

Merrill Lynch Retirement Plus Advisor[®] Program

DISCLOSURE STATEMENT

Merrill Lynch, Pierce, Fenner & Smith Incorporated
One Bryant Park
New York, NY 10036
(212) 449-1000
www.ml.com

This brochure provides information about the qualifications and business practices of Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch"). If you have any questions about the contents of this brochure, please contact us at 800-MERRILL (800-637-7455). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Investment adviser registration does not imply a certain level of skill or training.

The advisory services described in this brochure are not insured or otherwise protected by the Federal Deposit Insurance Corporation or any other government agency; are not an obligation of any bank or any affiliate of Merrill Lynch; are not endorsed or guaranteed by Bank of America, N.A., Merrill Lynch, or any bank or any affiliate of Merrill Lynch; and involve investment risk, including possible loss of principal.

Additional information about Merrill Lynch also is available on the SEC's website at www.adviserinfo.sec.gov.

March 31, 2011



MATERIAL CHANGES

This section currently is not applicable. This Retirement Plus Advisor program brochure ("Brochure") dated March 31, 2011 has been prepared in accordance with new regulatory requirements. As a result, it is different in structure and content from our previous Form ADV, Part II.



TABLE OF CONTENTS

ADVISORY BUSINESS	1
FUNDS AND RELATED INVESTING.....	2
INVESTMENT RESTRICTIONS.....	2
WRAP FEE PROGRAMS	3
ASSETS UNDER MANAGEMENT	3
FEEES AND COMPENSATION	3
CALCULATION AND DEDUCTION OF ADVISORY FEES.....	4
OTHER FEES AND EXPENSES.....	4
PREPAID FEES.....	4
COMPENSATION FOR THE SALE OF SECURITIES.....	5
USE OF UNAFFILIATED BROKERS	5
SOURCES OF REVENUE.....	5
FEE OFFSET FOR EXECUTION CHARGES.....	5
PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT.....	6
TYPES OF CLIENTS	6
REQUIREMENTS FOR OPENING A CLIENT ACCOUNT	6
METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS	6
TAX AND RISK DISCLOSURE	7
MATERIAL RISKS.....	7
DISCIPLINARY INFORMATION	8
OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS	14
CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING	15
CODE OF ETHICS.....	15
FUNDS AND RELATED INVESTING.....	16



PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS	17
INVESTMENTS IN SECURITIES BY MERRILL LYNCH AND OUR PERSONNEL	18
BROKERAGE PRACTICES	19
REVIEW OF ACCOUNTS	19
CLIENT REPORTS.....	19
CLIENT REFERRALS AND OTHER COMPENSATION	19
OTHER COMPENSATION	19
COMPENSATION FOR CLIENT REFERRALS	20
CUSTODY.....	20
INVESTMENT DISCRETION	20
VOTING CLIENT SECURITIES	20
FINANCIAL INFORMATION	20
GLOSSARY	21



ADVISORY BUSINESS

Merrill Lynch, Pierce, Fenner & Smith Incorporated (“Merrill Lynch,” “we,” “us,” or “our”), a direct wholly-owned subsidiary of Merrill Lynch & Co., Inc. (“ML&Co.”) and an indirect wholly-owned subsidiary of Bank of America Corporation (“Bank of America”), is a global investment banking firm and a registered broker-dealer, investment adviser and futures commission merchant. Merrill Lynch offers a broad range of brokerage, investment advisory, retail and other services and has been registered with the Securities and Exchange Commission (“SEC”) as an investment adviser since 1978. This brochure relates to the Merrill Lynch Retirement Plus Advisor® program (“RPA”) offered by Merrill Lynch. As used in this brochure, “client” or “you” refers to the client. Capitalized terms that are not defined in this Brochure have the meanings provided in the Glossary.

RPA is offered by Merrill Lynch through our Investment Management and Guidance group (“IMG”). For an additional fee, RPA offers owners of the Merrill Lynch Retirement Plus® variable annuity contract (the “Contract”) discretionary management of the Separate Account A portion of their Contract (the “Portfolio”). The Merrill Lynch Retirement Plus variable annuity was issued by Merrill Lynch Life Insurance Company and Merrill Lynch Life Insurance Company of New York, which, as of December 28, 2007, became indirect, wholly-owned subsidiaries of Aegon U.S.A. Effective July 1, 2010, their names were changed to Transamerica Advisors Life Insurance Company and Transamerica Advisors Life Insurance Company of New York, respectively.

To participate in RPA, you enter into an investment advisory agreement with us (the “Client Agreement”) in which, among other things, you grant us the discretionary authority to allocate, reallocate, transfer or otherwise effect transactions among the available investment options provided under the Separate Account A portion of the Contract. Your Portfolio will be invested in Separate Account A subaccounts corresponding to each of the investment options we select for you. The subaccounts will then be invested in Related Funds and/or Unrelated Funds. The Related Funds include those funds that are advised by our affiliates and by BlackRock and/or BofA Funds. Your Portfolio will not be invested directly in the underlying Funds.

While RPA is generally intended for clients seeking a long-term investment program, allocations and reallocations among the Contract’s investment options may be made on a long- or short- term basis (including transfers within a thirty-day period). You, who must be an individual, trust, or an IRA account client, must be the direct or beneficial owners of Contracts and must own a Contract. In order to participate in RPA, you must execute the Client Agreement and pay an additional fee. Your Portfolios that are portions of any Contracts that fund IRAs, other than an individual retirement annuity, will be covered by SIPC or other “excess” SIPC coverage. All your other Portfolios will not be covered by SIPC.

The scope of any investment advisory relationship we have with you is defined in the Client Agreement you sign for RPA. When you are enrolled in RPA, we act as your investment adviser only for your Portfolio and not any other assets or accounts, including other assets in the IRA account in which the Contract is held or the Securities Account or Non-Retirement Account from which RPA fees are paid, unless otherwise separately agreed to by us in writing. Our advisory relationship begins when we enter into a Client Agreement with you, which occurs at the later of the date of acceptance of the signed agreement by us or the date on which you have contributed the required minimum level of assets to your Portfolio. Preliminary discussions or recommendations before we enter into a Client Agreement with you are not intended as investment advice and should not be relied on as such.

In addition to RPA, we and our affiliates offer a wide variety of advisory services, including (but not limited to) Merrill Lynch Consults® Service, Merrill Lynch Consulting Services, Merrill Lynch Mutual Fund Advisor



Selects® Program, Merrill Lynch Personal Advisor® Program, Merrill Lynch Personal Investment AdvisorySM Program, Merrill Lynch Strategic Portfolio Advisor® Service, and Merrill Lynch Unified Managed Account. We also offer impersonal investment advice (general advice not tailored to the specific needs of any individual) in the form of publications or research. In addition, we offer financial planning services, including (but not limited to) Financial Foundation® Report and the Private Planning ServiceSM. More information about these programs and services is contained in the applicable Merrill Lynch brochure (or Merrill Lynch Form ADV, Part 2) and is available upon request or through the SEC's website at www.adviserinfo.sec.gov. Special arrangements with certain clients to provide particular or unique services for clients of a specific Financial Advisor or branch office may also be established.

FUNDS AND RELATED INVESTING

You understand and agree that your Portfolio's subaccounts may invest in shares of, or interests in, Funds, including Related Funds. As a Fund shareholder, your Portfolio, along with other shareholders of the Fund, will bear a proportionate share of the Fund's expenses, including, as permitted by applicable law, certain management and other fees, which may be payable to us, a Related Company or one of their respective affiliates. The Fund's prospectus or other disclosure document contains a description of its fees and expenses. If a subaccount of your Portfolio invests in a Fund, unless fees and expenses borne by the Fund are credited against the subaccount fees, you will indirectly pay, through the Fund's net asset value, a proportionate share of the Fund's costs for services that may be similar to, or duplicative of, services rendered as part of RPA and paid for directly through the RPA fees.

The fees and expenses incurred by any Fund purchased for your Portfolio's subaccount may be in addition to certain of the expenses covered by the RPA fee. Among other services provided, we and our Related Companies may effect transactions for any of these Funds, and any compensation paid to us or our Related Companies by the Funds, or their affiliates, is in addition to the RPA fee. Due to the additional economic benefit to us or our Related Companies when your Portfolio subaccount is invested in a Fund, a conflict of interest exists. For more information about other compensation we or our Related Companies may receive in connection with RPA and from Funds participating in RPA, see the section entitled *Other Compensation and Conflicts of Interest Considerations*.

