

BCE INC
Form SC 13D/A
December 17, 2008

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

**SCHEDULE 13D
Under the Securities Exchange Act of 1934**

(Amendment No. 2)

BCE Inc.

(Name of Issuer)

Common Shares, no par value

(Title of Class of Securities)

05534B760 4

(CUSIP Number)

**Frank J. Marinaro, Esq.
Merrill Lynch & Co., Inc.
4 World Financial Center
250 Vesey Street
New York, New York 10080
Telephone: (212) 449-1000**

(Name, Address and Telephone Number of Person
Authorized to
Receive Notices and Communications)

with a copy to:

**Gavin D. Solotar, Esq.
Wachtell, Lipton, Rosen and Katz
51 W. 52nd Street
New York, NY 10019
Telephone: (212) 403-1000**

December 11, 2008

(Date of Event Which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d -1(e), 240.13d -1(f) or 240.13d -1(g), check the following box. "

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See §240.13d -7 for other parties to whom copies are to be sent.

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The information required on the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 (Act) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

This Amendment No. 2 (this Amendment) amends the Statement of Beneficial Ownership on Schedule 13D originally filed with the Securities and Exchange Commission (the SEC) on October 30, 2007, as amended by Amendment No 1. thereto filed with the SEC on July 11, 2008 (the Schedule 13D) by Merrill Lynch, Pierce, Fenner & Smith Incorporated (MLPF&S), Merrill Lynch International (MLI), Merrill Lynch Canada Inc. (MLCI), Merrill Lynch Portfolio Managers Ltd. (MLPM), Merrill Lynch Bank & Trust Company, FSB (MLBTC), and Merrill Lynch & Co., Inc. (ML&Co) (MLPF&S, MLI, MLCI, MLPM, MLBTC and ML&Co, each a Reporting Person, and collectively, the Reporting Persons) with respect to the common shares, no par value (the Common Shares) of BCE Inc., a corporation incorporated under the laws of Canada (the Company). Capitalized terms used herein but not otherwise defined herein shall have the meanings set forth in the Schedule 13D.

ITEM 2. Identity and Background

ITEM 2 IS AMENDED AS FOLLOWS:

The original Schedule II filed with the Schedule 13D is deleted in its entirety and replaced with the Schedule II attached hereto and incorporated herein by reference.

The original Schedule III filed with the Schedule 13D is amended by inserting the following two paragraphs at the beginning thereof:

On August 21, 2008, Merrill Lynch & Co., Inc. (Merrill Lynch) reached an agreement in principle with the New York attorney general, state securities regulators, and the staff of U.S. Securities and Exchange Commission relating to auction rate securities (ARS). Without admitting or denying wrongdoing, Merrill Lynch agreed to accelerate a previously announced offer to purchase ARS from retail clients, use best efforts to provide liquidity solutions for institutional holders of ARS, pay a civil money penalty, and compensate other eligible clients who purchased ARS and sold them at a loss.

In July 2007, the CFTC found that on certain occasions from 2001 to 2005 Merrill Lynch Alternative Investments (MLAI) violated CFTC Regulation 4.22(c) by failing to timely file commodity pool annual reports with the National Futures Association and to timely distribute such reports to pool participants. Without admitting or denying the allegations, MLAI agreed to a cease-and-desist order and paid a fine in the amount of \$500,000.

ITEM 4. Purpose of Transaction

ITEM 4 IS AMENDED TO ADD THE FOLLOWING:

On December 11, 2008, the Definitive Agreement between BCE Inc. and BCE Acquisition Inc. (Buyer), as amended as of July 12, 2007 and by the final amending agreement dated July 4, 2008, was terminated in accordance with its terms. Accordingly, the previously disclosed commitment of ML IBK to purchase a minority equity interest in Buyer or Buyer 's ultimate parent company has ended.

