



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

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

From: BX Listing Qualifications Department

DATE: January 15, 2009

Equity-Linked Notes	Symbol	CUSIP Number
Merrill Lynch & Co., Inc. STEP Income Securities Linked to the Common Stock of Monsanto Co.	MZJ	59023V647

Information on the Notes

Merrill Lynch & Co., Inc. (the "Issuer") has issued STEP Income Securities ("STEPS") linked to the common stock of Monsanto Co. ("Monsanto"). The STEPS were priced at \$10 each and mature on August 17, 2009.

The STEPS are senior, unsecured debt securities of Merrill Lynch & Co., Inc. that are designed for investors who seek quarterly interest payments and want the opportunity to receive an additional payment at maturity if the Ending Value of Monsanto stock on the August 10, 2009 Valuation Date is at or above the Step Level (135.63). If the Ending Value of Monsanto stock on the Valuation Date is below the Step Level (135.63), the amount investors receive on the Maturity Date will not be greater than the \$10 original public offering price per unit and will be based on the direction of and percentage change in the level of Monsanto stock from the Starting Value (120.85), to the Ending Value, as determined on the Valuation Date.

Investors must be willing to accept a payment of principal that may be less, and potentially significantly less, than the \$10 original public offering price. Investors should also be willing to accept that no Step Payment will be payable on the Maturity Date if the closing level of Monsanto stock is below the Step Level (135.63) and be willing to lose a portion of their principal if the Ending Value is below the Threshold Level (108.77).

At maturity, investors will receive interest on the STEPS at a rate of 12.23% per year, payable quarterly in arrears computed on the basis of a 360-day year of twelve 30-day months. In addition to any interest due and payable, investors will be entitled to receive the Redemption Amount, a payment per unit calculated as follows:

- If Ending Value is greater than or equal to Step Level (135.63):
\$10 + Step Payment
- If Ending Value is greater than or equal to Threshold Value (108.77) but less than Step Level (135.63):
\$10
- If Ending Value is less than Threshold Value (108.77):

$$\$10 + [\$10 \times ((\text{Ending Value} - \text{Threshold Value}) / \text{Starting Value}) \times 100\%]$$

Since all payments which may be due to holders of STEPS are the sole responsibility of the Issuer, it is the credit of Merrill Lynch & Co., Inc. which stands behind the STEPS.

It is expected that the market value of the STEPS will depend substantially on the value of Monsanto and may be affected by a number of other interrelated factors including, among other things: the general level of interest rates, the volatility of Monsanto stock, the time remaining to maturity, the dividend yield of Monsanto stock, and the credit ratings of the Issuer.

Investors should note that Monsanto is not involved in the subject offering and has no obligation with respect to these securities whatsoever, including any obligations with respect to the principal amount to be paid at maturity, or to take the needs of the Issuer or holders of STEPS into consideration. Any dividends or distributions to the underlying common stock will not be paid to holders of STEPS.

The Trustee for the securities is The Bank of New York.

Trading in the STEPS on BX is on a UTP basis and is subject to BX equity trading rules. The STEPS will trade from 8:00 a.m. until 7:00 p.m. Eastern Time. Additional risks may exist with respect to trading the STEPS during BX's Pre-Market and Post-Market sessions.

Trading of the STEPS on BX is subject to the provisions of BX Rule 2310. Members recommending transactions in the STEPS 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 STEPS 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