You can purchase shares of some (but not all) of the Funds included in a Portfolio's subaccounts directly from the Funds, their agents, or through Merrill Lynch without enrolling in RPA. If you do so, you would not pay RPA fees with respect to such assets. However, you may not be eligible to purchase the same share class for each of the Funds available through a Portfolio's Subaccounts and the purchase of a different share class may be subject to applicable sales charges.

INVESTMENT RESTRICTIONS

A Financial Advisor assists you in RPA in completing a questionnaire that elicits information about your investment goals, risk tolerance, investment restrictions and other relevant information. This information, among other things, will be used by us in the management of your Portfolio.

You should understand that neither the questions nor your answers to any question, including those relating to investment returns, make or imply a promise or guarantee of investment returns or the achievement of your investment objective. It is very important that you provide accurate and complete information since the failure to do so could affect the services being provided.

On the initial allocation date, we will allocate your Portfolio, selecting among Separate Account A Subaccounts in accordance with your profile, subject to any reasonable client restrictions. The initial



allocation will not occur until at least 14 days after the Contract has been issued. Until the initial allocation date, the Contract requires (except for Contracts issued to clients in Pennsylvania) that your Portfolio be invested in the subaccount corresponding to a money market fund available through Separate Account A.

It is your obligation to notify the Financial Advisor promptly of any material changes in financial circumstances, investment objectives or investment restrictions (if any) that might affect management of your Portfolio. You are notified periodically to emphasize the need for you to report such information.

WRAP FEE PROGRAMS

Merrill Lynch does not make RPA available through wrap programs.

ASSETS UNDER MANAGEMENT

As of December 31, 2010, Merrill Lynch had assets under management of \$341 billion, of which \$177 billion was managed on a discretionary basis and \$164 billion was managed on a non-discretionary basis.

FEES AND COMPENSATION

The current fee schedule for RPA is set forth below.

Dollar Value of Your Portfolio	Annual RPA Fee
First \$50,000	0.75%
Next \$50,000	0.65%
Next \$150,000	0.50%
Additional Assets	0.25%

RPA portfolio advisory fees (the "RPA Fees") are not negotiable. Other pricing arrangements, typically involving multiple accounts, products or services, may also be available to certain clients. While clients entering into such arrangements may pay higher fees for any particular component, such as fees higher than those shown above for RPA, the pricing arrangement as a whole will generally result either in the same or lower fees in aggregate for all the accounts, products or services provided or the inclusion of additional products and services.

The initial fee will be prorated based on the number of days remaining in the quarter from the initial allocation date. For each subsequent calendar quarter, you will pay RPA Fees to us in advance, based on the average value of your Portfolio as of the Monthly Portfolio Appraisal Date (the last Friday of each month, but the last business day of December) for each of the previous quarter's three (or fewer) months through the Monthly Portfolio Appraisal Date at the end of the quarter.

The account value used for the fee calculation may differ from that shown on your securities account statement and performance measurement report due to a variety of factors, including trade date or settlement date accounting and other considerations. Performance measurement reports may also not reflect the value of assets over which Financial Advisors do not exercise investment discretion and/or for



which RPA Fees are not charged. Further, it should be noted that the valuation of your securities reported in a performance measurement report may be subject to occasional repricing in reasonable and appropriate circumstances, but such repricing may not affect, or result in the adjustment of, previously calculated RPA Fees.

You can make your own allocations and transfers among the Contract's investment options without participating in RPA and thereby not be obligated to pay RPA Fees. You may, however, be subject to transfer charges and limitations on the number of transfers, which are waived while participating in RPA. If you make any reallocations under the Contract among the investment options available in Separate Account A, we will terminate the Client Agreement. If you make any withdrawals from Separate Account A (including reallocations to Separate Account B) so that the value of the assets in your Portfolio falls below the minimum value of \$5,000 while the Client Agreement is in effect, we can terminate the Client Agreement.

We may, from time to time, enter into specialized agreements to provide particular or unique services to certain clients, subject to negotiated fees. In addition, the fees for certain of the services described above may be reduced for our employees or affiliates or clients who may be subject to prior fee schedules.

CALCULATION AND DEDUCTION OF ADVISORY FEES

RPA Fees will not be deducted from the value of the Contract.

Except with respect to Contracts owned by IRAs, RPA Fees will be collected from the Securities Account according to terms of the Client Agreement. If your Portfolio relates to a Contract owned by an IRA, the RPA Fees cannot be paid out of the Merrill Lynch securities account in which the Contract is held or other assets belonging to the IRA. If you, as a beneficial owner of an IRA, have one or more Non-Retirement Accounts, you may have RPA Fees collected from a Non-Retirement Account according to the terms of the Client Agreement or you may be billed personally by invoice. Payment of the RPA Fees may be collected from a Securities Account or Non-Retirement Account, which you and another person jointly owns, as may be applicable.

OTHER FEES AND EXPENSES

In addition to RPA Fees, you, directly, or in the case of a Contract owned by an IRA, indirectly, pay the fees associated with the Contract, including the charges for annual contract maintenance, mortality and expense risks, administration and any applicable contingent deferred sales charge. Similarly, you, directly, or in the case of a Contract owned by an IRA, indirectly, will also bear a proportionate share of the expenses of the Funds in which your Portfolio subaccounts are invested as will the other Contract owners whose Portfolio subaccounts are invested in the same Funds. Investment management fees (as well as other Fund expenses, including expenses relating to Fund administration, accounting, custody, audit, legal and directors' compensation) may vary among the Funds as described in the Contract and applicable Fund prospectuses, including the statements of additional information. The determination to purchase a Contract resides entirely with you.

PREPAID FEES

Fees are payable quarterly in advance and are based on all assets in your Portfolio.

The initial fee will be prorated based on the number of days remaining in the quarter from the initial allocation date. For each subsequent calendar quarter, you will pay RPA Fees to us in advance, based upon the average value of your Portfolio as of the Monthly Portfolio Appraisal Date (the last Friday of each month,



but the last business day of December) for each of the previous quarter's three (or fewer) months through the Monthly Portfolio Appraisal Date at the end of the quarter.

The Client Agreement may be terminated at any time at the written request of the client or Merrill Lynch as described in the Client Agreement. If the Client Agreement is terminated prior to the last day of the calendar quarter, a pro rata portion of the quarterly fee paid in advance will be refunded. Termination of the Client Agreement will not affect the status of the Contract.

COMPENSATION FOR THE SALE OF SECURITIES

We and our employees, including your Financial Advisor, benefit from the compensation paid to us, and may directly or indirectly receive a portion of the fees and other compensation paid by RPA clients. Such clients may also use other products or services available from or through us and in such case pay additional compensation. Financial Advisors offering these services receive compensation from Merrill Lynch. This practice creates a potential conflict of interest that may give us and our Financial Advisors an incentive to recommend advisory services based on the compensation received. Fees and commissions may also be higher for some products or services, and the remuneration and profitability to us and our Financial Advisors resulting from transactions on behalf of or management of certain accounts may be greater than the remuneration and profitability resulting from other advisory accounts, products or services. (See section entitled *Participation or Interest in Client Transactions* for more information about the receipt of compensation for the sale of securities and other investment products.)

We address these conflicts through disclosure in this Brochure. Moreover, our Financial Advisors are required to recommend investment advisory programs, investment products and securities that are suitable for you based upon your investment objectives, risk tolerance and financial situation and needs. In addition, we have adopted policies and procedures to address the suitability of advisory products offered to clients.

USE OF UNAFFILIATED BROKERS

The Funds in which your Portfolio subaccounts may invest through RPA are generally available for purchase outside of RPA, whether through our brokerage platform or other advisory programs or another broker-dealer or investment adviser. In addition, certain investors, including certain institutional investors, may be able to invest in a share class of some of these Funds that has lower fees than those charged by the share class available through RPA. By purchasing those Funds outside of RPA, you would not incur the additional RPA Fees, described above. However, when purchasing those Funds outside of RPA, you will not receive the specific array of RPA services described in this Brochure and some Funds may charge a sales load on direct investments.

SOURCES OF REVENUE

As a broker-dealer, Merrill Lynch offers a wide variety of securities and brokerage services. Our principal sources of income, which include commissions and other compensation for the sale of investment products, are derived from its business as a broker-dealer. Less than 1% of its revenues are expected to be generated from the RPA on an annual basis.

FEE OFFSET FOR EXECUTION CHARGES

Not Applicable.



PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Neither Merrill Lynch nor our employees receive performance-based fees for RPA.

TYPES OF CLIENTS

RPA is offered to direct and beneficial owners of Contracts, which include individuals, trusts and IRAs. In order to participate in RPA, you must execute the Client Agreement and pay an additional fee.

