

July 9, 2007

**Cover Page of Notice**

Dear Investor:

You are listed as an investor or former investor in Merrill Lynch & Co., Inc. ("Merrill Lynch") common stock. Enclosed is a notice about the settlement of a class action lawsuit called *In re Merrill Lynch & Co., Inc. Shareholders Litigation*. You may be eligible to claim a payment from the settlement, or you may want to act on other legal rights. Important facts are highlighted below and explained more fully in the notice.

**Merrill Lynch Shareholders Securities Class Action Settlement**

- **Security:** Merrill Lynch common stock (NYSE: "MER"; CUSIP 590188108).
- **Time Period:** July 3, 1999 - April 8, 2002 (inclusive).
- **Settlement Amount:** \$15 million in cash (estimated average of \$.0545 per share), plus interest and separately paid expenses of notice and settlement administration.
- **Reasons for Settlement:** Avoids costs and risks from continuing the lawsuit; pays money to investors like you; and releases Merrill Lynch and related parties from liability.
- **If the Case had not Settled:** There would have been pretrial motion practice and possibly a trial. The parties disagree on the liability and damage issues. (See Question 4 of the notice for further explanation.)
- **Attorneys' Fees and Expenses:** Lawyers for investors will ask the Court for an award of attorneys' fees of 22.5% of the settlement fund, as well as reimbursement of out-of-pocket expenses in an amount not to exceed \$125,000.00, which will reduce the per share recovery by an estimated amount of \$.0127 per share. The attorneys' fees and expenses awarded by the Court will be paid out of the settlement fund as fees and expenses for investigating the facts, litigating the case, and negotiating and administering the settlement.
- **Deadlines:**
  - To Request Exclusions: October 1, 2007**
  - To File and Serve Objections: October 1, 2007**
  - To File Claims: October 30, 2007**
  - Court Hearing on Fairness of Settlement: November 5, 2007**
- **More Information:**

Claims Administrator:

Merrill Lynch & Co., Inc. Shareholders Litigation  
Heffler, Radetich & Saitta L.L.P.  
P.O. Box 570  
Philadelphia, PA 19105-0570  
1-800-644-7835  
www.hrsclaimsadministration.com

Lawyers for Investors:

Merrill G. Davidoff, Esq.  
Lawrence J. Lederer, Esq.  
Berger & Montague, P.C.  
1622 Locust Street  
Philadelphia, PA 19103  
1-800-424-6690

Other details about this settlement and the case are in the attached notice.

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UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

_____	X
IN RE MERRILL LYNCH & CO., INC. RESEARCH REPORTS SECURITIES LITIGATION	: 02 MDL 1484 (JFK)
_____	:
THIS DOCUMENT RELATES TO:	:
_____	:
IN RE MERRILL LYNCH & CO., INC. SHAREHOLDERS LITIGATION	: 02 CV 5097 (JFK)
_____	X

**NOTICE OF PENDENCY AND PROPOSED SETTLEMENT OF CLASS ACTION**

**IF YOU BOUGHT MERRILL LYNCH & CO., INC. (“MERRILL LYNCH”) COMMON STOCK (NYSE: “MER”; CUSIP 590188108) DURING THE PERIOD FROM JULY 3, 1999 THROUGH AND INCLUDING APRIL 8, 2002, YOU COULD GET A PAYMENT FROM A CLASS ACTION SETTLEMENT.** *Whether or not you obtain a payment, all Class member claims involving Merrill Lynch common stock during Class Period will be eliminated and resolved by this litigation if the settlement is approved.*

***A federal court authorized this notice. This is not a solicitation from a lawyer.***

- The settlement will provide a settlement fund of \$15 million in cash, plus interest (the “Settlement Fund”), to pay claims filed by investors who suffered damages from buying Merrill Lynch common stock between July 3, 1999 and April 8, 2002 (inclusive) (the “Class Period”). The settlement represents an estimated average recovery of \$.0545 per share assuming that claims are filed on behalf of 100% of the estimated amount of damaged shares. This figure is an estimate and is before deduction of attorneys’ fees and out-of-pocket expenses. Your actual recovery, if any, may vary depending on your purchase and sale prices and the number of shareholders that file Proof of Claim and Release forms. See Question 8 below for further information.
- The settlement resolves a lawsuit concerning claims that Merrill Lynch, its subsidiary, Merrill Lynch, Pierce, Fenner & Smith Incorporated (“MLPF&S”), and Henry Blodget (collectively, the “Defendants”) employed improper business practices and issued misrepresentations concerning Merrill Lynch’s securities analyst research activities during the Class Period. Plaintiffs allege that as a result of these practices, the value of Merrill Lynch common stock was artificially inflated during the Class Period. By entering into the settlement, Defendants have not admitted the allegations in the lawsuit and Plaintiffs have not admitted that any of their claims are without merit. The parties do not agree on the merits of the claims or any damage issues. Defendants deny they engaged in any wrongdoing. Plaintiffs’ Lead Counsel believe that this settlement is in the best interests of the Class considering the risks posed by further litigation and the possibility that absent the settlement, Class members risk obtaining no recovery. See Question 4 below for further explanation.
- Plaintiffs’ Lead Counsel intend to ask the Court to award them attorneys’ fees of 22.5% of the Settlement Fund, along with reimbursement of out-of-pocket expenses in an amount not to exceed \$125,000.00. If the Court awards 22.5% of the Settlement Fund as attorneys’ fees and \$125,000.00 in out-of-pocket expenses, the award will reduce the estimated per share recovery by an estimated \$.0127 per share. Plaintiffs’ Lead Counsel have expended considerable time and effort in the prosecution of this litigation on a contingent fee basis, and have advanced the expenses of the litigation in the expectation that if they were successful in obtaining a recovery for the Class they would be paid from such recovery, as is customary in this type of litigation. Plaintiffs’ Lead Counsel have not received any compensation for their services previously in this litigation.
- **Your legal rights are affected whether you act, or don’t act. Read this notice carefully.**

## YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:

<b>SUBMIT A CLAIM FORM</b>	The only way to receive a payment.
<b>EXCLUDE YOURSELF</b>	Receive no payment. This is the only option that allows you to ever be part of any other lawsuit or action against Defendants about the claims in this case.
<b>OBJECT BUT REMAIN IN THE SETTLEMENT</b>	Write to the Court about why you don't like the settlement.
<b>GO TO A HEARING</b>	The November 5, 2007 Hearing is open to the public. To speak in Court in support of any objection you may have filed, you will need to give advance written notice to the Court and the parties.
<b>DO NOTHING</b>	Receive no payment. Give up any rights you may have.

- These rights and options – **and the deadlines to exercise them** — are explained in this notice.
- The Court still has to decide whether to approve the settlement. Payments will be made if the Court approves the settlement and after any appeals are resolved and claims are processed. Please be patient.
- Further information regarding this settlement may be obtained by contacting Lead Counsel, Merrill G. Davidoff, Esq. and Lawrence J. Lederer, Esq., Berger & Montague, P.C., 1622 Locust Street, Philadelphia, PA 19103, Telephone: 1-800-424-6690, or the Claims Administrator, Heffler, Radetich & Saitta L.L.P., P.O. Box 570, Philadelphia, PA 19105-0570, Telephone: 1-800-644-7835.

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## BASIC INFORMATION

### 1. Why did I get this Notice package?

You or someone in your family may have purchased Merrill Lynch common stock (New York Stock Exchange (“NYSE”) symbol “MER”, CUSIP 590188108) during the Class Period July 3, 1999 through and including April 8, 2002 (inclusive).

