

FORM X-17A-5

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

(Please read instructions before preparing Form)

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

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

NAME OF BROKER-DEALER

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED [13]

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

ONE BRYANT PARK [20]

(No. and Street)

NEW YORK [21] NY [22] 10036 [23]

(City)

(State)

(Zip Code)

SEC. FILE NO.

8-07221 [14]

FIRM ID NO.

7691 [15]

FOR PERIOD BEGINNING (MM/DD/YY)

01/01/12 [24]

AND ENDING (MM/DD/YY)

03/31/12 [25]

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

WILLIAM F. TIRRELL [30]

(201) 557-2105 [31]

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

OFFICIAL USE

[32]

[33]

[34]

[35]

[36]

[37]

[38]

[39]

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

CHECK HERE IF RESPONDENT IS FILING AN AUDITED REPORT [] 42

EXECUTION:

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

Dated the 25th day of April 20 12

Manual Signatures of:

1) Principal Executive Officer or Managing Partner

2) Principal Financial Officer or Partner

3) Principal Operations Officer or Partner

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

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

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART II CSE

BROKER OR DEALER

as of 03/31/12

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

STATEMENT OF FINANCIAL CONDITION

ASSETS (continued)

Allowable

Nonallowable

Total

10. Securities owned not readily marketable:			
A. At Cost \$	0 <u>130</u>	\$ 0 <u>440</u>	\$ 2,374,933,502 <u>610</u> \$ 2,374,933,502 <u>860</u>
11. Other investments not readily marketable:			
A. At Cost \$	0 <u>140</u>		
B. At estimated fair value	0 <u>450</u>	56,276,402 <u>620</u>	56,276,402 <u>870</u>
12. Securities borrowed under subordination agree- ments and partners' individual and capital securities accounts, at market value:			
A. Exempted securities \$	0 <u>150</u>		
B. Other \$	0 <u>160</u>	0 <u>630</u>	0 <u>880</u>
13. Secured demand notes- market value of collateral:			
A. Exempted securities \$	0 <u>170</u>		
B. Other \$	0 <u>180</u>	0 <u>640</u>	0 <u>890</u>
14. Memberships in exchanges:			
A. Owned, at market value \$	10,869,730 <u>190</u>		
B. Owned at cost		1,576,314 <u>650</u>	
C. Contributed for use of company, at market value		0 <u>660</u>	1,576,314 <u>900</u>
15. Investment in and receivables from affiliates, subsidiaries and associated partnerships	9,344,918 <u>480</u>	2,896,389,617 <u>670</u>	2,905,734,535 <u>910</u>
16. Property, furniture, equipment, leasehold improvements and rights under lease agreements: At cost (net of accumulated depreciation and amortization)	0 <u>490</u>	364,158,203 <u>680</u>	364,158,203 <u>920</u>
17. Other Assets:			
A. Dividends and interest receivable	673,109,869 <u>500</u>	1,874,149 <u>690</u>	
B. Free shipments	0 <u>510</u>	4,717,369 <u>700</u>	
C. Loans and advances	0 <u>520</u>	2,500,000 <u>710</u>	
D. Miscellaneous	102,353,365 <u>530</u>	8,066,356,907 <u>720</u>	
E. Collateral accepted under SFAS 140	8,562,064,364 <u>536</u>		
F. SPE Assets	4,435,201,925 <u>537</u>		21,848,177,948 <u>930</u>
18. TOTAL ASSETS \$	<u>285,441,961,178</u> <u>540</u>	<u>\$ 13,874,920,090</u> <u>740</u>	<u>\$ 299,316,881,268</u> <u>940</u>

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART II CSE

BROKER OR DEALER MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED	as of <u>03/31/12</u>
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STATEMENT OF FINANCIAL CONDITION
LIABILITIES AND OWNERSHIP EQUITY

<u>Liabilities</u>	<u>Total</u>
19. Bank loans payable:	
A. Includable in "Formula for Reserve Requirements"	\$ <u>0</u> 1460
B. Other	<u>0</u> 1470
20. Securities sold under repurchase agreements.	<u>158,351,798,631</u> 1480
21. Payable to brokers or dealers and clearing organizations:	
A. Failed to receive:	
1. Includable in "Formula for Reserve Requirements"	<u>246,461,539</u> 1490
2. Other	<u>488,179,280</u> 1500
B. Securities loaned:	
1. Includable in "Formula for Reserve Requirements"	<u>757,670,416</u> 1510
2. Other	<u>17,837,354,858</u> 1520
C. Omnibus accounts:	
1. Includable in "Formula for Reserve Requirements"	<u>6,552,696,972</u> 1530
2. Other	<u>1,040,391</u> 1540
D. Clearing organizations:	
1. Includable in "Formula for Reserve Requirements"	<u>0</u> 1550
2. Other	<u>288,443,684</u> 1560
E. Other	<u>609,038,207</u> 1570
22. Payable to customers:	
A. Securities accounts - including free credits of \$ <u>9,754,835,632</u> 950	<u>11,993,075,681</u> 1580
B. Commodities accounts	<u>7,425,308,031</u> 1590
23. Payable to non customers:	
A. Securities accounts	<u>4,030,149,754</u> 1600
B. Commodities accounts	<u>2,557,007,844</u> 1610
24. Derivative Payables:	<u>420,347,596</u> 1561
25. Trade Date Payable:	<u>5,285,730,645</u> 1562
26. Securities sold not yet purchased at market value - including arbitrage of \$ <u>3,956,264,780</u> 960	<u>34,166,807,512</u> 1620
27. Accounts payable and accrued liabilities and expenses:	
A. Drafts payable	<u>653,573,045</u> 1630
B. Accounts payable	<u>6,152,907,921</u> 1640
C. Income taxes payable	<u>0</u> 1650
D. Deferred income taxes	<u>0</u> 1660
E. Accrued expenses and other liabilities ..	<u>1,812,659,929</u> 1670
F. Other	<u>0</u> 1680
G. Obligation to return securities	<u>8,562,064,364</u> 1686
H. SPE Liabilities	<u>4,435,201,925</u> 1687