REQUIREMENTS FOR OPENING A CLIENT ACCOUNT

There is a minimum program requirement of \$5,000 (or such other amount determined by us) in the Separate Account A portion of the Contract. Subsequent additions to your Portfolio must meet the minimum asset requirements then in effect for the Contract.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Investment management decisions in RPA will be based on your investor profile, any stated investment restrictions, and general market and economic conditions. Investment decisions will also be based on an ongoing analysis of the various Portfolio subaccounts (namely, Funds), including their specific investment styles and strategies, investment processes, risk-adjusted performance, organizational stability and experience, and reputation.

You may select different investment strategies that invest in Related and Unrelated Funds. IMG personnel will make investment decisions for the RPA Portfolio based on your investment strategy, any stated reasonable investment restrictions, and general market and economic conditions. Investment decisions will also be based on an ongoing analysis of the Funds that are available for purchase through the Portfolio, including their:

- Specific investment styles and strategies;
- Investment processes;
- Risk-adjusted performance;
- Relative liquidity;
- Organizational stability; and
- Experience and reputation.

Particular factors may be weighed differently and IMG will not uniformly consider all of the available Funds in determining the composition of the Portfolio. Please note that IMG is limited to conducting due diligence on and selecting Funds that Transamerica Advisors Life Insurance Company and Transamerica Advisors Life Insurance Company of New York, respectively, make available through the Separate Account A portion of the Contract.

IMG uses various analyses in developing its diversified investment strategies including quantitative, fundamental, technical, strategic and economic analyses. IMG also draws upon analyses and strategies developed by other groups within Merrill Lynch and our affiliates, including asset allocation models developed by BofAML Research, as well as other third party sources.



Any investment strategies that you select in the RPA Program will be used by IMG as a guide in managing RPA Portfolios and the asset allocation and Funds included in RPA Portfolios using the same strategies may vary from each other and from target allocations.

Please note that Related Funds are available in the program and for inclusion in an investment strategy subject to the same review process as described above for Unrelated Funds. We, therefore, include such Related Funds in investment strategies available to clients as we deem appropriate and subject to any applicable legal restrictions.

TAX AND RISK DISCLOSURE

All investment strategies and the investments made as a result of implementing those strategies involve risk (the amount of which may vary significantly) and you should be prepared to bear such losses. The investment performance and the success of any RPA investment strategy can never be predicted or guaranteed, and the values of the subaccounts in your RPA Portfolio will fluctuate due to market conditions and other factors. The investment decisions made, and the actions taken, for all RPA Portfolios will not necessarily be profitable and are subject to various risks, as described below.

While annuities are generally tax-deferred vehicles, we want to remind you that you are responsible for any tax liabilities which result from transactions in your RPA Portfolio (including any withdrawals of assets from your Contract), and we encourage you to seek the advice of a qualified tax professional.

MATERIAL RISKS

Your RPA Portfolio is subject to investment risk and you may lose money by participating in RPA. Importantly, your Portfolio or Contract is not a bank account. It is not insured or otherwise protected by the Federal Deposit Insurance Corporation or any other government agency, is not an obligation of any bank or any of our affiliate; and is not endorsed or guaranteed by Bank of America, N.A., Merrill Lynch, any bank or any of our affiliate. The principal investment risks of investing in the Funds that are part of your investment strategy are described in each prospectus, SAI or other offering document. General investment risks include, but are not limited to, the following:

Management Risk – Our investment decisions might produce losses or cause your Portfolio to underperform relative to a relevant benchmark or peer group.

Market Risk – Security prices in a market, sector or industry may fall, reducing the value of your RPA Portfolio.

Equity Risk – Stock prices may fall over short or extended periods of time.

Interest Rate Risk – The value of fixed income securities may be affected by any increase or decrease in prevailing interest rates. In general, if interest rates rise, bond prices fall, and if interest rates fall, bond prices rise.

Credit Risk – Changes in the financial condition of an issuer or guarantor of a fixed-income security or a counterparty to a contractual obligation and changes in general economic conditions may impact the actual or perceived willingness or ability of an issuer, guarantor or counterparty to make timely payments of interest or principal or to otherwise honor its obligations. Such changes may result in a loss.

Style Risk – We may follow a particular investment style that may fall out of favor in the market.

Inflation Risk – Returns on fixed income securities may not keep pace with inflation.



Foreign Securities Risk – Foreign securities are subject to special risks, including but not limited to, limited liquidity, delays in settlement, exchange rates, less publicly available information about companies, the impact of political, social or diplomatic events, possible seizure, expropriation or nationalization of a company or its assets, and possible imposition of currency exchange controls. Foreign markets may be extremely volatile.

Allocation Risk – Your Portfolio's investment performance depends in part upon how your assets are allocated among the Funds in your selected Investment strategy. We may make asset allocation decisions that result in underperformance of your Portfolio relative to either your expectations or similar programs, and there is no guarantee that a given investment strategy will produce the desired results.

Fund Redemption Risk - From time to time, we may determine to add or remove a Fund to or from one or more investment strategies (or make similar decisions with respect to the use of that Fund in another program). In addition, we may decide to modify the allocation of Funds within investment strategies. In these instances, we will place transactions in that Fund for all affected RPA Portfolios, which may cause that Fund to experience relatively large purchases or redemptions. Significant purchases and redemptions may adversely affect the Fund in question. A Fund experiencing redemptions may have to sell portfolio securities and a Fund receiving additional cash will have to invest that cash.

Fund-Specific Risks – Each Fund is subject to its own particularized risks, any of which can adversely affect your Portfolio's investment performance. These risks are described in each Fund's prospectus or other offering document.

Regulatory Risk – The overall investment activities that we and our affiliates engage in may limit the investment opportunities for your Portfolio in certain markets in which limitations are imposed by regulators upon the amount of investment by affiliated investors, in the aggregate or in individual issuers. From time to time, your Portfolio's activities also may be restricted because of regulatory restrictions applicable to us and our affiliates, and/or our internal policies.

DISCIPLINARY INFORMATION

In the past, we have entered into certain settlements with our regulators and other third parties and have been the subject of adverse legal and disciplinary events. Below are summaries of certain events that may be material to your decision of whether to retain us for your investment advisory needs. Please note that certain disclosures discuss disciplinary events associated with Banc of America Investment Services, Inc. ("BAI") and Banc of America Securities LLC ("BAS"). BAI merged with Merrill Lynch on October 23, 2009, and BAS merged with Merrill Lynch on November 1, 2010. In addition to the descriptions below, you can find additional information regarding these settlements in Part 1 of Merrill Lynch's Form ADV at www.adviserinfo.sec.gov.

On January 25, 2011, the SEC issued an order ("Order") pursuant to an offer of settlement made by Merrill Lynch finding that between February 2003 and February 2005 Merrill Lynch market makers executing institutional customer orders for securities sometimes shared information concerning those trades with traders on a Merrill Lynch securities proprietary trading desk. In the Order, the SEC found that, at times, Merrill Lynch's securities proprietary traders used that information to place trades for Merrill Lynch after execution of the institutional customer order. The SEC found: (1) that this disclosure and use of institutional customer order information by Merrill Lynch's traders was improper and contrary to Merrill Lynch's confidentiality representations to its customers; (2) instances between 2002 and 2007 when Merrill Lynch charged institutional and high net worth customers undisclosed mark-ups and mark-downs on riskless securities principal trades for which Merrill Lynch had agreed to charge the customer only a commission



equivalent fee, and that, in doing so, Merrill Lynch acted improperly and contrary to its agreements with its customers; and (3) found that from 2002 through 2007 Merrill Lynch failed in many instances to make records of its agreements with institutional customers to guarantee an execution price, which agreements were part of the terms and conditions of the institutional customer orders. The SEC found that, as a result of its conduct: (1) Merrill Lynch willfully violated Section 15(c)(1)(A) of the Exchange Act, by effecting transactions in securities by means of manipulative, deceptive or other fraudulent devices or contrivances, and willfully violated Section 15(g) of the Exchange Act by failing to establish, maintain, and enforce written policies and procedures reasonably designed to prevent the misuse of material, nonpublic information, (2) under Section 15(b)(4)(E) of the Exchange Act, Merrill Lynch failed reasonably to supervise its traders with a view towards preventing them from violating the federal securities laws, and (3) Merrill Lynch willfully violated Section 17(a) of the Exchange Act and Rule 17a-3(a)(6) thereunder by failing to record certain terms and conditions of customer orders. Merrill Lynch neither admitted nor denied the findings in the Order. The findings in the Order are not binding on any person or entity other than Merrill Lynch. The Order (1) required that Merrill Lynch cease and desist from committing or causing any violations and any future violations of Sections 15(c)(1)(A), 15(g) and 17(a) of the Exchange Act and Rule 17a-3(a)(6) thereunder; (2) censured Merrill Lynch pursuant to Section 15(b)(4) of the Exchange Act; and (3) required pursuant to Section 15(b)(4) and Section 21B of the Exchange Act that Merrill Lynch pay a civil money penalty in the amount of \$10 million. The penalty was paid on February 1, 2011.

