FORM 485BPOS

Post-effective amendments [Rule 485(b)]

Filing Date: **1994-03-01**
SEC Accession No. 0000045809-94-000045

FILER

TAX EXEMPT SECURITIES TRUST SERIES 315

CIK:**857410**| State of Incorp.:**NY** | Fiscal Year End: **1231**
Type: **485BPOS** | Act: **33** | File No.: **033-32007** | Film No.: **94513768**

Business Address
1345 AVENUE OF THE AMERICAS
C/O SMITH BARNEY HARRIS UPHAM & CO INC
NEW YORK NY 10105

Registration No. 33-32007

S E C U R I T I E S A N D E X C H A N G E C O M M I S
S I O
N

Washington, D.C. 20549

POST-EFFECTIVE AMENDMENT NO. 4
to
F O R M S-6

FOR REGISTRATION UNDER THE SECURITIES ACT OF
1933
OF SECURITIES OF UNIT INVESTMENT TRUSTS
REGISTERED ON FORM N-8B-2

A. Exact Name of Trust:

TAX EXEMPT SECURITIES TRUST,
SERIES 315

B. Names of Depositors:

SMITH BARNEY SHEARSON INCORPORATED
KIDDER, PEABODY & CO. INCORPORATED

<TABLE>
<S> <C>

C. Complete addresses of depositors' principal executive
offices:

SMITH BARNEY SHEARSON	KIDDER, PEABODY & CO.
SHEARSON INC.	INCORPORATED
1345 Avenue of the Americas	60 Broad Street
New York, New York 10105	New York, New York 10005

D. Names and complete addresses of agents for service:

STEPHEN J. TREADWAY	GILBERT R. OTT, JR.
Smith Barney	Kidder, Peabody & Co.
Shearson Inc.	Incorporated
1345 Avenue of the Americas	10 Hanover Square
New York, New York 10105	New York, New York 10005

</TABLE>

It is proposed that this filing will become effective February 28,
1994
pursuant to paragraph (b) of Rule 485.

TAX EXEMPT SECURITIES TRUST

CROSS-REFERENCE SHEET

Pursuant to Regulation C
under the Securities Act of 1933

(Form N-8B-2 Items required by Instruction
as to the Prospectus in Form S-6)

<TABLE>

Form N-89B-2 Item Number — Form S-6 Heading in Prospectus

I. Organization and General Information

<C> <S> <C>

1. . . . . (a) Name of trust   Prospectus front cover
(b) Title of securities issued . .
2.Name and address of each depositor   Sponsors: Prospectus back cover
3. . . . Name and address of trustee   Trustee
4.Name and address of each principal underwriterSponsors: Prospectus back cover
5. . .State of organization of trust   Tax Exempt Securities Trust
6.Execution and termination of trust agreementTax Exempt Securities Trust - The Trust:
Amendment and Termination
of the Trust Agreement 7. . . . . Changes of name   *
8. . . . . Fiscal year   *
9. . . . . .Litigation   *

II. General Description of the Trust and
Securities of the Trust

10.(a) Registered or bearer securities Rights of Unit Holders
(b) Cumulative or distributive securities
(c) Redemption . . . .
(d) Conversion, transfer, etc. . .
(e) Periodic payment plan. . . . .   *
(f) Voting rights. . . . .
(g) Notice to certificate holders   Rights of Unit Holders -
Reports and Records:
Sponsors -
Responsibility: Trustee -
Resignation: Amendment
and Termination of the
Trust Agreement -
Amendment
(h) Consents required. . . . . . . Sponsors - Responsibility:
Amendment and Termination
of the Trust Agreement   (i) Other provisions . . . . Tax Exempt Securities Trust - Tax Status

11.Type of securities comprising units Prospectus front cover:
Tax Exempt Securities

Trust - Portfolio
12.Certain information regarding periodic
payment certificates. . . . . . . *

13.. .(a) Load, fees, expenses, etc. Prospectus front cover:

Summary of Essential

Information; Public
Offering - Offering
Price; Public Offering -

Sponsors' and
Underwriters' Profits:

Tax Exempt Securities

Trust - Expenses and

Charges

Form N-89B-2 Form S-6
Item Number Heading in Prospectus

II. General Description of the Trust and
Securities of the Trust
<C> <S> <C>
(b) Certain information regarding periodic
payment certificates . . . . *
(c) Certain percentages. . . . . . Public Offering - Offering
Price
(d) Certain other fees, etc, payable by holders
Rights of Unit Holders - Certificates
(e) Certain profits receivable by depositors,
principal underwriters, trustee or
affiliated persons . . . . . . Public Offering - Sponsors'

and Underwriters' Profits:

Rights of Unit Holders -

Redemption of Units -
Purchase by the Sponsors of

Units Tendered for
Redemption
(f) Ratio of annual charges to income*

14.. .Issuance of trust's securities Tax Exempt Securities

Trust - The Trust: Rights

of Unit Holders -
Certificates
15.Receipt and handling of payments from purchasers*
16.Acquisition and disposition of underlying
securities . . . . Tax Exempt Securities Trust

- Portfolio: Sponsors -

Responsibility
17.. . . . .Withdrawal or redemption Rights of Unit Holders -

Redemption of Units
18.(a) Receipt, custody and disposition of incomeRights of Units
Holders -
Distribution of
Interest
and Principal:
Rights of
Unit Holders -
Reports
and Records
(b) Reinvestment of distributions *
(c) Reserves or special funds. . . Rights of Unit Holders -

Distribution of Interest

and Principal: Tax Exempt

Securities Trust - Expenses

and Charges - Other Charges (d) Schedule of
distributions. . . *
19.. . Records, accounts and reports Rights of Unit Holders -

Reports and Records:

Rights of Unit Holders -

Distribution of Interest

and Principal
20.Certain miscellaneous provisions of trust agreementAmendment
and Termination of the Trust
(a) Amendment. . . . . Agreement: Trustee -
Resignation: Trustee -
(b) Termination . . . . Resignation: Trustee -
Limitations on Liability:
(c) and (d) Trustee, removal and successorSponsors -
Responsibility: Sponsors - Resignation
(e) and (f) Depositors, removal and successor
21.. . . . Loans to security holders *
22.. . . . .Limitations on liability Sponsors - Limitations on

Liability: Trustee -
Limitations on Liability:

Tax Exempt Securities

Trust - Portfolio
23.. . . . . . .Bonding arrangements *
24.Other material provisions of trust agreement*

______
* Inapplicable, answer negative or not required.

Form N-89B-2 Form S-6
Item Number Heading in Prospectus

III. Organization, Personnel and
Affiliated Persons of Depositor
<C> <S> <C>
25.. . . .Organization of depositors Sponsors
26.. . . Fees received by depositors *
27.. . . . . .Business of depositors Sponsors
28.Certain information as to officials and
affiliated persons of depositors [Contents of Registration

Statement]
29.. Voting securities of depositors *
30.. .Persons controlling depositors *
31.Payments by depositor for certain services
rendered to trust . . . . *
32.Payments by depositors for certain other services
rendered to trust . . . . *
33.Remuneration of employees of depositors for
certain services rendered to trust *
34.Remuneration of other persons for certain services
rendered to trust . . . . *

IV. General Description of the Trust and
Securities of the Trust

35.Distribution of trust's securities by statesPublic Offering - Distribution of Units
36.Suspension of sales of trust's securities*
37.Revocation of authority to distribute*
38.. . . .(a) Method of distribution Public Offering - Distribution of Units
(b) Underwriting agreements. . . .
(c) Selling agreements . . . . . .
39.(a) Organization of principal underwritersSponsors
(b) N.A.S.D. membership of principal underwriters
40.Certain fees received by principal underwriters*
41.(a) Business of principal underwritersSponsors
(b) Branch offices of principal underwriters*
(c) Salesmen of principal underwriters*
42.Ownership of trust's securities by certain persons*
43.Certain brokerage commissions received by principal
underwriters. . . . . *
44.. . . . . (a) Method of valuation Prospectus front cover:

Public Offering -
Offering Price: Public

Offering - Distribution

of Units
(b) Schedule as to offering price *
(c) Variation in offering price to certain personsPublic Offering - Distribution of Units
45.. Suspension of redemption rights *
46.. . . . .(a) Redemption Valuation Rights of Unit Holders -

Redemption of Units -

Computation of Redemption

Price per Unit
(b) Schedule as to redemption price *
47.Maintenance of position in underlying securities
Public Offering - Market for Units: Rights of Unit Holders - Redemption of Units - Purchase by the Sponsors of Units tendered for Redemption; Rights of Unit Holders - Redemption of Units - Computation of Redemption Price per Unit

______
* Inapplicable, answer negative or not required.

Form N-89B-2 Form S-6
Item Number Heading in Prospectus

V. Information Concerning the Trustee or Custodian

<C> <S> <C>

48.Organization and regulation of trusteeTrustee

49.. . .Fees and expenses of trustee Tax Exempt Securities Trust - Expenses and Charges

50.. . . . . .Trustee's lien Tax Exempt Securities Trust - Expenses and Charges - Other Charges

VI. Information Concerning Insurance of Holders of Securities

51.Insurance of holders of trust's securities*

VI. Policy of Registrant

52. (a) Provisions of trust agreement with respect to selection or elimination of underlying securitiesProspectus front cover: Sponsors-Responsibility

(b)Transactions involving elimination of underlying securities . . . . . *

(c)Policy regarding substitution or elimination of underlying securities. . . . Sponsors - Responsibility

(d)Fundamental policy not otherwise covered*

53. Tax status of trust . . . . . . Prospectus front cover: Tax Exempt Securities Trust - Tax Status

VIII. Financial and Statistical Information

54. Trust's securities during last ten years*

55. . . . . *

56. Certain information regarding periodic payment securities . . . . *

57. . . . . *

58. . . . . *

59. Financial statements (Instruction 1(c) to form S-6) Statement of Financial Condition of The Tax Exempt Securities Trust

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* Inapplicable, answer negative or not required.

</TABLE>

SERIES 315

[S] [C]

In the opinion of counsel, under existing law interest income to the Trusts and, with certain exceptions, to Unit holders is exempt from all Federal income tax. In addition, in the opinion of counsel, the interest income of each State Trust is similarly exempt from state income taxes in the state for which such Trust is named. Capital gains, if any, are subject to tax. Investors should retain both parts of this Prospectus for future reference.

