

The Depository Trust Company  
**IMPORTANT**

**B#:** 1402  
**DATE:** February 01, 2001  
**TO:** All Participants  
**CATEGORY:** Dividends  
**FROM:** Anthony Capizzi, Domestic Tax Services, Dividend Dept.  
**ATTENTION:** Managing Partner/Officer, Cashier, Dividend Mgr. Tax Mgr.  
**SUBJECT:** MicroCap Liquidating Trust  
CUSIP# 59501M101  
2000 Tax Information

The attached 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.

Attachment

## ***MICROCAP LIQUIDATING TRUST***

*c/o Palmeri Fund Administrators, Inc.  
16-00 Route 208 South, 3<sup>rd</sup> Floor, Fair Lawn, NJ 07410  
Tel: 201-475-8072 Fax 201-475-8076*

January 19, 2001

Mr. Barry Messing  
Depository Trust Company  
55 Water Street, 25th floor  
New York, NY 10041

**Re: MicroCap Liquidating Trust, CUSIP# 59501M 101**

Dear Barry,

The MicroCap Liquidating Trust (the "Trust"), the successor entity to The MicroCap Fund, Inc (the "Fund"), is a pass-through entity for federal income tax purposes. Therefore, each beneficiary of the Trust is required to report, in accordance with such beneficiary's method of accounting, their pro rata share of the Trust's taxable income, gain, loss, deduction or expense for the year ended December 31, 2000.

All nominee holders should be directed to provide each Unit holder of record of the Trust during 2000 with the following information on IRS Form 1099 as indicated below. **Amounts shown represent allocations for one Unit of beneficial interest in the Trust. To determine the gross allocations for each beneficiary, the per Unit amounts shown below must be multiplied by the number of Units held during 2000, with the result multiplied by the number of days such Units were held during the year divided by 365.**

Interest income:	\$0.02244	report to beneficial holders on Form 1099-INT, Box 1
Investment expenses	\$0.08230	report to beneficial holders on 1099-INT, Box 5

Further, all nominee holders should be directed to provide each Unit holder of record of the Trust on March 31, 2000 and June 30, 2000 with the following additional information relating to portfolio sales completed during 2000. **To determine the gross allocations for each beneficiary, the per Unit amounts shown below should be multiplied by the number of Units held by each beneficiary as of the date of each respective sale as indicated below.**

Short-term capital gain March 31, 2000:

Gross proceeds	\$0.566200	report to beneficial holders on Form 1099-B, Box 2
Amount of short-term gain	\$0.000073	report to beneficial holders

Short-term capital loss June 30, 2000:

Gross proceeds	\$0.134059	report to beneficial holders on Form 1099-B, Box 2
Amount of short-term loss	(\$0.000844)	report to beneficial holders

Thank you for your assistance in helping us provide this important tax information to the Unit holders of the MicroCap Liquidating Trust. Please call 201-475-8072 ext 101 if you have any questions or need any additional information.

Sincerely,

Frank J. Palmeri  
for the MicroCap Liquidating Trust

cc: Raymond S. Trough - Trustee  
Richard Weiss - Deloitte & Touche