On January 13, 2011, the Superior Court of Massachusetts, Suffolk County ("Court") issued an order against Benistar Property Exchange Trust Co., Inc. ("Benistar"), Daniel Carpenter ("Carpenter"), Merrill Lynch and others for their involvement in improper options and margin trading by Carpenter of the plaintiffs' monies held by Benistar in qualified intermediary escrow accounts pursuant to 26 U.S.C. § 1031(a)(3). In a 2009 retrial of plaintiffs' claims against Merrill Lynch, a jury determined that Merrill Lynch had engaged in or committed one or more unfair or deceptive trade practices in connection with its dealing with the Benistar accounts held at Merrill Lynch and that the firm's conduct had caused injury to the plaintiffs. In the order, the Court entered a judgment of \$545,386.22 against Merrill Lynch for consequential damages. As to the plaintiffs' claim for punitive damages, the Court entered judgment in favor of Merrill Lynch provided, however that in the event Connecticut law is determined to impose various liability on Merrill Lynch for the conduct of one of its employees, the Court's award of punitive damages would be an amount equal to plaintiffs' actual damages in the total amount of \$9,669,443.58. Merrill Lynch appealed the order and the outcome of the appeal is currently pending.

On January 5, 2011, Merrill Lynch consented to an AWC with FINRA. FINRA summarized its findings with respect to several investigations finding that Merrill Lynch had: (1) failed to exercise reasonable diligence with respect to certain best execution matters in violation of NASD Rules 2110, 2320, 3110, SEC Rule 17a-3 and MSRB Rules G-17 and G-30(a); (2) misreported or failed to report to Trade Reporting and Compliance Engine ("TRACE") certain transactions in violation of NASD Rules 6230 and 2110; (3) failed to report a total of 13,239 positions in conventional options by the close of business the next day in violation of NASD Rules 2110 and 2860(b)(5); (4) misreported to NASD (currently FINRA) and NYSE certain short interest positions in violation of NASD Rules 3360 and 2210 and NYSE Rule 421.10; (5) incorrectly or failed to report certain trades in the NASD/Nasdaq Trade Reporting Facility and Over the Counter Reporting Facility in violation of NASD Rules 6130(b) and (g), 2110 and 3632(a)(2); (6) failed to display immediately 64 customer limit orders in Nasdaq securities in its public quotation in violation of SEC Rule 604 of Regulation NMS; (7) accepted short sale orders in violation of SEC Rule 203(b)(1) of Regulation SHO; and (8) made available a report on the covered orders in national market system securities that it received for execution which included incorrect information in violation of SEC Rule 605 of Regulation NMS. Without admitting or denying



the findings in the AWC, Merrill Lynch consented to a censure and a fine of \$304,000, allocated between the various offences listed above. FINRA also ordered Merrill Lynch to pay restitution to certain listed investors in the total amount of \$48,416.83, allocated between the listed investors.

On December 7, 2010, the SEC issued an administrative and cease-and-desist order in which it found that BAS had willfully violated Section 15(c)(1)(A) of the Exchange Act by participating in improper bidding practices involving the temporary investment of proceeds of tax-exempt municipal securities in reinvestment products from at least 1998 through 2002. In the order, BAS is: (1) censured; (2) ordered to cease and desist from committing or causing such violations and future violations; and (3) ordered to pay disgorgement plus prejudgment interest in the aggregate amount of \$36,096,442.00 to certain entities specified in the order. BAS consented to the order without admitting or denying the SEC's findings. In its order, the SEC noted the cooperation of BAS in the SEC investigation and in related government investigations, as well as remedial actions undertaken by BAS.

On November 10, 2010, Merrill Lynch consented to an AWC with FINRA. FINRA alleged that from June 2002 through February 2007, Merrill Lynch failed to establish and maintain supervisory systems and procedures reasonably designed to achieve compliance with industry suitability standards related to the sale of certain 529 plans ("NextGen Plans"). Without admitting or denying the findings contained in the AWC, Merrill Lynch agreed to (1) a censure; (2) a fine of \$500,000 and (3) certain undertakings including (a) the distribution of a stand-alone 529 letter to each current customer who resided in a state that offered 529-related state tax benefits at the time the customer opened an advisor sold NextGen Plans at Merrill Lynch during the relevant time period; (b) assisting customers with transferring or rolling-over any customers investment in the NextGen Plans into a 529 plan of the customer's choice in the customer's home state; and (c) reporting to FINRA's enforcement staff periodically, until December 31, 2011 about each oral and written inquiry, concern or complaint received by the Firm concerning the NextGen Plans from recipients of the 529 letter, along with a description of how Merrill Lynch resolved such inquiry, concern or complaint.

On August 18, 2010, Merrill Lynch consented to an AWC with FINRA. FINRA alleged that Merrill Lynch: (1) between September 2006 and June 2008 failed to establish, maintain and enforce a supervisory system and written supervisory procedures reasonably designed to identify and ensure that customers received appropriate "breakpoints" and "rollover and exchange" discounts (collectively, "sales charge discounts") on eligible purchases of UITs, in violation of NASD Rules 3010 and 2110; (2) failed to apply sales charge discounts to customers' eligible UIT purchases in violation of NASD Rule 2110; and (3) approved the use of UIT sales literature by its sales force that was inaccurate and misleading in violation of NASD Rule 2210. Without admitting or denying the findings in the AWC, Merrill Lynch agreed to: (1) a censure; (2) a fine of \$500,000; and (3) certain undertakings including (a) providing remediation to customers who, during the period of January 1, 2006 through the date of the AWC purchased UITs and qualified for, but did not receive the applicable sales charge discount and (b) submitting to FINRA a proposed plan to identify and compensate customers who qualified for, but did not receive the applicable UIT sales charge discounts.

On June 6, 2009, the United States District Court for the Southern District of New York entered a judgment enjoining BAI and BAS from violating, directly or indirectly, Section 15(c) of the Exchange Act. The SEC had filed a complaint alleging that BAI and BAS misled customers regarding the fundamental nature and increasing risks associated with ARS underwritten, marketed and sold by BAS and BAI and that by engaging in such conduct, BAI and BAS had violated Section 15(c) of the Exchange Act. Without admitting or denying the allegations, BAI and BAS entered into a consent, whereby they agreed to a series of undertakings designed to provide relief to "individual investors" (as defined in the consent) including: (1) through their affiliate, offering to purchase at par from individual investors certain ARS; (2) agreeing to use reasonable efforts to identify individual investors who sold certain ARS below par, and to pay such investors the



difference between par and the price at which they sold the securities; (3) agreeing to participate in a special arbitration process for the purpose of arbitrating any individual investor's consequential damage claim related to its investment in ARS; (4) agreeing to refund certain refinancing securities through the firms; and (5) undertaking to make their best efforts to work with issuers and other interested parties to seek to provide liquidity solutions for institutional investors that are not considered "individual investors."

On March 11, 2009, the SEC issued an order against Merrill Lynch alleging that from 2002 to 2004, several Merrill Lynch retail brokers permitted day traders to hear confidential information regarding Merrill Lynch institutional customers' unexecuted orders as they were transmitted over Merrill Lynch's squawk box system. According to the SEC, Merrill Lynch lacked written policies or procedures to limit access to the equity squawk box, to track which employees had access to the equity squawk box or to monitor employees' use of the equity squawk box in violation of Section 15(f) of the Exchange Act and Section 204A of the Advisers Act. Without admitting or denying the SEC's findings, Merrill Lynch consented to the entry of the order that: (1) found violations of Section 15(f) of the Exchange Act and Section 204A of the Advisers Act for allegedly failing to maintain written policies and procedures reasonably designed to prevent the misuse of customer order information; (2) required that Merrill Lynch cease and desist from committing or causing any future violations of the provisions charged; (3) censured Merrill Lynch; (4) imposed a \$7,000,000 civil money penalty; and (5) required Merrill Lynch to comply with certain undertakings regarding the enhancement of certain policies and procedures.

On January 30, 2009, the SEC issued an Order against Merrill Lynch regarding the Merrill Lynch Consulting Services program and the offering of those services through a Florida branch office for a period of several years concluding in 2005. The Order found that material misrepresentations had been made and certain conflicts of interest not disclosed, and that Merrill Lynch had not maintained adequate records or reasonably supervised certain Florida investment advisory representatives. Without admitting or denying the non-jurisdictional findings thereof, Merrill Lynch consented to a censure, to cease and desist from violations of sections 204 and 206(2) of the Advisers Act and Rule 204-2(a) (14) thereunder, and a fine of \$1,000,000. In accepting the settlement, the SEC noted the voluntary and significant remedial acts promptly undertaken by Merrill Lynch.