THE INITIAL PUBLIC OFFERING OF UNITS IN THE TRUSTS HAS BEEN COMPLETED. THE UNITS OFFERED HEREBY ARE ISSUED AND OUTSTANDING UNITS WHICH HAVE BEEN ACQUIRED BY THE SPONSORS EITHER BY PURCHASE FROM THE TRUSTEE OF UNITS TENDERED FOR REDEMPTION OR IN THE SECONDARY MARKET. SEE PART B, "RIGHTS OF UNIT HOLDERS--REDEMPTION OF UNITS--PURCHASE BY THE SPONSORS OF UNITS TENDERED FOR REDEMPTION" AND "MARKET FOR UNITS". THE PRICE AT WHICH THE UNITS OFFERED HEREBY WERE ACQUIRED WAS NOT LESS THAN THE REDEMPTION PRICE DETERMINED AS PROVIDED HEREIN. SEE PART B, "RIGHTS OF UNIT HOLDERS--REDEMPTION OF UNITS--COMPUTATION OF REDEMPTION PRICE PER UNIT".

THE TAX EXEMPT SECURITIES TRUST, SERIES 315 consists of 1 underlying separate unit investment Trust (the "Trust") designated as National Trust 158, formed for the purpose of obtaining for its Unit holders tax-exempt interest income and conservation of capital through investment in a fixed portfolio of municipal bonds rated at the time of deposit A or better by Standard & Poor's Corporation or Moody's Investors Service, with certain ratings being provisional or conditional. (See "Portfolio of Securities".) The Trust is comprised of a fixed portfolio of interest-bearing obligations issued on behalf of states, counties, territories, possessions and municipalities of the United States and authorities or political subdivisions thereof. The interest on all bonds in the Trust is, in the opinion of recognized bond counsel to the issuers of the obligations, exempt under existing law (except in certain instances depending upon the Unit holders) from all Federal income tax. See "Tax Status" regarding proposals with respect to the Federal income tax treatment of interest on municipal bonds.

THE OBJECTIVES of the Trust are tax-exempt income and conservation of capital through an investment in a diversified portfolio consisting primarily of municipal bonds. There is, of course, no guarantee that the Trust's objectives will be achieved since the payment of interest and preservation of principal are dependent upon the continued ability of the issuers of the bonds to meet such obligations.

THE PUBLIC OFFERING PRICE of the Units is equal to the aggregate bid price of the underlying securities in the Trust's portfolio divided by the number of Units outstanding, plus a sales charge equal to 5% of the Public Offering Price (5.263% of the aggregate bid price of the securities per Unit). A proportional share of accrued and undistributed interest on the Securities at the date of delivery of the Units to the purchaser is also added to the Public Offering Price.

THE SPONSORS, although not obligated to do so, intend to maintain a market for the Units at prices based upon the aggregate bid price of the underlying Securities, as more fully described in Part B, "Market for Units". If such a market is not maintained, a Unit holder may be able to dispose of his Units only through redemption, at prices based upon the aggregate bid price of the underlying Securities.

MONTHLY DISTRIBUTIONS of principal and interest received by the Trust will be made on or shortly after the fifteenth day of each month to holders of record on the first day of that month. For further information regarding the distributions by the Trust, see the "Summary of Essential Information".

THESE SECURITIES HAVE NOT BEEN APPROVED OR

DISAPPROVED BY
THE SECURITIES AND EXCHANGE COMMISSION OR ANY
STATE SECURITIES COMMISSION,
NOR HAS THE SECURITIES AND EXCHANGE COMMISSION
OR ANY STATE SECURITIES
COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY
OF THIS PROSPECTUS.
ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL
OFFENSE.

Prospectus Part A dated February 28, 1994
Note: Part A of this Prospectus may not be distributed unless
accompanied by Part B.

<TABLE>
TAX EXEMPT SECURITIES TRUST, SERIES 315
NATIONAL TRUST 158
SUMMARY OF ESSENTIAL INFORMATION AS OF JANUARY 7,
1994+

Sponsors: SMITH BARNEY SHEARSON INC. and
KIDDER, PEABODY & CO.
INCORPORATED
Trustee: UNITED STATES TRUST COMPANY
OF NEW YORK
Evaluator: KENNY S&P EVALUATION SERVICES

<S> <C>
Principal Amount of Securities in Trust
$19,756,743
Number of Units
23,404
Fractional Undivided Interest in Trust per Unit
1/23,404
Principal Amount of Securities in Trust per Unit
$ 844.16
Public Offering Price per Unit #*
$ 968.95

Sales Charge (5% of Public Offering Price)#
48.45
Approximate Redemption and Sponsors' Repurchase
Price per Unit
(per Unit Bid Price of Securities)#**
$ 920.50

Calculation of Estimated Net Annual Income per Unit:
Estimated Annual Income per Unit
$61.61
Less Estimated Annual Expenses per Unit
1.08
Estimated Net Annual Income per Unit
$60.53
Monthly Income Distribution per Unit
$5.04
Daily Rate (360-day basis) of Income Accrual per Unit
$.1681
Estimated Current Return Based on Public Offering
Price#
6.24%
Estimated Long-Term Return# 5.15%
<FN>
#Subject to changes in the prices of the underlying
securities. The aggregate bid price of the securities is determined

on each business day as of the Evaluation Time.
*Plus $17.00 per Unit representing accrued interest and the net of cash on hand, accrued expenses and amounts distributable to Unit holders through the expected date of settlement (five business days after January 7, 1994). (See "Public Offering--Offering Price".)
**Plus $15.82 per Unit representing accrued interest and the net of cash on hand, accrued expenses and amounts distributable to Unit holders of record as of January 7, 1994 on a pro rata basis. (See "Redemption of Units--Computation of Redemption Price per Unit".)
</TABLE>
Record Dates: The first day of each month
Distribution Dates: The fifteenth day of each month
Evaluation Time: Close of trading on the New York Stock Exchange (currently 4:00 P.M. New York time)
Date of Deposit and Trust Agreement: December 13, 1989
Mandatory Termination Date: January 1, 2039
Minimum Value of Trust: Trust may be terminated if the value of the Trust is less than $12,000,000 and must be terminated if the value of the Trust is less than $4,000,000
Trustee's Annual Fee: $.90 per $1,000 principal amount of bonds ($17,781 per year on the basis of bonds in the principal amount of $19,756,743) plus expenses.
Evaluator's Fee: $.30 per bond per evaluation
Percentage of the portfolio consisting of General Obligation Bonds: 3%
Number of General Obligation Bonds: 2
Number of issues: 35 Number of States: 17

As of January 7, 1994, 27 (82%) of the Bonds were rated by Standard & Poor's Corporation (14% being rated AAA, 18% being rated AA, 42% being rated A and 8% being rated BBB) and 8 (18%) of the Bonds were rated by Moody's Investors Service (12% being rated Aa, 4% being rated A and 2% being rated Baa). Ratings assigned by the bond rating services are subject to change from time to time.

Additional Considerations - Investment in the Trust should be made with an understanding that the value of the underlying Portfolio may decline with increases in interest rates. Approximately 38% of the Bonds in the Trust consist of hospital revenue bonds (including obligations of health care facilities). Approximately 19% of the Bonds in the Trust consist of obligations of municipal housing authorities. Approximately 6% of the Bonds in the Trust consist of bonds which are subject to the Mortgage Subsidy Bond Tax Act of 1980. Approximately 32% of the Bonds in the Trust consist of bonds in the power facilities category. (See Part B, "Tax Exempt Securities Trust-Portfolio" for a brief summary of additional considerations relating to certain of these issues.)

+ The percentages referred to in this summary are each computed on the basis of the aggregate bid price of the Bonds as of January 7, 1994.
<TABLE>

FINANCIAL AND STATISTICAL INFORMATION
Selected data for each Unit outstanding

<S>	<C>	<C>	<C>	<C>
			Income	Principal
	Units	Net Asset	Distributions	

Distributions Period Ended Per Unit	Outstanding	Value Per Unit	Per Unit	
October 31, 1991	24,000	$ 1,029.56	$ 73.23	$-
October 31, 1992	24,000	1,041.51	73.20	-
October 31, 1993	23,557	992.90	71.89	98.55

</TABLE>

INDEPENDENT AUDITORS' REPORT

To the Unit Holders, Sponsors and Trustee of
Tax Exempt Securities Trust, Series 315 National Trust 158:

We have audited the accompanying balance sheet of Tax Exempt Securities Trust, Series 315 National Trust 158, including the portfolio of securities, as of October 31, 1993, and the related statements of operations and changes in net assets for each of the years in the three-year period ended October 31, 1993. These financial statements are the responsibility of the Trustee (see Note 6). Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of October 31, 1993 by correspondence with the Trustee. An audit also includes assessing the accounting principles used and significant estimates made by the Trustee, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tax Exempt Securities Trust, Series 315 National Trust 158 as of October 31, 1993, and the results of its operations and changes in its net assets for each of the years in the three-year period ended October 31, 1993, in conformity with generally accepted accounting principles.

KPMG PEAT MARWICK
New York, New York
February 8, 1994

<TABLE>
TAX EXEMPT SECURITIES TRUST, SERIES 315
NATIONAL TRUST 158
BALANCE SHEET
October 31, 1993

ASSETS

<S> <C>

Investments in tax exempt bonds, at market value (Cost $19,852,193) (Note 3 to Portfolio of Securities)	$22,032,908
Accrued interest	400,192

Cash 959,181
Total Assets
$23,392,281

LIABILITIES AND NET ASSETS
Accrued expenses
2,516

Net Assets (23,557 units of fractional
undivided interest outstanding):
Original cost to investors (Note 1)
$24,918,125
Less initial underwriting commission (sales charge)
(Note 1) 1,171,000

23,747,125
Cost of securities sold or redeemed since
date of deposit (December 13, 1989)
(3,894,932
)
Net unrealized market appreciation
2,180,715

22,032,908

Undistributed net investment income
470,888
Undistributed proceeds from securities sold or
redeemed
885,969
Net Assets
23,389,765
Total Liabilities and Net Assets
$23,392,281

Net asset value per unit
$992.90

STATEMENTS OF OPERATIONS
For the years ended October 31, 1993, 1992 and 1991

1993 1992
1991
<S> <C>
<C> <C>
Investment Income-interest (Note 2) . . . . $ 1,731,117$
1,785,706 . . . . $
1,786,124
Less expenses:
Trustee's fees and expenses. 26,499
25,943 21,609
Evaluator's fees 3,579
3,083 3,535
Total expenses 30,078
29,026 25,144
Net investment income. 1,701,039
1,756,680 . . . .
1,760,980
Realized and unrealized gain (loss) on investments:
Net realized loss on securities transactions (Note 5). . . . .
(214,577). . . . . (324
) . . . .(324)
Net increase in unrealized market appreciation 1,427,159
287,382 . . . .

1,212,881
Net gain on investments. 1,212,582
287,058 . . . .
1,212,557
Net increase in net assets resulting from operations . . . . $2,913,621$
2,043,738 . . . . $
2,973,537

The accompanying Notes are an integral part of these statements.

