

COHEN & STEERS QUALITY INCOME REALTY FUND INC
Form SC 13G/A
April 09, 2009

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

**SCHEDULE 13G
UNDER THE SECURITIES EXCHANGE ACT OF 1934
(Amendment No. 1)***

Cohen & Steers Quality Income Realty Fund Inc.

(Name of Issuer)

Auction Rate Preferred

(Title of Class of Securities)

19247L205

(See Item 2(e))

(CUSIP Number)

March 31, 2009

(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the Rule pursuant to which this Schedule is filed:

- Rule 13d – 1(b)
- Rule 13d – 1(c)
- Rule 13d – 1(d)

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this 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.*)

1 NAMES OF REPORTING PERSONS

I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY):

Bank of America Corporation 56-0906609

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)

(a)

(b)

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

| | | |
|---------------------------------------------|-----------------------------------|-----|
| NUMBER OF SHARES | 5 SOLE VOTING POWER | 0 |
| BENEFICIALLY OWNED BY EACH REPORTING PERSON | 6 SHARED VOTING POWER | 548 |
| | 7 SOLE DISPOSITIVE POWER | 0 |
| | 8 SHARED DISPOSITIVE POWER | 548 |

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

548

10 CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (See Instructions)

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

10.5%

12 TYPE OF REPORTING PERSON (See Instructions)

HC

1 NAMES OF REPORTING PERSONS

I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY):

Bank of America, NA 94-1687665

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)

(a)

(b)

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

| | | |
|---------------------------------------------|-----------------------------------|---------------|
| | | United States |
| NUMBER OF SHARES | 5 SOLE VOTING POWER | 0 |
| BENEFICIALLY OWNED BY EACH REPORTING PERSON | 6 SHARED VOTING POWER | 34 |
| | 7 SOLE DISPOSITIVE POWER | 0 |
| | 8 SHARED DISPOSITIVE POWER | 34 |

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

34

10 CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (See Instructions)

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

0.6%

12 TYPE OF REPORTING PERSON (See Instructions)

BK

1 NAMES OF REPORTING PERSONS

I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY):

Merrill Lynch, Pierce Fenner & Smith, Inc. 13-5674085

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)

(a)

(b)

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

| | | |
|---------------------------------------------|-----------------------------------|-----|
| NUMBER OF SHARES | 5 SOLE VOTING POWER | 0 |
| BENEFICIALLY OWNED BY EACH REPORTING PERSON | 6 SHARED VOTING POWER | 514 |
| | 7 SOLE DISPOSITIVE POWER | 0 |
| | 8 SHARED DISPOSITIVE POWER | 514 |

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

514

10 CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (See Instructions)

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

9.8%

12 TYPE OF REPORTING PERSON (See Instructions)

BD, IA

Item 1(a). Name of Issuer:

Cohen & Steers Quality Income Realty Fund Inc.

Item 1(b). Address of Issuer's Principal Executive Offices:

280 PARK AVENUE

10TH FLOOR
NEW YORK NY 10017

Item 2(a). Name of Person Filing:

Bank of America Corporation ("BAC")
Bank of America N.A. ("BANA")
Merrill Lynch, Pierce, Fenner & Smith, Inc. ("MLPFS")

Item 2(b). Address of Principal Business Office or, if None, Residence:

Each of BAC and BANA has its principal business office at 100 North Tryon Street, Floor 25, Bank of America Corporate Center, Charlotte, NC 28255.

MLPFS has its principal business office at 4 World Financial Center, 250 Vesey Street, New York, NY 10080.

Item 2(c). Citizenship:

| | |
|---------------------------------------------|---------------|
| Bank of America Corporation | Delaware |
| Bank of America N.A. | United States |
| Merrill Lynch, Pierce, Fenner & Smith, Inc. | Delaware |

Item 2(d). Title of Class of Securities:

Auction Rate Preferred

Item 2(e). CUSIP Number:

19247L205, 19247L304, 19247L403, 19247L502, 19247L601, 19247L700

Item 3. If This Statement is Filed Pursuant to Rule 13d-1(b), or 13d-2(b) or (c),

Check Whether the Person Filing is a:

- (a) Broker or dealer registered under Section 15 of the Exchange Act.
- (b) Bank as defined in Section 3(a)(6) of the Exchange Act.
- (c) Insurance company as defined in Section 3(a)(19) of the Exchange Act.
- (d) Investment company registered under Section 8 of the Investment Company Act.
- (e) An investment adviser in accordance with Rule 13d-1(b)(1)(ii)(E).
- (f) An employee benefit plan or endowment fund in accordance with Rule 13d-1(b)(1)(ii)(F).
- (g) A parent holding company or control person in accordance with Rule 13d-1(b)(1)(ii)(G).
- (h) A savings association as defined in Section 3(b) of the Federal Deposit Insurance Act.
- (i) A church plan that is excluded from the definition of an investment company under Section 3(c)(14) of the Investment Company Act.
- (j) Group, in accordance with Rule 13d-1(b)(1)(ii)(J).

