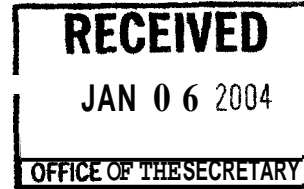


MEMORANDUM



#1

To: Commission File No. S7-22-03

From: Matthew J. Eichner *MJE*
Assistant Director, Division of Market Regulation

Date: December 19, 2003

Re: Supervised Investment Bank Holding Companies

On December 19, Michael A. Macchiaroli, Associate Director, Matthew J. Eichner, Assistant Director, Robert W. Cleland Jr., Staff Accountant, George A. Hnatiw, Staff Accountant, David K. Lynch, Financial Economist, Robert E. Seabolt, Staff Accountant, and Rhonda L. Wilson, Staff Accountant, Division of Market Regulation, met with representatives of Merrill Lynch and Company: Carlos Morales, John Fosina, Christopher Hayward, Robert Ollwerther, Robert Lafaso, Michael Cahill, Marguerite Willenbucher, and Nenad Marinovich. The matters discussed included the proposed rule release dated October 24, 2003, the Commission's supervision of broker-dealers and affiliates, and the application of the Basel Standards for Capital Adequacy to Merrill Lynch.