



INTERNATIONAL SECURITIES EXCHANGE

SERIES ADJUSTMENTS - 2006-029

ONN INFORMATION CIRCULAR # 1364

February 17, 2006

Software HOLDRs Trust (SWH) (Adjusted Symbols: SZW/STH/SDP)

Stock Distribution

Ex-Distribution Date: 2/22/2006

On February 14, 2006 International Business Machines Corporation (IBM) completed a merger with Micromuse Inc. (MUSE), a component of the Software HOLDRs Trust (SWH). MUSE Common Shares were converted into the right to receive \$10.00 cash per share. As a result, the cash entitlement of the MUSE Common Share component of the Software HOLDRs Trust (SWH) will be distributed to SWH Shareholders. The distribution ratio is \$20.00 for each 100 Share round lot of SWH HOLDRs. The record date is February 24, 2006. Mail date is February 28, 2006. The American Stock Exchange has set February 22, 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 Wednesday, February 22, 2006 and thereafter.
ISE Underlying Symbol(s): SWH becomes SJH
ISE Commodity Code: SJH- 3744
OPRA Option Symbol(s): SWH becomes SJH
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) \$20.00 Cash

Previously adjusted

ISE Underlying Symbol(s): SZW- Unchanged
OPRA Option Symbol(s): SZW - 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) \$105.28 Cash

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) \$105.28 Cash

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) \$107.48 Cash

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 Tuesday, February 21, 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 Thursday, February 23, 2006. Strike prices and expiration months will be announced on a separate release.

Adjusted Exercise Prices:

On Wednesday, February 22, 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 HOLDERS Trust (SWH) (Before 2/22/2006) (100 shrs SWH)					Software HOLDERS Trust (SJH) (Beginning 2/22/2006) (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>
SWH6MAR35.0C/P	SWH	MAR	35	CG/OG	SJH6MAR35.0CX/PX	SJH	MAR	35	CG/OG
SWH6MAR37.5C/P	SWH	MAR	37 1/2	CU/OU	SJH6MAR37.5CX/PX	SJH	MAR	37 1/2	CU/OU
SWH6MAR40.0C/P	SWH	MAR	40	CH/OH	SJH6MAR40.0CX/PX	SJH	MAR	40	CH/OH
SWH6APR35.0C/P	SWH	APR	35	DG/PG	SJH6APR35.0CX/PX	SJH	APR	35	DG/PG
SWH6APR37.5C/P	SWH	APR	37 1/2	DU/PU	SJH6APR37.5CX/PX	SJH	APR	37 1/2	DU/PU
SWH6APR40.0C/P	SWH	APR	40	DH/PH	SJH6APR40.0CX/PX	SJH	APR	40	DH/PH
SWH6MAY35.0C/P	SWH	MAY	35	EG/QG	SJH6MAY35.0CX/PX	SJH	MAY	35	EG/QG
SWH6MAY37.5C/P	SWH	MAY	37 1/2	EU/QU	SJH6MAY37.5CX/PX	SJH	MAY	37 1/2	EU/QU
SWH6MAY40.0C/P	SWH	MAY	40	EH/QH	SJH6MAY40.0CX/PX	SJH	MAY	40	EH/QH
SWH6AUG35.0C/P	SWH	AUG	35	HG/TG	SJH6AUG35.0CX/PX	SJH	AUG	35	HG/TG
SWH6AUG37.5C/P	SWH	AUG	37 1/2	HU/TU	SJH6AUG37.5CX/PX	SJH	AUG	37 1/2	HU/TU
SWH6AUG40.0C/P	SWH	AUG	40	HH/TH	SJH6AUG40.0CX/PX	SJH	AUG	40	HH/TH

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