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART II CSE

BROKER OR DEALER MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED	as of <u>03/31/12</u>
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STATEMENT OF FINANCIAL CONDITION
LIABILITIES AND OWNERSHIP EQUITY (continued)

<u>Liabilities</u>		<u>Total</u>
28. Notes and mortgages payable:		
A. Unsecured	\$	0 1690
B. Secured		0 1700
29. Liabilities subordinated to claims of general creditors:		
A. Cash borrowings:		12,078,000,000 1710
1. from outsiders \$ <u>0</u> 970		
2. Includes equity subordination(15c3-1(d)) of \$ <u>5,858,000,000</u> 980		
B. Securities borrowings, at market value:		0 1720
from outsiders \$ <u>0</u> 990		
C. Pursuant to secured demand note collateral agreements:		0 1730
1. from outsiders \$ <u>0</u> 1000		
2. Includes equity subordination(15c3-1(d)) of \$ <u>0</u> 1010		
D. Exchange memberships contributed for use of company, at market value		0 1740
E. Accounts and other borrowings not qualified for net capital purposes		0 1750
30. TOTAL LIABILITIES	\$	284,705,518,225 1760
<u>Ownership Equity</u>		
31. Sole proprietorship	\$	0 1770
32. Partnership - limited partners	\$	0 1020 1780
33. Corporation:		
A. Preferred stock		0 1791
B. Common stock		1,000 1792
C. Additional paid- in capital		10,314,619,441 1793
D. Retained Earnings		4,296,742,602 1794
E. Total		14,611,363,043 1795
F. Less capital stock in treasury	(0) 1796
34. TOTAL OWNERSHIP EQUITY	\$	14,611,363,043 1800
35. TOTAL LIABILITIES AND OWNERSHIP EQUITY	\$	299,316,881,268 1810

OMIT PENNIES

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART II CSE

BROKER OR DEALER

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

as of 03/31/12

COMPUTATION OF NET CAPITAL

1. Total ownership equity (from Statement of Financial Condition - Item 1800)	\$	14,611,363,043	3480
2. Deduct: Ownership equity not allowable for Net Capital		(0)	3490
3. Total ownership equity qualified for Net Capital		14,611,363,043	3500
4. Add:			
A. Liabilities subordinated to claims of general creditors allowable in computation of net capital		12,078,000,000	3520
B. Other (deductions) or allowable credits (List)		0	3525
5. Total capital and allowable subordinated liabilities	\$	26,689,363,043	3530
6. Deductions and/or charges:			
A. Total non-allowable assets from			
Statement of Financial Condition (Notes B and C)	\$	13,874,920,090	3540
1. Additional charges for customers' and non-customers' security accounts		17,300,824	3550
2. Additional charges for customers' and non-customers' commodity accounts		0	3560
B. Aged fail-to-deliver:		18,454,151	3570
1. number of items		802	3450
C. Aged short security differences-less reserve of	\$	0	3460
number of items		0	3470
D. Secured demand note deficiency		0	3590
E. Commodity futures contracts and spot commodities - proprietary capital charges		0	3600
F. Other deductions and/or charges		295,186,168	3610
G. Deductions for accounts carried under Rule 15c3-1(a)(6), (a)(7) and (c)(2)(x)		0	3615
H. Total deductions and/or charges		(14,205,861,233)	3620
7. Other additions and/or allowable credits (List)		0	3630
8. Tentative Net Capital	\$	12,483,501,810	3640
9. Total Market Risk Exposure	\$	1,704,976,038	3635
10. Total Credit Risk Exposure	\$	348,334	3679
11. Net Capital	\$	10,778,177,438	3750

OMIT PENNIES

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PART II CSE

BROKER OR DEALER

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as of 03/31/12

COMPUTATION OF NET CAPITAL REQUIREMENT

Part A

12. 2% of combined aggregate debit items as shown in Formula for Reserve Requirements pursuant to Rule 15c3-3 prepared as of the date of net capital computation including both brokers or dealers and consolidated subsidiaries' debits	\$	704,237,280	3870
13. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries	\$	591,007,789	3880
14. Net capital requirement (greater of line 12 or 13)	\$	704,237,280	3760
15. Excess net capital (line 11 less 14)	\$	10,073,940,158	3910
16. Percentage of Net Capital to Aggregate Debits (line 11 divided by line 18 page 10)	%	66.87	3851
17. Percentage of Net Capital, <u>after</u> anticipated capital withdrawals, to Aggregate Debits item 11 less Item 4880 page 19 divided by line 18 page 10)	%	66.85	3854
18. Net capital in excess of the greater of: 5% of combined aggregate debit items or 120% of minimum net capital requirement	\$	9,972,251,228	3920

OTHER RATIOS

Part B

19. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1 (d)	%	23.31	3860
20. Options deductions/Net Capital ratio (1000% test) total deductions exclusive of liquidating equity under Rule 15c3-1(a)(6), (a)(7) and (c)(2)(x) divided by Net Capital	%		3852