



STOCK EXCHANGE			
Regulatory Information Circular			
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**Subject: TIERS Principal Protected Trust Certificates**

**Information on the Notes**

ISE will begin trading TIERS Principal Protected Trust Certificates, due April 29, 2009, issued by TIERS Principal-Protected Asset Backed Certificates Trust, Series Russell 2004-1 (“TIERS”). The ticker symbol will be “RUD.WI” until regular way trading begins on January 26, 2004, when the ticker symbol will become “RUD”. Each \$10 principal amount of securities will be deemed a “Unit” for purposes of trading and transfer. 13.5 million shares of the new five-year securities were issued at \$10 each with a maturity date of April 29, 2009.

As more fully set forth in the Issuer’s Registration Statement (#333-89080) and Prospectus Supplement, the TIERS Certificates represent in aggregate the entire beneficial ownership interest in the assets of the TIERS Trust. The Certificates mature on April 29, 2009 and do not provide for earlier redemption by the holder. There is no assurance that any investment earnings will be earned by the Trust or that such earnings, if received, will be distributed to holders prior to the final scheduled distribution date. In the case of supplemental semi-annual distributions or in the case of the occurrence of certain other events described in the prospectus supplement, the Trust will make no other payments on the certificates until the final scheduled distribution date. On the final scheduled distribution date, the holder will receive a payment per certificate equal to the sum of: (i) the principal amount of the certificate (\$10 per certificate) and (ii) an interest distribution amount based on the index return. The index return will be calculated by compounding the periodic capped returns, as determined over the term of the certificates. The index return allows participation in the first 3.5% of any appreciation in the value of the Russell 2000 Index in the period between the issue date and the first monthly reset date and in any subsequent monthly reset period during the term of the certificates. The reset dates will occur on the 22nd day of each month of each year, commencing February 22, 2004, (or the next succeeding business day) and the final reset date is expected to coincide with the final scheduled distribution date. The period between any two consecutive reset dates (or the issue date at the first reset date) is a reset period.

**Principal Amount**

The principal amount of each certificate is \$10.

## **Interest Distribution Amount**

Absent the occurrence of a term assets credit event or a swap termination date, on the final scheduled distribution date, the holder will receive for each certificate an interest distribution amount which will equal the product of:

$$\text{Principal Amount (\$10 per Certificate)} \times \text{Index Return}$$

The index return equals the compounded value of the periodic capped returns computed in the following manner, and is presented as a percentage and will equal not less than 7%:

$$[\text{Product of (1.00 + the periodic capped return) for each reset date}] - 1.00$$

where the periodic capped return for any reset date (including the final scheduled distribution date) equals the following fraction, which is presented as a percentage:

$$\frac{\text{Ending Value} - \text{Starting Value}}{\text{Starting Value}}$$

provided; however, that the periodic capped return will not in any circumstances be greater than 3.5% per month.

The Ending Value for any reset date other than the final scheduled distribution date means the value of the Russell 2000 Index at the close of the market on that reset date or, if that reset date is not an index business day, the value at the close of the market on the preceding index business day. The ending value for the final scheduled distribution date will be the average of the closing values of the Russell 2000 Index for the five scheduled index business days prior to the final scheduled distribution date. The ending value for the final scheduled distribution date may, however, be calculated by reference to fewer than five or even a single days closing value. Additional and complete information regarding, can be found in the prospectus.

The starting value for the initial reset date will equal the value of the index at the close of the market on the date the certificates are priced for initial sale to the public. The starting value for each subsequent reset date (including the final distribution date) will equal the ending value with respect to the immediately preceding reset date.

All determinations made by the Calculation Agent shall be at the sole discretion of the Calculation Agent and shall be conclusive for all purposes and binding on the Company and the beneficial owners of the Certificates, absent manifest error.

## **The Russell 2000 Index**

The Russell 2000 Index is an index calculated, published and disseminated by Frank Russell Company ("FRC"). It measures the composite price performance of 2,000 common stocks of corporations with small capitalizations relative to other stocks in the U.S. equity market. The Russell 2000 Index consists of the smallest 2,000 companies in the Russell 3,000 Index and represents 8% of the total capitalization of the Russell 3000 Index.

## **Other Important Information**

The market value of RUD will depend substantially on the value of the Russell 2000 Index. Other factors which will likely affect the trading value of RUD are changes in interest rates, volatility of the Index, time remaining to maturity, the credit rating of the Issuer and dividend yields on the stocks comprising the Index.

The amount paid at maturity may be less than the return that could be earned on other investments and may even be less than the original invested amount.

For United States federal income tax purposes: (1) Certificates will be treated as equity interests in The Trust, (2) The Trust will be classified as a foreign corporation, (3) The Trust will not be treated as engaged in the conduct of trade or business in the United States and (4) The swap agreement should be treated as a notional principal contract.

The Trust will be a passive foreign investment company for United States federal income tax purposes. In order to avoid punitive United States tax rules otherwise applicable to distributions on the Certificates, eligible U.S. purchasers of Certificates should make "qualified electing fund" elections on their income tax returns and file the related tax forms (IRS Form 8621) for every year that they hold the Certificates.

For additional information refer to the Prospectus Supplement and/or your tax professional.

The Issuer, the underwriter, and the swap counter-party are affiliates, and the swap counter-party is also the calculation agent for matters relating to the Certificates and the swap agreement.

Potential conflicts of interest may exist between the calculation agent and Certificate holders.

Ownership of the Certificates will be maintained in book-entry form by or through The Depository Trust Company. Beneficial owners of the Certificates will not have the right to receive physical Certificates evidencing their ownership except under very limited circumstances.

Trading in the shares on ISE is on a UTP basis and is subject to ISE equity trading rules. The shares will trade from 8:00 a.m. until 5:00 p.m. Eastern Time. Equity Electronic Access Members ("Equity EAMs") trading the shares during the Extended Market Sessions are exposed to the risk of the lack of the calculation or dissemination of underlying index value or intraday indicative value ("IIV"). For certain derivative securities products, an updated underlying index value or IIV may not be calculated or publicly disseminated in the Extended Market hours. Since the underlying index value and IIV are not calculated or widely disseminated during Extended Market hours, an investor who is unable to calculate implied values for certain derivative securities products during Extended Market hours may be at a disadvantage to market professionals.

Equity EAMs also should review NASD Notice to Members 03-71 for guidance on trading these products. The Notice reminds members of their obligations to: (1) conduct adequate due diligence to understand the features of the product; (2) perform a

reasonable-basis suitability analysis; (3) perform customer-specific suitability analysis in connection with any recommended transactions; (4) provide a balanced disclosure of both the risks and rewards associated with the particular product, especially when selling to retail investors; (5) implement appropriate internal controls; and (6) train registered persons regarding the features, risk and suitability of these products.

**This Regulatory Information Circular is not a statutory Prospectus. Equity EAMs should consult the Trust's Registration Statement, SAI, Prospectus and the Fund's website for relevant information.**

## Appendix A

<b>Ticker</b>	<b>Fund Name</b>	<b>CUSIP Number</b>
RUD	TIERS Principal Protected Trust Certificates	G88 651 20 6