

SECURITIES AND EXCHANGE COMMISSION

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FILER

MERRILL LYNCH KECALP L P 1994

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MERRILL LYNCH KECALP L.P. 1994

Supplement to Prospectus Dated April 15, 1994

For Ohio Investors

It is expected that a substantial portion of the Partnership's assets will be invested in privately-offered equity investments in leveraged buyout transactions and in transactions involving restructurings or recapitalization of operating companies. Investments may also be made in real estate opportunities and, to a lesser extent, in venture capital transactions. Some or all of such investments may not comply with the following provisions of Rule 1301:6-3-09(E) under the Ohio Securities Act:

Paragraph (1) restricts the purchase or retention by an investment company of the securities of any issuer if the officers, directors or trustees of the investment company, or its advisors or managers, owning beneficially more than .5% of the securities of an issuer, together own beneficially more than 5% of the securities of that issuer. The Partnership is permitted to make certain investments in which officers, directors or employees of the General Partner holding in excess of .5% of the securities of an issuer collectively hold 5%, if such issuers are investment vehicles sponsored by Merrill Lynch, Pierce, Fenner & Smith Incorporated and its affiliates, or investments in which such investment vehicles are participants.

Paragraph (7) requires that as to the first 50% of an investment company's assets, no more than 5% may be invested in the securities of any one issuer, and as to the remaining 50% of the investment company's assets, no more than 25% may be invested in any one issuer. The Partnership may invest its assets in securities of certain issuers in excess of such limitations.

Paragraph (8) requires that as to the first 75% of an investment company's assets, no more than 10% of the voting securities of any issuer may be held by the investment company. The Partnership may hold more than 10% of the voting securities of an issuer.

Paragraph (9) restricts the investment of any assets of an investment company in the securities of other investment companies, except by purchase in the open market where no commission or profit to a sponsor or dealer results from the purchase other than the customary broker's commission, or except when the purchase is part

of a plan of merger, consolidation, reorganization, or acquisition. The Partnership will not invest its assets in the securities of other registered investment companies except for temporary investments in tax-exempt or other money market funds.

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Paragraph (10) restricts the borrowing, pledging, mortgaging, or hypothecating of assets on behalf of an investment company in excess of one-third of the total company assets. The Partnership is restricted from borrowing amounts in excess of one-third of its total assets, except that the Partnership may enter into nonrecourse loans relating to investments other than securities without regard to such limitation. In addition, the Partnership is restricted from making loans to other persons in excess of one-third of its total assets, provided that investments in privately offered debt securities issued by entities in which the Partnership has an equity participation or with which the Partnership has

contracted to acquire an equity participation are not considered loans for purposes of this restriction.

Paragraph (12) requires that no more than 15% of an investment company's total assets may be invested in the securities of issuers which, together with any predecessors, have a record of less than three years continuous operation, or in the securities of issuers which are restricted as to disposition. In addition, paragraph (F)(3)(d) of Rule 1301:6-3-09 requires that no more than 50% of an investment company's total assets may be invested in such securities. The Partnership has the authority to invest more than 50% of its total assets in such securities.

The Prospectus will be delivered to investors in the Partnership prior to the consummation of the sale of Units to such investors.

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