ITEM 5. Interest in Securities of the Issuer

ITEM 5 IS AMENDED TO ADD THE FOLLOWING:

As of December 15, 2008, the Reporting Persons were the beneficial owners of approximately 1,050,686 shares of Common Shares, with respect to which they have shared voting and investment power, and which represent less than 1% of all Common Shares outstanding (based on 806,200,000 Common Shares reported to be outstanding by the Issuer as of September 30, 2008). The Reporting Persons acquired these Common Shares for investment purposes, and such purchases have been made in the Reporting Persons' ordinary course of business.

As a result of the matters described in Item 4 above, it is no longer the case that the Reporting Persons may collectively be deemed to constitute a group with Teachers within the meaning of Section 13(d)(3) of the Act. As a consequence, none of the Reporting Persons, on the one hand, and Teachers, on the other hand, may be deemed to beneficially own any Common Shares beneficially owned by the other. Accordingly, as of December 11, 2008, the Reporting Persons may no longer be deemed to be the beneficial owners of more than five percent of the class of securities reported on herein, and they will therefore no longer file reports under Section 13(d) of the Act unless otherwise required to do so.

Schedule IV attached hereto sets forth the transactions in the Common Shares which, to the knowledge of the applicable Reporting Person, have been effected during the preceding 60 days. All of the transactions set forth on Schedule IV were effected in the ordinary course of business of the Reporting Persons and may reflect transactions in customer accounts over which the applicable Reporting Person has discretionary authority.

ITEM 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer

Please see Item 4 above.

SIGNATURES

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: December 17, 2008

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

By: /s/ Jonathan N. Santelli
Name: Jonathan N. Santelli
Title: Assistant Secretary

MERRILL LYNCH & CO., INC.

By: /s/ Jonathan N. Santelli
Name: Jonathan N. Santelli
Title: Assistant Secretary

MERRILL LYNCH INTERNATIONAL

By: /s/ Jonathan N. Santelli
Name: Jonathan N. Santelli
Title: Authorized Signatory

MERRILL LYNCH CANADA INC.

By: /s/ Jonathan N. Santelli
Name: Jonathan N. Santelli
Title: Authorized Signatory

MERRILL LYNCH PORTFOLIO MANAGERS LTD.

By: /s/ Jonathan N. Santelli
Name: Jonathan N. Santelli
Title: Authorized Signatory

MERRILL LYNCH BANK & TRUST COMPANY, FSB

By: /s/ Jonathan N. Santelli
Name: Jonathan N. Santelli
Title: Authorized Signatory

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EXHIBIT INDEX

Exhibit	Description
99.1*	Joint Filing Agreement, dated October 29, 2007, among Merrill Lynch, Pierce, Fenner & Smith Incorporated, Merrill Lynch Canada Inc., Merrill Lynch Portfolio Managers Ltd. and Merrill Lynch Bank of Montreal
99.2*	Definitive Agreement dated June 29, 2007, by and between 6796508 Canada Inc. and BCE Inc. (incorporated by reference to Schedule 13D filed on July 5, 2007 by Ontario Teachers Pension Plan Board)
99.3*	Amendment dated July 12, 2007 to Definitive Agreement dated June 29, 2007, by and between 6796508 Canada Inc. and BCE Inc. (incorporated by reference to Exhibit 1 of the Report on Form 6-K filed on July 13, 2007 by BCE Inc.)
99.4**	Final Amending Agreement, dated July 4, 2008, by and between BCE Acquisition Inc. (f/k/a 6796508 Canada Inc.) and BCE Inc.

* Previously filed with the Schedule 13D filed by the Reporting Persons with the Securities and Exchange Commission on October 30, 2007.

** Previously filed with Amendment No. 1 to the Schedule 13D filed by the Reporting Persons with the Securities and Exchange Commission on July 11, 2008.

SCHEDULE II**EXECUTIVE OFFICERS AND DIRECTORS**

The names and principal occupations of each of the executive officers and directors of the Reporting Persons are set forth below. Unless otherwise noted, all of these persons have as their business address 4 World Financial Center, New York, NY 10080.

