

Chairman Towns' statement:

"The Committee takes very seriously Attorney General Cuomo's allegation that Merrill Lynch provided misleading information to Congress regarding bonuses for its top executives. These filings raise the disturbing possibility that Merrill Lynch executives may have obstructed this Committee's investigation into executive compensation practices and the awarding of bonuses at the company.

"To get to the bottom of this matter, I have directed Committee attorneys to begin a detailed investigation of this allegation, focusing on two primary issues: (1) did Merrill Lynch executives attempt to cover-up the decision to pay its top employees \$5.8 billion in bonuses on the eve of its merger with Bank of America; and (2) as a part of this cover up, did Merrill Lynch executives deliberately attempt to mislead this Committee in their November 24, 2008 letter, asserting that 'incentive compensation decisions for 2008 have not yet been made.'

"Committee attorneys are also reviewing the responses of other major financial institutions to our October 2008 letters regarding executive compensation and the use of TARP funds. We will not hesitate to exercise every means at our disposal to protect the integrity of the Congressional investigation process and to bring real transparency to the use of TARP funds."

###