

The Depository Trust Company

IMPORTANT

B#: 3283

DATE: April 17, 2002

TO: All participants

CATEGORY: Dividends

FROM: Lucy DiPaolo, Senior Specialist, Dividend Department

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

SUBJECT: TaxRelief - Country: Germany
Europe 2001+HOLDRS CUSIP: 29875G105
Paid on Daimler-Chrysler AG (DCX)-A component of the HOLDR
R/D: 04/15/02 P/D:04/17/02 EDS CUT-OFF: 04/25/02

DTC has been notified by The Bank of New York, the depository bank for the Europe 2001+ HOLDRS, that a dividend has been declared for Daimler-Chrysler AG (DCX) a component of the Europe 2001+ HOLDRS. Daimler-Chrysler AG (DCX) dividends are covered under the Tax Convention between the United States and Germany that qualifying U.S. beneficial owners are entitled to a reduced tax treaty rate of 10% (tax refund of 6.1%) or an exempt rate of 0% (tax refund of 21.1%).

DTC allocated the dividend to participants on April 11, 2002 based on participants' record date positions. In addition, DTC will perform daily interim accounting from record date + 1 (April 12, 2002) through ex-dividend date +2 (April 15, 2002) - the last date on which trades settle with the dividend. For activity identified as "with" dividend, allocation to participants will be made on the business day following the activity by crediting the money settlement account of the receiver and debiting the money settlement account of the deliverer.

Stock Loan/Repo Adjustments

During the interim accounting period, deliver orders (DO) representing stock loan/repo movements will be captured and generate a CADJ, debiting the deliver and crediting the receiver. A subsequent stock loan/repo income adjustment will be processed as a CADJ debiting the receiver and crediting the deliver. The net result will be that stock loan/repo activity during the interim accounting period will not affect the dividend.

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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 APRIL 25, 2002.

PLEASE REFER TO DTC'S IMPORTANT NOTICE B# 3214 FOR ADDITIONAL INFORMATION REGARDING THE UNDERLYING ISSUE, DAIMLER-CHRYSLER AG (DCX) CUSIP # D1668R123.

IF PARTICIPANTS DO NOT CERTIFY THROUGH EDS FOR THE FAVORABLE RATE, THEY WILL RECEIVE THE DIVIDEND WITH 21.10% WITHHELD.

Questions may be directed to Ms. Lourdes Carney of The Bank of New York at (646) 885-3204.

Important: Prior to certifying over EDS, participants are reminded to read, understand and comply with the information in the Legal Conditions category of TAXINFO-Germany under the PTS function TAXI.

Questions regarding this Important Notice should be directed to Mr. Raymond Romain or myself of DTC's Dividend Department at (212) 855-4537 or 4531 respectively.