TAX EXEMPT SECURITIES TRUST, SERIES 315
NATIONAL TRUST 158
STATEMENTS OF CHANGES IN NET ASSETS
For the years ended October 31, 1993, 1992 and 1991

1993 1992 1991
Operations:
Net investment income. . . . . $1,701,039$
1,756,680 . . . . $
1,760,980
Net realized loss on securities transactions (Note 5). . . . .
(214,577). . . . . (324
) . . . .(324)
Net increase in unrealized market appreciation 1,427,159
287,382 . . . .
1,212,881
Net increase in net assets resulting from operations 2,913,621
2,043,738 . . . .
2,973,537
Distributions to Unit Holders:
Net investment income (Note 4) . . . .(1,718,616
) . . . .(1,756,800)
(1,757,5
20)
Accrued interest at date of deposit. (2,336,378)
-
-

Total Distributions. . . . . (4,054,994)
(1,756,800)
(1,757,5
20)
Unit Redemptions by Unit Holders (Note 3):
Accrued interest at date of redemption . . . .
(7,956) - -

Value of Units at date of redemption . . . .
(457,360). . . . . -
-
Total Redemptions. . . . .
(465,316). . . . . -
-
Increase (decrease) in net assets. . . . .(1,606,689
) 286,938
1,216,017
Net Assets:
Beginning of year. 24,996,454
24,709,516. . . . .
23,493,499
End of year (including undistributed net
investment income of $470,888, $496,421 and
$496,541, respectively) $23,389,765

24,996,454. . . . . $
24,709,516
</TABLE>

NOTES TO FINANCIAL STATEMENTS

(1) The original cost to the investors represents the aggregate initial public offering price as of the date of deposit (December 13, 1989), exclusive of accrued interest, computed on the basis of the aggregate offering price of the securities. The initial underwriting commission (sales charge) was 4.70% of the aggregate public offering price (4.932% of the aggregate offering price of the securities).

(2) Interest income represents interest earned on the Trust's portfolio and has been recorded on the accrual basis.

(3) 443 Units were redeemed by the Trustee during the three years ended October 31, 1993 (all Units being redeemed in 1993).

(4) Interest received by the Trust is distributed to Unit holders on the fifteenth day of each month, after deducting applicable expenses.

(5) The loss from the sale or redemption of securities is computed on the basis of average cost of the issue sold or redeemed.

(6) The Trustee has custody of and responsibility for all accounting and financial books, records, financial statements and related data of each Trust and is responsible for establishing and maintaining a system of internal control directly related to, and designed to provide reasonable assurance as to the integrity and reliability of, financial reporting of each Trust. The Trustee is also responsible for all estimates of expenses and accruals reflected in each Trust's financial statements. The Evaluator determines the price for each underlying Bond included in each Trust's Portfolio of Securities on the basis set forth in Part B, "Public Offering - Offering Price". Under the Securities Act of 1933, as amended (the "Act"), the Sponsors are deemed to be issuers of each Trust's Units. As such, the Sponsors have the responsibility of issuers under the Act with respect to financial statements of each Trust included in the Registration Statement.

<TABLE>

TAX EXEMPT SECURITIES TRUST, SERIES 315
NATIONAL TRUST 158 - PORTFOLIO OF SECURITIES - October 31, 1993

Security Description	Ratings (1)	Principal Amount	Redemption Provisions (2)	Market Value (3)
Morgan County, City of Decatur, Alabama, Joint Hospital Board, Hospital Revenue Refunding Bonds, Decatur Hospital, 7.875% due 3/1/2013	A*	$ 500,000	3/1/99 @ 102 S.F. 3/1/99 @ 100	$574,540
Valdez, Alaska, Pollution Control Revenue Bonds, Standard Oil Company British Petroleum Company Ltd.,	AA-		11/29/93	

@ 100 175,000175,439
6.00% due 7/1/2007

City of Valdez, Alaska, Marine Terminal
Revenue Bonds, Sohio Pipe Line Company
and BP Pipelines Inc, Projects, AA- 11/26/93
@ 100 215,000215,527
6.05% due 8/15/2007 (p)

Municipal Electric Authority of
Georgia, Power Revenue Bonds, AA- 1/1/99 @
100 1,000,0001,063,800
6.50% due 1/1/2025 S.F. 1/1/10
@ 100

Chicago, Illinois, O'Hare
International Airport Revenue Bonds, A+ 1/1/95 @
103 200,000220,640
10.625% due 1/1/2015 S.F. 1/1/10
@ 100

Illinois Health Facilities Authority
Revenue Refunding Bonds, Victory
Memorial Hospital Association, A 12/1/99 @
102 990,0001,129,996
7.875% due 12/1/2018 S.F.
12/1/05 @ 100

Illinois Health Facilities Authority
Revenue Bonds, ServantCor, BBB+ 8/15/99 @
102 1,500,0001,685,340
7.875% due 8/15/2019 S.F.
8/15/02 @ 100

Metropolitan Fair & Exposition Authority,
Illinois, Dedicated State Tax Revenue AAA 6/1/97 @
100 500,000481,435
Bonds, 5.00% due 6/1/2015 S.F. 6/1/12
@ 100

Hospital Authority of Marion County,
Indiana, Hospital Revenue Refunding
Bonds, Methodist Hospital of Indiana,
Inc., 6.50% due 9/1/2008 Aa* 9/1/99 @
102 350,000377,640
S.F. 9/1/04

@ 100
6.50% due 9/1/2013 Aa* 9/1/99 @
102 150,000161,215
S.F. 9/1/09

@ 100

Louisiana Public Facilities Authority,
Multifamily Housing Revenue Bonds,
Pontchartrain Housing Corporation III,
Timber Ridge Apartments Project, AAA 7/20/98 @
105 676,743714,032
8.375% due 7/20/2023

Maryland Community Development
Administration, Single Family Program AA* 4/1/97 @
103 1,250,0001,338,825
Bonds, 8.625% due 4/1/2007 S.F. 4/1/03
@ 100

TAX EXEMPT SECURITIES TRUST, SERIES 315
NATIONAL TRUST 158 - PORTFOLIO OF SECURITIES -
October 31, 1993
(Continued)

Security Description	Ratings (1)	Redemption Provisions (2)	Principal Amount	Market Value (3)
Housing Opportunities Commission of Montgomery County, Maryland, Single Family Mortgage Revenue Bonds, 8.375% due 7/1/2018	Aa*	7/1/97 @ 103 S.F. 7/1/08 @ 100	$ 500,000	$542,850
Housing Authority of Prince George's County, Maryland, Single Family Mortgage Revenue Refunding Bonds, 8.00% due 1/1/2017	AAA	- - - S.F. Currently @ 100	475,000	519,156
Massachusetts Health and Educational Facilities Authority Revenue Bonds, Baystate Medical Center Issue, 7.50% due 7/1/2020 (p)	A+	7/1/99 @ 102	1,250,000	1,477,312
Washoe County, Nevada, Hospital Revenue Bonds, Washoe Medical Center, Inc. Project, 7.60% due 6/1/2019	A	6/1/99 @ 102 SF. 6/1/98 @ 100	750,000	851,873
New Hampshire Higher Educational and Health Facilities Authority Revenue Bonds, Kendal At Hanover Issue, 8.00% due 10/1/2019	A2*	10/1/99 @ 102	250,000	268,025
County of Lehigh, Pennsylvania, G.O. Bonds, 6.00% due 10/15/2011	AAA	10/15/99 @ 100	500,000	520,005
Pennsylvania Housing Finance Agency, Single Family Housing Bonds, 7.60% due 4/1/2016	AA	10/1/99 @ 102 S.F. 4/1/09 @ 100	255,000	282,303
Westmoreland, Pennsylvania, Municipal Service Revenue Refunding Bonds,	AAA	7/1/02 @		

100 100,00077,464
2.00% due 7/1/2004

South Carolina Public Service Authority
Electric System Expansion Revenue A+ 11/28/93
@ 100 1/2 500,000501,770
Bonds, 5.875% due 7/1/2018 S.F. 7/1/99
@ 100

Maury County, Tennessee, Industrial
Development Board, Pollution Control
Revenue Bonds, Monsanto Company, A1* 12/1/93 @
100 150,000150,354
5.80% due 12/1/2006

The Metropolitan Nashville Airport
Authority, Tennessee, Special Facility
Revenue Bonds, American Airlines, Inc. Baa2* 10/1/95 @
102 305,000337,074
Project, 9.875% due 10/1/2005

City of Austin, Texas, Combined Utility
Systems Revenue Refunding Bonds, A 5/15/96 @
100 185,000177,530
5.00% due 11/15/2013 S.F.
5/15/13 @ 100

TAX EXEMPT SECURITIES TRUST, SERIES 315
NATIONAL TRUST 158 - PORTFOLIO OF SECURITIES - October
31, 1993
(Continued)

Ratings
Redemption Principal
Market
Security Description (1)
Provisions (2) Amount
Value (3)

Brownsville, Texas, Utility System A- 9/1/96 @
102 $ 1,100,000$1,246,740
Revenue Bonds, 8.00% due 9/1/2014 (p)

Elsa, Texas, Housing Development
Corporation, First Lien Revenue A* -
- - 250,000264,980
Bonds, 7.00% due 12/1/2008 S.F.
12/1/99 @ 100

Matagorda County, Texas, Navigation District
Number One, Collateralized Pollution Control
Revenue Bonds, Central Power and Light
Company Project, 9.75% due 7/1/2015 A 7/1/95 @
103 120,000135,248
7.50% due 12/15/2014 A 12/15/99
@ 103 750,000859,125

Red River, Texas, Pollution Control
Revenue Bonds, West Texas Utility
Company, Central Power & Light Company,

Public Service Company of Oklahoma, A2* 9/15/96 @
103 400,000452,216
7.875% due 9/15/2014

Texas Health Facilities Development
Corporation Hospital Revenue Bonds,
All Saints Episcopal Hospitals of Fort
Worth Project, 6.25% due 8/15/2010 A- 8/15/99 @
100 1,250,0001,264,962
S.F.

8/15/00 @ 100
7.80% due 8/15/2021 (p) A- 8/15/99 @
102 440,000521,334

Intermountain Power Agency, Utah,
Power Supply Revenue Refunding Bonds,
6.00% due 7/1/2023 AA 7/1/99 @
100 500,000512,975
S.F. 7/1/22

@ 100
6.00% due 7/1/2023 AA 7/1/99 @
100 650,000666,868
S.F. 7/1/22

@ 100
7.00% due 7/1/2021 (p) AA 7/1/95 @
100 800,000845,576

Utah Housing Finance Agency, Single
Family Mortgage Purchase Revenue Bonds,
Federally Insured or Guaranteed AA 11/29/93
@ 101 1/2 490,000497,129
Mortgage Loans, 5.875% due 7/1/2008 S.F. 7/1/00
@ 100

Carlton, Wisconsin, Pollution Control
Revenue Refunding Bonds, Madison Gas Aa2* 5/1/94 @
100 350,000351,155
& Electric Company, 6.50% due 11/1/2006 S.F.
11/1/95 @ 100

Sweetwater County, Wyoming, Pollution
Control Revenue Bonds, Idaho Power AAA 11/3/96 @
103 500,000 570,455
Company, 7.625% due 12/1/2013
$20,326,743$22,032,908

The accompanying Notes are an integral part of this Portfolio.

