

**SERIES ADJUSTMENTS - 2006-008**  
**ONN INFORMATION CIRCULAR # 1312**  
**January 11, 2006**

**Software HOLDRs (SWH)**  
**Stock Distribution**  
**Ex-Distribution Date: 1/13/2006**

On January 4, 2006, Mercury Interactive Corp. (MERQ), a component of the Software HOLDRs Trust (SWH), was delisted from trading on Nasdaq NMS. As a result, the Mercury Interactive Corp Common Share component of the Software HOLDRs Trust (SWH) will be distributed to SWH shareholders. The distribution ratio is 2 MERQ Common Shares for each 100 share round lot of SWH HOLDRs. The record date is January 18, 2006. The mail date is January 20, 2006. The American Stock Exchange has set January 13, 2006, as the ex distribution date.

**Contract Adjustments:**

Pursuant to the by-laws of The Options Clearing Corporation ("OCC"), all Software HOLDRs options will be **adjusted as follows:**

**Adjustment Date:** Effective with exercises of Friday, January 13, 2006 and thereafter.  
**ISE Underlying Symbol(s):** SWH becomes STH  
**ISE Commodity Code(s):** STH - 3742  
 MERQ- 311  
**OPRA Option Symbol(s):** SWH becomes STH  
**No. of Contracts:** Unchanged  
**Multiplier:** 100 (e.g., Premium of 1.00 = \$100)  
**New Deliverable/Contract:** **1) 100 Shares of Software HOLDRs Trust (SWH)**  
**2) 2 Shares of Mercury Interactive Corp. (MERQ)**

**Previously Adjusted**

**ISE Underlying Symbol(s):** SDP- Unchanged  
**OPRA Option Symbol(s):** SDP- Unchanged  
**No. of Contracts:** Unchanged  
**Multiplier:** 100 (e.g., Premium of 1.00 = \$100)  
**New Deliverable/Contract:** **1) 100 Shares of Software HOLDRs Trust (SWH)**  
**2) 2 Shares of Mercury Interactive Corp. (MERQ)**  
**3) \$2.20**

**GTC Order Cancellation:**

On Thursday, January 12, 2006, immediately after the ISE close, all resting orders in the SWH order book will be cancelled.

**Unadjusted New Shares:**

New SWH series with a contract unit of 100 shares will be introduced on Tuesday, January 17, 2006. Strike prices and expiration months will be announced on a separate release.

**Adjusted Exercise Prices:**

On Friday, January 13, 2006, the ex-distribution date, trading in SWH series will be on an adjusted basis. The strike price adjustments listed below are expected based on the current outstanding series. Any additional SWH series added prior to the ex-date will also be adjusted in the manner outlined below.

ISE Series	Software HOLDRs (SWH) (Before 1/13/2006) (100 shrs SWH)				ISE Series	Software HOLDRs (STH) (Beginning 1/13/2006) (See New Deliverable Above)			
	OPRA	Month	Strike	Calls/Puts		OPRA	Month	Strike	Calls/Puts
SWH6JAN32.5C/P	SWH	JAN	32 1/2	AZ/MZ	STH6JAN32.5CX/PX	STH	JAN	32 1/2	AZ/MZ
SWH6JAN35.0C/P	SWH	JAN	35	AG/MG	STH6JAN35.0CX/PX	STH	JAN	35	AG/MG
SWH6JAN37.5C/P	SWH	JAN	37 1/2	AU/MU	STH6JAN37.5CX/PX	STH	JAN	37 1/2	AU/MU
SWH6JAN40.0C/P	SWH	JAN	40	AH/MH	STH6JAN40.0CX/PX	STH	JAN	40	AH/MH
SWH6JAN42.5C/P	SWH	JAN	42 1/2	AV/MV	STH6JAN42.5CX/PX	STH	JAN	42 1/2	AV/MV
SWH6FEB32.5C/P	SWH	FEB	32 1/2	BZ/NZ	STH6FEB32.5CX/PX	STH	FEB	32 1/2	BZ/NZ
SWH6FEB35.0C/P	SWH	FEB	35	BG/NG	STH6FEB35.0CX/PX	STH	FEB	35	BG/NG
SWH6FEB37.5C/P	SWH	FEB	37 1/2	BU/NU	STH6FEB37.5CX/PX	STH	FEB	37 1/2	BU/NU
SWH6FEB40.0C/P	SWH	FEB	40	BH/NH	STH6FEB40.0CX/PX	STH	FEB	40	BH/NH
SWH6MAY32.5C/P	SWH	MAY	32 1/2	EZ/QZ	STH6MAY32.5CX/PX	STH	MAY	32 1/2	EZ/QZ
SWH6MAY35.0C/P	SWH	MAY	35	EG/QG	STH6MAY35.0CX/PX	STH	MAY	35	EG/QG
SWH6MAY37.5C/P	SWH	MAY	37 1/2	EU/QU	STH6MAY37.5CX/PX	STH	MAY	37 1/2	EU/QU
SWH6MAY40.0C/P	SWH	MAY	40	EH/QH	STH6MAY40.0CX/PX	STH	MAY	40	EH/QH
SWH6AUG32.5C/P	SWH	AUG	32 1/2	HZ/TZ	STH6AUG32.5CX/PX	STH	AUG	32 1/2	HZ/TZ
SWH6AUG35.0C/P	SWH	AUG	35	HG/TG	STH6AUG35.0CX/PX	STH	AUG	35	HG/TG
SWH6AUG37.5C/P	SWH	AUG	37 1/2	HU/TU	STH6AUG37.5CX/PX	STH	AUG	37 1/2	HU/TU
SWH6AUG40.0C/P	SWH	AUG	40	HH/TH	STH6AUG40.0CX/PX	STH	AUG	40	HH/TH
SWH6AUG42.5C/P	SWH	AUG	42 1/2	HV/TV	STH6AUG42.5CX/PX	STH	AUG	42 1/2	HV/TV

Questions regarding this release may be directed to Iris Rodriguez at (212) 897-0264.