

The Depository Trust Company
IMPORTANT

B#: 2893
DATE: January 07, 2002
TO: All Participants
CATEGORY: Dividends
FROM: Anthony Capizzi, Domestic Tax Services, Dividend Dept.
ATTENTION: Managing Partner/Officer, Cashier, Dividend Mgr. Tax Mgr.
SUBJECT: Tiers callable Principal-Protected Asset Backed Trust
CUSIP# 886526201
2001 Tax Information

The following correspondence containing tax information was received by the Depository Trust Company. If applicable please consult your tax advisor to assure proper treatment of this event.

BASIC CAPITAL MANAGEMENT, INC.

1800 Valley View Lane, Suite 300
Dallas, Texas 75234

December 12, 2001

RE: Final Tax Status for 2001

This is the FINAL tax year 2001 status for 1099s, as requested. No dividends were declared or paid in 2001 by the following companies:

Income Opportunity Realty Investors, Inc. (IOT) (REIT)

Transcontinental Realty Investors, Inc. (TCI) (Corporation)

American Realty Investors, Inc. (ARL) (Corporation)

This information is distributed to NAREIT, Wall St. Concepts and Depository Trust. NAREIT posts REIT tax status information on its web site, www.nareit.com.

If you have further questions, please contact me at the information below.

Phyllis J. Wolper
Director, Investor Relations
(800) 400-6407 (469) 522-4245
investor.relations@bcminc.com



Arthur Andersen LLP
Suite 1300
711 Louisiana Street
Houston TX 77002-2786
Tel 713 237 2323
Fax 713 237 2786
www.andersen.com

December 21, 2001

Dear Investor:

We are providing the enclosed information with respect to your investment in the TIERS Callable Principal-Protected Asset Backed Trust Certificates, Series S&P 1999-2 (treated as equity for U.S. federal income tax purposes) of TIERS Callable Principal-Protected Asset Backed Trust Certificates Corp. (the "Issuer").

Passive Foreign Investment Company (PFIC) Information

Issuer is a PFIC for U.S. federal income tax purposes. A U.S. investor is subject to the rules contained in Sections 1291 through 1297 of the Internal Revenue Code.

If an investor has made a Qualified Electing Fund ("QEF") election, the U.S. investor is taxed on the investor's proportionate share of earnings. An electing U.S. investor reports the earnings from the PFIC by filing IRS Form 8621, Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund. Consult the offering memorandum and your tax advisor for more information.

The amounts reflected on the enclosed PFIC Annual Information Statement represent the Issuer's ordinary earnings and net capital gain income for the designated tax year. As an investor, you should pick up your pro rata share of Issuer's income.

If you have any questions regarding this matter, please call me at (713) 237-2926.

Very truly yours,

ARTHUR ANDERSEN LLP


Robert S. Siegel

RN/K:\CLIBNTS A-P2001\Financial Services (CIBTO)\JPD\CDOW\TIERS S&P 1999-2\44 Yr PFIC Ltr.doc

Enclosure

ISSUER: TIERS Callable Principal-Protected Asset Backed Corporate Trust Cert., Series S&P 1999-2
 BUTTERFIELD HOUSE, FORT STREET
 P.O. BOX 705
 GEORGE TOWN, GRAND CAYMAN, CAYMAN ISLANDS
 BRITISH WEST INDIES

FISCAL AGENCY: THE BANK OF NEW YORK
 5 PENN PLAZA, 16TH FLOOR, NEW YORK, NY 10001

PASSIVE FOREIGN INVESTMENT COMPANY (PFIC)
 ANNUAL INFORMATION STATEMENT
 FOR TAX YEAR ENDED NOVEMBER 30, 2001
 EIN #: APPLIED FOR

EQUITY CLASS OF ISSUER: TIERS Principal-Protected Asset Backed Corp. Trust Cert., Series S&P 1999-2

- (1) This Information Statement applies to the taxable year of Issuer beginning on December 1, 2000 and ending on November 30, 2001.
- (2) The below amounts represent income from the Equity Class of Issuer per \$10 face and for the entire Equity Class of \$27,000,000 face.

	<u>Total Per Class</u>	<u>Per \$10 Original Face Amount</u>	<u>Per \$10 Original Face Amount Per Day</u>
Ordinary earnings:	\$0.00	\$0.00	\$0.00
Net capital gain:	\$0.00	\$0.00	\$0.00

- (3) The amount of cash and fair market value of other property distributed or deemed distributed by Issuer to the Equity Class during the taxable year.

	<u>Total For Class</u>	<u>Per \$10 Original Face Amount</u>
Cash:	\$0.00	\$0.00
Fair market value of other property:	NONE	

- (4) Issuer will permit you to inspect Issuer's permanent books of account, records, and such other documents as may be maintained by Issuer that are necessary to establish that PFIC ordinary earnings and net capital gain, as provided in Section 1293(e) of the Code, are computed in accordance with U.S. income tax principles.

TIERS Callable Principal-Protected Asset Backed
 Corporate Trust Certificates, Series S&P 1999-2

Date: 21 ST DECEMBER 2001

By: 

Title: DOYLE A. DALLY - DIRECTOR / MANAGER
THE BANK OF NEW YORK TRUST COMPANY
(CAYMAN) LIMITED.