TAX EXEMPT SECURITIES TRUST, SERIES 315
NATIONAL TRUST 158 - PORTFOLIO OF SECURITIES - October
31, 1993
(Continued)

At October 31, 1993 the net unrealized market appreciation of all tax
exempt bonds was comprised of the following:

<S> <C>

Gross unrealized market appreciation	$	2,201,691
Gross unrealized market depreciation		(21,057)
Net unrealized market appreciation	$	2,180,634

</TABLE>

NOTES TO PORTFOLIO OF SECURITIES:

(1) All Ratings are by Standard & Poor's Corporation, except those identified by an asterisk (*) which are by Moody's Investors Service. The meaning of the applicable rating symbols is set forth in Part B, "Ratings".

(2) There is shown under this heading the year in which each issue of bonds initially or currently is redeemable and the redemption price for that year; unless otherwise indicated, each issue continues to be redeemable at declining prices thereafter, but not below par. "S.F." indicates a sinking fund has been or will be established with respect to an issue of bonds. The prices at which bonds may be redeemed or called prior to maturity may or may not include a premium and, in certain cases, may be less than the cost of the bonds to the Trust. Certain bonds in the portfolio, including bonds not listed as being subject to redemption provisions, may be redeemed in whole or in part other than by operation of the stated redemption or sinking fund provisions under certain unusual or extraordinary circumstances specified in the instruments setting forth the terms and provisions of such bonds. For example, see discussion of obligations of municipal housing authorities under "Tax Exempt Securities Trust-Portfolio" in Part B.

(3) The market value of securities as of October 31, 1993 was determined by the Evaluator on the basis of bid prices for the securities at such date.

(p) It is anticipated that these bonds will be redeemed prior to their scheduled maturity, pursuant to a pre-refunding, as reflected under the column "Redemption Provisions".

[TEXT]

PROSPECTUS -- PART B

Note that Part B of the Prospectus may not be distributed unless accompanied by Part A.

TAX EXEMPT SECURITIES TRUST

The Trusts

Each Trust is one of a series of similar but separate unit investment trusts created under the laws of the State of New York by a Trust Indenture and Agreement and related Reference Trust Agreement dated the Date of Deposit (collectively, the "Trust Agreement"), among the sponsors, United States Trust Company of New York, as trustee (the "Trustee"), and Kenny Information Systems, Inc., as evaluator (the "Evaluator"). The sponsors are Smith Barney Shearson Inc. and Kidder, Peabody & Co. Incorporated (the "Sponsors" or "Co-sponsors"). Each

Trust containing Bonds of a state for which such Trust is named (a "State Trust") and each Long Term Trust, National Trust, Long-Intermediate Term Trust, Intermediate Term Trust, Selected Term Trust, Short-Intermediate Term Trust and Short Term Trust are referred to herein as the "Trust" or "Trusts," unless the context requires otherwise. On the Date of Deposit, the Sponsors deposited contracts and funds (represented by a certified check or checks and/or an irrevocable letter or letters of credit, issued by a major commercial bank) for the purchase of certain interest-bearing obligations (the "Bonds") and/or Units of preceding Series of Tax Exempt Securities Trust (the "Deposited Units") (such Bonds and Deposited Units, if any, being referred to herein collectively as the "Securities"). The Trustee thereafter delivered to the Sponsors registered certificates of beneficial interest (the "Certificates") representing the units (the "Units") comprising the entire ownership of each Trust. The initial public offering of Units in each Trust has been completed. The Units offered hereby are issued and outstanding Units which have been acquired by the Sponsors either by purchase from the Trustee of Units tendered for redemption or in the secondary market. See "Rights or Unit Holders -- Redemption of Units -- Purchase by the Sponsors of Units Tendered for Redemption" and "Market for Units". References to multiple Trusts in Part B herein should be read as references to a single Trust if Part A indicates the creation of only one Trust.

Objectives

The objectives of a Trust are tax-exempt income and conservation of capital through an investment in a diversified portfolio of municipal bonds. There is, of course, no guarantee that a Trust's objectives will be achieved since the payment of interest and the preservation of principal are dependent upon the continued ability of the issuers of the bonds to meet such obligations. Subsequent to the Date of Deposit, the ratings of the Bonds set forth in Part A - "Portfolio of Securities" may have declined due to, among other factors, a decline in creditworthiness of the issuer of said Bonds.

Portfolio

The following factors, among others, were considered in selecting the Bonds for each Trust: (1) the Bonds are obligations of the states, counties, municipalities, territories or possessions of the United States and authorities or political subdivisions thereof, so that the interest on them will, in the opinion of recognized bond counsel to the issuing governmental authorities, given on the date of the original delivery of the Bonds, be exempt from Federal income tax under existing law to the extent described in "Tax Status" herein, (2) all the Bonds deposited in a State Trust are obligations of the state for which such Trust is named or of the counties, territories or municipalities of such state, and authorities or political subdivisions thereof, or of the Territory of Guam or the Commonwealth of Puerto Rico, so that the interest on them will, in the opinion of recognized bond counsel to the issuing governmental authorities, be exempt from Federal income tax under existing law to the extent described in "Tax Status" herein and from state income taxes in the state for which such Trust is named in each case to the extent described in "Tax Exempt Securities Trust -- Tax Status", (3) the Bonds were chosen in part on the basis of their respective maturity dates, (4) the Bonds are diversified as to purpose of issue and location of issuer, except in the case of a State

Trust where the Bonds are diversified only as to purpose of issue, and (5) in the opinion of the Sponsors, the Bonds are fairly valued relative to other bonds of comparable quality and maturity. The rating of each issue as of a recent date is set forth in Part A, "Portfolio of Securities" (the "Portfolio"). For a description of the meaning of the applicable rating symbols as published by Standard & Poor's and Moody's, see "Bond Ratings". It should be emphasized, however, that the ratings of Standard & Poor's and Moody's represent their opinions as to the quality of the bonds which they undertake to rate, and that these ratings are general and not absolute standards of quality.

The Bonds in the Portfolio of a Trust were chosen in part on the basis of their respective maturity dates. An Intermediate Term Trust and a Selected Term Trust will have a dollar-weighted average portfolio maturity of more than three years but not more than ten years from the Date of Deposit. A Long-Intermediate Term Trust will have a dollar-weighted average portfolio maturity of more than ten years but less than fifteen years from the Date of Deposit. A Long Term Trust, National Trust or a State Trust not specified as to term will have a dollar-weighted average portfolio maturity of more than ten years from the Date of Deposit. For the actual maturity dates of each of the Bonds contained in a Trust, see Part A, "Portfolio of Securities". A sale or other disposition of a Bond by the Trust prior to the maturity of such Bond may be at a price which results in a loss to the Trust. The inability of an issuer to pay the principal amount due upon maturity of a Bond would result in a loss to the Trust.

The Trusts may be an appropriate investment vehicle for investors who desire to participate in a portfolio of tax-exempt fixed income securities with greater diversification than they might be able to acquire individually. In addition, bonds of the type deposited in the Trusts are often not available in small amounts. Investors should be aware that ordinarily the market value of bonds will decrease as prevailing interest rates increase, and will increase as interest rates decrease. In general, bonds with long term maturities (such as those held in a Long Term Trust) usually yield more than bonds with shorter term maturities (such as those held in a Short Term Trust), assuming all bonds share similar credit characteristics. Long term bonds, however, are often more vulnerable to a decline in market value than are short term bonds, in the event interest rates and yields rise. If long term bonds are held for a period approaching their maturity dates, such impact on the value of the long term bonds will be lessened.

Additional Considerations Regarding the Trusts

The Portfolio of a Trust may contain Bonds that are general obligations of governmental entities and/or bonds that are guaranteed by

governmental entities. (See Part A - "Summary of Essential Information" for information relating to the particular Trust described therein.) General obligation bonds are general obligations of a state or local government secured by the power of such issuer to levy taxes, and are backed by the pledge of such governmental entity. The ability of the issuer of a general obligation bond to meet its obligation depends largely upon its economic condition. Many issuers rely upon ad valorem real property taxes as a source of revenue. Proposals in the form of state legislative or voter initiatives to limit ad valorem real property taxes have been introduced in various states. It is not presently possible to predict the impact of these or future proposals, if adopted, on states, local governments or school districts or on their abilities to make future payments on their outstanding debt obligations. The remaining issues are payable from the income of specific projects or authorities and are not supported by the issuer's power to levy taxes. This latter group of issues contains Bonds that are also supported by the moral obligations of governmental entities. In the event of a deficiency in the debt service reserve funds of moral obligation bonds, the governmental entity having the moral commitment may (but is not legally obligated to) satisfy such deficiency. However, in the event of a deficiency in the debt service reserve funds of bonds not backed by such moral obligations, no such moral commitment of a governmental entity exists.

The Portfolio of the Trust may contain other Bonds which are "private activity bonds" (often called Industrial Revenue Bonds ("IRBs") if issued prior to 1987) which would be primarily of two types: (1) Bonds for a publicly owned facility which a private entity may have a right to use or manage to some degree, such as an airport, seaport facility or water system and (2) facilities deemed owned or beneficially owned by a private entity but which were financed with tax-exempt bonds of a public issuer, such as a manufacturing facility or a pollution control facility. In the case of the first type, bonds are generally payable from a designated source of revenues derived from the facility and may further receive the benefit of the legal or moral obligation of one or more political subdivisions or taxing jurisdictions. In most cases of project financing of the first type, issuers are obligated to pay the principal of, any premium then due, or interest on the private activity bonds only to the extent that funds are available from receipts or revenues of the issuer derived from the project or the operator or from the unexpended proceeds of the bonds. Such revenues include user fees, service charges, rental and lease payments, and mortgage and other loan payments.

The second type of issue will generally finance projects which are owned by or for the benefit of, and are operated by, corporate entities. Ordinarily, such private activity bonds are not general obligations of governmental entities and are not backed by the taxing power of such entities, and are solely dependent upon the creditworthiness of the corporate user of the project or corporate guarantor.

The private activity bonds in the Trust have generally been issued under bond resolutions, agreements or trust indentures pursuant to which the revenues and receipts payable under the issuer's arrangements with the users or the corporate operator of a particular project have been assigned and pledged to the holders of the private activity bonds. In certain cases a mortgage on the underlying project has been assigned to the holders of the private activity bonds or a trustee as additional security. In addition, private activity bonds are frequently directly guaranteed by the corporate operator of the project or by another affiliated company. See "Description of Portfolio" in Part A for the amount of private activity bonds contained therein.

