These activities are subject to risks related to the creditworthiness of the issuers and the liquidity of the market for such securities, in addition to the usual risks associated with investing in, extending credit, underwriting, and trading in investment grade instruments.

At July 1, 1994, the fair value of long and short non-investment grade trading inventories amounted to \$3,507 million and \$474 million, respectively, and in the aggregate (i.e., the sum of long and short trading inventories), represented 4.2% of aggregate consolidated trading inventories.

At July 1, 1994, the carrying value of the extensions of credit provided to corporations entering into leveraged transactions aggregated \$249 million (excluding unutilized revolving lines of credit and other lending commitments of \$54 million), consisting primarily of senior term and subordinated financings to 36 medium-sized corporations. At July 1, 1994, the Company had no bridge loans outstanding. Loans to highly leveraged corporations are carried at unpaid principal balances less a reserve for estimated losses. The allowance for loan losses is estimated based on a review of each loan, and consideration of economic, market, and credit conditions. Subsequent to July 1, 1994, the Company committed to loan up to \$126 million to a non-investment grade counterparty. The Company has participated \$111 million of this commitment to third parties, and has funded approximately \$8 million of its remaining \$15 million commitment. Direct equity investments made in conjunction with the Company's investment and merchant banking activities aggregated \$288 million at July 1, 1994, representing investments in 80 enterprises. Equity investments in privately-held corporations for which sale is restricted by government or contractual requirements are carried at the lower of cost or estimated net realizable value. At July 1, 1994, the Company held interests in partnerships, totaling \$96 million (recorded on the cost basis), that invest in highly leveraged transactions and non-investment grade securities. Prior to July 1, 1994, the Company had a co-investment arrangement to enter into direct equity investments. At July 1, 1994, the additional co-investment commitments were \$12 million. At July 1, 1994, the Company also committed to invest an additional \$29 million in partnerships that invest in leveraged transactions. Subsequent to July 1, 1994, the Company committed to invest up to \$50 million over a five-year period in another partnership that invests in leveraged transactions.

The Company's insurance subsidiaries hold non-investment grade securities. At July 1, 1994, non-investment grade insurance investments were \$431 million, representing 6.8% of total insurance investments. At July 1, 1994, non-investment grade securities of insurance subsidiaries were classified as trading or available-for-sale and were carried at fair value.

At July 1, 1994, the largest non-investment grade concentration consisted of various issues of a Latin American sovereign totaling \$375 million, of which \$95 million represented on-balance-sheet hedges for off-balance-sheet instruments. No single industry sector accounted for more than 19% of total non-investment grade positions. At July 1, 1994, the Company held an aggregate carrying value of \$257 million in debt and equity securities of issuers in various stages of bankruptcy proceedings. Approximately 63% of this amount resulted from the Company's market-making activities.

## DESCRIPTION OF SERIES A PREFERRED STOCK

The following description of the particular terms of the shares of Series A Preferred Stock offered hereby supplements, and to the extent inconsistent therewith replaces, the description of the general terms and provisions of Preferred Stock set forth in the accompanying Prospectus, to which description reference is hereby made. Certain terms not defined in this description are defined in the Prospectus.

## GENERAL

The Series A Preferred Stock offered hereby is a single series consisting of up to 42,500 shares. The holders of Series A Preferred Stock will have no preemptive rights. The Series A Preferred Stock, upon issuance against full payment of the purchase price therefor, will be fully paid and nonassessable.

The Series A Preferred Stock will, on the date of original issuance, rank on a parity as to payment of dividends and distribution of assets upon dissolution, liquidation or winding up of the Company with each other outstanding series of Preferred Stock. See "Description of Preferred Stock" in the Prospectus. The Series A Preferred Stock, together with each other series of Preferred Stock, will rank prior to the Common Stock and any other stock of the Company that is expressly made junior to such series of Preferred Stock as to the payment of dividends and distribution of assets upon dissolution, liquidation or winding up of the Company.

The Series A Preferred Stock will not be convertible into shares of Common Stock of the Company and will not be subject to any sinking fund or other obligation of the Company to repurchase the Series A Preferred Stock.

## DIVIDENDS

Holders of shares of Series A Preferred Stock will be entitled to receive, as, if and when declared by the Board of Directors of the Company out of assets of the Company legally available for payment, cumulative cash dividends at a rate per annum equal to 9% of the \$10,000 liquidation preference per share (equivalent to \$2.25 per Depositary Share). Dividends on the Series A Preferred Stock will be payable quarterly, as, if and when declared by the Board of Directors of the Company, on March 30, June 30, September 30 and December 30 of each year, commencing December 30, 1994 (and, in the case of any accrued but unpaid dividends, at such additional times and for such interim periods, if any, determined by the Board of Directors of the Company), at such per annum rate. The initial dividend for the period from and including November 3, 1994 to but excluding December 30, 1994 will equal \$142.50 per share (\$.35625 per Depositary Share). Each such dividend will be payable to holders of record as they appear on the stock books of the Company on such record dates, not more than thirty nor less than fifteen days preceding the payment dates thereof, as shall be fixed by the Board of Directors or a duly authorized committee thereof. Dividends will accrue from the date of original issue. Dividends will be cumulative from such date, whether or not in any dividend period or periods there are assets of the Company legally available for the payment of such dividends.

If a dividend payment date is not a business day, dividends (if declared) on the Series A Preferred Stock will be paid on the immediately succeeding business day, without interest. A dividend period with respect to a dividend payment date is the period commencing on the immediately preceding dividend payment date and ending on the day immediately prior to the next succeeding dividend payment date. Dividends payable on the Series A Preferred Stock for any period greater or less than a full dividend period shall be computed on the basis of a 360-day year consisting of twelve 30-day months. Dividends payable on the Series A Preferred Stock for each full dividend period shall be computed by dividing the per annum dividend rate by four.

If, for any dividend period, full dividends on a cumulative or noncumulative basis, as the case may be, on any share or shares of Preferred Stock have not been paid or declared and set apart for payment or the

Company is in default or in arrears with respect to any sinking fund or other arrangement for the purchase or redemption of any shares of Preferred Stock, the Company may not declare any dividends on, or make any payment on account of the purchase, redemption or other retirement of, its Common Stock or any other stock of the Company ranking as to dividends or distribution of assets junior to the Preferred Stock, other than as described under "Description of Preferred Stock--Dividends" in the accompanying Prospectus.

## LIQUIDATION RIGHTS

In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company, the holders of shares of Series A Preferred Stock are entitled to receive out of assets of the Company available for distribution



to stockholders, before any distribution of assets is made to holders of Common Stock or of any other shares of stock of the Company ranking as to such a distribution junior to the shares of Series A Preferred Stock, a liquidating distribution in the amount of \$10,000 per share (equivalent to \$25 per Depositary Share) plus accrued and unpaid dividends (whether or not declared) for the then-current dividend period and all dividend periods prior thereto. After payment of such a liquidating distribution, the holders of shares of Series A Preferred Stock will not be entitled to any further participation in any distribution of assets by the Company.

Because the Company is a holding company, its rights and the rights of its creditors and its shareholders, including the holders of shares of the Series A Preferred Stock, to participate in the assets of any subsidiary upon the latter's liquidation or recapitalization may be subject to the prior claims of the subsidiary's creditors, except to the extent that the Company may itself be a creditor with recognized claims against the subsidiary.

#### REDEMPTION

The Series A Preferred Stock is not subject to any mandatory redemption, sinking fund or other similar provisions. The Series A Preferred Stock is not redeemable prior to December 30, 2004. On and after that date, the Series A Preferred Stock will be redeemable at the option of the Company, in whole at any time or from time to time in part, upon not less than thirty nor more than sixty days notice, at a redemption price equal to \$10,000 per share (equivalent to \$25 per Depositary Share), plus accrued and unpaid dividends (whether or not declared) to the date fixed for redemption.

If shares of the Series A Preferred Stock are to be redeemed, the notice of redemption shall be given by first class mail to the holders of record of the Series A Preferred Stock to be redeemed, mailed not less than 30 days nor more than 60 days prior to the date fixed for redemption thereof. Each notice of redemption will include a statement setting forth: (i) the redemption date, (ii) the number of shares of the Series A Preferred Stock to be redeemed and, if less than all the shares held by such holder are to be redeemed, the number of such shares to be redeemed from such holder, (iii) the redemption price, (iv) that dividends on such shares to be redeemed will cease to accrue on such redemption date and (v) the place or places where holders may surrender certificates evidencing shares of Series A Preferred Stock for payment of the redemption price.

Holders of Series A Preferred Stock will have no right to require redemption of the Series A Preferred Stock.

#### VOTING RIGHTS

The Series A Preferred Stock will have no voting rights except as set forth under "Description of Preferred Stock--Voting Rights" in the accompanying Prospectus.

#### TRANSFER AGENT AND REGISTRAR

Citibank, N.A. will be the transfer agent, registrar, dividend disbursing agent and redemption agent for the Series A Preferred Stock.

