

**STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT**

IN THE MATTER OF:)

Merrill Lynch, Pierce, Fenner & Smith)
Incorporated.)

No. C0400672

CONSENT ORDER

**TO THE RESPONDENT: Merrill Lynch, Pierce, Fenner & Smith
C/o David Newsome, Esq.
Counsel for Merrill Lynch
Day, Edwards, Propester, Christensen, P.C.
2900 Oklahoma Tower
210 Park Ave.
Oklahoma City, OK 73102-5605**

WHEREAS, Respondent on the 24th day of April, 2007, executed a certain Stipulation to Enter Consent Order (the "Stipulation"), which hereby is incorporated by reference herein.

WHEREAS, by means of the Stipulation, Respondent has admitted to the jurisdiction of the Secretary of State in this matter and Respondent has consented to the entry of this Consent Order ("Consent Order").

WHEREAS, by means of the Stipulation, the Respondent acknowledges, without admitting or denying the truth thereof, that the following allegations shall be adopted as the Secretary of State's Findings of Fact:

1. Respondent Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill") is a broker-dealer firm registered with the State of Illinois Securities Department as an entity engaged in the business of offering, selling or otherwise engaging in the dealing or trading of securities, with its corporate headquarters at 4 World Financial Center, New York, New York.
2. Respondent Merrill operates a Branch Office located at 1630 South Lindbergh in Ladue, Missouri (the "Branch").

3. In March of 2000, two trust certification forms (the "Certifications") for a Merrill client ("Client") serviced at the Branch were improperly notarized.

WHEREAS, by means of the Stipulation Respondent Merrill has acknowledged, without admitting or denying the averments, that the following shall be adopted as the Secretary of State's Conclusions of Law:

1. Respondent Merrill has violated Sections 8.E(1)(e)(iv) of the Act for failing to maintain and enforce its supervisory procedures as they pertain to notarizations of the Trusts.

WHEREAS, by means of the Stipulation, Respondent Merrill has acknowledged and agreed that the Secretary of State will issue this Consent Order.

WHEREAS, Respondent Merrill has assured that its representatives and compliance personnel affiliated with the Branch are aware of, and understand, Merrill's policies regarding notarizations of client documents.

WHEREAS, by means of the Stipulation and Issuance of the Consent Order the issues set forth in the Notice of Hearing issued on February 1, 2007, are resolved.


WHEREAS, the Secretary of State, by and through his duly authorized representative, has determined that the matter related to the aforesaid formal hearing scheduled for July 9, 2007, may be dismissed without further proceedings.

NOW THEREFORE IT SHALL BE AND IS HEREBY ORDERED THAT:

1. Respondent Merrill Lynch, Pierce, Fenner & Smith Incorporated shall pay the sum of Twenty-Five Thousand dollars (\$25,000.00) to the Office of the Secretary of State, Investors Education Fund.
2. Respondent Merrill Lynch, Pierce, Fenner & Smith Incorporated shall pay the sum of Fifteen Thousand dollars (\$15,000.00) to the Office of the Secretary of State, Audit and Enforcement Fund as a fine.
3. Respondent Merrill Lynch, Pierce, Fenner & Smith Incorporated acknowledges and agrees that it shall compensate the Client for certain expenses incurred in addressing concerns associated with the Certifications.

4. The formal hearing, as it pertains to Respondent Merrill Lynch, Pierce, Fenner & Smith Incorporated scheduled on this matter is hereby dismissed without further proceedings.

ENTERED: This 27th day of April, 2007.


JESSE WHITE
Secretary of State
State of Illinois

NOTICE: Failure to comply with the terms of this Order shall be a violation of Section 12.D of the ACT. Any person or entity that fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of this Order, shall be guilty of a Class 4 felony for each offense.

This is a final order subject to administrative review pursuant to the Administrative Review Law [735 ILCS 5/3-101 et seq.] and the Rules and Regulations of the Act (14 Ill. Admin. Code, Ch. 1 Sec. 130.1123). Any action for judicial review must be commenced within thirty-five (35) days from the date a copy of this Order is served upon the party seeking review.