The Court in charge of this case is the United States District Court for the Southern District of New York. The case is known as *In re Merrill Lynch & Co., Inc. Shareholders Litigation*, 02 CV 5097 (JFK). Judge Keenan is the judge hearing this case. The people who sued are called plaintiffs. Merrill Lynch and the two other parties who were sued in this case, MLPF&S and Henry Blodget, are called the Defendants. This case is one of several related actions which were filed against Defendants and others relating to Merrill Lynch’s securities research practices. All such related cases were transferred to the Court for consolidated or coordinated pretrial proceedings under the overall caption *In re Merrill Lynch & Co., Inc. Research Reports Securities Litigation*, 02 MDL 1484 (JFK) (S.D.N.Y.).

This notice is sent to you because you have a right to know about the proposed settlement of this case, and about all of your options, before the Court decides whether to approve the settlement. If the Court approves the settlement, and resolves any objections to the settlement submitted by Class members and any appeals are resolved as explained below, then an administrator appointed by the Court will process the claims received and distribute the payments to Class members with valid claims.

### 2. What is this lawsuit about?

On or about July 2, 2002, plaintiff Doris Loder, represented by Lead Counsel, filed the first of several class action complaints in the Court on behalf of herself and other similarly situated Class member shareholders of Merrill Lynch. The complaints allege that the Defendants violated sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the “Exchange Act”) and Securities and Exchange Commission (“SEC”) Rule 10b-5 by employing improper business practices which artificially inflated the prices of Merrill Lynch common stock. These alleged improper business practices included issuing a series of false, inflated and/or biased securities analyst research reports concerning the common stocks of several internet companies; failing to adhere to the published securities rating criteria Merrill Lynch distributed to its clients and other investors; and publicly recommending certain internet stocks to investors in their research reports despite private misgivings and negative opinions about those stocks as reflected in internal e-mails and communications.

On December 9, 2002, the Court consolidated this case with other related actions under the caption *In re Merrill Lynch & Co., Inc. Shareholders Litigation*, 02 CV 5097 (JFK), in accordance with the Private Securities Litigation Reform Act of 1995 (the “PSLRA”), 15 U.S.C. § 78u-4(a)(3).

On February 5, 2003, the Court appointed J. Marvin Brown as Lead Plaintiff for the Class (“Lead Plaintiff”) and Berger & Montague, P.C. as Lead Counsel (“Lead Counsel”).

On March 12, 2003, Lead Plaintiff filed a consolidated amended class action complaint (the “Complaint”) asserting claims under sections 10(b) and 20(a) of the Exchange Act and Rule 10b-5. Lead Plaintiff alleged, among other things, that Merrill Lynch’s Form 10-K’s filed with the SEC for the years ended 1999, 2000 and 2001 were false and misleading because, *inter alia*, they failed to disclose that (i) Merrill Lynch’s internet research group never used “Reduce” or “Sell” ratings; (ii) the *de facto* category ratings system used by the internet research group was “to appease the firm’s existing corporate clients whose companies were subjects of these favorable coverages, and to attract new investment banking business”; (iii) “the ‘Chinese Wall’ that was supposed to separate research from investment banking by keeping bankers and their clients from influencing analysts was virtually non-existent at Merrill Lynch”; and (iv) “analysts’ pay at Merrill Lynch — and particularly their bonus — was tied directly to the analysts’ efforts in generating investment banking revenues.” Lead Plaintiff asserted that as a result, he and other Class member investors acquired their Merrill Lynch stock at artificially inflated prices. Lead Plaintiff also asserted that the trading prices of Merrill Lynch stock declined following, and as a result of, revelations concerning Defendants’ alleged securities analyst research practices by the New York Attorney General beginning on April 8, 2002 (the close of the Class Period).

This case was stayed until further order of the Court by operation of a case management order entered on December 9, 2002. As of that date, this case was one of 26 consolidated actions that had been transferred to the Honorable Milton Pollack, Senior United States District Judge for the Southern District of New York, for coordinated pretrial proceedings.

In a series of rulings thereafter, Judge Pollack dismissed twelve complaints brought against Merrill Lynch and others by persons who purchased internet stocks concerning which Merrill Lynch had previously issued securities research reports. As a result, further proceedings in this case and the related cases were held in abeyance pending the resolution of the appeals in the first two “test” cases of the group of twelve dismissed internet stock cases. On January 20, 2005, the United States Court of Appeals for the Second Circuit affirmed dismissal of the two internet stock “test” cases on the grounds that plaintiffs failed to allege adequately that stock ratings and other statements in MLPF&S’s research reports were the proximate cause of plaintiffs’ alleged losses (the “*Lentell* Decision”). The *Lentell* Decision is *Lentell v. Merrill Lynch & Co., Inc.*, 396 F.3d 161 (2d Cir.) *cert. denied*, 126 S.Ct. 421 (2005). After Judge Pollack passed away, this case and the other multidistrict cases pending before the Court were reassigned to the Honorable John F. Keenan, Senior United States District Judge for the Southern District of New York. The parties thereafter agreed in principle to settle this action.

### 3. Why is this a class action?

In a class action, one or more persons and/or entities called class representatives, sue on behalf of all persons and/or entities who have similar claims. All of these persons and/or entities are collectively referred to as a Class, or individually, as Class members. One court resolves all of the issues in the case for all Class members, except for those Class members who exclude themselves from the Class.

### 4. Why is there a settlement?

The Court did not decide in favor of Plaintiffs or Defendants. Instead, Lead Plaintiff and Defendants have agreed to settle this action. Lead Plaintiff has agreed to settle this action based on the facts that he, through Lead Counsel, have discovered during the litigation, the risks of continued litigation, and their conclusions that the proposed settlement is fair, reasonable and adequate as to the members of the Class. By settling, the Class avoids the cost and risks of continued litigation, while at the same time provides substantial compensation to the Class. Consequently, Lead Counsel recommend approval of the settlement. Defendants also have concluded that the settlement is best for themselves.

Lead Plaintiff and Defendants disagree as to: (1) whether Defendants engaged in any misconduct; (2) whether Lead Plaintiff alleged any actionable claims; (3) whether the facts alleged were material, false or misleading; (4) whether the claims asserted by the Class were timely; (5) the extent to which the facts alleged by Lead Plaintiff influenced the trading prices of Merrill Lynch common stock during the applicable period; and (6) whether any damages could be recovered by the Class at trial or otherwise.

While Lead Counsel was confident in the merits of this case, they recognize that any litigation is a risky proposition and that the Class might not have prevailed on some or all of their claims. Particularly pertinent in this regard is that at least three other federal securities law class action cases were filed by shareholders of other brokerage firms alleging similar securities analyst research improprieties, all of which were dismissed at the pretrial stage. Two of the dismissals were affirmed on appeal. These cases are *Shah v. Mary Meeker, Morgan Stanley & Co., et al.*, 435 F.3d 244 (2d Cir. 2006); *Albert Fadem Trust v. Citigroup Inc.*, No. 04-5642-cv, 165 Fed. Appx. 928, 2006 U.S. App. LEXIS 2997 (2d Cir. Feb. 6, 2006); and *In re JP Morgan Chase Securities Litigation*, 363 F. Supp. 2d 595 (S.D.N.Y. 2005). See also *In re JP Morgan Chase Securities Litigation*, 02 Civ. 1282 (SHS), 2007 U.S. Dist. LEXIS 22948 (S.D.N.Y. Mar. 28, 2007) (dismissing with prejudice the further amended complaint by JP Morgan Chase shareholders alleging securities fraud claims arising out of JP Morgan Chase’s alleged transactions with Enron). Significantly, moreover, the appeals court affirmed dismissal of the *Morgan Stanley* case on statutes of limitation grounds, and the appeals court in *Citigroup* affirmed dismissal on the grounds that the shareholder plaintiffs failed to allege adequately that any of the defendants acted with an intent to defraud their shareholders. Similarly, the court of appeals affirmed dismissal in the *Lentell* Decision on grounds that the shareholder plaintiffs failed to allege adequately that their losses were caused by MLPF&S’s allegedly false research reports. All of these defenses were also raised by the Defendants in this case including during the parties’ settlement negotiations, and the Defendants also previously announced their intention to file a pretrial motion to dismiss this case. Consequently, the Class faced the very distinct risk of no recovery at all. By contrast, the settlement provides a substantial fund for prompt distribution to Class member investors.

