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Bank of America blunder?

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CHARLOTTE, NC (WBTV) - Tonight, another blow to Bank of America's battered reputation.

Reports are surfacing that B-of-A did indeed play a role in Merrill Lynch's decision to pay executives billions in bonuses, despite the fact that the company lost over \$15 billion in the 4th quarter.

Bank of America has been denying it had anything to do with those bonuses.

But Merrill Lynch's CEO says that's not true.

His claims come after John Thain lost his job as Merrill Lynch chief last week. Bank of America CEO Ken Lewis let him go, when we all got word Thain spent over a million dollars re-decorating his office in 2008.

But that was last week's scandal.

This week's...again...revolves around executives reaping rewards in a recession.

This time, however, Thain's not taking the heat alone.

Technically, Thain resigned last week, but today, he's not slipping quietly into the sunset. This afternoon on CNBC, Thain said some of his so-called sins were overseen by Bank of America.

"They were seeing exactly the same info we saw," Thain said. "We gave them complete access to everything we had."

And in a farewell to Merrill memo found on The Wall Street Journal's web site, he again points at Bank of America. About those billion-dollar-sized bonuses, Thain wrote: "The size of the pool, its composition, and the timing of the payments were all determined together with Bank of America."

Today, Bank of America told WBTV a different story. A BofA exec denies the bank's involvement with the bonuses.

He said, "John Thain and the Merrill Lynch Compensation Committee made the decision on the amount and timing of year-end compensation at Merrill Lynch. We had no legal right to challenge it."

That's the bank's defense.

But Meredith Jeffries of the Charlotte School of Law, finds BofA's statement surprising. She thinks they could have, or should have had more control.

"It would be very unusual for Bank of America not to have given itself the power to have some control over major, major payments being paid out," Jeffries said. "Because Bank of America is purchasing Merrill Lynch for an agreed upon price."

While Jeffries hasn't seen the BofA Merrill merger agreement, she thinks someone in Charlotte would have to give the green light to those billions in bonuses.

"There would have to be permission to pay that out," she says.



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