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#### DESCRIPTION OF DEPOSITARY SHARES

##### GENERAL

Each Depositary Share will represent a one-four hundredth ownership interest in a share of Series A Preferred Stock. The shares of Series A Preferred Stock represented by Depositary Shares will be deposited under a Deposit Agreement (the "Deposit Agreement") among the Company, Citibank, N.A. (the "Depositary") and the holders from time to time of the receipts (the "Depositary Receipts") evidencing the Depositary Shares. Subject to the terms of the Deposit Agreement, each owner of a Depositary Share will be entitled, in proportion to the applicable fraction of a share of Series A Preferred Stock represented by such Depositary Share, to all the rights and preferences of the Series A Preferred Stock represented thereby (including dividend, voting, redemption and liquidation rights).

The Depositary Shares will be evidenced by Depositary Receipts issued pursuant to the Deposit Agreement. Immediately following the issuance of the Series A Preferred Stock by the Company, the Company will deposit the Series A Preferred Stock with the Depositary, which will then issue the Depositary Shares to the Underwriters. Copies of the forms of Deposit Agreement and the Depositary Receipt may be obtained from the Company upon request, and the following summary is qualified in its entirety by reference thereto.

Pending the preparation of definitive Depositary Receipts, the Depositary may, upon the written order of the Company, issue temporary Depositary Receipts substantially identical to (and entitling the holders thereof to all the rights pertaining to) the definitive Depositary Receipts but not in definitive form.

Definitive Depositary Receipts will be prepared thereafter and will be exchangeable for temporary Depositary Receipts at the Company's expense.

#### DIVIDENDS AND OTHER DISTRIBUTIONS

The Depositary will distribute all cash dividends and other distributions received in respect of the Series A Preferred Stock to the record holders of Depositary Shares in proportion to the number of such Depositary Shares owned by such holders.

In the event of a distribution other than in cash, the Depositary will distribute property received by it to the record holders of Depositary Shares entitled thereto, unless the Depositary determines that it is not feasible to make such distribution, in which case the Depositary may, with the approval of the Company, sell such property and distribute the net proceeds from such sale to such holders.

#### WITHDRAWAL OF STOCK

Upon surrender of the Depositary Receipts at the corporate trust office of the Depositary (unless the related Depositary Shares have previously been called for redemption), the holder of the Depositary Shares evidenced thereby is entitled to delivery of the number of whole shares of the Series A Preferred Stock and any money or other property represented by such Depositary Shares. Holders of Depositary Shares will be entitled to receive whole shares of the Series A Preferred Stock on the basis of one share of Series A Preferred Stock for each four hundred Depositary Shares, but holders of such whole shares of Series A Preferred Stock will not thereafter be entitled to receive Depositary Shares in exchange therefor. If the Depositary Receipts delivered by the holder evidence a number of Depositary Shares in excess of the number of Depositary Shares representing the number of whole shares of Series A Preferred Stock to be withdrawn, the Depositary will deliver to such holder at the same time a new Depositary Receipt evidencing such excess number of Depositary Shares. In no event will fractional shares of Series A Preferred Stock be delivered upon surrender of Depositary Receipts to the Depositary.

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#### REDEMPTION OF DEPOSITARY SHARES

If the Company redeems the Series A Preferred Stock represented by the Depositary Shares, the Depositary Shares will be redeemed from the proceeds received by the Depositary resulting from the redemption, in whole or in part, of Series A Preferred Stock held by the Depositary. The redemption price per Depositary Share will be equal to one-four hundredth of the redemption price per share payable with respect to the Series A Preferred Stock. Whenever the Company redeems shares of Series A Preferred Stock held by the Depositary, the Depositary will redeem as of the same redemption date the number of Depositary Shares representing shares of Series A Preferred Stock so redeemed. If less than all the Depositary Shares are to be redeemed, the Depositary Shares to be redeemed will be selected by lot or pro rata as may be determined by the Depositary.

#### VOTING THE SERIES A PREFERRED STOCK

Upon receipt of notice of any meeting at which holders of the Series A Preferred Stock are entitled to vote, the Depositary will mail the information contained in such notice of meeting to the record holders of the Depositary Shares relating to Series A Preferred Stock. Each record holder of such Depositary Shares on the record date (which will be the same date as the record date for the Series A Preferred Stock) will be entitled to instruct the Depositary as to the exercise of the voting rights pertaining to the amount of Series A Preferred Stock represented by such holder's Depositary Shares. The Depositary will endeavor, insofar as practicable, to vote the amount of Series A Preferred Stock represented by such Depositary Shares in accordance with such instructions, and the Company will agree to take all action which may be deemed necessary by the Depositary in order to enable the Depositary to do so. The Depositary will abstain from voting shares of Series A Preferred Stock to the extent it does not receive specific instructions from the holders of Depositary Shares representing Series A Preferred Stock.

#### AMENDMENT AND TERMINATION OF THE DEPOSIT AGREEMENT

The form of Depositary Receipt evidencing the Depositary Shares and any provision of the Deposit Agreement may at any time be amended by agreement between the Company and the Depositary. However, any amendment which materially and adversely alters the rights of the holders of Depositary Receipts will not be effective unless such amendment has been approved by the holders of Depositary Receipts representing at least a majority (or, in the case of amendments relating to or affecting rights to receive dividends or distributions, or voting or redemption rights, two-thirds) of the Depositary Shares then outstanding. The Deposit Agreement may be terminated by the Company or the Depositary only if (i) all outstanding Depositary Shares have been redeemed, (ii) there has been a final distribution in respect of the Series A

Preferred Stock in connection with any liquidation, dissolution or winding up of the Company and such distribution has been distributed to the holders of Depositary Receipts, or (iii) upon consent of holders of Depositary Receipts representing not less than two-thirds of the Depositary Shares then outstanding.

CHARGES OF DEPOSITARY

The Company will pay all transfer and other taxes and governmental charges arising solely from the existence of the depositary arrangements. The Company will pay charges of the Depositary in connection with the initial deposit of the Series A Preferred Stock and any redemption of the Series A Preferred Stock. Holders of Depositary Receipts will pay all other transfer and other taxes and governmental charges and such other charges as are expressly provided in the Deposit Agreement to be for their accounts. The Depositary may refuse to effect any transfer of a Depositary Receipt or any withdrawal of shares of Series A Preferred Stock evidenced thereby until all such taxes and charges with respect to such Depositary Receipt or such shares of Series A Preferred Stock are paid by the holder thereof.

MISCELLANEOUS

The Depositary will forward all reports and communications from the Company which are delivered to the Depositary and which the Company is required to furnish to the holders of the Series A Preferred Stock.

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Neither the Depositary nor the Company will be liable if it is prevented or delayed by law or any circumstances beyond its control in performing its obligations under the Deposit Agreement. The obligations of the Company and the Depositary under the Deposit Agreement will be limited to performance in good faith of their duties thereunder and the Company and the Depositary will not be obligated to prosecute or defend any legal proceeding in respect of any Depositary Shares or Series A Preferred Stock unless satisfactory indemnity is furnished. The Company and the Depositary may rely on written advice of counsel or accountants, or information provided by persons presenting Series A Preferred Stock for deposit, holders of Depositary Shares or other persons believed to be competent and on documents believed to be genuine.

RESIGNATION AND REMOVAL OF DEPOSITARY

The Depositary may resign at any time by delivering to the Company notice of its election to do so, and the Company may at any time remove the Depositary. Any such resignation or removal will take effect upon the appointment of a successor Depositary, which successor Depositary must be appointed within 60 days after delivery of the notice of resignation or removal and must be a bank or trust company having its principal office in the United States and having a combined capital and surplus of at least \$50,000,000.

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UNDERWRITING

Subject to the terms and conditions set forth in an underwriting agreement (the "Underwriting Agreement"), the Company has agreed to sell to each of the Underwriters named below, and each of the Underwriters, for whom Merrill Lynch, Pierce, Fenner & Smith Incorporated, Dean Witter Reynolds Inc., A.G. Edwards & Sons, Inc., PaineWebber Incorporated, Prudential Securities Incorporated and Smith Barney Inc. are acting as representatives (the "Representatives"), has severally agreed to purchase the number of Depositary Shares, each representing a one-four hundredth ownership interest in a share of Series A Preferred Stock, set forth opposite its name below. In the Underwriting Agreement, the several Underwriters have agreed, subject to the terms and conditions set forth therein, to purchase all the Depositary Shares offered hereby if any of the Depositary Shares are purchased. In the event of default by an Underwriter, the Underwriting Agreement provides that, in certain circumstances, the purchase commitments of the nondefaulting Underwriters may be increased or the Underwriting Agreement may be terminated.