On September 24, 2008, Merrill Lynch consented to an AWC. FINRA alleged that Merrill Lynch violated numerous SEC, FINRA and MSRB Rules in that Merrill Lynch: (1) failed to report correctly transactions to numerous order and trade reporting and tracking systems maintained by FINRA and Nasdaq; (2) failed to provide written notification disclosing to its customers that transactions were executed at an average price and its executing capacity in a transaction; (3) failed to preserve for the required period brokerage order memoranda; (4) failed to mark properly orders as short in short sale transactions; (5) incorrectly designated certain symbols in various securities transactions; (6) failed to report to the FINRA/NasdaqTrade Reporting Facility last sale reports of transactions in designated securities; and (7) failed to maintain a supervisory system designed to achieve adequate compliance with TRACE, quality of markets, transaction reporting, short sales, and the Order Audit Trail System ("OATS"), among other things. Without admitting or denying the findings in the consent, Merrill Lynch consented to the following sanctions: (1) a censure; (2) a fine of \$242,500; (3) payment of \$11,358.65, plus interest, in restitution; and (4) various undertakings including revision of its written supervisory procedures regarding TRACE, quality of markets, OATS receiving inter-firm route matching statistics, transaction reporting, short sales, short sales bid and tick test compliance, OATS clock synchronization, safe harbor compliance, recordkeeping, limit order protection, the one percent rule, and the three-quote rule, among other things.

On May 1, 2008, the SEC issued an administrative order in which it found that BAI had willfully violated Sections 17(a)(2) and 17(a)(3) of the Securities Act, Sections 206(2), 206(4) and 207 of the Advisers Act and



Advisers Act Rule 206(4)-1(a)(5) for failing to disclose to clients that in selecting investments for discretionary mutual fund wrap fee accounts, it favored two mutual funds affiliated with BAI. In the Order the SEC also found that Columbia Management Advisors, LLC ("Columbia Management"), as successor in interest to Banc of America Capital Management, LLC willfully aided and abetted and caused BAI's violations of Sections 206(2) and 206(4) of the Advisers Act, and Advisers Act Rule 206(4)-1(a)(5). In the Order, BAI and Columbia Management were censured and ordered to cease and desist from committing or causing such violations and future violations. In addition, BAI was ordered to pay disgorgement plus prejudgment interest in the aggregate amount of \$793,773.00 to certain entities specified in the Order, and a civil monetary penalty of \$2,000,000; and Columbia Management was ordered to pay disgorgement plus prejudgment interest in the aggregate amount of \$516,382 to certain entities specified in the Order, and a civil monetary penalty of \$1,000,000. BAI and Columbia Management consented to the Order without admitting or denying the SEC's findings. BAI also agreed to certain undertakings contained within the Order.

On February 14, 2008, Merrill Lynch consented to an AWC issued by FINRA. FINRA alleged that from at least January 2001 until January 2006, as a result of certain operational and supervisory deficiencies Merrill Lynch failed to timely and consistently update the firm's record system relating to certain investment advisory and fee-based accounts. When clients change investment advisers or terminated enrollment in certain investment advisory or fee-based accounts, Merrill Lynch failed to consistently make changes in account proxy delivery addresses and/or remove traits that suppressed trade confirmation delivery in the firm's record systems. Additionally, Merrill Lynch failed to maintain written supervisory procedures and a reasonable system of follow-up and review with respect to such operational changes. Without admitting or denying the findings, Merrill Lynch consented to a censure and a fine of \$175,000.

On May 31, 2006, Merrill Lynch, without admitting or denying the findings contained therein, consented to the issuance of an order. The SEC found that Merrill Lynch violated Section 17(a)(2) of the Securities Act, by managing auctions for ARS in ways that were not adequately disclosed or that did not conform to disclosed procedures. Based on these findings, the order required that Merrill Lynch: (1) cease and desist from committing or causing any violations or future violations of Section 17(a)(2) of the Securities Act; (2) be censured; (3) pay a civil money penalty of \$1,500,000; and (4) comply with certain undertakings to provide customers with written descriptions of Merrill Lynch's material auction practices and procedures and to implement procedures reasonably designed to detect and prevent any failures by Merrill Lynch to conduct auctions for ARS in accordance with disclosed procedures.

On March 13, 2006, Merrill Lynch, without admitting or denying the findings contained therein, consented to the issuance of an administrative order by the SEC. The SEC found that Merrill Lynch failed to: (1) furnish promptly to representatives of the Commission electronic mail communications ("e-mails") as required under Section 17(a) of the Exchange Act and Rule 17a-4(j) thereunder; and (2) retain certain e-mails related to its business as such in violation of Section 17(a) of the Exchange Act and Rule 17a-4(b)(4) thereunder. Based on these findings, the Order required that Merrill Lynch: (1) cease and desist from committing or causing any violation or future violation of Section 17(a) of the Exchange Act and Rules 17a-4(b)(4) and 17a-4(j) thereunder; (2) be censured; (3) pay a civil money penalty of \$2,500,000; and (4) comply with certain undertakings relating to the retention of e-mails and the prompt production of e-mails to the SEC.

On March 15, 2006, Merrill Lynch consented to an AWC with NASD. NASD found that from 2001 through 2004, Merrill Lynch lacked an adequate supervisory system and written supervisory procedures for its Financial Advisory Center ("FAC") (n/k/a the Merrill Edge Advisory Center). Among other things, the Consent alleged that the firm failed to: (1) establish, maintain and enforce reasonable procedures regarding mutual fund recommendations (including switch transactions); (2) place a sufficient number of properly trained and qualified supervisors to monitor activities within the FAC; (3) conduct annual compliance audits for the FAC's



two most active years; (4) provide adequate disclosure to customers regarding mutual fund share class choices in violation of NASD Conduct Rules 3010 and 2110; and (5) maintain a supervisory system and written procedures reasonably designed to achieve compliance with NASD Conduct Rule 2830. Merrill Lynch consented to a censure and a fine of \$5 million and certain undertakings including: (1) a three year prohibition on sales contests to promote the sale of mutual funds or other securities by registered personnel employed at the FAC; (2) requiring investment services advisors to obtain the prior approval of a registered securities principal for any mutual fund switch recommendation; (3) monitoring of customer calls at the FAC for a certain limited period of time; and (4) retention of an independent consultant and the implementation of new procedures.

On March 4, 2005, Merrill Lynch entered into a consent order with the State of New Jersey Office of the Attorney General Department of Law and Public Safety and the New Jersey Bureau of Securities ("Attorney General"). The Attorney General alleged: (1) market timing conduct by three Merrill Lynch Financial Advisers engaged in market timing on behalf of their principal client, a hedge fund and that despite warnings from supervisors that they were violating Merrill Lynch's policies, the financial advisers continued to market time for the client until they were fired in October 2003, using among other things, multiple accounts and undisclosed agreements to conduct and disguise their trading; (2) that Merrill Lynch failed to adequately supervise certain activities in connection with the conduct described above including failure to keep adequate books and records in violation of the Exchange Act and New Jersey law; (3) the client entered into variable annuity contracts and certain other variable life insurance contracts with certain non-proprietary insurance carriers through the Financial Advisors to engage in short term trading in the investment sub-accounts of these products and although the client's reallocation instructions were relayed through the Financial Advisors to the insurance companies, Merrill Lynch gave no specific instruction to the FAs concerning the reallocation of the underlying sub-accounts of variable products; and (3) that Merrill Lynch failed to adequately enforce its established policy prohibiting market timing. Without admitting or denying the findings in the order, Merrill Lynch agreed to pay a civil monetary penalty of \$10 million and to certain undertakings including implementation of new procedures to maintain, as a required book and record under New Jersey and federal securities laws, records of all client reallocation requests made through a Merrill Lynch employee that involve mutual funds held as sub-accounts of variable annuity products of outside insurance carriers.