Prior to agreeing to the settlement, Lead Plaintiff through Lead Counsel had extensively investigated the facts and claims and engaged in extensive negotiations culminating in the settlement. In connection therewith, Lead Counsel reviewed and analyzed thousands of documents and other information obtained from the New York Attorney General relating to the New York Attorney General's investigation of MLPF&S, Lead Counsel's own investigation, and Lead Plaintiff's damages expert.

Lead Counsel believe that the investigation they have undertaken, together with their analysis of the potential outcome of this case, particularly in light of the dismissal of the *Morgan Stanley, Citigroup* and *JP Morgan Chase* cases and the appeals court's ruling in the *Lentell* Decision, provides an adequate and satisfactory basis for them to recommend the settlement. Lead Counsel also recognize and acknowledge the expense and length of continued proceedings necessary to prosecute this case through trial and appeal. They have also considered the uncertain outcome and the risk of continued litigation, including the risk that the Class might have recovered nothing, as well as the difficulties and delays inherent in any such continued litigation. Lead Plaintiff and Lead Counsel are also mindful of the inherent problems of proof and possible defenses to the federal securities law violations asserted against Defendants. Based upon their evaluation, Lead Counsel believe that the settlement is fair, reasonable and adequate and in the best interests of Lead Plaintiff and the Class. Lead Counsel therefore believe that it is desirable that the Released Claims (defined below) be fully and finally compromised, settled and resolved by the Class in accordance with the settlement.

## WHO IS IN THE SETTLEMENT?

### 5. How do I know if I am part of the settlement?

To see if you will get money from this settlement, you first have to decide if you are a Class member in this Action. Judge Keenan decided that everyone who fits the following description is a Class member:

All persons and entities who purchased or otherwise acquired the common stock of Merrill Lynch during the Class Period of July 3, 1999 through and including April 8, 2002 (inclusive), and who were damaged thereby.

Merrill Lynch common stock is traded on the New York Stock Exchange under the symbol "MER", and its CUSIP number is 590188108.

Consistent with that definition, you are a Class member even if you have any claims including arbitration claims pending against Merrill Lynch or any of the other Defendants which relate to Merrill Lynch research reports and your transactions in Merrill Lynch common stock during the Class Period. If you wish to continue to separately pursue any such existing arbitration or other claims, you must "opt out" of this Settlement as provided in paragraph 12 below.

Judge Keenan has also decided that pending final determination of whether the settlement summarized in this notice should be approved, all Class members, and anyone who acts or purports to act on their behalf, are prohibited from instituting or commencing any action which asserts Released Claims against any of the Released Parties (as those terms are defined in paragraph 11 below).

### 6. Are there exceptions to being included?

Even if you otherwise fall within the definition in paragraph 5 above, you are not a Class member if you are a Defendant or are or were an officer or director of any Defendant. The Class also excludes Defendants' legal representatives, heirs, successors, predecessors, affiliates and assigns, any entity in which any Defendant has or had a controlling interest, and the members of the immediate family of defendant Blodget. Also, if you exclude yourself from the Class, as described below, you will not be a part of the Class and therefore will not be entitled to share in the settlement.

If one of your mutual funds owns Merrill Lynch common stock, that alone does not make you a Class member. You are a Class member only if you purchased or otherwise acquired Merrill Lynch common stock during the Class Period. Contact your broker to see if during the Class Period you owned, held or acquired Merrill Lynch common stock.

## 7. I'm still not sure if I am included.

If you are still not sure whether you are included in the Class, you can ask for free help, by calling the Claims Administrator, 1-800-644-7835, for more information. Or you can fill out and return the claim form attached to this notice to see if you qualify.

## THE SETTLEMENT BENEFITS – WHAT YOU GET

### 8. What does the settlement provide?

The parties arrived at a proposed settlement of the lawsuit which is embodied in the Stipulation of Settlement (the “Stipulation”) they signed via their attorneys. The parties’ agreement, by itself, is not sufficient for the settlement to be official. Instead, the proposed settlement requires the Court’s approval before it can become official. The terms of the proposed settlement are summarized below, and the full settlement terms are in the Stipulation. You can obtain a copy of the Stipulation by writing to Lead Counsel: Merrill G. Davidoff, Esquire and Lawrence J. Lederer, Esquire, Berger & Montague, P.C., 1622 Locust Street, Philadelphia, PA 19103.

#### a. What is the Settlement Fund?

The proposed settlement calls for Defendants to create the Settlement Fund in the amount of \$15 million in cash, plus interest, in full and complete settlement of this action. The Settlement Fund shall be paid by one or more of the Defendants on or before five days following the day the Court approves the settlement. Another condition is that the Court approve the settlement by entering the Order and Final Judgment substantially in the form attached to the parties’ settlement Stipulation. If the settlement is finally approved, the Settlement Fund shall be maintained in an account established by Lead Counsel for the benefit of the Class, and be invested in interest-bearing instruments or funds backed by the United States government or its agencies.

In addition to the Settlement Fund and interest earned thereon, the Defendants shall also separately pay, above and beyond the Settlement Fund, all reasonable costs relating to the giving of notice of the settlement to Class members and the administration of the settlement. The Defendants are obligated under the parties’ Stipulation to pay all such costs regardless of whether the settlement is finally approved. Neither the Class, any Class member, Lead Plaintiff, Lead Counsel, or the Settlement Fund is responsible to pay any such notice and administration costs.

It is estimated that approximately 275.3 million shares of Merrill Lynch common stock were purchased by investors during the Class Period above \$50.92 per share and held through at least the end of the Class Period (computed on a post-split basis accounting for a 2-for-1 stock split that occurred on September 1, 2000), and thus are eligible to share in the Settlement Fund as explained more fully in the Plan of Allocation set forth below. Thus, it is estimated that a \$15 million recovery represents an average recovery of \$.0545 per share before any fees and expenses which may be awarded by the Court are deducted. After deducting the requested attorneys’ fees of 22.5% of the Settlement Fund and \$125,000.00 in reimbursement of costs and expenses, the net recovery is estimated to be \$.0418 per share. These are estimates only and your actual recovery may vary. A portion of the Settlement Fund will also be used to pay taxes due on interest earned by the Settlement Fund.

After the deduction of all fees, costs and other expenses as approved by the Court, the remaining proceeds in the Settlement Fund (the “Net Settlement Fund”) will be available to pay to Class members.

#### b. What can you expect to receive under the proposed settlement?

Your share of the Net Settlement Fund will depend on: the number of claims filed; the number of shares and the prices you paid or received for your Merrill Lynch common stock; and the amount of interest which may be earned on the Net Settlement Fund together with any taxes and any other costs which may be paid from the Net Settlement Fund as the Court may approve.

By following the Plan of Allocation at the end of this Notice, you can calculate your “Recognized Loss.” The Claims Administrator will distribute the Net Settlement Fund according to the Plan of Allocation after the deadline for submission of Proof of Claim and Release forms has passed and all claims have been processed.

## HOW YOU GET A PAYMENT — SUBMITTING A CLAIM FORM

### 9. How can I get a payment?

To qualify for payment, you must send in a Proof of Claim and Release form. This form is attached to this notice. You may also obtain a claim form on the Internet at [www.hrsclaimsadministration.com](http://www.hrsclaimsadministration.com). Please read the instructions carefully, fill out the form, sign it in the two locations indicated, include all the documents the form asks for, and mail the claim form and documentation, **postmarked no later than October 30, 2007**, to:

Claims Administrator  
*Merrill Lynch & Co., Inc. Shareholders Litigation*  
Heffler, Radetich & Saitta L.L.P.  
P.O. Box 570  
Philadelphia, PA 19105-0570.