Most of the Bonds in the Portfolio of a Trust are subject to redemption prior to their stated maturity date pursuant to sinking fund or call provisions. In general, a call or redemption provision is more likely to be exercised when the offering price valuation of a bond is higher than its call or redemption price, as it might be in periods of declining interest rates, than when such price valuation is less than the bond's call or redemption price. The Bonds may also be subject to other calls, which may be permitted or required by events which cannot be predicted (such as destruction, condemnation, termination of a contract, or receipt of excess or unanticipated revenues). To the extent that a Unit holder purchases a Unit at a time when an underlying bond is evaluated at a price higher than the price at which it is redeemable, redemption will result in a loss of capital when compared with the public offering price of the Unit at the time of such purchase by the Unit holder. Conversely, to the extent that a called Bond was evaluated at a price lower than the redemption price, the difference will represent an increase in capital. Monthly distributions will generally be reduced by the amount of the income which would otherwise have been paid with respect to redeemed bonds. The Estimated Current Return and Estimated Long-Term Return of the Units may be affected by such redemptions. Each Portfolio of Securities in Part A of this Prospectus contains a listing of the sinking fund and call provisions, if any, with respect to each of the Bonds in a Trust. From time to time under certain circumstances, certain of the Bonds may be sold or redeemed or will mature in accordance with their terms and the proceeds thereof will be distributed to Unit holders and will not be reinvested. Thus no assurance can be given that a Trust will retain for any length of time its present size and composition. Neither the Sponsors nor the Trustee shall be liable in any way for any default, failure or defect in any Bond.

The Portfolio of the Trust may consist of some Bonds whose current market values were below face value on the Date of Deposit. A primary reason for the market value of such Bonds being less than face value at maturity is that the interest coupons of such Bonds are at lower rates than the current market interest rate for comparably rated Bonds, even though at the time of the issuance of such Bonds the interest coupons thereon represented then prevailing interest rates on comparably rated Bonds then newly issued. Bonds selling at market discounts tend to increase in market value as they approach maturity when the principal amount is payable. A market discount tax-exempt Bond held to maturity will have a larger portion of its total return in the form of taxable ordinary income and less in the form of tax-exempt income than a comparable Bond bearing interest at current market rates. Under the provisions of the Internal Revenue Code in effect on the date of this Prospectus, any ordinary income attributable to market discount will be taxable but will not be realized until maturity, redemption or sale of the Bonds or Units. Gain on the disposition of a Bond purchased at a market discount generally will be treated as ordinary income rather than capital gain, to the extent of accrued market discount.

The Portfolio of a Trust may contain Bonds in the hospital facilities category that are payable from revenues derived from hospitals and health care facilities which, generally, were constructed or are being constructed from the proceeds of such Bonds. The ability of the issuers of such bonds to meet their obligations is dependent, among other things, upon the revenues, costs and occupancy levels of the subject facilities. Revenues and expenses of hospitals and health care facilities will be affected by future events and conditions relating generally to, among other things, demand for health care services at the particular type of facility, increasing costs of medical technology, utilization practices of physicians, the ability of the facilities to provide the services required by patients, employee strikes and other adverse labor actions, economic developments in the service area, demographic changes, greater longevity and the higher medical expenses of treating the elderly, increased competition from other health care providers and rates that can be charged for the services provided. Additionally, a major portion of hospital revenues typically is derived from Federal or state programs such as Medicare and Medicaid and from Blue Cross and other insurers. The future solvency of the Medicare trust fund is periodically subject to question. Changes in the compensation and reimbursement formulas of these governmental programs or in the rates of insurers may reduce revenues available for the payment of principal of or interest on hospital revenue bonds. Governmental legislation or regulations and other factors, such as the inability to obtain sufficient malpractice insurance, may also adversely impact upon the revenues or costs of hospitals. Future actions by the federal government with respect to Medicare and by the federal and state governments with respect to Medicaid, reducing the total amount of funds available for either or both of these programs or changing the reimbursement regulations or their interpretation, could adversely affect the amount of reimbursement available to hospital facilities. A number of additional legislative proposals concerning health

care are typically under review by the United States Congress at any given time. These proposals span a wide range of topics, including cost controls, national health insurance, incentives for competition in the provision of health care services, tax incentives and penalties related to health care insurance premiums and promotion of prepaid health care plans. The Sponsors are unable to predict the effect of any of these proposals, if enacted, on any of the Bonds in the Portfolio of a Trust.

The Portfolio of a Trust may contain Bonds of housing authorities that are payable from revenues derived by state housing finance agencies or municipal housing authorities from repayments on mortgage and home improvement loans made by such agencies. Since housing authority obligations, which are not general obligations of a particular state, are generally supported to a large extent by Federal housing subsidy programs, the failure of a housing authority to meet the qualifications required for coverage under the Federal programs, or any legal or administrative determination that the coverage of such Federal programs is not available to a housing authority, could result in a decrease or elimination of subsidies available for payment of principal and interest on such housing authority's obligations. It is unclear whether legislation extending the authority to issue mortgage revenue bonds will continue to be enacted if any portion of the Bonds Proceeds are not committed for this purpose, Bonds in such amount could be subject to earlier mandatory redemption at par. Weaknesses in Federal housing subsidy programs and their administration may result in a decrease of subsidies available for payment of principal and interest on housing authority bonds. Repayment of housing loans and home improvement loans in a timely manner is dependent on factors affecting the housing market generally and upon the underwriting and management ability of the individual agencies (i.e., the initial soundness of the loan and the effective use of available remedies should there be a default in loan payments). Economic developments, including fluctuations in interest rates, failure or inability to increase rentals and increasing construction and operating costs, may also adversely impact upon revenues of housing authorities. In the case of some housing authorities, inability to obtain additional financing could also reduce revenues available to pay existing obligations.

The Portfolio of a Trust may contain Bonds of housing authorities which require the issuer to retire such obligations at par from unused proceeds of the issue within a stated period. Moreover, housing authority obligations may contain provisions which require the issuer to redeem such obligations at par prior to any optional or mandatory redemption dates or maturity under certain unusual or extraordinary circumstances, including among others, if the project is condemned or sold or if the project is destroyed and insurance proceeds are used to redeem the bonds. In the case of certain of the obligations which were deposited in a Trust at a price higher than their par value, such a retirement at par would result in a loss of capital to a purchaser of Units of the Trust at their original public offering price. Also, monthly distributions from such Trust would be reduced by the amount of the income that would otherwise have been paid with respect to retired Bonds. The Estimated Current Return and Estimated Long-Term Return of the Units might be adversely affected if the return on retired Bonds is greater than the average return on the Bonds in the Trust. In recent periods of declining interest rates there have been increased redemptions of housing securities according to such redemption provisions for two reasons: (i) conventional mortgage loans have become available at interest rates equal to or less than the interest rates charged on the mortgage loans which back such housing securities and (ii) mortgage loans made with the proceeds of housing securities may be prepaid earlier than their maturity dates. Therefore, issuers of such housing securities have experienced insufficient demand to complete mortgage loan originations for all of the money made available from such securities. The Sponsors are unable to predict at this time whether such redemptions will continue to be made at the same rate, or what effect, if any, such redemptions will have on the Bonds in a Trust. To the extent such obligations are evaluated at a price higher than their value at the time a Unit holder purchases a Unit, such a retirement at par would result in a loss of capital to such a purchaser. Also, monthly distributions would be reduced by the amount of income that otherwise would have been paid with respect to retired bonds.

The Portfolio of a Trust may contain Bonds which are subject to the requirements of Section 103A of the Internal Revenue Code of 1954, as amended, (the "1954 Code") or Section 143 of the Internal Revenue Code of 1986 (the "Code" or the "1986 Code"). Sections 103A and 143 provide that obligations issued to provide single family housing will be exempt from Federal income taxation if all of the proceeds of the issue (exclusive of issuance costs and a reasonable required reserve) are used to make or acquire loans which meet requirements including certain requirements which must be satisfied after issuance. If proceeds of the issue are not used to acquire such loans, the issuer may be required to redeem all or a portion of such issue from such uncommitted proceeds to maintain the issue's tax exemption. Bond counsel to each such issuer has issued an opinion that the interest on such Bonds was exempt from Federal income tax at the time the Bonds were issued. The failure of the issuers of such Bonds to meet certain ongoing compliance requirements imposed by Sections 103A or 143 could render the interest on such Bonds subject to Federal income taxation, possibly from the date of their issuance. If interest on such Bonds in a Trust is deemed to be subject to Federal income taxation, the loss of tax-exempt status can be expected to adversely affect the market value of such Bonds. In this event and under the terms of the Trust Agreement the Sponsors may direct the sale of such Bonds. The sale of such Bonds in such circumstances is likely to result in a loss to the Trust.

The tax exemption for certain housing authority bonds depends on qualification under Section 103(b)(4)(A) of the 1954 Code or Section 142 of the 1986 Code and appropriate Treasury regulations. Both Sections require that specified minimum percentages of the units in each rental housing project financed by the tax-exempt debt are to be continuously occupied by low or moderate income tenants for specified periods. Department of the Treasury regulations issued under Section 103(b)(4)(A) of the 1954 Code provide that in order to prevent possible retroactive Federal income taxation of interest on such Bonds certain conditions must be met. The regulations provide,

however, that such retroactive taxation will not occur if the issuer corrects any non-compliance occurring after the issuance of the Bonds within a reasonable period after such non-compliance is first discovered or should have been discovered by the issuer.
Similar rules are expected to be issued under 1986 Code Section 142.
If the interest on any of the Bonds in a Trust that are housing securities should ultimately be deemed to be taxable, the Sponsors may instruct the Trustee to sell such Bonds and, since they would be sold as taxable securities, it is expected that such Bonds would have to be sold at a substantial discount from the current market price of a comparable tax-exempt security.

The Portfolio of a Trust may contain Bonds of issuers in the power facilities category which are generally payable from revenues derived from the sale of electricity generated and distributed by power agencies using hydroelectric, nuclear, fossil or other power sources. The ability of the issuers of such Bonds to make payments of principal of, or interest on, such obligations is dependent, among other things, upon the continuing ability of such issuers to derive sufficient revenues from their operations to meet debt service requirements. General problems of the power and electric utility industry include difficulty in financing large construction programs during an inflationary period, restrictions on operations and increased costs and delays attributable to environmental considerations, uncertain technical and cost factors relating to the construction and operation of nuclear power generating facilities, the difficulty of the capital markets in absorbing utility debt and equity securities, the availability of fuel for electric generation at reasonable prices, the steady rise in fuel costs and the costs associated with conversion to alternate fuel sources such as coal, the difficulty of obtaining natural gas for resale, and the effects of present or proposed energy or natural resource conservation programs. Current and future environmental legislation, regulations or other governmental actions may increase the cost of utility service. The Sponsor is unable to predict the ultimate form that any such legislation, regulations or other governmental action may take or the resulting impact on the Securities.