<TABLE>  
<CAPTION>

UNDERWRITER -----	NUMBER OF DEPOSITARY SHARES -----
<S>	<C>
Merrill Lynch, Pierce, Fenner & Smith Incorporated.....	1,562,500
Dean Witter Reynolds Inc.....	1,562,500
A.G. Edwards & Sons, Inc. ....	1,562,500
PaineWebber Incorporated.....	1,562,500
Prudential Securities Incorporated.....	1,562,500
Smith Barney Inc.....	1,562,500
Robert W. Baird & Co. Incorporated.....	250,000
Bear, Stearns & Co. Inc. ....	250,000

Alex. Brown & Sons Incorporated.....	250,000
Dillon, Read & Co. Inc. ....	250,000
Donaldson, Lufkin & Jenrette Securities Corporation.....	250,000
Kidder, Peabody & Co. Incorporated.....	250,000
Oppenheimer & Co., Inc. ....	250,000
Piper Jaffray Inc. ....	250,000
Raymond James & Associates, Inc. ....	250,000
Wertheim Schroder & Co. Incorporated.....	250,000
Yamaichi International (America), Inc. ....	250,000
Advest, Inc. ....	125,000
J.C. Bradford & Co. ....	125,000
JW Charles Securities, Inc. ....	125,000
Commerzbank Capital Markets Corporation.....	125,000
Cowen & Company.....	125,000
Craigie Incorporated.....	125,000
Dain Bosworth Incorporated.....	125,000
Doft & Co., Inc. ....	125,000
Fahnestock & Co. Inc. ....	125,000
First Albany Corporation.....	125,000
First of Michigan Corporation.....	125,000
Furman Selz Incorporated.....	125,000
Gruntal & Co., Incorporated.....	125,000
Interstate/Johnson Lane Corporation.....	125,000
Janney Montgomery Scott Inc. ....	125,000
Josephthal Lyon & Ross Incorporated.....	125,000
Legg Mason Wood Walker, Incorporated.....	125,000
McDonald & Company Securities, Inc. ....	125,000

</TABLE>

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<TABLE>  
<CAPTION>

UNDERWRITER -----	NUMBER OF DEPOSITARY SHARES -----
<S>	<C>
Morgan Keegan & Company, Inc. ....	125,000
The Ohio Company.....	125,000
Rauscher Pierce Refsnes, Inc. ....	125,000
The Robinson-Humphrey Company, Inc. ....	125,000
Rodman & Renshaw, Inc. ....	125,000
Roney & Co. ....	125,000
Muriel Siebert & Co., Inc. ....	125,000
Stifel, Nicolaus & Company, Incorporated.....	125,000
Sutro & Co. Incorporated.....	125,000
Tucker Anthony Incorporated.....	125,000
US Clearing Corp. ....	125,000
Utendahl Capital Partners, L.P. ....	125,000
Wheat, First Securities, Inc. ....	125,000
	-----
Total.....	16,000,000
	=====

</TABLE>

The Representatives have advised the Company that they propose initially to offer the Depositary Shares to the public at the public offering price set forth on the cover page of this Prospectus Supplement, and to certain dealers at such price less a concession not in excess of \$.50 per Depositary Share; provided, however, that such concession shall not exceed \$.30 per Depositary Share for sales to certain institutions. The Underwriters may allow, and such dealers may reallow, a discount not in excess of \$.30 per Depositary Share to certain other dealers. After the initial public offering of the Depositary Shares, the public offering price, concession and discount may be changed.

Application will be made to list the Depositary Shares on the New York Stock Exchange. The Series A Preferred Stock will not be listed on any securities exchange and the Company does not expect that there will be any trading market for the Series A Preferred Stock except as represented by the Depositary Shares. Trading of the Depositary Shares on the New York Stock Exchange is expected to commence within a 30-day period after the initial delivery of the Depositary Shares. The Representatives have advised the Company that they intend to make a market in the Depositary Shares prior to the commencement of trading on the New York Stock Exchange. The Representatives will have no obligation to make a market in the Depositary Shares, however, and may cease market making activities, if commenced, at any time.

The Company has granted the Underwriters an option exercisable for 30 days after the date hereof to purchase up to an additional 1,000,000 Depositary Shares to cover over-allotments, if any, at the initial public offering price, less the underwriting discount. If the Underwriters exercise this option, each of the Underwriters will have a firm commitment, subject to certain conditions, to purchase approximately the same percentage thereof which the number of Depositary Shares to be purchased by it shown in the foregoing table is of the 16,000,000 Depositary Shares initially offered hereby.

The Company has agreed to indemnify the Underwriters against, or contribute to payments that the Underwriters may be required to make in respect of, certain liabilities, including liabilities under the Securities Act of 1933, as amended.

Any Underwriter may engage in transactions with and perform services for the Company in the ordinary course of business.

The underwriting of the Depositary Shares will conform to the requirements set forth in the applicable sections of Schedule E to the By-laws of the National Association of Securities Dealers, Inc.

#### VALIDITY OF SECURITIES

The validity of the Series A Preferred Stock and the Depositary Shares will be passed upon for the Company by Brown & Wood, New York, New York and for the Underwriters by Sullivan & Cromwell, New York, New York.

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PROSPECTUS

LOGO

MERRILL LYNCH & CO., INC.

PREFERRED STOCK AND DEPOSITARY SHARES

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Merrill Lynch & Co., Inc. (the "Company") intends to offer from time to time, in one or more series, up to 100,000 shares of its preferred stock, par value \$1.00 per share (the "Preferred Stock"), which may be represented by depositary shares (the "Depositary Shares"). The Preferred Stock offered hereby may be denominated in any currency or composite currency, including the European Currency Unit, as shall be designated by the Company. The Preferred Stock and Depositary Shares (collectively, the "Securities") may be offered in separate series in amounts, at prices and on terms determined at the time of sale and set forth in an accompanying supplement to this Prospectus (a "Prospectus Supplement").

The specific terms of each issuance of Securities offered pursuant to this Prospectus will be set forth in the applicable Prospectus Supplement, which in each case will include the specific designation, the aggregate number of shares offered, the dividend rate or method of calculation, the dividend period and dividend payment dates, whether such dividends will be cumulative or noncumulative, the liquidation preference, the currency, if not the U.S. dollar, in which dividends and liquidation preference will be denominated, voting rights, if any, any terms for redemption at the option of the holder or the Company and the initial public offering or purchase price.

The Prospectus Supplement will also contain information, where applicable, concerning certain United States federal income tax considerations relating to, and as to any listing on a securities exchange of, the Securities covered by such Prospectus Supplement.

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The Securities may be sold by the Company directly to purchasers, through Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S") as agent or through public offerings underwritten by MLPF&S or by underwriting syndicates managed or co-managed by MLPF&S. The Prospectus Supplement will also set forth with respect to the sale of Securities in respect of which this Prospectus is being delivered the name of the agent or the name or names of any underwriters, any applicable commissions or discounts, the net proceeds to the Company from such sale and any other terms of the offering. Any underwriter or agent participating in the offering may be deemed an "underwriter" within the meaning of the Securities Act of 1933, as amended (the "Securities Act"). See "Plan of Distribution" for possible indemnification arrangements for the agent, any underwriters and their controlling persons.

This Prospectus and related Prospectus Supplement may be used by MLPF&S in connection with offers and sales related to market-making transactions in the Securities. MLPF&S may act as principal or agent in such transactions. Such sales will be made at prices related to prevailing market prices at the time of sale.

This Prospectus may not be used to consummate sales of Securities unless accompanied by a Prospectus Supplement. The delivery of this Prospectus together with a Prospectus Supplement relating to particular Securities in any jurisdiction shall not constitute an offer in that jurisdiction of any of the other Securities covered by this Prospectus.

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THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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The date of this Prospectus is October 27, 1994.

THE COMMISSIONER OF INSURANCE OF THE STATE OF NORTH CAROLINA HAS NOT APPROVED OR DISAPPROVED THE OFFERING OF THE SECURITIES MADE HEREBY NOR HAS THE COMMISSIONER PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS.

#### AVAILABLE INFORMATION

The Company is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports and other information with the Securities and Exchange Commission (the "Commission"). Reports, proxy and information statements and other information filed by the Company can be inspected and copied at the public reference facilities maintained by the Commission at Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549, and at the following Regional Offices of the Commission: Midwest Regional Office, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661-2511 and New York Regional Office, Seven World Trade Center, New York, New York 10048. Copies of such material can be obtained from the Public Reference Section of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549 at prescribed rates. Reports, proxy and information statements and other information concerning the Company may also be inspected at the offices of the New York Stock Exchange, the American Stock Exchange, the Chicago Stock Exchange and the Pacific Stock Exchange.

The Company has filed a Registration Statement on Form S-3 (the "Registration Statement") with the Commission pursuant to the Securities Act, covering the Securities. This Prospectus does not contain all the information set forth in the Registration Statement and the exhibits thereto, to which reference is hereby made.

#### INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The Company's Annual Report on Form 10-K for the year ended December 31, 1993, Quarterly Reports on Form 10-Q for the quarters ended April 1, 1994 and July 1, 1994, and Current Reports on Form 8-K dated January 20, 1994, January 24, 1994, January 27, 1994, February 3, 1994, March 9, 1994, March 24, 1994, March 30, 1994, March 31, 1994, April 18, 1994, May 6, 1994, July 19, 1994, August 2, 1994 and October 18, 1994 filed pursuant to Section 13 of the Exchange Act, are hereby incorporated by reference into this Prospectus.

All documents filed by the Company pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the date of this Prospectus and prior to the termination of the offering of the Securities shall be deemed to be incorporated by reference into this Prospectus and to be a part hereof from the date of filing of such documents. Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

THE COMPANY WILL PROVIDE WITHOUT CHARGE TO EACH PERSON TO WHOM THIS PROSPECTUS IS DELIVERED, ON THE WRITTEN OR ORAL REQUEST OF SUCH PERSON, A COPY (WITHOUT EXHIBITS OTHER THAN EXHIBITS SPECIFICALLY INCORPORATED BY REFERENCE) OF ANY OR ALL DOCUMENTS INCORPORATED BY REFERENCE INTO THIS PROSPECTUS. REQUESTS FOR SUCH COPIES SHOULD BE DIRECTED TO MR. GREGORY T. RUSSO, SECRETARY, MERRILL LYNCH & CO., INC., 100 CHURCH STREET, 12TH FLOOR, NEW YORK, NEW YORK 10080-6512; TELEPHONE NUMBER (212) 602-8435.