The Claims Administrator will process your claim and advise you if you are an “Authorized Claimant” — meaning whether your claim satisfies the requirements approved by the Court.

### 10. When would I receive my payment?

The Court will hold a Hearing on November 5, 2007, to decide whether to approve the settlement (the “Hearing” or “Settlement Fairness Hearing”). Even if the Court approves the settlement, there may be appeals that follow which would delay the implementation of the settlement. It’s uncertain whether any such appeals can be resolved, and resolving them can take many months or longer. Upon approval of the settlement and the resolution of any appeals, the Claims Administrator will process all of the claim forms. Everyone who sends in a claim form will be informed of the approval or disapproval of their claim. Please be patient. You can also track the progress of the settlement by visiting: [www.hrsclaimsadministration.com](http://www.hrsclaimsadministration.com)

### 11. What am I giving up to get a payment or stay in the Class?

Unless you exclude yourself, you will remain in the Class. That means that if the settlement is approved, you and all Class members will release (that is, can’t sue, continue to sue, or be part of any other lawsuit) all “Released Claims” and “Unknown Claims” against, and in favor of, all of the Defendants and all of the other “Released Parties” as those terms are defined in the Stipulation and also below. It also means that all of the Court’s orders will apply to you and legally bind you.

“Released Claims” means any and all claims, actions, debts, demands, set-offs (both legal and equitable), causes of action, rights or liabilities whatsoever (including, but not limited to, any claims for damages, equitable relief, interest, attorneys’ fees, expert or consulting fees, and any other costs, expenses or liability whatsoever), whether based on federal, state or local statutory or common law or any other law, rule or regulation, whether fixed or contingent, accrued or unaccrued, liquidated or unliquidated, at law or in equity, matured or unmatured, whether direct, derivative, representative, class, individual or in any other form, including both known claims and Unknown Claims, that have been asserted in this Action by the Class members or any of them against any of the Released Parties, or which otherwise were or could have been at issue in the Action, or that have been or could have been asserted in any forum by the Class members or any of them against any of the Released Parties which arise out of or relate to or are based in whole or in part upon any of the allegations, transactions, facts, matters or occurrences, representations or omissions alleged, involved, set forth, or referred to in the Complaint in connection with such Class member’s purchase or acquisition of the common stock of Merrill Lynch during the Class Period.

“Released Parties” means Defendants and their respective heirs, executors, personal representatives, estate and administrators; their respective past, present and future parent entities, affiliates, subsidiaries, predecessors and successors; and each of their respective assigns, insurers, partners, officers, directors, controlling persons, representatives, employees, agents, attorneys, counsel, underwriters, and financial or investment advisors.

“Unknown Claims” means any and all Released Claims that the Lead Plaintiff or any Class member does not know or suspect to exist in his, her or its favor at the time of the release of the Released Parties. With respect to any and all Released Claims, the parties stipulate and agree that upon the Effective Date, Lead Plaintiff shall expressly, and each Class member shall be deemed to have, and by operation of the Order and Final Judgment shall have, expressly waived any and all provisions, rights and benefits conferred by any law of any state or territory of the United States, or principle of common law, reflected in, or which is similar, comparable or equivalent to Cal. Civ. Code § 1542, which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

In addition, all Class members (including but not limited to any Class member who is a party to any other action, arbitration or other proceeding who is asserting claims related to the Released Claims against any of the Defendants or Released Parties that are pending on the day the settlement is approved), on behalf of themselves, their heirs, joint tenants, tenants in common, beneficiaries, executors and administrators, successors and assigns, release and shall be deemed to have released, dismissed and forever discharged the Released Claims against each and all of the Released Parties, with prejudice and on the merits, without costs to any party.

As part of the settlement, all claims for contribution, indemnification, or any other form of relief by other alleged joint tortfeasors against the Released Parties based upon, arising out of, relating to, or in connection with the Released Claims of the Class or any Class member will be barred, extinguished, discharged, satisfied and otherwise rendered unenforceable to the full extent permitted by law, and the future filing of any such claims enjoined.

## EXCLUDING YOURSELF FROM THE SETTLEMENT

### 12. How do I get out of the settlement?

If you do not want to receive a payment from this settlement, and you want to keep the right to sue or continue to sue Defendants on your own about the legal and factual issues in this case, then you must take steps to get out of the settlement. This is called excluding yourself — or is sometimes referred to as “opting out” of the Class.

To exclude yourself from the settlement, you must send a letter by mail stating that you want to be excluded from the Class.

Be sure to include your name, address, telephone number, a statement requesting exclusion from the Class and your signature, along with a complete description of your purchases or sales in Merrill Lynch common stock during the Class Period, including the dates, the number of shares, and the prices paid and received per share for each purchase and sale. Please also include the amount of shares of Merrill Lynch stock held by you, if any, as of the close of business on April 8, 2002. You must mail your exclusion request, **postmarked no later than October 1, 2007**, and send it to:

Claims Administrator  
*Merrill Lynch & Co., Inc. Shareholders Litigation*  
Heffler, Radetich & Saitta L.L.P.  
P.O. Box 570  
Philadelphia, PA 19105-0570.

You can't exclude yourself on the phone or by e-mail. If you ask to be excluded, you will not receive a settlement payment, and you cannot object to the settlement. You will not be legally bound by anything that happens in this lawsuit.

### 13. If I do not exclude myself, can I sue Defendants for the same thing later?

No. Unless you exclude yourself, you give up any right to sue Defendants for the claims that this settlement resolves. If you have a pending lawsuit or arbitration relating to the claims in this case, it is important that you speak to your lawyer in that case immediately. You must exclude yourself from *this* Class to continue your own lawsuit. Remember, the exclusion deadline is October 1, 2007.

**14. If I exclude myself, can I receive money from this settlement?**

No. If you exclude yourself, do not send in a claim form to ask for any money.

**THE LAWYERS REPRESENTING YOU**

**15. Do I have a lawyer in this case?**

The Court appointed the law firm of Berger & Montague, P.C., 1622 Locust Street, Philadelphia, PA, 19103-6305, Telephone: 800-424-6690 or 215-875-3000, to represent you and other Class members in this case. These lawyers are called Lead Counsel or Class Counsel. You will not be charged separately for these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

**16. How will the lawyers be paid?**

Lead Counsel have expended considerable time litigating this case on a contingent fee basis. They have also advanced the expenses of litigation with the expectation that if they were successful in recovering money for the Class, they would receive fees and be reimbursed for their expenses from the Settlement Fund, as is customary in this type of litigation. Accordingly, Lead Counsel will file a motion asking the Court to award them attorneys' fees in an amount of 22.5% of the Settlement Fund plus any interest earned thereon, together with reimbursement of costs and expenses Lead Counsel incurred and disbursed on behalf of the Class in an amount estimated not to exceed \$125,000.00. The requested fees and expenses are estimated to total an average of \$.0127 per share based on the estimate that approximately 275.3 million shares of Merrill Lynch common stock were purchased during the Class Period above \$50.92 per share and held through at least the end of the Class Period (computed on a post-split basis accounting for the 2-for-1 stock split that occurred on September 1, 2000). The Court may award a different amount. Any amounts awarded by the Court will come out of the Settlement Fund.

