



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

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

From: William Slattery, Associate Vice President, NASDAQ Listing Qualifications Department

DATE: March 28, 2008

Index-Linked Notes

Symbol

CUSIP Number

Merrill Lynch & Co., Inc. Strategic Accelerated Redemption Securities Linked to the Value of the Dow Jones Industrial Average

DGK

59022Y451

Information on the Notes

Merrill Lynch & Co., Inc. (the "Issuer") has issued Strategic Accelerated Redemption Securities ("STARS") linked to the value of the Dow Jones Industrial Average (the "Index"). The STARS were priced at \$10 each and mature on April 2, 2010.

The STARS are senior, unsecured debt securities of the Issuer that provide for an automatic call of the securities if the closing level of the Index on any observation date is greater 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 in April 2009: \$11.08 per unit
- If called in October 2009: \$11.62 per unit
- If called in April 2010: \$12.16 per unit

If the notes are not called prior to the maturity date, then at maturity:

- (1) If the Ending Index Value is greater than or equal to the Threshold Value, investors will receive:

\$10

- (2) If the Ending Index Value is less than the Threshold Value, investors will receive:

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

The Starting Value of the Index is 12,422.86. The Threshold Value is 11,180.5740. The Ending Index Value will be determined near the maturity date.

Please see the prospectus for the Notes for more details regarding the calculations.

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

Trading of the STARS on NASDAQ is subject to the provisions of [NASDAQ 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 NASDAQ 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. NASDAQ 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](#), NASDAQ Listing Qualifications, at 301.978.8088
- [NASDAQ Market Sales](#) at 800.846.0477