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MERRILL LYNCH & CO., INC.

Merrill Lynch & Co., Inc. is a holding company that, through its subsidiaries and affiliates, provides investment, financing, insurance and related services worldwide. Its principal subsidiary, Merrill Lynch, Pierce, Fenner & Smith Incorporated, is one of the largest securities firms in the world. MLPF&S is a broker in securities, options contracts, and commodity and financial futures contracts, an underwriter of selected insurance products, a dealer in options and in corporate and municipal securities and an investment banking firm. Merrill Lynch Government Securities Inc. is a primary dealer in obligations issued by the U.S. Government or agencies thereof or guaranteed or insured by Federal agencies or instrumentalities. Merrill Lynch Asset Management, L.P. manages mutual funds and provides investment advisory services. Merrill Lynch



requirements(2).....	--	1.1	1.2	1.3	1.4
Total assets.....	\$63,942,263	\$68,129,527	\$86,259,343	\$107,024,173	\$152,910,362
Long-term borrowings....	\$ 6,897,109	\$ 6,341,559	\$ 7,964,424	\$ 10,871,100	\$ 13,468,900
Stockholders' equity(3) .	\$ 3,151,343	\$ 3,225,430	\$ 3,818,088	\$ 4,569,104	\$ 5,485,913

</TABLE>

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- (1) Net loss for 1989 includes an after-tax reduction of \$395,000,000 (\$470,000,000 before income taxes) resulting from a provision for the costs of divesting certain nonstrategic product lines and business activities, consolidating and relocating selected retail and support facilities, and downsizing certain other operations. Results for 1989 have been restated to reflect the effects of discontinued operations related to the sale of the Company's real estate brokerage, relocation, and related services subsidiary, Fine Homes International, L.P. ("FHI"), in the third quarter of 1989. Discontinued operations include the results of FHI's operations through September 15, 1989 (the date of final disposition) and the loss on disposal in 1989. Net earnings for 1992 have been reduced by \$58,580,000 to reflect the effects of the adoption of Statement of Financial Accounting Standards ("SFAS") No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions" and SFAS No. 109, "Accounting for Income Taxes." Net earnings for 1993 have been reduced by \$35,420,000 to reflect the effect of the adoption of SFAS No. 112, "Employers' Accounting for Postemployment Benefits."
  - (2) For the purpose of calculating the ratio of earnings to combined fixed charges and preferred stock dividend requirements, "earnings" consists of earnings from continuing operations before income taxes and fixed charges. "Fixed charges" consists of interest costs, that portion of rentals estimated to be representative of the interest factor, amortization of debt expenses, and preferred stock dividend requirements of majority-owned subsidiaries. In 1989, combined fixed charges and preferred stock dividend requirements exceeded pretax earnings before combined fixed charges and preferred stock dividend requirements by \$187,564,000.
  - (3) Stockholders' equity for 1993 has been increased by \$21,355,000 to reflect the effect of the adoption of SFAS No. 115, "Accounting for Certain Investments in Debt and Equity Securities."

FISCAL YEAR 1993

Net earnings for 1993 were a record \$1,358.9 million, an increase of \$465.1 million (52%) above the \$893.8 million reported for 1992. Results for 1993 include a non-recurring pretax lease charge in the first quarter totaling \$103.0 million (\$59.7 million after income taxes) related to the Company's decision not to occupy certain space at its Headquarters facility. The 1993 results also reflect the early adoption of Statement of Financial Accounting Standards ("SFAS") No. 112, "Employers' Accounting for Postemployment Benefits." The cumulative effect of this change in accounting principle reduced 1993 net earnings by \$35.4 million. Net revenues (revenues after interest expense) reached a record \$10,558 million, up 23% over the \$8,577 million reported in 1992. Total 1993 revenues advanced 24% to \$16,588 million versus \$13,413 million for the prior year.

Commissions revenues increased 19% in 1993 to \$2,894 million due primarily to the continued growth of listed securities transactions, increases in sales of mutual funds and higher revenues from other commission categories. Commissions on listed securities benefited from higher trading volume and increases in average market prices. Mutual fund commissions benefited from increased sales of front-end funds. Strong 1992 sales led to an increase in 1993 distribution fees for deferred-charge funds, however, redemption fees declined from 1992 due to lower levels of redemptions. Interest and dividend revenues in 1993 were \$7,099 million, up 22% from 1992. Interest expense (including dividend expense) rose 25% in 1993 to \$6,030 million. As a result, in 1993 net interest and dividend profit advanced 10% to \$1,069 million, compared to the \$971 million reported in 1992. This increase in net interest and dividend profit resulted from the expansion of collateralized borrowing and lending activities, the increased use of interest-free funds due to a larger equity base, and reduced funding costs due to lower interest rates and improved credit ratings.

Principal transactions revenues rose to record levels in 1993, up 35% to \$2,920 million from the \$2,166 million reported in 1992. Fixed-income and foreign exchange revenues, in the aggregate, increased on higher revenues from swaps and derivatives, corporate bonds and preferred stocks, and non-U.S. governments and agencies. These advances were somewhat offset by lower revenues from foreign exchange. In addition, 1993

mortgage-backed securities principal transactions revenues were essentially break-even; however, net revenues, including related hedges and net interest, were positive, although below 1992 levels. Equity trading revenues increased primarily due to higher volume and prices in over-the-counter and foreign equity markets. Investment banking revenues increased 23% to a record \$1,831 million from the \$1,484 million reported in 1992. Underwriting revenues



benefited from the low interest rate environment, as corporations refinanced higher interest-bearing debt with lower rate issuances, or raised capital through equity offerings. Investor demand remained strong for equity and high-yield bond underwritings which offer the potential for increased returns compared with other investment alternatives. Asset management and portfolio service fees were also a record, advancing 24% to \$1,558 million from the \$1,253 million reported last year. Increased fees earned from asset management activities, the Merrill Lynch Consults (R) portfolio management service and other fee-based portfolio services businesses contributed to these favorable results. Asset management fees increased from 1992 due primarily to asset growth in stock and bond funds. Merrill Lynch Consults revenue increased due to the growth in the number of accounts and higher asset levels. Other revenues rose 1% to \$285 million due to higher fees generated from increased home equity loan activity, partially offset by net investment losses related primarily to provisions for merchant banking activities.

Non-interest expenses totaled \$8,133 million, up 17% from the \$6,956 million in 1992. Excluding the 1993 first quarter non-recurring lease charge totaling \$103.0 million, non-interest expenses were up 15%. Compensation and benefits expense, which represented approximately 65% of total non-interest expenses, increased 20% from 1992 due to higher production-related compensation and increases in incentive compensation linked to the Company's improved profitability and return on common equity. Nevertheless, compensation and benefits expense, as a percentage of net revenues, declined to 49.8% from 50.9% in 1992. Facilities-related costs, including occupancy, communications and equipment rental, and depreciation and amortization, increased 13% from 1992 (3% excluding the non-recurring lease charge). Advertising and market development expenses increased 25% reflecting higher sales promotion and recognition program costs for Financial Consultants that are tied to increased business activity. In addition, travel costs were up as the increase in business volume led to additional domestic and international travel, while favorable markets contributed to the expansion of certain discretionary national and local advertising campaigns. Professional fees increased 13% due to technology upgrades which required the use of system and management consultants, as well as higher employment agency fees. Brokerage, clearing, and exchange fees were up 1% as a result of increased trading volume, while other expenses increased 5% principally as a result of additions to loss provisions related to litigation and claims.

Income tax expense was \$1,030 million versus \$669 million in the prior year as the effective rate in 1993 rose to 42.5%, compared with 41.3% a year ago. The higher effective tax rate in 1993 related to the increase in the Federal statutory rate from 34% in 1992 to 35% in 1993 due to legislation raising corporate income tax rates retroactive to January 1, 1993.

The Company's Board of Directors declared a two-for-one common stock split effected in the form of a 100% stock dividend paid November 24, 1993 to stockholders of record on October 22, 1993. All share and per share data presented herein have been restated to reflect the common stock split.

The Company believes that its equity base is adequate relative to the level and composition of its assets and the mix of its businesses.

In the normal course of business, the Company underwrites, trades, and holds non-investment grade securities in connection with its market-making, investment banking and derivative structuring activities. These activities are subject to risks related to the creditworthiness of the issuers and the liquidity of the market for such securities, in addition to the usual risks associated with investing, extending credit, underwriting, and trading in investment grade instruments. At December 31, 1993, the fair value of long and short non-investment grade trading inventories amounted to \$3,129 million and \$214 million, respectively, and in the aggregate (i.e., the sum of long and short trading inventories), represented 4.6% of aggregate consolidated trading inventories.