The Portfolio of a Trust may contain Bonds issued for the financing of nuclear power plants. Federal, state or municipal governmental authorities may from time to time impose additional regulations or take other governmental action which might cause delays in the licensing, construction or operation of nuclear power plants, or the suspension of operation of such plants which have been or are being financed by proceeds of such Bonds. Such delays, suspensions, or other action may affect the payment of interest on, or the repayment of the principal amount of, such Bonds. The Sponsors are unable to predict the ultimate form any such regulations or other governmental action may take or their impact on the Bonds in such Trust.

The Portfolio of a Trust may contain Bonds of issuers which are in the water and sewer facilities category. Bonds in the water and sewer facilities category include securities issued to finance public water and sewer projects for water management and supply and sewer control and securities issued by public issuers on behalf of private corporations for such projects. These Bonds are payable from the income of specific facilities or from payments made by such private corporations to the state authorities issuing such Bonds. The income of such facilities is generated from the payment of user fees. The ability of state and local water and sewer authorities to meet their obligations may be affected by failure of municipalities to utilize fully the facilities constructed by these authorities, economic or population decline and resulting decline in revenue from user charges, rising construction and maintenance costs and delays in construction of facilities, impact of environmental requirements, the difficulty of obtaining or discovering new supplies of fresh water, the effect of conservation programs and the impact of "no growth" zoning ordinances.

The Portfolio of a Trust may contain Bonds of issuers which are revenue obligations of universities and schools. The ability of universities and schools to meet their obligations is dependent upon various factors, including the revenues, costs, and enrollment levels of the institutions. In addition, their ability may be affected by declines in enrollment and tuition revenue, the availability of Federal, state and alumni financial support, the method and validity, under state constitutions, of present systems of financing public education, fluctuations in interest rates and construction costs, increased maintenance and energy costs, failure or inability to raise tuition or room charges and adverse results of endowment fund investments. Studies undertaken by public and private groups differ with respect to statistics and projections for postsecondary enrollment at educational institutions during the 1990s.

The Portfolio of a Trust may contain Bonds of issuers in the pollution control facilities category. Bonds in the pollution control facilities category include securities issued to finance public water, sewage or solid waste treatment facilities and securities issued by a public issuer on behalf of a private corporation to provide facilities for the treatment of air, water and solid waste pollution. These Bonds are payable from the income of specific facilities, state authorities or from payments made by such private corporations.

The Portfolio of a Trust may contain Bonds which are in the capital improvement facilities category. Capital improvement bonds are bonds issued to provide funds to assist political subdivisions or agencies of a state through acquisition of the underlying debt of a state or local political subdivision or agency which bonds are secured by the proceeds of the sale of the bonds, proceeds from investments and the indebtedness of a local political subdivision or agency. The risks of an investment in such bonds include the risk of possible prepayment or failure of payment of proceeds on and default of the underlying debt.

The Portfolio of a Trust may contain Bonds in the resource recovery category. The issuers of such Bonds are municipalities or agencies or authorities thereof that have allocated the proceeds of the issue towards the construction and operation of a resource recovery facility operated by a corporate operator. Payments on the bonds are dependent upon the creditworthiness of the corporate operator of the particular project. The operation of such facilities typically depends upon the delivery thereto of specified quantities of solid waste from which refuse-derived fuel can be extracted and in turn converted into electricity or steam by the facility. The operation of the facility may be limited or totally curtailed from operating because of failure to comply with governmental regulations concerning the environment, failure to obtain necessary environmental permits, zoning permits and other municipal ordinances or inability to maintain or renew such permits because of an inability to comply with changes in government environmental regulations. If the resource recovery facility is unable to operate or cannot operate at full capacity, the corporate operator of such facility will be unable to generate revenues necessary to cover payments on the resource recovery bonds. Furthermore, the corporate operator's revenue is typically derived from the sale of the power generated by the facility to a power agency or company under a power purchase agreement. The continued flow and level of payments made by the corporate operator might therefore depend upon the financial condition of the purchaser under such a power agreement and the operator's continued ability to generate the minimum amount of power required to be delivered thereunder. Such purchaser may be subject to the various general problems and risks associated with the power industry and the regulatory environment in which it operates. A decline in price of the extracted materials or the electricity or steam created by the facility may also result in insufficient revenues generated by the corporate operator as will an increase in its operating costs. Finally, there may be technological risks that become apparent in the long run that are not presently apparent because of the relatively short history of these facilities, which risks may involve the successful construction or operation of such facilities.

The Portfolio of a Trust may contain Bonds secured in whole or in part by governmental payments, pursuant to a lease agreement, service contract, installment sale or other agreement. A governmental entity that enters into such an agreement cannot obligate future governments to make payments thereunder, but generally has covenanted to take such action as is necessary to include all such payments due under such agreement in its annual budgets and to make the appropriations therefor. However, a budgetary imbalance in future fiscal years could affect the ability and willingness of the governing legislative body to appropriate, and the availability of monies to make, the payments provided for under such agreement. The failure of a governmental entity to meet its obligations under such an agreement could result in an insufficient amount of funds to cover debt service on the Bonds.

The Portfolio of a Trust may contain Bonds of issuers in the convention facilities category. Bonds in the convention facilities category include special limited obligation securities issued to finance convention and sports facilities payable from rental payments and annual governmental appropriations. The governmental agency is not obligated to make payments in any year in which the monies have not been appropriated to make such payments. In addition, these facilities are limited use facilities that may not be used for purposes other than as convention centers or sports facilities.

The Portfolio of a Trust may also contain Deposited Units of preceding Series of Tax Exempt Securities Trust. The objectives of the various preceding Series which are represented by Deposited Units included in the Portfolio of the Series of Tax Exempt Securities Trust offered hereby are similar to the objectives of the Series offered hereby, and the Sponsors, Trustee and Evaluator of the various Series represented by the Deposited Units have responsibilities and authority to receive fees substantially identical to those described in this Prospectus. On the respective dates of deposit of said preceding Series, the underlying debt obligations in their portfolios were rated in the category of A or better by Standard & Poor's Corporation or by Moody's Investors Service. While certain of such debt obligations included in the portfolios of said preceding Series may not presently meet such criteria, the Deposited Units of such previous Series did not represent more than 5% of the face amount of the Securities in the Portfolio of the Series of Tax Exempt Securities Trust offered hereby as of the Date of Deposit. All of the underlying debt obligations of these Series have stated maturities in excess of 10 years from the Date of Deposit.

To the best knowledge of the Sponsors, and except as otherwise may be indicated in this Prospectus, there was no litigation pending as of the date of this Prospectus in respect of any Bonds which might have reasonably been expected to have a material adverse effect upon a Trust. At any time after the date of this Prospectus, litigation may be initiated on a variety of grounds with respect to Bonds in a Trust. Such litigation, as, for example, suits challenging the issuance of pollution control revenue bonds under recently-enacted environmental protection statutes, may, if successful, affect the validity of such Bonds or the tax-free nature of the interest thereon. While the outcome of litigation of such nature can never be entirely predicted, each Trust has received opinions of bond counsel to the issuing authorities of each Bond on the date of issuance to the effect that such Bonds have been validly issued and that the interest thereon is exempt from Federal income tax. In addition, other factors may arise from time to time which potentially may impair the ability of issuers to meet obligations undertaken with respect to Bonds. The Sponsors are unable to predict whether any such litigation may be instituted or if instituted, whether it will have a material adverse effect on a Trust.

Under the Federal Bankruptcy Code, political subdivisions, public agencies or other instrumentalities of any state (including municipalities) which are insolvent or unable to meet their debts as they mature may file a petition in Federal bankruptcy court. Generally, the filing of such a petition operates as a stay of any proceeding to enforce a claim against the debtor. The Federal Bankruptcy Code also requires the debtor to file a plan for the adjustment of its debts which may modify or alter the rights of creditors and would authorize the Federal bankruptcy court to permit the debtor to incur additional debt which could have priority over existing creditors and which could be secured. Any plan of reorganization confirmed by the court must be approved by the requisite number of creditors. If confirmed by the bankruptcy court, the plan would be binding upon all creditors affected by it. Amendments made to the federal bankruptcy laws ease the requirements that must be met before a municipality may seek federal court protection to assist in reorganizing its debts. This easing of requirements may encourage financially troubled municipalities to seek court assistance in reorganizing their debts. The Sponsors are unable to predict the effect these bankruptcy provisions may have on a Trust.

The Units

On the date of this Prospectus each Unit in a Trust represented a fractional undivided interest in the principal and net income of such Trust as is set forth in Part A, "Summary of Essential Information". If any Units are redeemed after the date of this Prospectus by the Trustee, the principal amount of Bonds in the affected Trust will be reduced by an amount allocable to redeemed Units and the fractional undivided interest in the affected Trust represented by each unredeemed Unit will be increased. Units will remain outstanding until redeemed upon tender to the Trustee by any Unit holder, which may include the Sponsors, or until the termination of the Trust Agreement. (See "Amendment and Termination of the Trust Agreement-Termination.") References in this Prospectus to "Units" are to Units which represented the fractional undivided interest indicated in the "Summary of Essential Information" in Part A.

Estimated Current Return And Estimated Long-Term Return

Under accepted bond practice, tax-exempt bonds are customarily offered to investors on a "yield price" basis (as contrasted to a "dollar price" basis) at the lesser of the yield as computed to maturity of the bonds or to an earlier redemption date and which takes into account not only the interest payable on the bonds but also the amortization or accretion to a specified date of any premium over or discount from the par (maturity) value in the bond's purchase price. Since Units of a Trust are offered on a dollar price basis, the rate of return on an investment in Units of a Trust is stated in terms of "Estimated Current Return," computed by dividing the Net Annual Income per Unit by the Public Offering Price per Unit. Any change in either the Net Annual Income per Unit or the Public Offering Price per Unit will result in a change in the Estimated Current Return. The Net Annual Income per Unit of a Trust is determined by dividing the total annual interest income to such Trust, less estimated annual fees and expenses of the Trustee, the Sponsor and the Evaluator, by the number of Units of such Trust outstanding. The Net Annual Income per Unit of a Trust will change as the income or expenses of such Trust changes and as Bonds are redeemed, paid, sold or exchanged. For a statement of the Net Annual Income per Unit and the Estimated Current Return based on the Public Offering Price, see Part A, "Summary of Essential Information".

The Estimated Long-Term Return for each Trust is a measure of the return to the investor over the estimated life of the Trust. The Estimated Long-Term Return represents an average of the yields to maturity (or call) of the Bonds in the Trust's portfolio calculated in accordance with accepted bond practice and adjusted to reflect expenses and sales charges. In calculating Estimated Long-Term Return, the average yield for the Trust's portfolio is derived by weighing each Bond's yield by the market value of the Bond and by the amount of time remaining to the date to which the Bond is priced. Once the average portfolio yield is computed, this figure is then reduced to reflect estimated expenses and the effect of the maximum sales charge paid by investors.