**OBJECTING TO THE SETTLEMENT**

**17. How do I tell the Court that I do not like the settlement?**

If you are a Class member, you can object to the settlement if you do not like any part of it. You can state why you think the Court should not approve it. The Court will consider your views. To object, you must send a written objection stating that you object to *Merrill Lynch & Co., Inc. Shareholders Litigation*, 02 CV 5097 (JFK) (S.D.N.Y.). Be sure to include your name, address, telephone number, your signature, proof of number of shares of Merrill Lynch common stock you purchased and sold during the Class Period, and the reasons you object to the settlement or any part of the settlement. Your objection **must** be **postmarked no later than October 1, 2007**, and be filed with the Clerk of the Court and sent to Lead Counsel and counsel for the Defendants at the following addresses:

Court	Plaintiffs' Lead Counsel	Defense Counsel
Clerk of the Court United States District Court for the Southern District of New York U.S. Courthouse 500 Pearl Street, Room 1930 New York, NY 10007-1312	Merrill G. Davidoff, Esq. Lawrence J. Lederer, Esq. Berger & Montague, P.C. 1622 Locust Street Philadelphia, PA 19103	Jay B. Kasner, Esq. Scott D. Musoff, Esq. Skadden, Arps, Slate, Meagher & Flom LLP Four Times Square New York, NY 10036  Samuel J. Winer, Esq. Marc B. Dorfman, Esq. Foley & Lardner 3000 K Street Suite 500 Washington, DC 20007.

## 18. What is the difference between objecting and requesting exclusion?

Objecting is simply telling the Court that you do not like something about the settlement. You can object only if you stay in the Class. Excluding yourself is telling the Court that you do not want to be part of the Class. If you exclude yourself, you have no basis to object because the case no longer affects you. If you exclude yourself, you will be unable to share in the Settlement.

## THE COURT'S SETTLEMENT FAIRNESS HEARING

## 19. When and where will the Court decide whether to approve the settlement?

The Court will hold the Settlement Fairness Hearing at 10:00 a.m. on November 5, 2007, at the United States District Court for the Southern District of New York, Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, New York, NY 10007. At this Hearing, the Court will consider whether the settlement is fair, reasonable and adequate and related matters. You may attend and ask to speak. If there are objections, the Court will consider them. The Court will listen to people (or their counsel) who have submitted a written objection and who have submitted a separate written Notice of Intention to appear and speak at the Hearing, **postmarked no later than October 1, 2007**, and mailed to the three different places listed in the chart following Question 17 above. The Court may also decide at the Hearing how much to award to Lead Counsel for attorneys' fees and expenses. At or after the Hearing, the Court will decide whether to approve the settlement. We cannot predict how long these decisions will take.

## 20. Do I have to come to the Hearing?

No. Lead Counsel will answer any questions the Court may have on behalf of Class members. But, you are welcome to come at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you mailed your written objection on time, the Court will consider it. You may also attend or pay your own lawyer to attend to speak in support of any objection you may have filed, as long as you have followed the instructions set forth in the answer to Question 21 below. Nevertheless, it is not necessary for you or your lawyer to attend or speak at the Hearing.

## 21. May I speak at the Hearing?

If you have submitted a written objection to the settlement, the motion of Lead Counsel for attorneys' fees and expenses or any other aspect of the settlement and follow the instructions set out in response to Questions 17, 19 and 20 above, you (or your counsel) may speak at the Hearing in support of your objection. To do so, along with your written objection, please be certain to also file and serve your Notice of Intention to appear as stated in the answers to Questions 17 and 19 above. Unless the Court allows, you cannot speak at the Hearing if you exclude yourself or if you do not follow the instructions set forth in response to Questions 17, 19 and 20 above.

## IF YOU DO NOTHING

## 22. What happens if I do nothing at all?

If you do nothing, you will not receive any money from this settlement but you will be bound by all judgments entered, whether favorable or unfavorable to the Class. Unless you exclude yourself, you will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against Defendants about the legal and factual issues in this case, ever again.

## GETTING MORE INFORMATION

## 23. How do I obtain more information about the Settlement?

To obtain more information about the settlement, the claims asserted or any other issue pertaining to this case or the settlement, you may contact the Claims Administrator, Heffler, Radetich & Saitta L.L.P., or Lead Counsel, Berger & Montague, P.C., at their addresses listed in cover page and elsewhere in this notice.

## UNDERSTANDING YOUR PAYMENT – THE PLAN OF ALLOCATION

1. The Net Settlement Fund will be allocated among the Authorized Claimants in accordance with this “Plan of Allocation.” The amount so allocated to each Authorized Claimant constitutes and is referred to in this Plan of Allocation as the Authorized Claimant’s “Payable Claim.” The Plan of Allocation is based upon Lead Counsel’s assessment of the merits and the relative strengths and weaknesses, including recoverable damages, of the claims of the members of the Class. In developing this Plan of Allocation, Lead Counsel have consulted with their economic and damages expert and have considered, among other things, the following:

(a) Lead Plaintiff alleges that Defendants participated during the Class Period in a fraudulent scheme to inflate the price of Merrill Lynch’s common stock by, in sum, engaging in improper securities analyst research practices and issuing false and misleading statements about those practices. Lead Plaintiff further alleges that as a result, Merrill Lynch’s common stock traded at artificially inflated levels during the Class Period.

(b) Lead Plaintiff alleges that these practices began to be revealed on April 8, 2002, the close of the Class Period. That day, the Attorney General of New York sought an order compelling the production of documents and public testimony by Merrill Lynch and several of its employees. The New York Attorney General’s supporting affidavit alleged that research analysts at Merrill Lynch published numerous ratings for internet stocks that were allegedly misleading because the ratings did not reflect the analysts’ true opinions of the covered companies. In addition, the New York Attorney General alleged that as a matter of undisclosed internal corporate policy, Merrill Lynch internet research analysts did not issue any “reduce” or “sell” recommendations to investors on the covered stocks, thereby effectively converting Merrill Lynch’s publicly touted five category rating system into a three category system; that Merrill Lynch’s assigned ratings were allegedly tarnished by biased research analysts who were acting as quasi-investment bankers rather than as independent and objective research reporters on many of the covered companies; that research analysts were actually paid in part by how much investment banking business they generated; and that defendant Blodget and other Merrill Lynch analysts who reported to him actually made contemporaneous, highly negative comments in private e-mails about several of the companies they covered which contradicted the more positive statements they made publicly in their research reports to investors.

(c) Following the New York Attorney General’s April 8, 2002 announcements, Merrill Lynch common stock declined in value. In particular, while Merrill Lynch common stock closed at \$53.45 per share on April 8, 2002, the stock closed at \$52.09 and \$50.92 on, respectively, April 9 and 10, 2002 — representing a \$2.53 per share decline from the closing price on April 8, 2002. Although the price of the stock fell further on April 11, 2002, the market in general, and in particular the financial sector, also declined substantially on that day. In addition, the market price of Merrill Lynch stock increased in price over the next few trading days.

(d) In general under the PSLRA and Supreme Court and other precedent, persons who, during a class period, purchased the defendant company’s stock may recover only for losses caused by that defendant company’s allegedly fraudulent misstatements or omissions. By contrast, investors may not recover for any price declines caused by general market or industry factors or for disclosures of other negative information. Similarly, persons who both purchased and sold a defendant company’s stock before a “corrective” disclosure was made (that is, one revealing some or all of the truth concerning the alleged fraud), may have a more difficult burden in proving any recoverable damages.

(e) Accordingly in view of the legal and factual circumstances of this litigation, only those Class members who purchased or otherwise acquired Merrill Lynch common stock during the Class Period *and* sold or held their shares *after* the April 8, 2002 close of the Class Period, will be eligible to qualify as Authorized Claimants entitled to receive distributions from the Net Settlement Fund. For the same reasons, Class members who purchased or acquired their Merrill Lynch shares during the Class Period and also sold their shares *during* the Class Period, will be ineligible to receive any distributions from the Net Settlement Fund. Whether or not a Class member qualifies as an Authorized Claimant, he, she or it will be bound by the settlement and the releases in this action unless he, she or it opts out as set forth more fully in the answer to Question 12 above.

