



NEWS RELEASE

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Colorado Securities Commissioner Agrees to Merrill Lynch Settlement Regarding Unlicensed Salespeople

DENVER - Colorado Securities Commissioner Fred Joseph announced today the terms of a settlement between the Colorado Division of Securities and Merrill Lynch, Pierce, Fenner & Smith, Inc., stemming from the Division of Securities' claims that the brokerage firm allowed their client associates to sell securities without being properly licensed.

The settlement concludes an investigation led by state securities regulators, including DORA's Colorado Division of Securities, into allegations that Merrill Lynch allowed its client associates to accept trade orders from clients, a practice that requires licensing of the client associate's home state and in the client's state. The Division of Securities investigation found that this was not always the case, and that Merrill Lynch's supervisory system was not reasonably designed to ensure that its client associates fully complied with Colorado's licensing requirements.

As part of the settlement, Merrill Lynch has agreed to cease and desist from engaging in the sales of securities in Colorado from persons not licensed in Colorado, and to immediately establish and maintain a trade monitoring system that ensures proper licensing in every jurisdiction.

The multi-state task force investigating this matter consisted of state securities regulators from Colorado, Texas, Arizona, Missouri, Vermont, New Hampshire and Delaware. State securities regulators, including Colorado, are continuing their investigations into similar misconduct by other firms.

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DORA is dedicated to preserving the integrity of the marketplace and is committed to promoting a fair and competitive business environment in Colorado. Consumer protection is our mission.