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At December 31, 1993, the carrying value of extensions of credit provided to corporations entering into leveraged transactions aggregated \$435 million (excluding unutilized revolving lines of credit and other lending commitments of \$49 million), consisting primarily of senior term and subordinated financings to 42 medium-sized corporations. At December 31, 1993, the Company had no bridge loans outstanding. Loans to highly leveraged corporations are carried at unpaid principal balance less a reserve for estimated losses. The allowance for loan losses is estimated based on a review of each loan, and considerations of economic, market, and credit conditions. Direct equity investments made in conjunction with the Company's investment and merchant banking activities aggregated \$276 million at December 31, 1993, representing investments in 82 enterprises. Equity investments in privately held corporations for which sale is restricted by government or contractual requirements are carried at the lower of cost or net realizable value. At December 31, 1993, the Company held interests in partnerships, totaling \$92 million that invest in highly leveraged transactions and non-investment grade securities. Subsequent to December 31, 1993, the Company increased its partnership interests by \$15 million. The Company has a co-investment

arrangement to enter into direct equity investments. At December 31, 1993, the additional co-investment commitments were \$49 million. The Company also has committed to invest an additional \$19 million in partnerships that invest in leveraged transactions. Subsequent to year-end, the Company committed to invest up to \$50 million in a partnership over a five-year period.

The Company's insurance subsidiaries hold non-investment grade securities. At December 31, 1993, non-investment grade insurance investments were \$458 million, representing 5.8% of the total insurance investments. At December 31, 1993, non-investment grade securities of insurance subsidiaries were classified as trading or available-for-sale in accordance with SFAS No. 115, "Accounting for Certain Investments in Debt and Equity Securities." At December 31, 1993, these investment securities were carried at fair value.

At December 31, 1993, the largest non-investment grade concentration consisted of various issues of a Latin American sovereign totaling \$341 million, of which \$146 million represented on-balance sheet hedges. No one industry sector accounted for more than 15% of total non-investment grade positions. At December 31, 1993, the Company held an aggregate carrying value of \$393 million in debt and equity securities of issuers who were in various stages of bankruptcy proceedings. Approximately 59% of this amount resulted from the Company's market-making activities.

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#### DESCRIPTION OF PREFERRED STOCK

The following summary contains a description of certain general terms of the Preferred Stock to which any Prospectus Supplement may relate. Certain terms of any series of the Preferred Stock offered by any Prospectus Supplement will be described in the Prospectus Supplement relating thereto. If so indicated in the Prospectus Supplement, the terms of any series may differ from the terms set forth below. The description of certain provisions of the Preferred Stock does not purport to be complete and is subject to, and qualified in its entirety by reference to, the provisions of the Company's Restated Certificate of Incorporation, as amended (the "Certificate of Incorporation"), including the Certificate of Designations (the "Certificate of Designations") relating to each particular series of the Preferred Stock, which will be filed with the Commission at or prior to the time of sale of such Preferred Stock.

#### GENERAL

Under the Certificate of Incorporation, the Company has authority to issue 25,000,000 shares of undesignated preferred stock, par value \$1.00 per share. The Board of Directors of the Company has the authority, without approval of the stockholders, to issue such shares of preferred stock in one or more series and to fix the number of shares and the rights, preferences, privileges, qualifications, restrictions and limitations of each series. By resolutions adopted on April 19, 1994, the Board of Directors of the Company expressly delegated to the Executive Committee of the Board of Directors the authority to authorize the issuance from time to time of up to 100,000 shares of previously undesignated preferred stock (having an aggregate liquidation preference not exceeding \$600,000,000) in one or more series and upon such terms as the Executive Committee may deem appropriate.

In addition, as described under "Description of Depositary Shares" below, the Company, at its option, may elect to offer depositary shares (the "Depositary Shares") evidenced by depositary receipts, each representing a fraction (to be specified in the Prospectus Supplement relating to the particular series of Preferred Stock) of a share of the particular series of Preferred Stock issued and deposited with a depositary, in lieu of offering full shares of such series of Preferred Stock.

The shares of any series of Preferred Stock will be, when issued and sold, fully paid and nonassessable and holders thereof shall have no preemptive rights in connection therewith. Each series of Preferred Stock will rank on a parity with all other outstanding series of preferred stock issued by the Company as to payment of dividends (except with respect to cumulation thereof) and as to the distribution of assets upon liquidation, dissolution, or winding up of the Company. As of July 1, 1994, there were outstanding 1,938 shares of Remarketed Preferred SM ("RP (R)") Stock, Series C. Each series of Preferred Stock will rank prior to the common stock, par value \$1.33 1/3 per share (the "Common Stock"), of the Company and any other stock of the Company that is expressly made junior to such series of Preferred Stock.

Citibank, N.A., will be the transfer agent, dividend disbursing agent and registrar for the shares of the Preferred Stock.

#### DIVIDENDS AND DISTRIBUTIONS

Holders of shares of the Preferred Stock will be entitled to receive, as, if and when declared by the Board of Directors of the Company (or a duly authorized committee thereof) out of funds legally available for the payment of dividends, cash dividends at the rate set forth in, or calculated in accordance with the formula set forth in, the Prospectus Supplement. Dividends

on the Preferred Stock may be cumulative ("Cumulative Preferred Stock") or noncumulative ("Noncumulative Preferred Stock") as provided in the Prospectus Supplement. Unless otherwise provided in the Prospectus Supplement, dividends on the Cumulative Preferred Stock will be cumulative from the date of original issue of such series and will be payable quarterly in arrears on the dates specified in the Prospectus Supplement. If any date so specified as a dividend payment date is not a business day, dividends (if declared) on the Preferred Stock (unless otherwise provided in the Prospectus Supplement) will be paid on the immediately succeeding business day, without interest. The Prospectus

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Supplement will set forth the applicable dividend period with respect to a dividend payment date. If the Board of Directors of the Company (or a duly authorized committee thereof) fails to declare a dividend on any series of Noncumulative Preferred Stock for any dividend period, the Company shall have no obligation to pay a dividend for such period, whether or not dividends on such series of Noncumulative Preferred Stock are declared for any future dividend period. Dividends on the Preferred Stock will be payable to holders of record as they appear on the stock books of the Company on such record dates, not more than thirty nor less than fifteen days preceding the payment dates thereof, as shall be fixed by the Board of Directors (or a duly authorized committee thereof). No full dividends will be declared or paid or set apart for payment on the preferred stock of any series ranking, as to dividends, on a parity with or junior to any other series of Preferred Stock for any period unless full dividends have been or are contemporaneously declared and paid or declared and a sum sufficient for the payment thereof set apart for such payment on such series of Preferred Stock for (i) all dividend periods terminating on or prior to the date of payment of such full cumulative dividends (in the case of a series of Cumulative Preferred Stock) or (ii) the immediately preceding dividend period (in the case of a series of Noncumulative Preferred Stock). When dividends are not paid in full upon such series of Preferred Stock (whether Cumulative Preferred Stock or Noncumulative Preferred Stock), and any other preferred stock ranking on a parity as to dividends with such series of Preferred Stock, all dividends declared upon shares of such series of Preferred Stock and any other preferred stock ranking on a parity as to dividends will be declared pro rata so that the amount of dividends declared per share on such series of Preferred Stock and such other preferred stock will in all cases bear to each other the same ratio that accrued dividends per share (which, in the case of Noncumulative Preferred Stock, shall not include any cumulation in respect of unpaid dividends for prior dividend periods) on the shares of such series of Preferred Stock and such other preferred stock bear to each other. Except as provided in the preceding sentence, unless full dividends on all outstanding shares of any such series of Preferred Stock have been declared and paid for all past dividend periods, in the case of a series of Cumulative Preferred Stock, or for the immediately preceding dividend period, in the case of Noncumulative Preferred Stock, no dividends (other than dividends or distributions paid in shares of, or options, warrants or rights to subscribe for or purchase shares of, the Common Stock of the Company or another stock of the Company ranking junior to the Preferred Stock as to dividends and upon liquidation) will be declared or paid or set aside for payment or other distribution declared or made upon the Common Stock of the Company or upon any other stock of the Company ranking junior to or on parity with the Preferred Stock as to dividends or upon liquidation, nor will any Common Stock of the Company nor any other stock of the Company ranking junior to or on parity with such Preferred Stock as to dividends or upon liquidation be redeemed, purchased or otherwise acquired, other than in connection with the distribution or trading thereof, for any consideration (or any moneys be paid to or made available for a sinking fund for the redemption of any shares of any such stock) by the Company (except by conversion into or exchange for stock of the Company ranking junior to the Preferred Stock as to dividends and upon liquidation). Unless otherwise specified in the Prospectus Supplement, the amount of dividends payable for any period shorter than a full dividend period shall be computed on the basis of twelve 30-day months, a 360-day year and the actual number of days elapsed in any period of less than one month.

#### LIQUIDATION PREFERENCE

Upon any liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, the holders of the Preferred Stock will have preference and priority over the Common Stock of the Company and any other class of stock of the Company ranking junior to the Preferred Stock upon liquidation, dissolution or winding up, for payments out of or distributions of the assets of the Company or proceeds thereof, whether from capital or surplus, of the amount per share set forth in the Prospectus Supplement plus all dividends (whether or not earned or declared), accrued and unpaid thereon to the date of final distribution to such holders (but in the case of Noncumulative Preferred Stock, without cumulation of unpaid dividends for prior dividend periods), and after such payment the holders of Preferred Stock will be entitled to no other payments. If, in the case of any such liquidation, dissolution or winding up of the Company, the assets of the Company or proceeds thereof should be insufficient to make the full liquidation payment in the amount per share set forth in the Prospectus Supplement, plus all accrued and unpaid dividends on the

Preferred Stock (but in the case of Noncumulative Preferred Stock without cumulation of unpaid dividends for prior dividend periods), and liquidating payments on any other preferred stock ranking as to liquidation, dissolution or winding up on a parity with the Preferred Stock, then such assets and proceeds will be distributed among the holders of the Preferred Stock and any such other preferred stock ratably in accordance with the respective amounts which would be payable on such shares of Preferred Stock and any such other preferred stock if all amounts thereon were paid in full. A consolidation or merger of the Company with one or more corporations will not be deemed to be a liquidation, dissolution or winding up, voluntary or involuntary, of the Company.