2. The Payable Claim will be calculated so that each Authorized Claimant shall receive, on a proportionate basis, that share of the Net Settlement Fund that the Authorized Claimant’s Recognized Loss (as defined below) bears to the total Recognized Losses of all Authorized Claimants, subject to the further provisions of this Plan of Allocation set forth below.

3. An Authorized Claimant’s recognized loss (“Recognized Loss”) is determined by the date(s) the Authorized Claimant purchased and sold Merrill Lynch’s common stock, as set forth below.

4. For Merrill Lynch shares retained by the Class member claimant after the close of business on April 8, 2002 and sold on April 9, 2002, the Recognized Loss is the difference between: (a) the purchase price paid, excluding commissions/fees, and (b) \$52.09 (the closing price of Merrill Lynch stock on the NYSE on April 9, 2002), up to a maximum of \$1.36 per share. For Class members who sold their Merrill Lynch shares on April 9, 2002 at a profit, the Recognized Loss is zero.
5. For Merrill Lynch shares retained by the Class member claimant after the close of business on April 9, 2002, the Recognized Loss is the difference between: (a) the purchase price paid, excluding commission/fees, and (b) \$50.92 (the closing price of Merrill Lynch stock on the NYSE on April 10, 2002), up to a maximum of \$2.53 per share.
6. For shares sold on or prior to April 8, 2002 (whether at a loss or at a profit), the Recognized Loss is zero.
7. To conserve administrative cost, no claim will be paid unless the Authorized Claimant is entitled to at least \$50 from the Net Settlement Fund.
8. For purposes of determining which shares of Merrill Lynch's common stock purchased during the Class Period were sold at any time either during or after the April 8, 2002 close of the Class Period, purchases and sales are matched, on a "first-in, first-out" ("FIFO") basis, by matching the first shares sold against any closing position of shares held as of July 2, 1999 (the day prior to the start of the Class Period), and then on a FIFO basis against any additional shares of Merrill Lynch common stock purchased during the Class Period based on the assumption that the first share purchased was the first share sold. The matching under FIFO will be applied to your Merrill Lynch common stock irrespective of the different accounts in which that common stock was purchased and sold unless the title or ownership of the accounts differed.
9. Any purchase or sale of Merrill Lynch common stock by a Class member on or before August 31, 2000 will be adjusted to account for the 2-for-1 stock split which occurred on September 1, 2000.
10. The date of purchase or sale is the "contract" or "trade" date as distinguished from the "settlement" date.
11. The restrictions on computing Recognized Losses set out in the following three subparagraphs apply to all claims. As a practical matter, however, they apply primarily to certain transactions engaged in by sophisticated traders or certain corporate or institutional claimants:
  - (a) "Short" sales shall not be recognized for any amount of loss on the cover or purchase transaction, and no Recognized Loss will be computed for any such covering purchase transaction.
  - (b) No Recognized Loss will be computed for any transactions in Merrill Lynch common stock engaged in by market makers or specialists as those terms are defined in the federal securities laws.
  - (c) No Recognized Loss will be computed for that portion of the purchase price of any shares of Merrill Lynch common stock not acquired on the open market and at prices above the market prices on the day(s) of such transactions (for example, as part of an exchange for patent, investment or manufacturing rights, or other non-cash consideration).
12. If you inherited or received a gift of Merrill Lynch common stock during the Class Period, that inheritance or gift is not considered a purchase of Merrill Lynch common stock unless your ancestor or donor was the actual purchaser of Merrill Lynch common stock during the Class Period. You, as a recipient of a gift or inheritance, and the original purchaser may not both file a claim with regard to the same shares of Merrill Lynch common stock. If both you and the donor (or you and your ancestor's estate) make such a claim, only the claim filed by the recipient (or heir) will be honored.
13. Shares "transferred into", "delivered into" or "received into" the claimant's account shall NOT be considered as purchased shares unless the claimant submits documents supporting that the original purchase of the shares occurred during the Class Period. Also, shares purchased and subsequently "transferred out" or "delivered out" of claimant's account will NOT be considered part of claimant's claim, as the right to file for those shares belongs to the person or party receiving the shares.
14. Nothing in this Plan of Allocation represents an admission by any of the Defendants that there is liability or damage of any kind as a result of the allegations in the Complaint or that the dollar amounts set forth in this Plan of Allocation reflect actual or potential damages to the Class.
15. Payment in the manner set forth above will be deemed conclusive compliance with the Stipulation against all Authorized Claimants.

16. All Class members who fail to submit valid and timely Proofs of Claim will be barred from participating in the distribution of the Net Settlement Fund but otherwise will be bound by all of the terms of the Stipulation, including the terms of any final orders or judgments entered and the releases given to Defendants and others.

17. The finality of the settlement is not conditioned upon the Court approving the Plan of Allocation. Any rulings pertaining to the Plan of Allocation shall not operate to terminate the Settlement or affect or delay the settlement from becoming effective, assuming the settlement is approved by the Court. The Net Settlement Fund shall not be distributed to any Class member until the Court approves the Plan of Allocation.

18. No Authorized Claimant shall have any claim against the Settlement Fund, Lead Plaintiff, Lead Counsel, the Claims Administrator, Defendants, Defendants' counsel, the Released Parties, or any other agent designated by Lead Counsel based on the distributions made substantially in accordance with the Stipulation, the Plan of Allocation, and further orders of Court. In addition, in the interest of achieving substantial justice, Lead Counsel shall have the right, but not the obligation, to waive what they deem to be formal or technical defects in any Proofs of Claim filed.

### **SPECIAL NOTICE TO SECURITIES BROKERS AND OTHER NOMINEES**

If you purchased Merrill Lynch common stock during the Class Period as nominee for a beneficial owner, then within ten (10) days after you receive this notice, you must either: (a) send a copy of this notice and the accompanying Proof of Claim and Release form by first-class mail to all such beneficial owners; or (b) provide a list, electronically if possible, of the names and addresses of such beneficial owners to the Claims Administrator:

Claims Administrator  
*Merrill Lynch & Co., Inc. Shareholders Litigation*  
Heffler, Radetich & Saitta L.L.P.  
P.O. Box 570  
Philadelphia, PA 19105-0570.

If you chose option (a) above, you may request enough forms from the Claims Administrator (at no charge) to complete your mailing and send a written statement to the Claims Administrator confirming that the mailing was made as directed, and identifying the persons and the addresses to whom this notice was sent. You may seek reimbursement of your reasonable expenses actually incurred in complying with these directives, subject to approval of Lead Counsel or the Court. All communications concerning this matter should be addressed to the Claims Administrator.

### **INQUIRIES**

All inquiries concerning this Notice, the Proof of Claim and Release form, or any other questions by Class members should be directed to:

Claims Administrator  
*Merrill Lynch & Co., Inc. Shareholders Litigation*  
Heffler, Radetich & Saitta L.L.P.  
P.O. Box 570  
Philadelphia, PA 19105-0570  
(800) 644-7835  
[www.hrsclaimsadministration.com](http://www.hrsclaimsadministration.com).

**PLEASE DO NOT CONTACT THE COURT OR THE COURT'S CLERK REGARDING THIS NOTICE.**

Dated: July 9, 2007

By Order of the District Court:

John F. Keenan, Judge

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

_____	X
<b>IN RE MERRILL LYNCH &amp; CO., INC. RESEARCH REPORTS SECURITIES LITIGATION</b>	: 02 MDL 1484 (JFK)
_____	:
<b>THIS DOCUMENT RELATES TO:</b>	:
_____	:
<b>IN RE MERRILL LYNCH &amp; CO., INC. SHAREHOLDERS LITIGATION</b>	: 02 CV 5097 (JFK)
_____	X

**PROOF OF CLAIM AND RELEASE**

**I. GENERAL INSTRUCTIONS**

1. To recover on your claims in the above-captioned action *In re Merrill Lynch & Co., Inc. Shareholders Litigation* (the "Action"), you must complete and sign this Proof of Claim and Release form in the two places indicated (on pages 19 and 20) and send it, plus all supporting documents, in a timely fashion to the Claims Administrator. **YOU MUST MAIL YOUR COMPLETED AND SIGNED PROOF OF CLAIM AND SUPPORTING DOCUMENTS, POSTMARKED ON OR BEFORE OCTOBER 30, 2007, ADDRESSED AS FOLLOWS:**

Claims Administrator  
*Merrill Lynch & Co., Inc. Shareholders Litigation*  
Heffler Radetich & Saitta L.L.P.  
P.O. Box 570  
Philadelphia, PA 19105-0570.