If this statement is filed pursuant to Rule 13d-1(c), check this box.

Item 4. Ownership:

With respect to the beneficial ownership of the reporting person, see Items 5 through 11 of the cover pages to this Schedule 13G, which are incorporated herein by reference.

Item 5. Ownership of 5 Percent or Less of a Class:

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following .

Item 6. Ownership or More than Five Percent on Behalf of Another Person:

Not Applicable.

Item 7. Identification and Classification of the Subsidiary Which Acquired the

Security Being Reported on by the Parent Holding Company or Control Person:

With respect to the beneficial ownership of the reporting person, see Items 5 through 11 of the cover pages to this Schedule 13G, which are incorporated herein by reference.

Item 8. Identification and Classification of Members of the Group:

Not Applicable.

Item 9. Notice of Dissolution of Group:

Not Applicable.

Item 10. Certification:

By signing below each of the undersigned certifies that, to the best of such undersigned's knowledge and belief, the securities referred to above were acquired and are held in the ordinary course of business and were not acquired and are not for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

SIGNATURE

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: April 9, 2009

Bank of America Corporation

Bank of America, N.A.

By: /s/ Debra I. Cho

Debra I. Cho

Senior Vice President

Merrill Lynch, Pierce Fenner & Smith, Inc.

By: /s/ Gale K. Chang

Gale K. Chang

Assistant Secretary as Attorney-in-Fact *

* Executed pursuant to a Power of Attorney, dated November 17, 1995, a copy of which is attached hereto as Exhibit A.

Schedule 13G
Exhibit A

Power of Attorney

The undersigned, Merrill Lynch & Co., Inc. (the "Corporation"), a corporation duly organized under the laws of Delaware, with its principal place of business at World Financial Center, North Tower, 250 Vesey Street, New York, New York 10281 does hereby make, constitute and appoint Richard B. Alsop, Richard D. Kreuder, Andrea Lowenthal, Gregory T. Russo, or any individual from time to time elected or appointed as secretary or an assistant secretary of the Corporation, acting severally, each of whose address is Merrill Lynch & Co., Inc., World Financial Center, North Tower, 250 Vesey Street, New York, New York 10281, as its true and lawful attorneys-in-fact, for it and in its name, place and stead (i) to execute on behalf of the Corporation and cause to be filed and/or delivered, as required under Section 13(d) of the Securities Exchange Act of 1934 (the "Act") and the regulations thereunder, any number, as appropriate, of original, copies, or electronic filings of the Securities and Exchange Commission Schedule 13D or Schedule 13G Beneficial Ownership Reports (together with any amendments and joint filing agreements under Rule 13d-1(f)(1) of the Act, as may be required thereto) to be filed and/or delivered with respect to any equity security (as defined in Rule 13d-1(d) under the Act) beneficially owned by the undersigned and which must be reported by the undersigned pursuant to Section 13(d) of the Act and the regulations thereunder, (ii) to execute on behalf of the Corporation and cause to be filed and/or delivered, any number, as appropriate, of original, copies or electronic filings of any forms (including without limitation), Securities and Exchange Commission Forms 3, 4 and 5) required to be filed pursuant to Section 16(a) of the Act and the regulations thereunder, and (iii) generally to take such other actions and perform such other things necessary to effectuate the foregoing as fully in a all respects as if the undersigned could do if personally present.

This Power of Attorney shall remain in effect until revoked, in writing, by the undersigned.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney, this 17th day of November 1995.

MERRILL LYNCH & CO., INC.

By: /s/ David H. Komansky

Name: David H. Komansky

Title: President and Chief Operating Officer

EXHIBIT 99.1 - JOINT FILING AGREEMENT

The undersigned hereby agree that they are filing this statement jointly pursuant to Rule 13d-1(k)(1). Each of them is responsible for the timely filing of such Schedule 13G and any amendments thereto, and for the completeness and accuracy of the information concerning such person contained therein; but none of them is responsible for the completeness or accuracy of the information concerning the other persons making the filing, unless such person knows or has reason to believe that such information is inaccurate.

In accordance with Rule 13d-1(k)(1) promulgated under the Securities and Exchange Act of 1934, as amended, the undersigned hereby agree to the joint filing with each other on behalf of each of them of to such a statement on Schedule 13G with respect to the common stock of beneficially owned by each of them. This Joint Filing Agreement shall be included as an exhibit to such Schedule 13G.

Dated: April 9, 2009

Bank of America Corporation

Bank of America, N.A.

By: /s/ Debra I. Cho

Debra I. Cho
Senior Vice President

Merrill Lynch, Pierce Fenner & Smith, Inc.

By: /s/ Gale K. Chang

Gale K. Chang
Assistant Secretary as Attorney-in-Fact