#### REDEMPTION

If specified in the Prospectus Supplement relating to a series of Preferred Stock, the Company may, at its option, at any time or from time to time on not less than 30 nor more than 60 days notice, redeem such series of Preferred Stock in whole or in part at the redemption prices and on the dates set forth in the applicable Prospectus Supplement.

If less than all outstanding shares of a series of Preferred Stock are to be redeemed, the selection of the shares to be redeemed shall be determined by lot or pro rata as may be determined by the Board of Directors of the Company (or a duly authorized committee thereof) to be equitable. From and after the redemption date (unless default shall be made by the Company in providing for the payment of the redemption price), dividends shall cease to accrue on the shares of such series of Preferred Stock called for redemption and all rights of the holders thereof (except the right to receive the redemption price) shall cease.

#### VOTING RIGHTS

Unless otherwise described in the applicable Prospectus Supplement, holders of the Preferred Stock will have no voting rights except as set forth below or as otherwise from time to time required by law.

Whenever dividends payable on the Preferred Stock shall be in arrears for such number of dividend periods, whether or not consecutive, which shall in the aggregate contain a number of months equivalent to six calendar quarters, the holders of outstanding shares of the Preferred Stock (voting as a class with holders of shares of all other series of preferred stock ranking on a parity with the Preferred Stock either as to dividends or the distribution of assets upon liquidation, dissolution or winding up and upon which like voting rights have been conferred and are exercisable) will be entitled to vote for the election of two additional directors on the terms set forth below. Such voting rights will continue, in the case of any series of Cumulative Preferred Stock, until all past dividends accumulated on shares of Cumulative Preferred Stock shall have been paid in full and, in the case of Noncumulative Preferred Stock, until all dividends on shares of Noncumulative Preferred Stock shall have been paid in full for at least one year. Upon payment in full of such dividends, such voting rights shall terminate except as expressly provided by law, subject to re-vesting in the event of each and every subsequent default in the payment of dividends as aforesaid. Holders of all series of preferred stock which are granted such voting rights (which rank on a parity with the Preferred Stock) will vote as a class, and, unless otherwise specified in the applicable Prospectus Supplement, each holder of shares of the Preferred Stock will have one vote for each share of stock held and each other series will have such number of votes, if any, for each share of stock held as may be granted to them. In the event that the holders of shares of the Preferred Stock are entitled to vote as described in this paragraph, the Board of Directors of the Company will be increased by two directors, and the holders of the Preferred Stock will have the exclusive right as members of such class, as outlined above, to elect two directors at the next annual meeting of stockholders.

Upon termination of the right of the holders of the Preferred Stock to vote for directors as discussed in the preceding paragraph, the term of office of all directors then in office elected by such holders will terminate immediately. Whenever the term of office of the directors elected by such holders ends and the related special voting rights expire, the number of directors will automatically be decreased to such number as would otherwise prevail.

So long as any shares of Preferred Stock remain outstanding, the Company shall not, without the affirmative vote or consent of the holders of at least two-thirds of the shares of the Preferred Stock outstanding at the time (voting as a class with all other series of preferred stock ranking on a parity with the Preferred Stock either as to dividends or the distribution of assets upon liquidation, dissolution or winding up and upon which like voting rights have been conferred and are exercisable), given in person or by proxy, either in writing or at a meeting, (i) authorize, create or issue, or increase the authorized or issued amount, of any class or series of stock ranking prior to the Preferred Stock with respect to payment of dividends or the distribution of

assets upon liquidation, dissolution or winding up; or (ii) amend, alter or repeal, whether by merger, consolidation or otherwise, the provisions of the Certificate of Incorporation or the Certificate of Designations of the Preferred Stock designating such Preferred Stock and the preferences and privileges, relative, participating, optional or other special rights and qualifications, limitations and restrictions thereof, so as to materially and adversely affect any right, preference, privilege or voting power of the Preferred Stock or of the holders thereof; provided, however, that any increase in the amount of authorized preferred stock or the creation and issuance, or an increase in the authorized or issued amount, of other series of preferred stock, or any increase in the amount of authorized shares of Preferred Stock, in each case ranking on a parity with or junior to the Preferred Stock with respect to the payment of dividends and the distribution of assets upon liquidation, dissolution or winding up will not be deemed to materially and adversely affect such rights, preferences, privileges or voting powers.

The foregoing voting provisions will not apply if all outstanding shares of Preferred Stock have been redeemed or sufficient funds have been deposited in trust to effect such a redemption which is scheduled to be consummated within three months after the time that such rights would otherwise be exercisable.

#### DESCRIPTION OF DEPOSITARY SHARES

##### GENERAL

The Company may, at its option, elect to offer Depositary Shares, each representing a fraction (to be set forth in the Prospectus Supplement relating to a particular series of Preferred Stock) of a share of a particular series of Preferred Stock as described below. In the event such option is exercised, receipts ("Depositary Receipts") for Depositary Shares will be issued to the public.

The shares of any series of Preferred Stock represented by Depositary Shares will be deposited under a Deposit Agreement (the "Deposit Agreement") among the Company, a bank or trust company selected by the Company having its principal office in the United States and having a combined capital and surplus of at least \$50,000,000 (the "Depositary") and the holders from time to time of the Depositary Receipts. Subject to the terms of the Deposit Agreement, each owner of a Depositary Share will be entitled, in proportion to the applicable fraction of a share of Preferred Stock represented by such Depositary Share, to all the rights and preferences of the Preferred Stock represented thereby (including dividend, voting, redemption and liquidation rights).

The Depositary Shares will be evidenced by Depositary Receipts issued pursuant to the Deposit Agreement. Depositary Receipts will be distributed to those persons purchasing the fractional shares of the related series of Preferred Stock in accordance with the terms of the offering described in the related Prospectus Supplement. Copies of the forms of Deposit Agreement and Depositary Receipt are filed as exhibits to the Registration Statement of which this Prospectus is a part, and the following summary is qualified in its entirety by reference to such exhibits.

Pending the preparation of definitive Depositary Receipts, the Depositary may, upon the written order of the Company, issue temporary Depositary Receipts substantially identical to (and entitling the holders thereof to all the rights pertaining to) the definitive Depositary Receipts but not in definitive form. Definitive Depositary Receipts will be prepared thereafter without unreasonable delay, and temporary Depositary Receipts will be exchangeable for definitive Depositary Receipts without charge to the holder thereof.

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##### DIVIDENDS AND OTHER DISTRIBUTIONS

The Depositary will distribute all cash dividends or other distributions received in respect of the related series of Preferred Stock to the record holders of Depositary Shares relating to such series of Preferred Stock in proportion to the number of such Depositary Shares owned by such holders.

In the event of a distribution other than in cash, the Depositary will distribute property received by it to the record holders of Depositary Shares entitled thereto, unless the Depositary determines that it is not feasible to make such distribution, in which case the Depositary may, with the approval of the Company, sell such property and distribute the net proceeds from such sale to such holders.

##### WITHDRAWAL OF STOCK

Upon surrender of the Depositary Receipts at the corporate trust office of the Depositary (unless the related Depositary Shares have previously been called for redemption), the holder of the Depositary Shares evidenced thereby is entitled to delivery of the number of whole shares of the related series of Preferred Stock and any money or other property represented by such Depositary Shares. Holders of Depositary Shares will be entitled to receive whole shares of the related series of Preferred Stock on the basis set forth in the related

Prospectus Supplement for such series of Preferred Stock, but holders of such whole shares of Preferred Stock will not thereafter be entitled to receive Depositary Shares in exchange therefor. If the Depositary Receipts delivered by the holder evidence a number of Depositary Shares in excess of the number of Depositary Shares representing the number of whole shares of the related series of Preferred Stock to be withdrawn, the Depositary will deliver to such holder at the same time a new Depositary Receipt evidencing such excess number of Depositary Shares. In no event will fractional shares of Preferred Stock be delivered upon surrender of Depositary Receipts to the Depositary.

#### REDEMPTION OF DEPOSITARY SHARES

If the Company redeems a series of Preferred Stock represented by Depositary Shares, the Depositary Shares will be redeemed from the proceeds received by the Depositary resulting from the redemption, in whole or in part, of such series of Preferred Stock held by the Depositary. The redemption price per Depositary Share will be equal to the applicable fraction of the redemption price per share payable with respect to such series of the Preferred Stock. Whenever the Company redeems shares of Preferred Stock held by the Depositary, the Depositary will redeem as of the same redemption date the number of Depositary Shares representing shares of the related series of Preferred Stock so redeemed. If less than all the Depositary Shares are to be redeemed, the Depositary Shares to be redeemed will be selected by lot or pro rata as may be determined by the Depositary.

