



Information Circular: Merrill Lynch & Co., Inc. STARS

To: Head Traders, Technical Contacts, Compliance Officers, Heads of ETF Trading, Structured Products Traders

From: BX Listing Qualifications Department

DATE: January 15, 2009

Index-Linked Notes	Symbol	CUSIP #
Merrill Lynch & Co., Inc. Bear Market Strategic Accelerated Redemption Securities Linked to the iShares Dow Jones U.S. Real Estate Index Fund	SMM	59025F376

Information on the Notes

Merrill Lynch & Co., Inc. (the "Issuer") has issued Bear Market Strategic Accelerated Redemption Securities ("STARS") linked to the iShares Dow Jones U.S. Real Estate Index Fund (the "Index"). The Notes were priced at \$10 each and mature on June 2, 2010.

The STARS are senior, unsecured debt securities of Merrill Lynch & Co., Inc. that provide for an automatic call of the STARS if the closing level of the Index on any Observation Date is less than or equal to the Starting Value of the Index, as determined on the pricing date.

If the STARS are called on any observation date, investors will receive a payment of:

- If called on May 26, 2009: \$11.38 per STARS;
- If called on November 30, 2009: \$12.76 per STARS;
- If called on May 25, 2010: \$14.14 per STARS.

If the STARS are not called prior to the maturity date, then at maturity investors will receive:

- If the Ending Value is less than or equal to the Threshold Value (35.96):

\$10

- If the Ending Index Value is greater than the Threshold Value (35.96):

$\$10 + [\$10 \times ((\text{Threshold Value} - \text{Ending Value}) / \text{Starting Value}) \times 1]$

The Starting Value of the Index equals: 32.69. The Ending Value will be determined near the maturity date.

Please see the prospectus for the STARS for more details regarding the calculations and details regarding the Index.

It is expected that the market value of the STARS will depend substantially on the value of the Index and may be affected by a number of other interrelated factors including, among

other things: the general level of interest rates, the volatility of the Index, the time remaining to maturity, the dividend yield of the stocks comprising the Index, and the credit ratings of the Issuer.

Trading in the STARS on BX is on a UTP basis and is subject to BX equity trading rules. The STARS will trade from 8:00 a.m. until 7:00 p.m. Eastern Time. Additional risks may exist with respect to trading the STARS during BX's Pre-Market and Post-Market sessions, when the Index's value may not be disseminated.

Trading of the STARS on BX is subject to the provisions of BX Rule 2310. Members recommending transactions in the STARS to customers should make a determination that the recommendation is suitable for the customer. In addition, members must possess sufficient information to satisfy the "know your customer" obligation that is embedded in the BX Conduct Rules.

Members also should review NASD Notice to Members 03-71 for guidance on trading these products. The Notice reminds members of their obligations to: (1) conduct adequate due diligence to understand the features of the product; (2) perform a reasonable-basis suitability analysis; (3) perform customer-specific suitability analysis in connection with any recommended transactions; (4) provide a balanced disclosure of both the risks and rewards associated with the particular product, especially when selling to retail investors; (5) implement appropriate internal controls; and (6) train registered persons regarding the features, risk and suitability of these products.

This Information Circular is not a statutory prospectus. BX members should consult the registration statement or prospectus for the STARS for additional information.

Inquiries regarding this Information Circular should be directed to:

- [Will Slattery](#), BX Listing Qualifications, at 301.978.8088
- [BX Market Sales](#) at 800.846.0477