On February 9, 2005, pursuant to an offer of settlement by BAS in which it neither admitted nor denied the findings, the SEC issued an administrative order. The SEC found that from July 2000 through July 2003, BAS, Banc of America Capital Management, LLC ("BACAP") and BACAP Distributors, LLC ("BACAP Distributors") facilitated market timing and late trading by some introducing broker-dealers and a hedge fund at the expense of shareholders of Nations Funds and other mutual fund families, provided account management tools and other assistance, and enabled introducing broker-dealers to conceal their client's market timing activities from mutual funds. In the order, BAS was: (1) censured; (2) ordered to cease and desist from committing or causing any present or future violations of 17(a) of the Securities Act, 10(b), 15(c) and 17(a) of the Exchange Act and Rules 10b-5, 15c1-2, and 17a-4 thereunder and Rule 22c-1, as adopted under 22(c) of the Investment Company Act, and from causing any present or future violations of 34(b) of the Investment Company Act and 206(1) and 206(2) of the Advisers Act; (3) ordered to pay, jointly and severally with BACAP and BACAP Distributors \$250 million in disgorgement plus a civil monetary penalty of \$125 million. BAS also agreed to comply with certain undertakings including: (1) maintaining a compliance and ethics oversight infrastructure having, among other things, a code of ethics oversight committee, an internal compliance controls committee, a senior level compliance officer for conflicts of interest and a corporate ombudsman; (2) retaining an independent compliance consultant to, among other things, review compliance, supervisory



and other policies and procedures and adopt such procedures; (3) undergoing third party compliance review every other year; and (4) retaining an independent distribution consultant.

On April 28, 2003, as part of a joint settlement with the SEC, NYSE and NASD arising from a joint investigation by the SEC, NYSE and NASD into research analysts' conflicts of interest, Merrill Lynch, without admitting or denying the allegations of the complaint filed by the SEC, consented to the entry of a final judgment. Pursuant to the settlement, which was entered on October 31, 2003, Merrill Lynch: (1) permanently enjoined Merrill Lynch from violating Section 15(c) of the Exchange Act and Rule 15c1-2 thereunder, NASD Conduct Rules 2110, 2210 and 3010, and NYSE Rules 342, 401, 472 and 476; (2) was ordered to pay a penalty of \$100,000,000, which was deemed satisfied by prior payments to the states in a related proceeding; (3) was ordered to pay substantial amounts for third party research and investor education; and (4) was ordered to comply with certain additional undertakings.

On November 15, 2002, the NYSE entered a decision in which it found that between approximately July 1999 through February 2002, Merrill Lynch employed 23 individuals who were subject to statutory disqualification as the result of a criminal conviction prior to being hired by the Firm. NYSE alleged that notwithstanding the fact that at or about the time of hire, each of the 23 individuals disclosed the existence of the criminal convictions to Merrill Lynch, the firm failed promptly to investigate or make inquiry into the information provided by the employee and allowed the employee to be hired in violation of NYSE Rules 346(f), 351(a)(9) and 342 and federal securities laws. Merrill Lynch consented to (1) a censure; (2) a fine of \$300,000 and; (3) a requirement that among other things Merrill Lynch retain an outside consultant, to perform a review and prepare a report, that the firm would be required to adopt, of the firm's systems, policies and procedures, including recommendations for different or additional systems, policies or procedures, if necessary, relating to the hiring of individuals who are subject to statutory disqualification including those who disclosed their criminal convictions during the hiring process.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Merrill Lynch, a wholly-owned subsidiary of Bank of America, is a leading global investment banking firm and a registered broker-dealer, investment adviser and futures commission merchant. In the United States, Merrill Lynch acts as a broker (i.e., agent) for corporate, institutional and governmental and private clients and as a dealer (i.e., principal) in the purchase and sale of corporate securities, primarily equity and debt securities traded on exchanges or in the over-the-counter markets. Merrill Lynch also acts as a broker and/or a dealer in the purchase and sale of mutual funds, money market instruments, government securities, high-yield bonds, municipal securities, financial futures contracts, and options. The futures business and foreign exchange activities are conducted through Merrill Lynch and other affiliates. Merrill Lynch operates the firm's U.S. retail branch system, and also provides financing to clients, including margin lending and other extensions of credit as well as a wide variety of financial services, such as securities clearing, retirement services, and custodial services. As a registered adviser, Merrill Lynch completes a Form ADV, which contains additional information about itself, Bank of America and their affiliates. Information is available through publicly available filings at the SEC or at www.adviserinfo.sec.gov.

For purposes of Form ADV Part 2, MLPF&S management persons include William C. Caccamise (CRD# 2547189), Gloria R. Greco (CRD# 4795234), Anthony J. Guardino (CRD# 2907957), Sallie L. Krawcheck (CRD# 2269652), Thomas K. Montag (CRD# 1474696), Isaac Osaki (CRD# 4910551), Douglas G Preston (CRD# 2586917), Robert Qutub (CRD# 4623123), Michael B. Radest (CRD# 1687387), and Bruce R. Thompson (CRD# 2148942). In addition, Thomas J. Latta (CRD# 1696503), John R. Manetta (CRD# 2163095), James G. Russell (CRD# 1053157), Lisa Shalett (CRD# 2895449), Anil Suri (CRD# 2540257),



Michael J. Walsh (CRD# 2138122), and Christopher J. Wolfe (CRD# (2055127) are also considered management persons as a result of their membership on the IMG Investment Committee. In the future, additional Merrill Lynch personnel may be considered management persons and, as such, may be registered, or have applications pending to register, as registered representatives and associated persons of Merrill Lynch to the extent necessary or appropriate to perform their job responsibilities.

ML&Co., a wholly-owned subsidiary of Bank of America, through its subsidiaries and affiliates, provides broker-dealer, investment banking, financing, wealth management, advisory, asset management, insurance, lending and related products and services on a global basis. These products and services include securities brokerage, trading and underwriting; investment banking, strategic advisory services (including mergers and acquisitions) and other corporate finance activities; wealth management products and services including financial, retirement and generational planning; asset management and investment advisory and related record-keeping services; origination, brokerage, dealer and related activities in swaps, options, forwards, exchange-traded futures, other derivatives, commodities and foreign exchange products; securities clearance, settlement financing services and prime brokerage; private equity and other principal investing activities; proprietary trading of securities, derivatives and loans; banking, trust and lending services, including deposit-taking, consumer and commercial lending, including mortgage loans, and related services; insurance and annuities sales and research across the following disciplines: global equity strategy and economics, global fixed income and equity-linked research, global fundamental equity research, and global wealth management strategy. Bank of America is subject to the reporting requirements of the Exchange Act and additional information about Bank of America can be found in publicly available filings with the SEC.

We, through our Financial Advisors, may suggest or recommend that clients, including RPA clients, use our securities account, execution and custody or other services, or such services of an affiliate. Similarly, Financial Advisors, who also handle clients' securities accounts, may suggest or recommend that clients purchase our products or products of an affiliate. Where Merrill Lynch's or our affiliate's services are used or products are purchased by clients, we and our affiliates will receive fees and compensation. Financial Advisors may, as permitted by applicable law, receive compensation (the amount of which may vary) in connection with these products and services.

We address these conflicts through disclosure in this Brochure. Moreover, our Financial Advisors are required to recommend investment advisory programs, investment products and securities that are suitable for you based on your investment objectives, risk tolerance and financial situation and needs. In addition, we have established a variety of restrictions, procedures and disclosures designed to address potential conflicts of interest – both those arising between and among client accounts as well as between client accounts and our business.

CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

CODE OF ETHICS

We have adopted an Investment Adviser Code of Ethics (the "Code of Ethics") covering our personnel who are involved in the operation and offering of investment advisory services. The Code of Ethics is based on the principle that clients' interests come first, and requires employees to meet the high standards that we follow in conducting our business with integrity and professionalism. The Code of Ethics covers such topics as the:

- Requirement that all employees comply with all applicable securities and related laws and regulations;



- Reporting and clearance of employee personal trading;
- Prevention of misuse of material non-public information; and
- Obligation to report possible violations of the Code of Ethics to management or other appropriate personnel.

All covered personnel must certify receipt of the Code of Ethics. We will provide a copy of the Code of Ethics to you upon request.

We also have imposed policy restrictions on all personnel regarding transactions for their own accounts and accounts over which they have control or a beneficial interest. In addition, we have special policies requiring that certain personnel obtain specific approval of their securities transactions and have implemented procedures for monitoring these transactions as well as those of all employees.

FUNDS AND RELATED INVESTING

Merrill Lynch will purchase Funds, which may include Related Funds, for your Portfolio. The fees and expenses, if any, of these Funds, are in addition to Portfolio fees, unless such fees and expenses are credited to your Portfolio. In addition, Merrill Lynch, a Related Company, a Fund, or their respective affiliates, as applicable, may earn additional compensation for services rendered in connection with such products. For example, Merrill Lynch or a Related Company may execute brokerage transactions for a Fund included in your Portfolio (including on a principal basis), or provide shareholder subaccounting services to a Fund, for which it will be paid. More complete information about any of the Funds, including risks, management fees and other charges and expenses, is contained in the Fund's prospectus or other applicable disclosure document. Each of the Related Funds pays investment management fees to its investment adviser and, like unrelated Funds, incurs other expenses. The current annual rates of investment management fees paid by the BlackRock Funds to BlackRock, and by the BofA funds to a Bank of America affiliate, range from 0.05% to 1.20%, and 0.20% to 0.25%, respectively, of average daily net assets and are described in each Fund's prospectus.