A Trust may experience expenses and portfolio changes different from those assumed in the calculation of Estimated Long-Term Return. There thus can be no assurance that the Estimated Current Returns or the Estimated Long-Term Returns quoted for a Trust will be realized in the future. Since both Estimated Current Return and Estimated Long-Term Return quoted on a given business day are based on the market value of the underlying Bonds on that day, subsequent calculations of these performance measures will reflect the then-current market value of the underlying bonds and may be higher or lower.

Tax Status

In the opinion of bond counsel to the issuing governmental authorities given at the time of the original delivery of the Bonds, interest income on the Bonds comprising the Portfolio of each Trust is (except in certain instances, depending upon the Unit holder, as described below) exempt from Federal income tax under the provisions of the Internal Revenue Code in effect as of the date of issuance. In the case of Bonds issued when the Internal Revenue Code of 1954 was in effect, redesignation of the Code as the Internal

Revenue Code of 1986 (the "Code" or the "1986 Code") has not adversely affected such exemption. (See "Tax Exempt Securities Trust - - Portfolio.")

On the Date of Deposit for the Trusts, Messrs. Cahill Gordon & Reindel, special counsel for the Sponsors, rendered an opinion under then existing provisions of the Code, the regulations then promulgated thereunder and then current rulings of the Internal Revenue Service substantially to the effect that:

> None of the Trusts is an association taxable as a corporation for Federal income tax purposes, and interest on the underlying debt obligations which is exempt from Federal income tax under the Code when received by each Trust (or by a previously issued Series in whose property the Trust has an ownership interest) will retain its status as tax-exempt interest, for Federal income tax purposes, to the Unit holders.
>
> Each Unit holder will be considered the owner of a pro rata portion of the assets of the Trust assets, Units of which are held by him (including any ownership interest of the Trust in property comprising a previously issued Series) under Sections 671-678 of the Code. Each Unit holder will be considered to have received a pro rata share of interest derived from such Trust assets when it is received by the Trust (or by the previously issued Series), and each Unit holder will have a taxable event when an underlying debt obligation is disposed of (whether by sale, exchange, redemption, or payment at maturity) or when the Unit holder redeems or sells Units. The total tax cost of each Unit to a Unit holder is allocated among each of the underlying debt obligations held in the particular Trust (in accordance with the proportion of the particular Trust assets comprised by each underlying debt obligation) in order to determine the Unit holder's per Unit tax cost for each underlying debt obligation, and the tax cost reduction requirements of the Code relating to amortization of bond premium will apply separately to the per Unit tax cost of each underlying debt obligation. Therefore, under some circumstances a Unit holder may realize taxable gains when Units are sold or redeemed for an amount equal to or less than the Unit holder's original cost.
>
> When a contract to acquire an underlying debt obligation is settled after the Unit holder's settlement date for a Unit, the Unit holder's proportionate share of the interest accrued on the underlying debt obligation on the debt obligation's settlement date will exceed the portion of the purchase price that was allocable to interest accrued on the Unit settlement date. A Unit holder will not be subject to Federal income tax on the Unit holder's proportionate share of the interest which accrues during the period between the Unit settlement date and the debt obligation's settlement date either when such interest is received by the Trust or when it is distributed to the Unit holder.
>
> Under the income tax laws of the State and City of New York, the income of each Trust will be treated as the income of its Unit holders.

If the proceeds received by a Trust upon the sale or redemption of an underlying debt obligation exceed a Unit holder's adjusted tax cost allocable to the debt obligation disposed of, that Unit holder will realize a taxable gain to the extent of such excess. Conversely, if the proceeds received by a Trust upon the sale or redemption of an underlying debt obligation are less than a Unit holder's adjusted tax cost allocable to the debt obligation disposed of, that Unit holder will realize a loss for tax purposes to the extent of such difference.

The Revenue Reconciliation Act of 1993 (P.L. 103-66) was recently enacted. P.L. 103-66 increases maximum marginal income taxes

for individuals and corporations (generally effective for taxable years beginning after December 31, 1992), extends the authority to issue certain categories of tax-exempt bonds (qualified small issue bonds and qualified mortgage bonds), limits the availability of capital gain treatment for tax-exempt bonds purchased at a market discount, increases the amount of Social Security benefits subject to tax (effective for taxable years beginning after December 31, 1993) and makes a variety of other changes. Prospective investors are urged to consult their own tax advisors as to the effect of P.L. 103-66 on an investment in Units.

Any gain recognized on a sale or exchange of a Unit holder's pro rata interest in a Bond, and not constituting a realization of accrued "market discount", and any loss will be a capital gain or loss, except in a case of a dealer or financial institution. Gain realized on the disposition of the interest of a Unit holder in a market discount Bond is treated as ordinary income to the extent the gain does not exceed the accrued market discount. A Unit holder has an interest in a market discount Bond in a case in which the tax cost for the Unit holder's pro rata interest in the Bond is less than the stated redemption price thereof at maturity (or the issue price plus original issue discount accrued up to the acquisition date, in the case of an original issue discount Bond. Any capital gain or loss arising from the disposition of a Unit holder's pro rata interest in a Bond for more than one year. Under the Code, net capital gain (i.e., the excess of net long-term capital gain over net short-term capital loss) of individuals, estates and trusts is subject to a maximum nominal tax rate of 28%. Such net capital gain may, however, result in a disallowance of itemized deductions and/or affect a personal exemption phase-out.

In the case of certain of the underlying debt obligations comprising the Portfolio of a Trust, the opinions of bond counsel indicate that although interest on such underlying debt obligations is generally exempt from Federal income tax, such underlying debt obligations are "industrial development bonds" under the 1954 Code or "private activity bonds" under the 1986 Code, and interest on such underlying debt obligations will not be exempt from Federal income tax for any period during which such underlying debt obligations are held by a "substantial user" of the facilities financed by the proceeds of such underlying debt obligations (or a "related person" to such a "substantial user"). In the opinion of Messrs. Cahill Gordon & Reindel, interest attributable to such underlying debt obligations (although not subject to Federal income tax to a Trust), if received by a Unit holder who is such a "substantial user" or "related person," will be taxable (i.e., not tax-exempt) to the Unit holder to the same extent as if such underlying debt obligations were held directly by the Unit holder as owner. No investigation as to the users or of the facilities financed by the underlying debt obligations has been made by the

Sponsors or their counsel. Investors should consult their tax counsel for advice with respect to the effect of these provisions on their particular tax situations.

Furthermore, exemption of interest on a Bond from regular Federal income tax requires that the issuer of the Bond (or other user of the Bond proceeds) meet certain ongoing compliance requirements. Failure to meet these requirements could result in loss of the exemption and such loss of exemption could apply retroactively from the date of issuance. A Bond may provide that if a loss of exemption is determined to have occurred, the Bond is immediately due and payable; and, in the case of a secured Bond, that the security can be reached if the Bond is not then paid. If such a loss of exemption were to occur and the Bond did not contain such an acceleration clause, or if the acceleration did not in fact result in payment of the Bond, the affected Bond would likely be sold as a taxable bond. Sale of a Bond as a taxable bond would likely result in a realization of proceeds less than the cost of the Bond.

Persons in receipt of Social Security benefits should be aware that a portion of such Social Security benefits may be includible in gross income. For 1993, the includible amount for a taxable year is the lesser of (a) one-half of the Social Security benefits or (b) one-half of the amount by which the sum of "modified adjusted gross income" plus one-half of the Social Security benefits exceeds a "base amount." The base amount is $25,000 for unmarried taxpayers, $32,000 for married taxpayers filing a joint return and zero for married taxpayers not living apart who file separate returns.

For 1994 and subsequent taxable years, two threshold amounts apply. The 1993 rule continues to apply to a taxpayer whose modified adjusted gross income plus one-half of his or her Social Security benefits does not exceed $34,000 threshold ($44,000 for married taxpayers filing a joint return). Taxpayers with modified adjusted gross income in excess of the $34,000 threshold ($44,000 for married taxpayers filing a joint return) are, however, required to include up to 85% of their Social Security benefits in gross income.

Modified adjusted gross income is adjusted gross income determined without regard to certain otherwise allowable deductions and exclusions from gross income, plus tax exempt interest on municipal obligations including interest on the Bonds. To the extent that Social Security benefits are includible in gross income they will be treated as any other item of gross income and therefore may be taxable. Although tax exempt interest is included in modified adjusted gross income solely for the purpose of determining what portion, if any, of Social Security benefits will be included in gross income, no tax exempt interest, including that received from a Trust, will be subject to Federal income tax.

The exemption of interest on municipal obligations for Federal income tax purposes does not necessarily result in exemption under any other Federal tax law or under the income or other tax laws of any state or city. The laws of the several states vary with respect to the taxation of such obligations.

Opinions relating to the validity of the Bonds and the exemption of interest thereon from Federal income tax are rendered by bond counsel to the issuing governmental authorities given at the time of the original delivery of the Bonds. Neither the Sponsors nor their counsel have made any review of proceedings relating to the issuance of Bonds or the bases for bond counsels' opinions. It is the view of the Sponsors that interest on the Securities will not be a tax preference item for purposes of the alternative minimum tax under the Tax Reform Act of 1986 (the "1986 Act"). Unit holders are urged to consult their own tax advisors concerning an investment in Units.

The Code provides, generally, that adjustments to taxable income to produce alternative minimum taxable income for corporations will include 75% of the amount by which adjusted current earnings (which would include tax-exempt interest) of the taxpayer exceeds the alternative minimum taxable income of the taxpayer before any amount is added to alternative minimum taxable income because of this adjustment.

The Code also imposes an additional 12/100% ($12.00 per $10,000) environmental tax on the alternative minimum taxable income (determined without regard to any alternative tax net operating loss deduction) of a corporation in excess of $2,000,000 for each taxable year beginning before January 1, 1996. The environmental tax is an excise tax and is deductible for United States federal income tax purposes (but not for purposes of the environmental tax itself). Although the environmental tax is based on alternative minimum taxable income, the environmental tax must be paid in addition to any Federal income taxes payable by the corporation.

For Federal income tax purposes, Trust expenses allocable to producing or collecting Trust interest income are not deductible because the income derived by a Trust is exempt from Federal income tax. A state or local income tax may provide for a deduction for the portion of such Trust expenses attributable to the production or collection of income derived by a Trust and taxed by the state or locality. The effect on any such deductions of the 1986 Act rules whereby investment expenses and other miscellaneous deductions are deductible only to the extent in excess of 2% of adjusted gross income would depend upon the law of the particular state or locality involved.

