

The Depository Trust Company

IMPORTANT

B#: 2093

DATE: June 04, 2001

TO: All participants

CATEGORY: Dividends

FROM: Mario Zaccardi, Supervisor, Dividend Department

ATTENTION: Operations, Reorg & Dividend Managers, Partners & Cashiers

SUBJECT: TaxRelief - Country: Canada
Broadband HOLDRS CUSIP: 11130P104
Paid on Nortel Networks Corp, a component of the HOLDR
R/D: 06/07/2001 P/D: 07/03/2001 EDS CUT-OFF: 06/21/2001

DTC has been notified by The Bank of New York, the depository bank for the Broadband HOLDRS Trust, that a dividend has been declared for Nortel Networks Corp, a component of the Broadband HOLDRS. Nortel Networks Corp dividends are covered under the Tax Convention between the United States and Canada. Qualifying U.S. beneficial owners are entitled to a reduced tax treaty rate of 15% and/or exempt rate of 0% rather than the withholding tax rate of 25%.

This distribution is subject to a per share custody fee of \$0.003938.

Participants are urged to use DTC's Elective Dividend System (EDS) function over the Participant Terminal System (PTS) to certify all or a portion of their position entitled to the applicable withholding tax rate. Participants are urged to consult the PTS function TAXI (TAXINFO) before certifying their elections over EDS.

NOTE: THE DEADLINE FOR CERTIFYING OVER EDS IS JUNE 21, 2001.

Participants making elections for a favorable or exempt rate certify that they have in their possession certification from their beneficial holders that the securities described above are beneficially owned by the entity types as described below:

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A-(1) trust(s), company(s) or other organization(s) exempt from Canadian withholding tax on interest and dividends by virtue of Article XXI of the Canada-United States of America Income Tax Convention (1980) who has filed with them a letter of exemption from Revenue Canada; and/or **2)** eligible Canadian resident(s) as defined in DTC Procedures. **Or**

B- A person(s) entitled to the same reduction in rate from Canadian non-resident withholding tax as would apply if the owner of such securities were an individual citizen of the United States who was resident in the United States and who had no connection with Canada that would affect the rate at which tax is to be withheld.

IF PARTICIPANTS DO NOT CERTIFY THROUGH EDS FOR THE FAVORABLE / EXEMPT RATE, THEY WILL RECEIVE THE DIVIDEND WITH 25% WITHHELD.

Important: Prior to using TAXI and certifying over EDS, participants are reminded to read, understand and comply with information in Legal Conditions category of TAXINFO-Canada.

Questions may be directed to Latoya Diene at the Bank of NEW YORK (212) 815-3723.

Questions regarding this Important Notice should be directed to Mr. George Di Garbo myself of DTC's Dividend Department at (212) 855-4539 or 4540 respectively.