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Merrill's Sontag Will Step Down

Departure of 31-Year Vet Follows Appointment of Krawcheck Above Him

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By RANDALL SMITH, SUSANNE CRAIG and ANNIE GASPARRO

Daniel Sontag, the head of the Merrill Lynch brokerage force and a 31-year veteran of the Wall Street firm, said he plans to retire after another executive was brought in above him at Merrill's new parent.

Mr. Sontag, age 53, who embodied the culture of the Merrill brokerage force as the son, brother and father of Merrill brokers, quit after Bank of America Corp. hired Sallie Krawcheck to be the bank's head of global wealth and investment management.



DANIEL SONTAG

In a call with senior Merrill brokerage executives, Mr. Sontag said he was stepping down voluntarily because he didn't have his "whole heart" in the job, said people familiar with the call. On the call, Ms. Krawcheck, 44, said she was excited about her new role and planned to give it "120%" of her effort.

Some critics said Mr. Sontag's retirement signaled a further erosion of Merrill's culture, already weakened by departures. "Having him in charge of the legacy Merrill Lynch was seen as an appreciation by senior [Bank of America] management that they understood and respected Merrill's legacy culture," said Danny Sarch, a brokerage recruiter for Leitner Sarch Consultants in White Plains, N.Y.

Ms. Krawcheck is well-known on Wall Street as a charismatic leader and has worked at a number of big firms. However, Mr. Sarch says her two years in charge of Citigroup Inc.'s Smith Barney brokerage force and another two years as a Citi wealth management executive "can't approach Dan Sontag's experience" as a broker and brokerage manager. Another recruiter, Darin Manis, said Merrill's prestige is being "depleted" by the bank. Ms. Krawcheck declined through a spokeswoman to comment.

Ms. Krawcheck, a former research analyst at Sanford Bernstein & Co., became head of research and brokerage at Citigroup in 2002 amid scandals over biased Wall Street research, rising to become chief financial officer and then head of Citi's wealth-management division. She left the bank in September 2008 after clashing with top Citigroup executives over whether to reimburse clients who lost money on Citigroup hedge funds. On Tuesday, she met with a group of Merrill brokers.

Mr. Sontag began his career as a Merrill broker in Colorado in 1978 and had held regional management jobs in Michigan, Texas and Tennessee. He inherited the leadership of the



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15,000 member brokerage force in early January when his predecessor, Bob McCann, stepped down once the Bank of America acquisition became final, the first in a wave of exits that within a month included Merrill's entire top management team.

The leadership of the two largest Wall Street brokerage firms have now been exchanged. James Gorman, who preceded Mr. McCann as head of the Merrill brokerage force, now heads the largest brokerage business, a combination of the brokerage units of Smith Barney and Morgan Stanley.

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