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The Merrill Lynch Thundering Herd Charging for the Exits

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DENVER, Oct. 27 /PRNewswire/ -- Merrill Lynch (MER) advisors received their long awaited retention package from new owner Bank of America (BAC). "So far the reaction is mixed," says Darin Manis, CEO of RJ & Makay, a leading financial advisor recruiting firm. "Advisors doing over \$1.75 million in individual production is where Merrill/BofA drew the line for their best deal. Advisors doing under that didn't fare as well."

"Even though we weren't expecting anything big, this is still a jaw dropper. Many of the 'Thundering Herd' are disappointed and upset with a retention package that certainly doesn't reflect their 'crown jewel' status," says Manis.

"We've spoken to dozens of Merrill advisors over the weekend. The consensus we've heard from advisors under \$1 million in production is that they are disappointed. We've heard the word 'insulted' a lot," says Manis.

Financial advisors can typically get 200% plus of their production to move to firms like Citi Smith Barney (C), Morgan Stanley (MS) and UBS (UBS). A \$700,000 Merrill producer can stay and get about \$175,000 in cash on a 7 year term and a 25% growth bonus over 3 years. Or, the same advisor can go to a competitor and get around \$850,000 in cash on about a 9 year deal plus another \$700,000 or so back end bonuses (after one to two years).

"How would a financial advisor financially advise themselves in this scenario?" asks Manis.

"For most of the rank and file advisors the amount offered is low and a 7 year term is high for such a low amount," says Manis. "For most of the Merrill advisors this isn't a retention package its an attrition package."

Manis adds, "Another concern we are hearing is that BofA will be pulling Merrill out of the Protocol agreement. If it's true it'll throw fuel on this fire."

The Protocol agreement is made of over 50 broker dealers and RIAs to allow for brokers to move to another signatory firm without the fear of a TRO (temporary restraining order) if the broker

adheres to rules limiting the amount of the customer information they take.

About RJ & Makay

RJ & Makay is a leading recruiting firm dedicated exclusively to the financial services industry. About half of the financial firms in the Fortune Top 100 utilize RJ & Makay. For more information visit: www.rjandmakay.com.

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