Merrill Lynch, Pierce, Fenner & Smith Incorporated	Present Principal Occupation	Citizenship
Rosemary T. Berkery Executive Officer	Executive Vice President; Vice Chairman; General Counsel of Merrill Lynch & Co., Inc.	United States
Candace E. Browning Director	Senior Vice President; President of Merrill Lynch Global Research	United States
Gregory J. Fleming Director	Executive Vice President; President and Chief Operating Officer of Merrill Lynch & Co., Inc.	United States
Robert J. McCann Director and Executive Officer	Chairman and Chief Executive Officer; Executive Vice President of Merrill Lynch & Co., Inc.; Vice Chairman, Global Wealth Management	United States
Carlos M. Morales Director	Senior Vice President	United States
Joseph F. Regan Executive Officer	Managing Director, Chief Financial Officer and Controller Merrill Lynch & Co., Inc. 95 Greene Street (8 th Floor) Jersey City, NJ 07032	United States
Merrill Lynch & Co., Inc.	Present Principal Occupation	Citizenship
Rosemary T. Berkery Executive Officer	Executive Vice President; Vice Chairman; General Counsel	United States
Carol T. Christ Director	President, Smith College c/o Corporate Secretary's Office 222 Broadway, 17th Floor New York, NY 10038	United States

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Armando M. Codina Director	Chairman of the Board, Flagler Development Group c/o Corporate Secretary's Office 222 Broadway, 17th Floor New York, NY 10038	United States
Virgis W. Colbert Director	Corporate Director c/o Corporate Secretary's Office 222 Broadway, 17th Floor New York, NY 10038	United States
Nelson Chai Executive Officer	Executive Vice President, Chief Financial Officer	United States
John D. Finnegan Director	Chairman of the Board, President and Chief Executive Officer of The Chubb Corporation c/o Corporate Secretary's Office 222 Broadway, 17th Floor New York, NY 10038	United States
Gregory J. Fleming Executive Officer	President; Chief Operating Officer	United States
Judith Mayhew Jonas Director	Corporate Director c/o Corporate Secretary's Office 222 Broadway, 17th Floor New York, NY 10038	United Kingdom
Robert J. McCann Executive Officer	Executive Vice President; President, Vice Chairman, Global Wealth Management	United States
Thomas K. Montag Executive Officer	Executive Vice President; Head of Global Sales & Trading	United States
Aulana L. Peters Director	Corporate Director c/o Corporate Secretary's Office 222 Broadway, 17th Floor New York, NY 10038	United States
Joseph W. Prueher Director	Corporate Director, Former U.S. Ambassador to the People's Republic of China c/o Corporate Secretary's Office	United States

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222 Broadway, 17th Floor
New York, NY 10038

Ann N. Reese Director	Co-Founder and Co-Executive Director of the Center for Adoption Policy c/o Corporate Secretary's Office 222 Broadway, 17th Floor New York, NY 10038	United States
Charles O. Rossotti Director	Senior Advisor to The Carlyle Group c/o Corporate Secretary's Office 222 Broadway, 17th Fl. New York, NY 10038	United States
Thomas J. Sanzone Executive Officer	Executive Vice President; Chief Administrative Officer	United States
John A. Thain Director and Executive Officer	Chairman of the Board and Chief Executive Officer	United States
Merrill Lynch Bank & Trust Company, FSB	Present Principal Occupation	Citizenship
Conrad Druker, Esq. Director	CPA and Managing Director, Mercadien Group	United States
John D. Hawke, Jr. Director	Partner, Arnold & Porter LLP	United States
Eugene McQuade, Director, Chairman of the Board	Vice Chairman Merrill Lynch & Co.	United States
Matthew B. Skurbe Chief Financial Officer	Director, Merrill Lynch Finance	United States
Russell L. Stein Director	Senior Vice President, Merrill Lynch Americas Bank Group	United States
Lawrence P. Washington Director, President & Chief Operating Officer	Managing Director, Merrill Lynch Americas Bank Group	United States

