



SERIES ADJUSTMENTS - 2006-024
ONN INFORMATION CIRCULAR # 1353
February 9, 2006

Software HOLDRs Trust (SWH)
Stock Distribution
Ex-Distribution Date: 2/13/2006

On January 31, 2006, Oracle Corporation (ORCL) completed a merger with Siebel Systems, Inc.(SEBL), a component of the Software HOLDRs Trust (SWH). Non electing SEBL Common Shares were converted into the right to receive \$10.66 cash per share. As a result, the cash entitlement of the SEBL Common Share component of the Software HOLDRs Trust (SWH) will be distributed to SWH Shareholders. The distribution ratio is \$85.28 for each 100 share round lot of SWH HOLDRs. The record date is February 15, 2006. The mail date is February 17, 2006. The American Stock Exchange has set February 13, 2006 as the ex-distribution date.

Contract Adjustments:

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

Adjustment Date: Effective with exercises of Monday, February 13, 2006 and thereafter.
ISE Underlying Symbol(s): SWH becomes SZW
ISE Commodity Code: SZW - 3743
OPRA Option Symbol(s): SWH becomes SZW
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) \$85.28

Previously adjusted

ISE Underlying Symbol(s): STH - Unchanged
OPRA Option Symbol(s): STH - 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) \$85.28

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) \$87.48 (\$85.28 + \$2.20)

Please note that previously adjusted STH and SDP contracts both contain deliverables which no longer trade on a national market (MERQ). Mercury Interactive Corporation (MERQ) was delisted from the NASDAQ effective January 4, 2006. Therefore, effective Friday, January 13, 2006, ISE began conducting customer closing transactions only for all outstanding STH and SDP contracts.

GTC Order Cancellation:

On Friday, February 10, 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, February 14, 2006. Strike prices and expiration months will be announced on a separate release.

Adjusted Exercise Prices:

On Monday, February 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.

Software HOLDRs Trust (SWH)
 (Before 2/13/2006)
 (100 shrs SWH)

Software HOLDRs Trust (SZW)
 (Beginning 2/13/2006)
 (See New Deliverable Above)

<u>ISE Series</u>	<u>OPRA</u>	<u>Month</u>	<u>Strike</u>	<u>Calls/Puts</u>	<u>ISE Series</u>	<u>OPRA</u>	<u>Month</u>	<u>Strike</u>	<u>Calls/Puts</u>
SWH6FEB32.5C/P	SWH	FEB	32 1/2	BZ/NZ	SZW6FEB32.5CX/PX	SZW	FEB	32 1/2	BZ/NZ
SWH6FEB32.5C/P	SWH	FEB	32 1/2	BZ/NZ	SZW6FEB32.5CX/PX	SZW	FEB	32 1/2	BZ/NZ
SWH6FEB35.0C/P	SWH	FEB	35	BG/NG	SZW6FEB35.0CX/PX	SZW	FEB	35	BG/NG
SWH6FEB37.5C/P	SWH	FEB	37 1/2	BU/NU	SZW6FEB37.5CX/PX	SZW	FEB	37 1/2	BU/NU
SWH6FEB40.0C/P	SWH	FEB	40	BH/NH	SZW6FEB40.0CX/PX	SZW	FEB	40	BH/NH
SWH6FEB42.5C/P	SWH	FEB	42 1/2	BV/NV	SZW6FEB42.5CX/PX	SZW	FEB	42 1/2	BV/NV
SWH6MAR32.5C/P	SWH	MAR	32 1/2	CZ/OZ	SZW6MAR32.5CX/PX	SZW	MAR	32 1/2	CZ/OZ
SWH6MAR35.0C/P	SWH	MAR	35	CG/OG	SZW6MAR35.0CX/PX	SZW	MAR	35	CG/OG
SWH6MAR37.5C/P	SWH	MAR	37 1/2	CU/OU	SZW6MAR37.5CX/PX	SZW	MAR	37 1/2	CU/OU
SWH6MAR40.0C/P	SWH	MAR	40	CH/OH	SZW6MAR40.0CX/PX	SZW	MAR	40	CH/OH
SWH6MAR42.5C/P	SWH	MAR	42 1/2	CV/OV	SZW6MAR42.5CX/PX	SZW	MAR	42 1/2	CV/OV
SWH6MAY32.5C/P	SWH	MAY	32 1/2	EZ/QZ	SZW6MAY32.5CX/PX	SZW	MAY	32 1/2	EZ/QZ
SWH6MAY35.0C/P	SWH	MAY	35	EG/QG	SZW6MAY35.0CX/PX	SZW	MAY	35	EG/QG
SWH6MAY37.5C/P	SWH	MAY	37 1/2	EU/QU	SZW6MAY37.5CX/PX	SZW	MAY	37 1/2	EU/QU
SWH6MAY40.0C/P	SWH	MAY	40	EH/QH	SZW6MAY40.0CX/PX	SZW	MAY	40	EH/QH
SWH6MAY42.5C/P	SWH	MAY	42 1/2	EV/QV	SZW6MAY42.5CX/PX	SZW	MAY	42 1/2	EV/QV
SWH6AUG32.5C/P	SWH	AUG	32 1/2	HZ/TZ	SZW6AUG32.5CX/PX	SZW	AUG	32 1/2	HZ/TZ
SWH6AUG35.0C/P	SWH	AUG	35	HG/TG	SZW6AUG35.0CX/PX	SZW	AUG	35	HG/TG
SWH6AUG37.5C/P	SWH	AUG	37 1/2	HU/TU	SZW6AUG37.5CX/PX	SZW	AUG	37 1/2	HU/TU
SWH6AUG40.0C/P	SWH	AUG	40	HH/TH	SZW6AUG40.0CX/PX	SZW	AUG	40	HH/TH
SWH6AUG42.5C/P	SWH	AUG	42 1/2	HV/TV	SZW6AUG42.5CX/PX	SZW	AUG	42 1/2	HV/TV

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