2. If you fail to timely send to the Claims Administrator a properly completed Proof of Claim and Release form, your claim may be rejected and you may be precluded from sharing in any recovery from the Settlement Fund created in connection with the settlement of the Action.

3. Submission of this Proof of Claim and Release, however, does not assure that you will share in the proceeds of the Settlement Fund created in the settlement of this Action. Instead, you need to submit a valid Proof of Claim and Release form and your claim must be approved for payment.

4. If you are NOT a member of the Class (as defined below), DO NOT submit any Proof of Claim and Release form. Similarly, if you otherwise qualify as a member of the Class but timely and properly submitted a request to be excluded from the Class, you are ineligible to share in the Settlement Fund and you should NOT submit any Proof of Claim and Release form.

5. If you are a member of the Class and you do not timely request exclusion, you are bound by the terms of any judgment entered in the Action, WHETHER OR NOT YOU SUBMIT A PROOF OF CLAIM AND RELEASE.

**II. CLAIMANT IDENTIFICATION**

6. The Class is defined as follows:

All persons and entities who purchased or otherwise acquired the common stock of Merrill Lynch & Co., Incorporated ("Merrill Lynch") (traded under the New York Stock Exchange ("NYSE") symbol "MER"; CUSIP 590188108) during the period from July 3, 1999 through and including April 8, 2002 (the "Class Period"), and who were damaged thereby.

Excluded from the Class are the defendants Merrill Lynch, Merrill Lynch, Pierce, Fenner & Smith Inc. and Henry Blodget (the "Defendants"); any current or former officer or director of the Defendants; any entity in which any Defendant has or had a controlling interest; the members of the immediate family of defendant Blodget; and the legal representatives, heirs, successors, predecessors, affiliates and assigns of any Defendant.

7. If you are a Class member, you qualify to complete and submit this Proof of Claim and Release form seeking to share in the Settlement Funds as described more fully in the Notice of Pendency and Proposed Settlement of Class Action (the "Printed Notice") attached to this Proof of Claim and Release form. More information about this Action, the claims asserted, the settlement and related matters is set forth in the Printed Notice. You should read the Printed Notice carefully. The settlement of this Action is set forth in the parties' Stipulation of Settlement the terms of which are summarized in the Printed Notice. The parties' settlement Stipulation is available to Class members by request-

ing a copy from Lead Counsel as set forth in the Printed Notice.

8. If you purchased or otherwise acquired the common stock of Merrill Lynch during the Class Period and held the certificate(s) in your name, you are the beneficial owner as well as the record owner. If, however, you purchased Merrill Lynch common stock and the certificate(s) were registered in the name of a third party, such as a nominee or brokerage firm, you are the beneficial owner and the third party is the record owner.

9. Attached to this Proof of Claim and Release is a form for Class members to complete. Use Part 1 of that form, entitled "Claimant Identification", to identify each record owner, if different from the beneficial owner of Merrill Lynch common stock which forms the basis of this claim. THIS PROOF OF CLAIM AND RELEASE MUST BE FILED BY THE ACTUAL BENEFICIAL OWNER OR OWNERS, OR THE LEGAL REPRESENTATIVE OF SUCH BENEFICIAL OWNER OR OWNERS OF THE MERRILL LYNCH COMMON STOCK UPON WHICH THE CLAIM IS BASED.

10. All joint beneficial owners must sign this Proof of Claim and Release form. Executors, administrators, guardians, conservators and trustees must complete and sign this Proof of Claim and Release form on behalf of persons represented by them and provide with their Proof of Claim and Release documentation evidencing their authority and their titles or capacities to so act. The Social Security (or Employer Identification) number and telephone number of the beneficial owner may be used in verifying the claim. Failure to provide the foregoing information could delay verification of your claim or result in rejection of the claim.

### **III. PROOF OF CLAIM FORM**

11. If you purchased shares of Merrill Lynch common stock during the Class Period and seek to share in the Settlement Fund, you must complete the attached form. You must also list all of the required details of your transaction(s) in Merrill Lynch common stock. If you need more space or additional schedules, attach separate sheets giving all of the required information in substantially the same form. Sign and print or type your name on each additional sheet.

12. On the schedules, provide the requested information with respect to all of your purchases and all of your sales of Merrill Lynch common stock which took place at any time during the Class Period, whether such transactions resulted in a profit or a loss. You must also supply the number of shares of Merrill Lynch common stock you held as of July 2, 1999 (the day prior to the beginning of the Class Period), and the number you retained as of the end of trading on the NYSE on April 9, 2002 (the day after the close of the Class Period). Failure to report all such transactions may result in the rejection of your claim.

13. List each transaction in the Class Period separately and in chronological order, beginning with the earliest. You must accurately provide the month, day, and year of the trade date of each transaction you list.

14. If you acquired or disposed of your Merrill Lynch common stock in a transaction other than through an open market transaction, you should supply any additional documentation that supports your claim regarding the number or amount of the Merrill Lynch common stock acquired or disposed of and the value of the consideration paid or received in the transaction you list.

15. The date of covering a "short sale" is deemed to be the date of purchase of Merrill Lynch common stock. The date of a "short sale" is deemed to be the date of sale of Merrill Lynch common stock. "Short sales" will not be recognized for any amount of loss on the cover or purchase transaction, and no Recognized Loss will be computed for any such covering purchase transaction. The Plan of Allocation is set forth in the attached Printed Notice and describes how the available settlement proceeds will be allocated to eligible Class members who file valid and timely claims.

16. Copies of brokers' confirmations or other documentation of your transactions and holdings in Merrill Lynch common stock should be attached to your claim. Failure to provide this documentation could delay verification of your claim or result in rejection of your claim. Do not attach originals.

17. Merrill Lynch common stock "transferred into", "delivered into" or "received into" the claimant's account will NOT be considered as purchased Merrill Lynch common stock unless the claimant submits documents supporting that the original purchase of the Merrill Lynch common stock occurred during the Class Period. Also, Merrill Lynch common stock purchased and subsequently "transferred out" or "delivered out" of claimant's account will NOT be considered part of claimant's claim, as the right to file for that Merrill Lynch common stock belongs to the person receiving the Merrill Lynch common stock.

18. The information contained in this Proof of Claim is subject to such verification as the Claims Administrator may request or as Lead Counsel for the Class or the Court may direct, and the claimant agrees to cooperate in any such verification. (The information requested herein is designed to provide the minimum amount of information necessary to process most simple claims. The Claims Administrator may request additional information as required to efficiently and reliably calculate your Recognized Loss. In some cases, the Claims Administrator may condition acceptance of the claim based upon the production of additional information.)



D. Sales of Merrill Lynch Common Stock from July 3, 1999 through April 9, 2002:

Trade Date Mo./Day/Year	Number of Shares Sold	Price Per Share	Total Proceeds (Excl. Commissions/Fees)
		\$	\$
		\$	\$
		\$	\$
		\$	\$
		\$	\$

E. Total Shares of Merrill Lynch Common Stock Sold from July 3, 1999 through April 9, 2002 (inclusive):  
\_\_\_\_\_.

F. Number of shares of Merrill Lynch Common Stock Retained After the Close of Trading on the NYSE on April 9, 2002: \_\_\_\_\_.