Merrill Lynch Canada, Inc.	Present Principal Occupation	Citizenship
Marcelo Cosma Director, Chief Legal Counsel	First Vice President, GMI Counsel	United States
M. Marianne Harris Director, Co-President	Managing Director, Investment Banking	Canadian
Daniel M. Mida Director, Executive Vice-President	Managing Director, Investment Banking	Canadian
Lynn K. Patterson Director, Co-President	President & Country Head, Managing Director, Fixed Income Currencies & Commodities	Canadian
Guy Savard Director, Chairman	Managing Director, Investment Banking	Canadian
Mark O. Dickerson Secretary	First Vice President, GMI Counsel	Canadian
Gordon H. Weir Chief Financial Officer	Director, Corporate Controllers	Canadian
Merrill Lynch International	Present Principal Occupation	Citizenship
Robert C. M. Wigley Director	Chairman, Merrill Lynch Europe, Middle East and Africa	British
Martin Butler Director, Chief Financial Officer	Managing Director, Merrill Lynch Europe, Middle East and Africa Business Finance	British
Brent Clapacs Managing Director	Managing Director of EMEA Equity Management	United States
Michael D'Souza Managing Director	Managing Director of EMEA Management	British
Yasuhiro Fujiwara Managing Director	Managing Director of Global Equities	Japanese
Edmund N. Moriarty Director	Chief Risk Officer	Irish

Andrea A. Orcel Director	Senior Vice President, Global Origination and President of Global Markets and Investment Banking Merrill Lynch Europe, Middle East and Africa	Italian
David Sobotka Senior Vice President	Senior Vice President of Global Strategic Risk	United States
Terry R. Winder Director Treasurer	Managing Director, Merrill Lynch Europe, Middle East and Africa	Australian
Merrill Lynch Portfolio Managers, Ltd.	Present Principal Occupation	Citizenship
Eva Castillo Director Global Wealth Management	Managing Director, Head of Merrill Lynch Europe, Middle East & Africa	Spanish
Daniel C. Cochran Director	Senior Vice President, Merrill Lynch & Co., Inc. Office of the President	United States
Andrew P. Clark Director Management	Director, Merrill Lynch Europe, Middle East & Africa Global Wealth	British
Geoffrey N. Tucker Director Management	Director, Merrill Lynch Europe, Middle East & Africa Global Wealth	British
Simon G. Miles Director Management	Director, Merrill Lynch Europe, Middle East & Africa Global Wealth	British
Keith Pearson Director	First Vice President, Merrill Lynch Europe, Middle East & Africa Global Wealth Management Finance	British

**SCHEDULE IV
PURCHASE OR SALE OF COMMON STOCK**

Merrill Lynch, Pierce, Fenner & Smith Incorporated engaged in open market transactions, which are summarized below to report (i) the type of transaction effected, (ii) the executed date of the transaction, (iii) the price per share at which the transactions were effected, (iv) the total amount of shares that were the subject of transactions effected on each day, and (v) the securities exchange on which the transaction was effected:

Buy / Sell	Trade Date	Price	Quantity	Exchange
Buy	2008-10-14	28.82	1000	TSX
Sell	2008-10-15	32.22	3222	TSX
Sell	2008-10-16	26.96	4	TSX
Sell	2008-10-16	26.89	540	TSX
Sell	2008-10-16	26.88	360	TSX
Sell	2008-10-16	26.89	100	TSX
Sell	2008-10-22	28.60	175	TSX
Sell	2008-10-23	27.88	92	TSX
Buy	2008-10-24	35.55	7110000	TSX
Sell	2008-10-24	35.55	7110000	TSX
Sell	2008-10-29	27.85	15	TSX
Sell	2008-10-29	27.35	100	TSX
Buy	2008-11-03	35.30	13943500	TSX
Sell	2008-11-03	35.30	13943500	TSX
Sell	2008-11-10	31.55	2022	TSX
Buy	2008-11-19	36.50	18250000	TSX
Sell	2008-11-20	28.65	1830	TSX
Buy	2008-11-20	35.52	14208000	TSX
Buy	2008-11-21	34.55	7870490	TSX
Buy	2008-11-25	38.35	21487505	TSX
Sell	2008-11-25	38.35	23243935	TSX
Sell	2008-12-05	17.93	5	TSX