#### VOTING THE PREFERRED STOCK

Upon receipt of notice of any meeting at which the holders of the Preferred Stock are entitled to vote, the Depositary will mail the information contained in such notice of meeting to the record holders of the Depositary Shares relating to such Preferred Stock. Each record holder of such Depositary Shares on the record date (which will be the same date as the record date for the Preferred Stock) will be entitled to instruct the Depositary as to the exercise of the voting rights pertaining to the amount of the series of Preferred Stock represented by such holder's Depositary Shares. The Depositary will endeavor, insofar as practicable, to vote the amount of the Preferred Stock represented by such Depositary Shares in accordance with such instructions, and the Company will agree to take all action which may be deemed necessary by the Depositary in order to enable the Depositary to do so. The Depositary will abstain from voting shares of the Preferred Stock to the extent it does not receive specific instructions from the holders of Depositary Shares representing such Preferred Stock.

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#### AMENDMENT AND TERMINATION OF THE DEPOSIT AGREEMENT

The form of Depositary Receipt evidencing the Depositary Shares and any provision of the Deposit Agreement may at any time be amended by agreement between the Company and the Depositary. However, any amendment which materially and adversely alters the rights of the holders of Depositary Receipts will not be effective unless such amendment has been approved by the holders of Depositary Receipts representing at least a majority (or, in the case of amendments relating to or affecting rights to receive dividends or distributions or voting or redemption rights, two-thirds, unless otherwise provided in the related Prospectus Supplement) of the Depositary Shares then outstanding. The Deposit Agreement may be terminated by the Company or the Depositary only if (i) all outstanding Depositary Shares have been redeemed, (ii) there has been a final distribution in respect of the related series of Preferred Stock in connection with any liquidation, dissolution or winding up of the Company and such distribution has been distributed to the holders of Depositary Receipts or (iii) upon the consent of holders of Depositary Receipts representing not less than two-thirds of the Depositary Shares outstanding.

#### CHARGES OF DEPOSITARY

The Company will pay all transfer and other taxes and governmental charges arising solely from the existence of the depositary arrangements. The Company will pay charges of the Depositary in connection with the initial deposit of the related series of Preferred Stock and any redemption of such Preferred Stock. Holders of Depositary Receipts will pay all other transfer and other taxes and governmental charges and such other charges as are expressly provided in the Deposit Agreement to be for their accounts.

The Depositary may refuse to effect any transfer of a Depositary Receipt or any withdrawal of shares of a series of Preferred Stock evidenced thereby until all such taxes and charges with respect to such Depositary Receipt or such shares of Preferred Stock are paid by the holders thereof.

#### MISCELLANEOUS

The Depositary will forward all reports and communications from the Company which are delivered to the Depositary and which the Company is required to furnish to the holders of the Preferred Stock.

Neither the Depositary nor the Company will be liable if it is prevented or delayed by law or any circumstance beyond its control in performing its obligations under the Deposit Agreement. The obligations of the Company and the Depositary under the Deposit Agreement will be limited to performance in good faith of their duties thereunder and neither the Company nor the Depositary will be obligated to prosecute or defend any legal proceeding in respect of any Depositary Shares or series of Preferred Stock unless satisfactory indemnity is furnished. The Company and the Depositary may rely on written advice of counsel or accountants, or information provided by persons presenting Preferred Stock for deposit, holders of Depositary Shares or other persons believed to be competent and on documents believed to be genuine.

#### RESIGNATION AND REMOVAL OF DEPOSITARY

The Depositary may resign at any time by delivering to the Company notice of its election to do so, and the Company may at any time remove the Depositary. Any such resignation or removal of the Depositary will take effect upon the appointment of a successor Depositary, which successor Depositary must be appointed within 60 days after delivery of the notice of resignation or removal and must be a bank or trust company having its principal office in the United States and having a combined capital and surplus of at least \$50,000,000.

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#### CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following summary of the principal United States Federal income tax consequences of the purchase, ownership and disposition of shares of the Preferred Stock and the Depositary Shares is based upon laws, regulations, rulings and decisions now in effect, all of which are subject to change (possibly with retroactive effect) or possible differing interpretations. It deals only with shares of the Preferred Stock and Depositary Shares held as capital assets and does not purport to deal with persons in special tax situations, such as financial institutions, insurance companies, regulated investment companies, dealers in securities or currencies, persons holding shares of the Preferred Stock and Depositary Shares as a hedge against currency risks or as a position in a "straddle" for tax purposes, or persons whose functional currency is not the United States dollar. Persons considering the purchase of shares of the Preferred Stock and Depositary Shares should consult their own tax advisors concerning the application of United States Federal income tax laws to their particular situations as well as any consequences of the purchase, ownership and disposition of shares of the Preferred Stock and Depositary Shares arising under the laws of any other taxing jurisdiction.

As used herein, the term "U.S. Holder" means a beneficial owner of shares of the Preferred Stock and Depositary Shares that is for United States Federal income tax purposes (i) a citizen or resident of the United States, (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States or of any political subdivision thereof, or (iii) an estate or trust the income of which is subject to United States Federal income taxation regardless of its source. As used herein, the term "non-U.S. Holder" means a holder of shares of the Preferred Stock and Depositary Shares that is not a U.S. Holder.

#### U.S. HOLDERS

##### Depositary Shares

U.S. Holders of the Depositary Shares will be treated for United States Federal income tax purposes as owners of the shares of the Preferred Stock represented by the Depositary Shares. Accordingly, the United States Federal income tax treatment of U.S. Holders of the Depositary Shares will be the same as the United States Federal income tax treatment of U.S. Holders of shares of the Preferred Stock as described below. In addition, upon the withdrawal of shares of the Preferred Stock in exchange for Depositary Shares, (i) no gain or loss will be realized by an exchanging U.S. Holder, (ii) the tax basis of each share of the Preferred Stock to an exchanging U.S. Holder will be the same as the aggregate tax basis of the Depositary Shares exchanged therefor, and (iii) the holding period for shares of the Preferred Stock in the hands of an exchanging U.S. Holder will include the period during which such U.S. Holder held the Depositary Shares exchanged therefor. Hereinafter, references in this summary to holders of the Preferred Stock will mean both holders of shares of the Preferred Stock and holders of Depositary Shares representing shares of the Preferred Stock.

##### Dividends and Dividends Received Deduction

Distributions with respect to shares of the Preferred Stock will be treated as dividends for United States Federal income tax purposes, to the extent paid out of current or accumulated earnings and profits of the Company, as determined for United States Federal income tax purposes. In addition, a U.S. Holder of shares of the Preferred Stock that is a corporation otherwise entitled to the 70% dividends received deduction provided for under Section 243(a)(1) of the Internal Revenue Code of 1986, as amended (the "Code"), should be entitled to that deduction with respect to those distributions received on

the Preferred Stock that are treated as dividends for United States Federal income tax purposes.

In determining the entitlement to the dividends received deduction, corporate U.S. Holders should consider, as may be more fully set forth in the applicable Prospectus Supplement, (i) the holding period and other requirements of Section 246(c) of the Code and the Treasury regulations promulgated thereunder (under which the dividends received deduction is disallowed in its entirety if a minimum holding period requirement is not satisfied); (ii) the "debt-financed portfolio stock" rules of Section 246A of the Code (under which the dividends received deduction could be reduced or eliminated to the extent that a holder incurs

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indebtedness directly attributable to its investment in shares of the Preferred Stock); and (iii) Code Section 1059 (under which a corporate U.S. Holder may be required to reduce its tax basis in shares of the Preferred Stock by the "nontaxed portion" of any "extraordinary dividend" it receives from the Company with respect to such shares if it has not held the underlying shares for more than two years before the dividend announcement date).

To the extent, if any, that distributions made by the Company with respect to shares of the Preferred Stock exceed the current and accumulated earnings and profits of the Company, as determined for United States Federal income tax purposes, such distributions will not constitute dividends for United States Federal income tax purposes. Rather, such distributions will be treated as a return of capital, which will first reduce the U.S. Holder's tax basis in shares of the Preferred Stock and then, to the extent such distributions exceed the U.S. Holder's tax basis in shares of the Preferred Stock, result in short-term or long-term capital gain (depending upon the U.S. Holder's holding period for the shares of the Preferred Stock).

#### Redemption Premium

Under Section 305 of the Code and the Treasury regulations promulgated thereunder, if the redemption price of any series of the Preferred Stock that is redeemable exceeds its issue price, the entire amount of such excess may, in certain circumstances, constitute an unreasonable redemption premium which will be treated as a constructive dividend taken into account by a U.S. Holder each year, generally in the same manner as original issue discount would be taken into account if the Preferred Stock were treated as a debt instrument for United States Federal income tax purposes. Any such constructive dividend would be subject to the same rules applicable to the stated dividends on shares of the Preferred Stock, as described in the discussion of "Dividends and Dividends Received Deduction" above. Any such constructive dividend would also be taken into account for purposes of applying the extraordinary dividends rules of Code Section 1059 and the amount or period over which such constructive dividends are taken into account could, in certain circumstances, cause some or all of the stated dividends on shares of the Preferred Stock to be treated as extraordinary dividends. The applicable Prospectus Supplement for any series of the Preferred Stock that is redeemable at a price in excess of its issue price will contain a more detailed discussion as to whether a U.S. Holder of such Preferred Stock should include in income any redemption premium under Code Section 305.