Due to the additional economic benefit to Merrill Lynch, its Related Companies, a Fund or their respective affiliates, as applicable, and, potentially, a Financial Advisor, from investments in Funds, a conflict of interest may exist. This conflict may be greater when you, with the assistance of a Financial Advisor, select a Portfolio that is implemented using these products. For Funds advised, sponsored or distributed by Merrill Lynch, a Related Company or their respective affiliates, Merrill Lynch, a Related Company or their respective affiliates, as applicable, will receive investment management fees and/or Rule 12b-1 fees. For other Funds, Merrill Lynch and its affiliates also may receive Rule 12b-1 fees. We and our affiliates may also provide other services to Related Funds, and other Funds for compensation, such as transfer agency, shareholder servicing, administrative, accounting and printing services.

Merrill Lynch's parent, Bank of America, has a financial interest in certain other investment advisers, such as Nuveen Investments, Inc. and its affiliates (collectively "Nuveen"). Although Nuveen is not deemed a "Related Company" or affiliate of Merrill Lynch or Bank of America, Merrill Lynch may have a conflict of interest when considering whether to recommend that clients purchase or sell shares of Nuveen Funds or other Nuveen products and may benefit from increased sales of such Funds/products to a greater extent than from increased sales of Funds/products sponsored by other firms.

Each mutual fund, or its adviser, principal underwriter or other agent, has entered into an agreement with Merrill Lynch and its affiliates for the performance of Subaccounting and related services (including Portfolio recordkeeping, transaction processing, reporting and corporate action services) for the mutual fund shares



held in a Merrill Lynch securities account. Merrill Lynch and its affiliates receives Subaccounting fees for the performance of these services, which are either borne by the mutual fund (like other mutual fund expenses) or by its adviser, principal underwriter or other agent. Depending on the mutual fund or its adviser, principal underwriter or other agent's arrangement with Merrill Lynch and its affiliates, Merrill Lynch and its affiliates will receive from the mutual fund or a fund service provider or its affiliate Subaccounting fees of 0.10% per annum of the amount invested in such mutual fund or \$16 annually per position in the mutual fund. These subaccounting fee rates are subject to change from time to time.

In addition to these fees, we and our affiliates receive fees paid by certain ETF or similar product sponsors or their affiliates for licensing or other arrangements. These fees, which are typically calculated as a percentage of the assets of the ETF or similar product, are not generally borne by the fund, but are instead paid directly from the sponsor or its affiliate to us or our affiliates.

Merrill Lynch, a Related Company, or their respective affiliates, may receive investment management fees paid by the Funds held in your Portfolio.

Mutual funds purchased in your Portfolio will generally consist only of classes of shares with no CDSC or front-end sales loads (or with such charges waived). In addition, from time to time a Fund may authorize us to make available to clients participating in RPA a class of shares of a Fund with a fee structure we believe is more beneficial to you than the class of shares previously made available. In such circumstances, we will effectuate the exchange to the other class of shares of the same Fund.

Merrill Lynch, Related Companies, or their respective affiliates also may provide services to, or effect transactions with Funds, and receive compensation in connection with these activities, as described more fully in the section entitled *Other Compensation and Conflict of Interest Considerations*.

PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS

In the United States, Merrill Lynch acts as a broker (i.e., agent) for corporate, institutional and governmental and private clients and as a dealer (i.e., principal) in the purchase and sale of corporate securities, primarily equity and debt securities traded on exchanges or in the over-the-counter markets. We also act as a broker and/or dealer in the purchase and sale of mutual funds, money market instruments, government securities, high-yield bonds, municipal securities, financial futures contracts and options. We and other affiliates also conduct the futures business and foreign exchange activities. We operate the firm's U.S. retail branch system, and also provide financing to clients, including margin lending and other extensions of credit as well as a wide variety of financial services, such as securities clearing, retirement services and custodial services. As a result of the involvement in multiple business activities, we and our employees may have interests unrelated to RPA clients which may give rise to potential conflicts of interest, including those discussed below. This discussion does not seek to identify all actual or potential conflicts. Information about certain additional conflicts is described throughout this Brochure and in many of the contracts and offering documents that govern the specific products and services we offer.

We and our affiliates and employees benefit from the compensation paid to us by you in RPA. Our Financial Advisors or other employees who introduce clients to RPA and provide ongoing services to these clients receive compensation in connection with RPA from these fees as well as from the purchase of the Contract.

Each Fund or its respective principal underwriter or other agent has entered into an agreement with us or an affiliate pursuant to which we or an affiliate, for a fee, agree to perform certain administrative services for your Portfolio holding Funds (the "Administrative Fee"). The amount of the Administrative Fee varies among Unrelated Funds held through Contracts owned by clients who are not IRAs. For each Contract owned by an



IRA that participates in RPA, the Administrative Fee for any particular Fund will be at the same annual rate as all other Funds. No Contract owner will directly bear any Administrative Fee.

In addition to the Administrative Fee, we or our affiliates receive fees paid by certain ETFs or similar product sponsors or their affiliates for licensing or other arrangements. These fees, which are typically calculated as a percentage of the assets of the ETF or similar product, are not generally borne by the fund, but are instead paid directly from the sponsor or its affiliate to us or our affiliates.

We, through our Financial Advisors, may suggest or recommend that clients, including RPA clients, use our securities accounts, execution, custody, or other services, or such services of an affiliate. Similarly, Financial Advisors may suggest or recommend that clients purchase our products or products of an affiliate, including insurance products, mortgage, trust and credit services, and mutual funds. Where Merrill Lynch's or an affiliate's products or services are purchased by clients, we, our affiliates and employees will receive fees and compensation. Financial Advisors may, as permitted by applicable law, receive compensation in connection with such products and services.

As a broker-dealer, we will also benefit from the possession or use of free credit balances in client accounts, subject to the restrictions imposed by Rule 15c3-3 under the Exchange Act. Certain of the Funds, including Related Funds, may utilize us and our affiliates for brokerage and related services and will pay Merrill Lynch compensation therefore, subject to any applicable legal requirements.

As a broker-dealer effecting transactions on behalf of clients, including those clients receiving advisory services, Merrill Lynch or an affiliate may act as agent or as principal for its own account, as permitted by applicable law. Similarly, Merrill Lynch or an affiliate may, in transactions involving such clients' securities, act as agent while also representing another client on the other side of the transaction. In addition, Merrill Lynch or its affiliates may have a position in, or enter purchase or sale orders for, securities recommended to clients in the normal course of its business as a broker-dealer. Merrill Lynch and/or its affiliates may profit from such positions or transactions in securities.

We, acting in our broker-dealer capacity, may recommend that participants invest in a variety of limited partnerships, investment vehicles such as hedge funds and other investment funds, for which certain of our affiliates may act as general partners or managing members. The investments of the limited partnerships and other entities may vary but include, without limitation, real estate, futures, hedge funds and other alternative investments.

INVESTMENTS IN SECURITIES BY MERRILL LYNCH AND OUR PERSONNEL

We and our affiliates act in a variety of capacities to a wide range of clients. From time to time in the course of those duties, confidential information may be acquired that cannot be divulged or acted upon for advisory or other clients. Similarly, we may give advice or take action with regard to certain clients, including RPA clients, which may differ from that given or taken with regard to other clients. This includes the advice given or actions taken with respect to certain securities or investment managers. In some instances, the actions taken by affiliates with respect to similar services and programs may conflict with the actions taken by us. This is due to, among other things, the differing nature of the affiliate's investment advisory service and differing processes and criteria upon which determinations are made.

Investment management decisions in RPA are based on a number of factors. There may be occasions where IMG provides a favorable analysis of a particular fund but does not include the fund within your Portfolio.

The investment advisers who manage the Funds may also manage other funds with similar investment objectives and policies (as well as names) to those of the Funds ("similar funds"). IMG may share its analyses



of mutual funds, which may include similar funds, with Financial Advisors and others within Merrill Lynch and its affiliates. In certain cases, this may precede the implementation of investment management decisions in Your Portfolio. Financial Advisors may consider such analyses in connection with services provided to brokerage and other customers who are not clients of RPA or the Merrill Lynch Mutual Fund Advisor® Program. Because it cannot be assumed that the investment results of any Fund will be comparable to the investment results of any other fund, including a similar fund, we do not believe that providing the IMG analyses should disadvantage clients of RPA. Moreover, because of the nature of mutual funds and funds available through variable annuity contracts, and the fact that shares are purchased or redeemed at the next determined net asset value, we believe that providing the IMG analyses within the Merrill Lynch family should not disadvantage clients of the Mutual Fund Advisor Program.

