

MERRILL LYNCH INVESTMENT MANAGERS LP  
 Form 4  
 December 29, 2008

**FORM 4** UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549

OMB APPROVAL  
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
 MERRILL LYNCH & CO INC

2. Issuer Name and Ticker or Trading Symbol  
 BLACKROCK PREFERRED & EQUITY ADVANTAGE TRUST [BLK]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

\_\_\_ Director \_\_\_X\_\_\_ 10% Owner  
 \_\_\_ Officer (give title below) \_\_\_ Other (specify below)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)  
 12/23/2008

4 WORLD FINANCIAL CENTER, 250 VESEY STREET

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)

\_\_\_ Form filed by One Reporting Person  
 \_X\_ Form filed by More than One Reporting Person

NEW YORK, NY 10080

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
|                                 |                                      |  | Code                           | V   | Amount  | (D)  | Price   |
| Common Stock                    | 12/23/2008                           |  | S                              |   | 300   | D  | \$ 129.88   |
|                                 |                                      |  |                                |   | 52,300,357  | I  | (2) (3)   |
| Common Stock                    | 12/23/2008                           |  | S                              |   | 200   | D  | \$ 129.87   |
|                                 |                                      |  |                                |   | 52,300,157  | I  | (2) (3)   |
| Common Stock                    | 12/23/2008                           |  | S                              |   | 100   | D  | \$ 129.86   |
|                                 |                                      |  |                                |   | 52,300,057  | I  | (2) (3)   |

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|              |            |   |     |   |             |                                     |   |                            |
|--------------|------------|---|-----|---|-------------|-------------------------------------|---|----------------------------|
| Common Stock | 12/23/2008 | S | 300 | D | \$ 129.8525 | 52,299,757<br><u>(2)</u> <u>(3)</u> | I | See footnote<br><u>(1)</u> |
| Common Stock | 12/23/2008 | S | 100 | D | \$ 129.84   | 52,299,657<br><u>(2)</u> <u>(3)</u> | I | See footnote<br><u>(1)</u> |
| Common Stock | 12/23/2008 | S | 300 | D | \$ 129.8375 | 52,299,357<br><u>(2)</u> <u>(3)</u> | I | See footnote<br><u>(1)</u> |
| Common Stock | 12/23/2008 | S | 400 | D | \$ 129.835  | 52,298,957<br><u>(2)</u> <u>(3)</u> | I | See footnote<br><u>(1)</u> |
| Common Stock | 12/23/2008 | S | 200 | D | \$ 129.83   | 52,298,757<br><u>(2)</u> <u>(3)</u> | I | See footnote<br><u>(1)</u> |
| Common Stock | 12/23/2008 | S | 700 | D | \$ 129.82   | 52,298,057<br><u>(2)</u> <u>(3)</u> | I | See footnote<br><u>(1)</u> |
| Common Stock | 12/23/2008 | S | 700 | D | \$ 129.8    | 52,297,357<br><u>(2)</u> <u>(3)</u> | I | See footnote<br><u>(1)</u> |
| Common Stock | 12/23/2008 | S | 600 | D | \$ 129.79   | 52,296,757<br><u>(2)</u> <u>(3)</u> | I | See footnote<br><u>(1)</u> |
| Common Stock | 12/23/2008 | S | 400 | D | \$ 129.785  | 52,296,357<br><u>(2)</u> <u>(3)</u> | I | See footnote<br><u>(1)</u> |
| Common Stock | 12/23/2008 | S | 400 | D | \$ 129.78   | 52,295,957<br><u>(2)</u> <u>(3)</u> | I | See footnote<br><u>(1)</u> |
| Common Stock | 12/23/2008 | S | 400 | D | \$ 129.775  | 52,295,557<br><u>(2)</u> <u>(3)</u> | I | See footnote<br><u>(1)</u> |
| Common Stock | 12/23/2008 | S | 400 | D | \$ 129.75   | 52,295,157<br><u>(2)</u> <u>(3)</u> | I | See footnote<br><u>(1)</u> |
| Common Stock | 12/23/2008 | S | 500 | D | \$ 129.74   | 52,294,657<br><u>(2)</u> <u>(3)</u> | I | See footnote<br><u>(1)</u> |
| Common Stock | 12/23/2008 | S | 540 | D | \$ 129.73   | 52,294,117<br><u>(2)</u> <u>(3)</u> | I | See footnote<br><u>(1)</u> |
| Common Stock | 12/23/2008 | S | 900 | D | \$ 129.71   | 52,293,217<br><u>(2)</u> <u>(3)</u> | I | See footnote               |