#### NON-U.S. HOLDERS

##### Dividends

Dividends that are paid to a non-U.S. Holder that are not effectively connected with a trade or business carried on by such non-U.S. Holder in the United States are generally subject to a 30% United States withholding tax. Such rate of withholding may be reduced to the extent provided by a tax treaty to which the United States is a party if the recipient of the dividends is entitled to the benefits of the applicable treaty.

Dividends that are effectively connected with a trade or business carried on in the United States by a non-U.S. Holder or, if an income tax treaty applies, are attributable to a U.S. permanent establishment, generally will be subject to tax at the same rates of tax applicable to U.S. Holders. The determination of whether a person is engaged in a United States trade or business and whether the dividends or gains realized in connection with shares of the Preferred Stock are effectively connected with that trade or business will depend upon the specific facts and circumstances of each non-U.S. Holder. In the case of a non-U.S. Holder that is a corporation, such effectively connected income may be subject to the branch profits tax, which is generally imposed on foreign corporations upon the repatriation from the United States of effectively connected earnings and profits unless an applicable tax treaty eliminates or reduces the rate of such tax.

Under current United States Treasury regulations, dividends paid to an address in a foreign country are presumed to be paid to a resident of that country (unless the payor has knowledge to the contrary) for purposes of the withholding tax discussed above and, under the current interpretation of the



Treasury regulations, for purposes of determining the applicability of a tax treaty rate. Under proposed United States Treasury regulations, not currently in effect, however, a non-U.S. Holder of Preferred Stock who wishes to claim the benefit of an applicable tax treaty rate would be required to satisfy certain certification requirements.

A non-U.S. Holder of Preferred Stock that is eligible for a reduced rate of U.S. withholding tax pursuant to an applicable treaty may obtain a refund of any excess amounts currently withheld by filing an appropriate claim for refund with the United States Internal Revenue Service ("IRS").

#### Disposition of Shares of the Preferred Stock

Subject to the discussion below under "Backup Withholding," a non-U.S. Holder generally will not be subject to United States tax on gains realized from the sale or exchange of shares of the Preferred Stock unless (i) such gain is effectively connected with the conduct of a trade or business carried on in the United States, or (ii) the non-U.S. Holder is a non-resident alien individual present in the United States for a period or periods aggregating 183 days or more during the taxable year of such disposition and either the non-U.S. Holder has a "tax home" (as determined for United States Federal income tax purposes) in the United States or the gain is attributable to an office or other fixed place of business maintained by the non-U.S. Holder in the United States (in which case, a 30 percent United States tax is imposed on the amount by which such person's gains derived from United States sources, from the sale or exchange at any time during such taxable year of capital assets, exceed such person's losses allocable to United States sources, from the sale or exchange at any time during such taxable year of capital assets).

#### Federal Estate Taxes

Preferred Stock held by an individual non-U.S. Holder at the time of such individual's death will be includible in such non-U.S. Holder's gross estate for United States Federal estate tax purposes, unless an applicable estate tax treaty provides otherwise.

#### BACKUP WITHHOLDING AND U.S. INFORMATION REPORTING

Backup withholding of United States Federal income tax at a rate of 31% may apply to payments of dividends on shares of the Preferred Stock to registered owners who are not "exempt recipients" and who fail to provide certain identifying information (such as the registered owner's taxpayer identification number) in the required manner. Generally, individuals are not exempt recipients, whereas corporations and certain other entities generally are exempt recipients. Such payments made to a U.S. Holder must be reported to the IRS unless the U.S. Holder is an exempt recipient or establishes an exemption. Backup withholding and information reporting requirements, other than reporting dividend payments for purposes of the withholding tax discussed above, generally will not apply to dividends paid to non-U.S. Holders that are subject to the 30% withholding tax discussed above (even where such withholding tax is reduced by an applicable tax treaty).

In addition, the payment of the proceeds from a disposition of shares of the Preferred Stock to or through the United States office of a broker will be subject to information reporting and backup withholding unless (i) the broker determines that the seller is a corporation or other exempt recipient or (ii) the seller provides, in the required manner, certain identifying information and, in the case of a non-U.S. Holder, certifies as to its non-United States status or otherwise establishes an exemption from backup withholding. The payment of the proceeds from the disposition of shares of the Preferred Stock to or through a non-United States office of a broker will not be subject to information reporting or backup withholding, except that if the broker is a United States person, a controlled foreign corporation for United States Federal income tax purposes or a foreign person 50 percent or more of whose gross income was effectively connected with the conduct of a trade or business within the United States for a specified three-year period, information reporting will apply to such payments unless such broker has documentary evidence in its files of the owner's non-United States status and has no actual knowledge to the contrary, or the owner otherwise establishes an exemption.

#### PLAN OF DISTRIBUTION

The Company may sell the Securities (i) through MLPF&S as agent, (ii) through public offerings underwritten by MLPF&S or by underwriting syndicates managed or co-managed by MLPF&S or (iii) directly to one or more purchasers. The applicable Prospectus Supplement will set forth the terms of the offering of the Securities to which such Prospectus Supplement relates, including the name of the agent or the name or names of any underwriters with whom the Company has entered into arrangements with respect to the sale of such Securities, the

public offering or purchase price of such Securities, the net proceeds to the Company from such sale, any underwriting discounts and other items constituting underwriting compensation, any discounts and commissions allowed or paid to dealers, if any, any commissions allowed or paid to the agent, the initial public offering price and the securities exchanges, if any, on which such Securities will be listed.

If so indicated in the Prospectus Supplement, the Company will authorize underwriters to solicit offers by certain institutions to purchase Securities from the Company pursuant to Delayed Delivery Contracts providing for payment and delivery on the date specified in the Prospectus Supplement. Each such contract will be for a number of Securities not less than, and, unless the Company otherwise agrees, the aggregate number of Securities sold pursuant to such contracts shall not be more than, the respective numbers specified in the Prospectus Supplement. Institutions with whom such contracts, when authorized, may be made include commercial and savings banks, insurance companies, pension funds, investment companies, educational and charitable institutions, and other institutions, but shall in all cases be subject to the approval of the Company. Delayed Delivery Contracts will not be subject to any conditions except that the purchase by an institution of the Securities covered thereby shall not at the time of delivery be prohibited under the laws of any jurisdiction in the United States to which such institution is subject.

Any underwriter or agent participating in the distribution of the Securities may be deemed to be an underwriter, as that term is defined in the Securities Act, of the Securities so offered and sold and any discounts or commissions received by them from the Company and any profit realized by them on the sale or resale of the Securities may be deemed to be underwriting discounts and commissions under the Securities Act.

The underwriters, the agent and their controlling persons may be entitled, under agreements entered into with the Company, to indemnification by the Company against certain civil liabilities, including liabilities under the Securities Act.

The Prospectus and related Prospectus Supplement may be used by MLPF&S in connection with offers and sales related to market-making transactions in the Securities. MLPF&S may act as principal or agent in such transactions. Such sales will be made at prices related to prevailing market prices at the time of sale.

The distribution of Securities will comply with the requirements of Schedule E of the By-laws of the National Association of Securities Dealers, Inc. (the "NASD") regarding underwriting securities of an affiliate. No NASD member participating in offers and sales of the Securities will execute a transaction in the Securities in a discretionary account without the prior written specific approval of the member's customer.

See "Underwriting" in the accompanying Prospectus Supplement for further information regarding the distribution of the Securities offered hereby.

#### VALIDITY OF SECURITIES

The validity of the Securities will be passed upon for the Company by Brown & Wood, New York, New York, and for the underwriters by Sullivan & Cromwell, New York, New York.

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#### EXPERTS

The consolidated financial statements and related financial statement schedules of the Company and its subsidiaries included or incorporated by reference in the Company's 1993 Annual Report on Form 10-K, and incorporated by reference in this Prospectus, have been audited by Deloitte & Touche LLP, independent auditors, as stated in their reports incorporated by reference herein. The information under the caption "Summary Financial Information" for each of the five years in the period ended December 31, 1993 included in this Prospectus and the Selected Financial Data under the captions "Operating Results", "Financial Position" and "Common Share Data" for each of the five years in the period ended December 31, 1993 included in the 1993 Annual Report to Stockholders of the Company, and incorporated by reference herein, has been derived from consolidated financial statements audited by Deloitte & Touche LLP, as set forth in their reports incorporated by reference herein. Such consolidated financial statements and related financial statement schedules, such Summary Financial Information and Selected Financial Data appearing or incorporated by reference in this Prospectus and the Registration Statement of which this Prospectus is a part, have been included or incorporated herein by reference in reliance upon such reports of Deloitte & Touche LLP given upon their authority as experts in accounting and auditing.

With respect to unaudited interim financial information for the periods included in any of the Quarterly Reports on Form 10-Q which may be incorporated herein by reference, Deloitte & Touche LLP have applied limited procedures in accordance with professional standards for a review of such information.



DEAN WITTER REYNOLDS INC.

A. G. EDWARDS & SONS, INC.

PAINWEBBER INCORPORATED

PRUDENTIAL SECURITIES INCORPORATED

SMITH BARNEY INC.

OCTOBER 27, 1994

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