We address these conflicts through disclosure in this Brochure. Moreover, our Financial Advisors are required to recommend investment advisory programs, investment products and securities that are suitable for you based upon your investment objectives, risk tolerance and financial situation and needs. In addition, we have established a variety of restrictions, procedures and disclosures designed to address potential conflicts of interest – both those arising between and among client accounts as well as between client accounts and our business. For example, our personnel also are subject to personal trading restrictions as detailed in our policies and procedures and Code of Ethics. These policies and procedures and the Code of Ethics require our Financial Advisors to pre-approve certain securities transactions, disclose his or her investment accounts, and provide or cause Merrill Lynch to receive annual holdings reports and quarterly transaction reports.

BROKERAGE PRACTICES

Transactions in your Portfolio are effected by us or an affiliate. You authorize and direct Merrill Lynch or an affiliate as agent to take any necessary action to manage your Portfolio, including the completion and settlement of transactions in your Portfolio, according to your instructions.

REVIEW OF ACCOUNTS

IMG reviews the investment strategies offered in the Program and will buy or sell Funds within the strategies to realign the strategy with the target asset allocation. IMG will also buy, sell and replace specific Funds based on its ongoing analysis of the Funds.

Your Financial Advisor is available to review your RPA Portfolio upon request, but no specific factor will trigger a review of your RPA Portfolio. We advise you to review your RPA Portfolio and the performance of your investments. Any review we perform does not substitute for your continued review of your RPA Portfolio.

CLIENT REPORTS

We or the Contract issuer provide you with written quarterly Contract statements showing all Your Portfolio assets and activity and quarterly performance reports. In addition, we or the Contract issuer provide clients with additional reports in connection with their ownership of the Contract, including statements of activity showing transfers among the investment options within your Portfolio, as required by law.

CLIENT REFERRALS AND OTHER COMPENSATION

OTHER COMPENSATION

Certain of the Funds, including Related Funds, or their principal underwriters or other agents, reimburse us to cover various costs arising from sales and marketing materials, client and prospective client meetings, or



educational and training meetings held with Financial Advisors and our other personnel relating to RPA and asset management. These Funds or their principal underwriter or other agents may also participate in other conferences and seminars unrelated to RPA but sponsored by us and may reimburse us to cover costs of those conferences and seminars. The Funds' principal underwriters, investment managers or other agents may also make charitable contributions in connection with Merrill Lynch-sponsored or client-related events. This may create an incentive for us to recommend certain Funds to client accounts.

We address these conflicts through disclosure in this Brochure.

COMPENSATION FOR CLIENT REFERRALS

We have entered or may enter into marketing arrangements with third parties who, for compensation, will provide consulting or other services to us along with marketing of our various advisory programs and services or for referring prospective clients to us. Each such marketing arrangement is or will be governed by a written agreement between us and the third party, and will be disclosed to you, as required by law.

Our employees may refer advisory clients to Bank of America, N.A., including its private bank, US Trust, Bank of America Private Wealth Management, and other affiliates for products and services. Similarly, employees of the Bank of America, N.A. and its affiliates may refer clients to us for brokerage or advisory services. These referrals may involve the payment of referral fees between Merrill Lynch and Bank of America, N.A. or its affiliates.

CUSTODY

We do not have custody of client funds and securities in connection with Consulting Services.

INVESTMENT DISCRETION

To participate in RPA, you enter into an investment advisory agreement with us in which, among other things, you grant us the discretionary authority to allocate, reallocate, transfer or otherwise effect transactions among the available investment options in the Separate Account A portion of your Contract. You may place reasonable restrictions on the management of your Portfolio.

VOTING CLIENT SECURITIES

We do not vote proxies or respond to corporate actions with respect to securities held in your Portfolio. We will forward to you any information or documents we receive for distribution to our clients in regard to the voting of proxies, including all proxies and related shareholder communications for the securities held in your Account. If we do not receive instructions regarding the voting of proxies for securities, including Registered Funds, then we will comply with the rules of the NYSE and the SEC related to such matters. For securities of non-U.S. issuers, we will send you proxy voting materials and related shareholder communications to the extent that we receive them from the issuer in a timely manner.

We will not advise or act for you regarding any legal matters, including bankruptcies and class actions service, pertaining to the securities held in your Account. Unless otherwise agreed, we will send you any documents we receive for client distribution with regard to such matters.

FINANCIAL INFORMATION

Not applicable.



GLOSSARY

“Administrative Fee” means the fee that Merrill Lynch or an affiliate charges to perform certain administrative services for the client’s Portfolio holding Unrelated Funds.

“Advisers Act” means the U.S. Investment Advisers Act of 1940, as amended.

“AWC” means a FINRA Letter of Acceptance, Waiver and Consent.

“Bank of America” means Bank of America Corporation.

“BlackRock” means BlackRock Inc. and its affiliates.

“BlackRock Funds” means funds advised, managed and sponsored by BlackRock.

“BlackRock Strategies” means investment strategies in which the assets in a client’s account will be invested only in shares of Funds advised by BlackRock and Merrill Lynch money market funds.

“BoFA Funds” means mutual funds advised by investment affiliates of Bank of America, including BofA Global Capital Management Group, LLC.

“BofAML Research” means BofA Merrill Lynch Global Research.

“Brochure” means the Merrill Lynch program brochure relating to RPA, as amended or updated from time to time.

“Client” or **“you”** means the RPA client.

“Client Agreement” means the agreement between the client and Merrill Lynch, as amended or updated from time to time.

“Code of Ethics” means Merrill Lynch’s Investment Adviser Code of Ethics.

“Contract” means the Merrill Lynch Retirement Plus® variable annuity contract.

“ERISA” means the U.S. Employee Retirement Income Security Act of 1974, as amended.

“ERISA Plan” means a plan subject to the provisions of ERISA or any other entity deemed to hold assets of such a plan.

“Exchange Act” means the U.S. Securities Exchange Act of 1934, as amended.

“ETF” means exchange traded fund.

“Financial Advisor” means the Merrill Lynch Financial Advisor or a representative of the Financial Advisory Center.

“FINRA” means the Financial Services Regulatory Authority.

“Funds” means registered and unregistered investment companies, including mutual funds, closed-end funds, ETFs, exchange traded notes, Alternative Investment Funds, real estate investment trusts and other pooled investment vehicles, and, to the extent applicable, Offshore Funds.

“IMG” means the Investment Management & Guidance group of Merrill Lynch.

“Investment Company Act” means the U.S. Investment Company Act of 1940, as amended.

“IRA” means an individual retirement account, Roth individual retirement account or individual retirement annuity.



“Merrill Lynch,” “we” or “us” means Merrill Lynch, Pierce, Fenner & Smith Incorporated.

“ML&Co.” means Merrill Lynch & Co., Inc.

“Monthly Portfolio Appraisal Date” means the last Friday of each month, but the last business day of December.

“Non-Retirement Account” means a Merrill Lynch securities account (other than securities accounts consisting of IRA or other retirement plan assets).

“Nuveen” means Nuveen Investments, Inc. and its affiliates.

“Offshore Funds” mean investment companies organized in jurisdictions not within the United States or its territories or possessions, not registered under the Investment Company Act and whose securities are not registered under the Securities Act.

“Portfolio” means the Separate Account A portion of the Contract of which RPA offers discretionary management.

“Related Company” means a company that is an affiliate of Merrill Lynch or in which Merrill Lynch or an affiliate of Merrill Lynch has a material ownership interest. Nuveen is not considered a Related Company.

“Related Fund” means a Fund sponsored or advised by Merrill Lynch or a Related Company.

“Retirement Account” means an ERISA Plan, a tax-qualified plan of self-employed persons or an individual retirement account.

“RPA” means the Merrill Lynch Retirement Plus Advisor Program.

“RPA Fees” means fees that an RPA client pays.

“SAI” means Statement of Additional Information.

“SEC” means the U.S. Securities and Exchange Commission.

“Securities Account” means a Merrill Lynch securities account to which the Contract is “linked.”

“Securities Act” means the U.S. Securities Act of 1933, as amended.

“SIPC” means the Securities Investor Protection Corporation.

“Unrelated Fund” means a Fund that is not advised by Merrill Lynch or a Related Company and that is available through RPA.