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|              |            |   |       |   |             |                       |   |  | (1)              |
|--------------|------------|---|-------|---|-------------|-----------------------|---|--|------------------|
| Common Stock | 12/23/2008 | S | 400   | D | \$ 129.705  | 52,292,817<br>(2) (3) | I |  | See footnote (1) |
| Common Stock | 12/23/2008 | S | 200   | D | \$ 129.7    | 52,292,617<br>(2) (3) | I |  | See footnote (1) |
| Common Stock | 12/23/2008 | S | 900   | D | \$ 129.69   | 52,291,717<br>(2) (3) | I |  | See footnote (1) |
| Common Stock | 12/23/2008 | S | 800   | D | \$ 129.68   | 52,290,917<br>(2) (3) | I |  | See footnote (1) |
| Common Stock | 12/23/2008 | S | 400   | D | \$ 129.675  | 52,290,517<br>(2) (3) | I |  | See footnote (1) |
| Common Stock | 12/23/2008 | S | 300   | D | \$ 129.65   | 52,290,217<br>(2) (3) | I |  | See footnote (1) |
| Common Stock | 12/23/2008 | S | 500   | D | \$ 129.64   | 52,289,717<br>(2) (3) | I |  | See footnote (1) |
| Common Stock | 12/23/2008 | S | 200   | D | \$ 129.635  | 52,289,517<br>(2) (3) | I |  | See footnote (1) |
| Common Stock | 12/23/2008 | S | 1,800 | D | \$ 129.63   | 52,287,717<br>(2) (3) | I |  | See footnote (1) |
| Common Stock | 12/23/2008 | S | 500   | D | \$ 129.61   | 52,287,217<br>(2) (3) | I |  | See footnote (1) |
| Common Stock | 12/23/2008 | S | 400   | D | \$ 129.6075 | 52,286,817<br>(2) (3) | I |  | See footnote (1) |
| Common Stock | 12/23/2008 | S | 700   | D | \$ 129.605  | 52,286,117<br>(2) (3) | I |  | See footnote (1) |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474  
(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

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| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 5) | 9. Nu Deriv Secur Bene Own Follo Repo Trans (Instr |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|

## Reporting Owners

| Reporting Owner Name / Address  | Relationships |           |         |       | Title | Amount or Number of Shares |
|---|---------------|-----------|---------|-------|-------|----------------------------|
|   | Director      | 10% Owner | Officer | Other |       |                            |
| MERRILL LYNCH & CO INC<br>4 WORLD FINANCIAL CENTER<br>250 VESEY STREET<br>NEW YORK, NY 10080  |               |           | X       |       |       |                            |
| MERRILL LYNCH INVESTMENT MANAGERS LP<br>C/O MERRILL LYNCH & CO., INC.<br>4 WORLD FINANCIAL CENTER, 250 VESEY ST.<br>NEW YORK, NY 10080    |               |           | X       |       |       |                            |
| Merrill Lynch Group, Inc.<br>C/O MERRILL LYNCH & CO., INC.<br>4 WORLD FINANCIAL CENTER, 250 VESEY ST.<br>NEW YORK, NY 10080               |               |           | X       |       |       |                            |
| Princeton Services, Inc.<br>C/O MERRILL LYNCH & CO., INC.<br>4 WORLD FINANCIAL CENTER, 250 VESEY ST.<br>NEW YORK, NY 10080                |               |           | X       |       |       |                            |
| MERRILL LYNCH PIERCE FENNER & SMITH INC<br>C/O MERRILL LYNCH & CO., INC.<br>4 WORLD FINANCIAL CENTER, 250 VESEY ST.<br>NEW YORK, NY 10080 |               |           | X       |       |       |                            |
| MERRILL LYNCH BANK & TRUST CO FSB<br>C/O MERRILL LYNCH & CO., INC.<br>4 WORLD FINANCIAL CENTER, 250 VESEY ST.<br>NEW YORK, NY 10080       |               |           | X       |       |       |                            |