If you require additional space, attach extra schedules in the same format as above. Sign and print your name on each additional page. If you have a transaction that did not take place on the open market, be sure to include any additional documents supporting your claim and the consideration paid or received in any such transaction.

**YOU MUST READ AND SIGN THE RELEASE BELOW.**

**PART 3: SUBMISSION TO JURISDICTION OF COURT AND ACKNOWLEDGMENTS**

I/We submit this Proof of Claim and Release under the terms of the Stipulation of Settlement (the "Stipulation") described in the Notice of Pendency and Proposed Settlement of Class Action. I/We understand and agree that the terms used herein have the meanings defined in that Notice and in the parties' Stipulation of Settlement. I/We also submit to the jurisdiction of the United States District Court for the Southern District of New York with respect to my/our claim as a Class member and for purposes of enforcing the release set forth herein. I/We further acknowledge that I am (we are) bound by and subject to the terms of any judgment that may be entered in the Action. I/We agree to furnish additional information to the Claims Administrator to support this claim if required to do so. I/We have not submitted any other claim covering the same purchases of Merrill Lynch common stock during the Class Period and know of no other person having done so on my/our behalf. If this Proof of Claim and Release is submitted on behalf of a corporation, trust or partnership, or other entity, I am (we are) authorized to sign on behalf of such entity.

**PART 4: RELEASE AND COVENANT NOT TO SUE**

1. I/We, on my/our own behalf and on behalf of my/our predecessors, successors, assigns, personal representatives, heirs and any other person who purports to claim through me/us, release, relinquish and forever discharge all Released Claims and all Unknown Claims (as those terms are defined in the parties' Stipulation and described in the Printed Notice), as against, and in favor of, the Defendants and all of the other Released Parties. I/We understand and agree that I/we and my/our predecessors, successors, assigns, personal representatives, heirs and any other person who purports to claim through me/us, are permanently barred and enjoined from instituting, commencing or prosecuting any and all Released Claims against any and all of the Defendants and any and all other Released Parties. With respect to the Released Claims, I/we agree that upon the effectiveness of the settlement, I/we shall have expressly waived any and all provisions, rights and benefits conferred by any law of any state or territory of the United States, or principle of common law, reflected in, or which is similar, comparable, or equivalent to, Cal. Civ. Code § 1542, which provides:

A General Release Does Not Extend to Claims Which the Creditor Does Not Know or Suspect to Exist in His Favor at the Time of Executing the Release, Which if Known by Him Must Have Materially Affected His Settlement With the Debtor.

I acknowledge that the inclusion of Unknown Claims in the definition of Released Claims was separately bargained for and was a key element of the settlement of which this release is a part.

2. The foregoing release and covenant not to sue shall be of no force or effect unless and until the Court approves the settlement and the settlement becomes effective. The foregoing release and covenant not to sue shall be in addition to and not in derogation of the release set forth in the parties' Stipulation and the Order and Final Judgment.

3. I/We hereby warrant and represent that I/we have not assigned or transferred, or purported to assign or transfer, voluntarily or involuntarily, any matter released pursuant to this release or any other part or portion thereof.

4. I/We hereby declare and warrant, under penalty of perjury under the laws of the United States of America, that I/we have included information about all of my/our transactions in Merrill Lynch common stock that occurred during the Class Period: (i) the number of shares of Merrill Lynch common stock owned by me/us (or the corporation, partnership, trust or other entity on whose behalf this claim has been filed) as of July 2, 1999; (ii) the number of shares of Merrill Lynch common stock purchased during the Class Period; (iii) the number of shares of Merrill Lynch common stock sold during the period July 3, 1999 through and including April 9, 2002; (iv) the number of shares of Merrill Lynch common stock retained following the close of trading on the NYSE on April 9, 2002; (v) if this claim is submitted on behalf of a corporation, partnership, trust or other entity, that I/we are authorized to file this claim on behalf of such entity; and (vi) that the foregoing information is true and correct.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Signature of Claimant

\_\_\_\_\_  
(Type or print your name here)

\_\_\_\_\_  
(Signature of Joint Claimant, if any)

\_\_\_\_\_  
(Type or print your name here)

\_\_\_\_\_  
(Capacity of person(s) signing, *e.g.*, Beneficial Purchaser(s), Executor, Administrator, Trustee, Corporate Title, etc.)

**SUBSTITUTE FORM W-9**

Request for Taxpayer Identification Number (TIN) and Certification

**PART 1**

NAME:

Check appropriate box:

- Individual/Sole Proprietor       Pension Plan
- Corporation                       Partnership               Trust
- IRA                                       Other (specify) \_\_\_\_\_

Enter your Taxpayer Identification Number ("TIN") in the appropriate space. For individuals, this is your social security number ("SSN"). For sole proprietors, you must show your individual name, but you may also enter your business or "doing business as" name. You may enter either your SSN or your Employer Identification Number ("EIN"). For other entities, it is your EIN.

Social Security Number  -  -  OR Employer Identification Number  -

(For individuals)

(For estates, trusts, corporations, etc.)

**PART 2**

**CERTIFICATION**

UNDER THE PENALTIES OF PERJURY, I (WE) CERTIFY THAT:

The number shown on this form is my/our correct Taxpayer Identification Number; and I (we) certify that I am (we are) **NOT** subject to backup withholding under the provisions of Section 3406 (a)(1)(C) of the Internal Revenue Code because: (a) I am (we are) exempt from backup withholding; or (b) I (we) have not been notified by the Internal Revenue Service that I am (we are) subject to backup withholding as a result of a failure to report all interest or dividends; or (c) the IRS has notified me (us) that I am (we are) no longer subject to backup withholding.

**NOTE:** If you have been notified by the IRS that you are subject to backup withholding, you must cross out the word "**NOT**" above and check here \_\_\_\_\_. The Internal Revenue Service does not require your consent to any provision of this document other than the certification required to avoid backup withholding.

**NOTE:** If you require instructions for completing Substitute Form W-9, please make a written request to us at Claims Administrator, *Merrill Lynch & Co., Inc. Shareholders Litigation*, Heffler, Radetich & Saitta L.L.P., P.O. Box 570, Philadelphia, PA 19105-0570. Please note that your accountant should also be able to provide you with these instructions.

I/We declare under penalty of perjury under the laws of the United States of America that the foregoing information supplied by the undersigned is true and correct.

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 2007 in \_\_\_\_\_, \_\_\_\_\_.

(Month)

(City)

(State/Country)

\_\_\_\_\_  
Signature of Person whose name appears above or its Representative

\_\_\_\_\_  
(Type or print your name here)

\_\_\_\_\_  
(Capacity of person(s) signing, e.g., Beneficial Purchaser(s), Executor, Administrator, Trustee, Corporate Title, etc.)

**ACCURATE CLAIMS PROCESSING TAKES A SIGNIFICANT AMOUNT OF TIME.  
THANK YOU FOR YOUR PATIENCE.**

**Reminder Checklist:**

1. Please sign the Release on page 19 and W-9 certification on page 20.
2. Remember to attach copies of supporting documentation.
3. Do not send original or copies of stock certificates.
4. Keep a copy of your Proof of Claim and Release form for your records.
5. If you desire an acknowledgment of receipt of your Proof of Claim and Release form, please send it via Certified Mail, Return Receipt Requested.
6. If you move after submitting your Proof of Claim and Release form, it is imperative that you please send promptly your new address to the Claims Administrator.

Claims Administrator  
Merrill Lynch & Co., Inc. Shareholders Litigation  
Heffler Radetich & Saitta L.L.P.  
P.O. Box 570  
Philadelphia, PA 19105-0570

**PLEASE FORWARD**

**FIRST CLASS MAIL**

**PLEASE FORWARD—IMPORTANT LEGAL NOTICE**