

The Depository Trust Company
IMPORTANT

B#: 3109
DATE: March 05, 2002
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
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.

B#3109

MICROCAP LIQUIDATING TRUST

*c/o Palmeri Fund Administrators, Inc.
16-00 Route 208 South, 3rd Floor, Fair Lawn, NJ 07410
Tel. 201.475.8072 Fax 201.475.8076*

January 11, 2002

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 tax period. The Trust terminated its operations on August 23, 2001 (Date of Termination).

All nominee holders should be directed to provide each Unit holder of record of the Trust during 2001 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 2001, with the result multiplied by the number of days such Units were held during the year divided by 235 (the number of days the Trust operated in 2001).**

Interest income	\$0.00514	report to beneficial holders on Form 1099-INT, Box 1
Investment expenses	\$0.07340	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 June 18, 2001 and on August 23, 2001 with the following additional information relating to portfolio sales and write-offs completed during 2001. **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 June 18, 2001:

Gross proceeds	\$0.04120	report to beneficial holders on Form 1099-B, Box 2
Amount of short-term loss	(\$0.35791)	report to beneficial holders

Short-term capital loss August 23, 2001:

Gross proceeds	\$0.0	report to beneficial holders on Form 1099-B, Box 2
Amount of short-term loss	(\$0.02472)	report to beneficial holders

Thank you for your assistance in providing 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