## Signatures

|   |            |
|---|------------|
| Merrill Lynch & Co., Inc. By: Jonathan Santelli, Assistant Secretary  | 12/29/2008 |
| __Signature of Reporting Person   | Date       |
| Merrill Lynch Investment Managers, L.P. By: Princeton Services, Inc., its General Partner.<br>By: Jonathan Santelli, Vice President and Secretary | 12/29/2008 |
| __Signature of Reporting Person   | Date       |
| Merrill Lynch Group, Inc. By: Jonathan Santelli, Authorized Person  | 12/29/2008 |
| __Signature of Reporting Person   | Date       |
| Princeton Services, Inc. By: Jonathan Santelli, Vice President and Secretary  | 12/29/2008 |
| __Signature of Reporting Person   | Date       |
| Merrill Lynch, Pierce, Fenner & Smith Inc. By: Jonathan Santelli, Assistant Secretary   | 12/29/2008 |
| __Signature of Reporting Person   | Date       |
| Merrill Lynch Bank & Trust Co., FSB By: Jonathan Santelli, Authorized Person  | 12/29/2008 |
| __Signature of Reporting Person   | Date       |

## Explanation of Responses:

\* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

This statement is being filed by Merrill Lynch & Co., Inc. ("ML&Co"), Merrill Lynch Investment Managers, L.P. ("MLIM"), Merrill Lynch Group, Inc. ("ML Group"), Princeton Services, Inc. ("Princeton Services"), Merrill Lynch, Pierce, Fenner & Smith Incorporated (1) ("MLPF&S") and Merrill Lynch Bank & Trust Co., FSB ("MLBT-FSB") (collectively, the "Reporting Persons"). Princeton Services is the general partner of MLIM and is a wholly-owned subsidiary of ML Group, which is a wholly-owned subsidiary of ML&Co. MLBT-FSB is a wholly-owned subsidiary of ML&Co. MLPF&S is a wholly-owned subsidiary of ML&Co.

(2) On December 23, 2008, MLIM sold a total of 200,000 shares of Common Stock, par value \$0.01 per share (the "Common Stock") of BlackRock Inc. ("BlackRock") held by it pursuant to Rule 144 of the Securities and Exchange Act of 1934, as amended, after which ML&Co indirectly through its wholly-owned subsidiaries beneficially owned 52,196,417 shares of Common Stock of BlackRock and MLIM and Princeton Services each beneficially owned zero shares of Common Stock of BlackRock.

In addition, on December 23, 2008, each of the following transactions were effected, each of which is exempt from Section 16 of the Exchange Act pursuant to Rule 16a-13 or otherwise: ML&Co contributed all of the Shares held by it to ML Group, MLIM transferred all (3) the shares of Common Stock (other than the 200,000 shares of Common Stock sold pursuant to Rule 144) and Preferred Stock held by it to ML Group and each of Fund Asset Management, L.P. and Princeton Administrators, L.P. (each of which is a wholly-owned direct or indirect subsidiary of ML&Co) transferred all of the shares of Common Stock held by it to ML Group.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.