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Bank of America's Krawcheck Vows to Keep Merrill Lynch Culture

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By David Mildenberg



Aug. 12 (Bloomberg) -- **Sallie Krawcheck**, the former Citigroup Inc. executive named last week to head Bank of America Corp.'s wealth-management business, said she wants to build on Merrill Lynch & Co.'s history rather than tear it down.

"What I'm not going to do is turn this into a place I've been before," she said in an Aug. 7 video message to the brokerage's 15,000 financial **advisers**. "Those are

great institutions, but this is a fantastic, fantastic business." Krawcheck said she doesn't like hearing that the merger "means the end of the Merrill Lynch culture."

Bank of America Chief Executive Officer **Kenneth Lewis** rebuilt Merrill's management since the Jan. 1 purchase, replacing more than three dozen senior executives and investment bankers. **Merrill CEO John Thain**, President **Greg Fleming** and brokerage chief **Robert McCann** left within days of the takeover, prompting speculation that many of the New York-based firm's 15,000 brokers would also depart.

Krawcheck, 44, is among at least five executives in the running to succeed Lewis, 62, as head of the Charlotte, North Carolina-based bank, which ranks first in the U.S. by assets and deposits. She takes over from **Dan Sontag**, who is leaving after 31 years at Merrill. Krawcheck said she joined the bank because of opportunities to be an **industry** leader.

"It is the competitor that really no one can match and the company that has the best opportunity to open the gap with others," Krawcheck said. The video was verified by spokeswoman **Jessica Oppenheim**. Krawcheck said she'll spend her first 60 days meeting with employees and reviewing business plans.

Wealth Management Redux

Krawcheck joined Citigroup from Sanford C. Bernstein & Co. in October 2002 as head of Smith Barney. After rising to chief financial officer, she returned in 2007 to her previous role overseeing wealth management-businesses, including Smith Barney.

Lewis moved investment banking and wealth management head **Brian Moynihan** to run consumer banking. **Tom Montag** was named head of corporate and investment banking.

The bank has said it retained more than 90 percent of its top-producing brokers since the **acquisition**, while average broker production remains higher than industry averages.

Broker recruiters including **Darin Manis** of RJ & McKay say some veteran Merrill brokers remain worried that Bank of America will impose a more hierarchical, cost-conscious culture at the securities firm. "Merrill will remain a strong firm, but much of its prestige has been depleted," Manis said during an interview last week.

Bonus Settlement

Separately, the bank agreed to pay \$33 million to settle U.S. claims it misled

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investors about Merrill's bonuses before [shareholders](#) voted on the takeover. A federal judge declined Aug. 10 to approve the plan until he reviews whether the settlement was adequate. Bank of America said it didn't do anything wrong.

Asked to describe herself, Krawcheck said on the video, "I'm a southerner by birth, but a northerner for some number of years. I'm a huge college basketball fan, particularly the University of North Carolina. I'm a runner, but I'm very slow."

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