

The Depository Trust Company

IMPORTANT

REVISION TO B# 1556-EDS CUT-OFF DATE IS 3/22/01

B#: 1603
DATE: March 12, 2001
TO: All participants
CATEGORY: Dividends
FROM: Mario Zaccardi, Supervisor, Dividend Department
ATTENTION: Operations, Reorg & Dividend Managers, Partners & Cashiers
SUBJECT: TaxRelief - Country: Canada
Market 2000+ HOLDRS CUSIP: 57059Y204
Paid on Nortel Networks Corp, a component of the HOLDR
R/D: 03/12/2001 P/D: 04/03/2001 EDS CUT-OFF: 03/22/2001

DTC has been notified by The Bank of New York, the depository bank for the Market 2000+ HOLDRS, that a dividend has been declared for Nortel Networks Corp, a component of the Market 2000+ 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%.

Participants can 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 MARCH 22, 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 the information in Legal Conditions category of TAXINFO-Canada under the PTS function TAXI.

Participants who fail to meet the EDS deadline or have other beneficial holders that are not eligible for the EDS process for whom they wish to file a reclaim may use DTC's **TaxReclaim**sm form preparation service, available by using the Tax Reclaim System (TAXR) function over PTS. **TaxReclaim**sm is DTC's proprietary withholding tax form preparation service that calculates reclaim entitlements and prepares the standard tax reclamation form for filing with the foreign taxing authorities or other designated agent. To enroll in **TaxReclaim**sm, please contact your Relationship Manager.

Participants with any HOLDRs CUSIP: 57059Y204 should address any questions to Ms. LaToya Diene of the Bank of New York (212) 815-3723.

Questions regarding this Important Notice should be directed to Mr. Steve McDonough or myself of DTC's Dividend Department at (212) 855-4524 or 4540 respectively.