From time to time other proposals have been introduced before Congress the purpose of which is to restrict or eliminate the Federal income tax exemption for interest on securities similar to the Bonds in a Trust or to require treatment of such interest generally as a "tax preference" for alternative minimum tax purposes, and it can be expected that similar proposals may be introduced in the future. The Trusts and the Sponsors cannot predict what legislation, if any, in respect of the tax status of interest on Bonds may be proposed by the Executive Branch or by members of Congress, nor can they predict which proposals, if any, might be enacted or whether any legislation if enacted would apply to the Bonds in a Trust.

The Portfolio of a Trust may contain one or more Bonds which were originally issued at a discount ("original issue discount"). In general, original issue discount can be defined as the difference between the price at which a Bond was issued and its stated redemption price at maturity. In the case of a Bond issued before September 4, 1982, original issue discount is deemed to accrue (be "earned") as tax-exempt interest ratably over the period from the date of issuance of the Bond to the date of maturity and is apportioned among the original holder of the obligation and subsequent purchasers in accordance with a ratio the numerator of which is the number of calendar days the obligation was owned by the holder and the denominator of which is the total number of calendar days from the date of issuance of the obligation to its date of maturity. Gain or loss upon the disposition of an original issue discount Bond in a Portfolio is measured by the difference between the amount realized upon disposition of and the amount paid for such obligation. A holder is entitled, however, to exclude from gross income that portion of such gain attributable to accrued interest and the "earned" portion of original issue discount.

In the case of a Bond issued after September 3, 1982, original issue discount is deemed to accrue on a constant interest method which corresponds, in general, to the economic accrual of interest (adjusted to eliminate proportionately on an elapsed-time basis any excess of the amount paid for the Bond by a Trust over the sum of the issue price and the accrued original issue discount on the acquisition date). The Unit holder's tax basis with regard to such Bond is increased by the amount of original issue discount that is deemed to accrue while the Unit holder holds his Units and the Trust holds the Bond. The difference between the amount realized on a disposition of the Bond (ex currently accrued interest) and the adjusted tax basis of the Bond will give rise to taxable gain or deductible loss upon a disposition of the Bond by a Trust (or a sale or redemption of Units by a Unit Holder).

In addition, investors should be aware that no deduction is allowed for Federal income tax purposes for interest on indebtedness incurred or continued to purchase or carry Units. Under rules used by the Internal Revenue Service for determining when borrowed funds are considered used for the purpose of purchasing or carrying particular assets, the purchase of Units may be considered to have been made with borrowed funds even though the borrowed funds are not directly traceable to the purchase of the Units.

All taxpayers are required to report for information purposes on their Federal income tax returns the amount of tax-exempt interest they receive.

Investors should consult their own tax advisors with respect to the applicability of the foregoing general comments to their own particular situations and as respects state and local tax consequences of an investment in Units.

Expenses and Charges

Initial Expenses

At no cost to a Trust the Sponsors have borne all the expenses of creating and establishing the Trust, including the cost of the initial preparation and execution of the Trust Agreement, initial preparation and printing of the certificates for Units, the fees of the Evaluator during the initial public offering, legal expenses, advertising and selling expenses and other out-of-pocket expenses. The costs of maintaining the secondary market, such as printing, legal and accounting, will be borne by the Sponsors except as otherwise provided in the Trust Agreement.

Trustee's, Sponsors' and Evaluator's Fees

The Trustee will receive for its ordinary recurring services to a Trust an annual fee in the amount set forth under Part A, "Summary of Essential Information." For a discussion of the services performed by the Trustee pursuant to its obligations under the Trust Agreement, see "Rights of Unit Holders." The Trustee will receive the benefit of any reasonable cash balances in the Interest and Principal accounts.

The Portfolio supervision fee (the "Supervision Fee"), which is earned for Portfolio supervisory services, is based upon the greatest face amount of Bonds in the Trust at any time during the calendar year with respect to which the fee is being computed. The Supervision Fee has been incurred by Portfolios which have come into existence after August 14, 1991, beginning with Series 345 initially, and each Series, in existence, thereafter.

The Supervision Fee, which is not to exceed the amount set forth in Part A--"Summary of Essential Information", may exceed the actual costs of providing Portfolio supervisory services for such Trust, but at no time will the total amount the Sponsors receive for Portfolio supervisory services rendered to all series of Tax Exempt Securities Trust in any calendar year exceed the aggregate cost to them of

supplying such services in such year. In addition, the Sponsors may also be reimbursed for bookkeeping and other administrative services provided to the Trust in amounts not exceeding their costs of providing these services.

The Evaluator determines the aggregate bid price of the underlying securities on a daily basis at a fee in the amount set forth under Part A, "Summary of Essential Information," for each evaluation of the Bonds in a Trust. For a discussion of the services performed by the Evaluator pursuant to its obligations under the Trust Agreement, see "Evaluator-Responsibility" and "Public Offering-Offering Price".

Any of such fees may be increased without approval of the Unit holders by amounts not exceeding proportionate increases in consumer prices for services as measured by the United States Department of Labor's Consumer Price Index entitled "All Services Less Rent" or, if such Index is no longer published, in a similar index to be determined by the Trustee and the Sponsors.
In addition, at the time of any such increase, the Trustee shall also be entitled to charge thereafter an additional fee at a rate or amount to be determined by the Trustee and the Sponsors based upon the face amount of Deposited Units in a Trust, for the Trustee's services in maintaining such Deposited Units. The approval of Unit holders shall not be required for charging of such additional fee.

Other Charges

The following additional charges are or may be incurred by a Trust: all expenses of the Trustee (including fees and expenses of counsel and auditors) incurred in connection with its activities under the Trust Agreement, including reports and communications to Unit holders; expenses and costs of any action undertaken by the Trustee to protect a Trust and the rights and interests of the Unit holders; fees of the Trustee for any extraordinary services performed under the Trust Agreement; indemnification of the Trustee for any loss or liability accruing to it without gross negligence, bad faith or willful misconduct on its part, arising out of or in connection with its acceptance or administration of a Trust; in the case of certain trusts to the extent lawful, expenses (including legal, accounting and printing expenses) of maintaining registration or qualification of the Units and/or a Trust under Federal or state securities laws subsequent to initial registration so long as the Sponsors are maintaining a market for the Units and all taxes and other governmental charges imposed upon the Bonds or any part of a Trust (no such taxes or charges are being levied or made or, to the knowledge of the Sponsors, contemplated). The above expenses, including the Trustee's fee, when paid by or owing to the Trustee, are secured by a lien on the Trust. In addition, the Trustee is empowered to sell Bonds in order to make funds available to pay all expenses.

PUBLIC OFFERING

Offering Price

The Public Offering Price of the Units of a Trust is determined by adding to the Evaluator's determination of the aggregate bid price of the Bonds per Unit a sales charge equal to the percentage of the Public Offering Price indicated for each Trust in Part A, "Summary of Essential Information". The aggregate bid price of the underlying Bonds may be expected to be less than the aggregate offering price (see "Public Offering - Method of Evaluation"). A proportionate share of accrued and undistributed interest on the Bonds in a Trust at the date of delivery of the Units of such Trust to the purchaser is also added to the Public Offering Price.

Pursuant to employee benefit plans, Units of a Trust are available to employees of certain of the Sponsors at a Public Offering Price equal to the Evaluator's determination of the aggregate bid price of Bonds of a Trust per Unit plus a sales charge of 1.25% of the Public Offering Price. Sales through such plans to employees of the Sponsors require less selling effort and selling expenses than sales to the general public.

Method of Evaluation

The aggregate bid price of the Bonds (which is used to calculate the price at which the Sponsors repurchase and sell Units in the secondary market and the Redemption Price at which Units may be redeemed) will be determined by the Evaluator (1) on the basis of the current bid prices for the Bonds, (2) if bid prices are not available for any Bonds, on the basis of current bid prices of comparable securities, (3) by appraisal, or (4) by any combination of the above. Such determinations will be made each business day as of the Evaluation Time set forth in the "Summary of Essential Information," in Part A, effective for all sales made subsequent to the last preceding determination. The term "business day", as used herein shall exclude Saturdays, Sundays and any day on which the New York Stock Exchange is closed. The difference between the bid and offering prices of the Bonds may be expected to average approximately 1.5% of principal amount. In the case of actively traded securities, the difference may be as little as 0.5 of 1%, and in the case of inactively traded securities such difference will usually not exceed 3%. The price at which Units may be repurchased by the Sponsors in the secondary market could be less than the price paid by the Unit holder. For information relating to the calculation of the Redemption Price per Unit, which is also based upon the aggregate bid price of the underlying Bonds and which may be expected to be less than the Public Offering Price per Unit, see "Rights of Unit Holders - Redemption of Units".

Distribution of Units

Units acquired in the secondary market (see "Public Offering - Market for Units") may be offered by this Prospectus at the Public Offering Price determined in the manner provided above (see "Public Offering - Offering Price").

The Sponsors will allow a discount on Units sold to members of the National Association of Securities Dealers, Inc. Such discount is subject to change from time to time.

Sales will be made only with respect to whole Units, and the Sponsors reserve the right to reject, in whole or in part, any order for the purchase of Units. A purchaser does not become a Unit holder (Certificate holder) or become entitled to exercise the rights of a Unit holder (including the right to redeem his Units) until he has paid for his Units. Generally, such payment must be made within five business days after an order for the purchase of Units has been placed. The price paid by a Unit holder is the Public Offering Price in effect at the time his order is received, plus accrued interest (see "Public Offering - Method of Evaluation"). This price may be different from the Public Offering Price in effect on any other day, including the day on which the Unit holder made payment for the Units.

Market for Units

Although not obligated to do so, the Sponsors presently intend to maintain a market for the Units of a Trust and to continuously offer to purchase such Units at prices based upon the aggregate bid price of the underlying Bonds which may be less than the price paid by the Unit holder. For information relating to the method and frequency of the Evaluator's determination of the aggregate bid price of the underlying Bonds, see "Public Offering -- Method of Evaluation". The costs of maintaining the secondary market, such as printing, legal and accounting, will be borne by the Sponsors except as otherwise provided in the Trust Agreement. The Sponsors may cease to maintain such a market at any time and from time to time without notice if the supply of Units of a Trust of this Series exceeds demand or for any other reason. In this event the Sponsors may nonetheless purchase Units, as a service to Unit holders, at prices based on the current Redemption Price of those Units. In the event that a market is not maintained for the Units of a Trust, a Unit holder of such Trust desiring to dispose of his Units may be able to do so only by tendering such Units to the Trustee for redemption at the Redemption Price, which is based upon the aggregate bid price of the underlying Bonds. (See "Rights of Unit Holders - Redemption of Units").

Exchange Option

Unit holders may elect to exchange any or all of their Units of this series for units of one or more of any series of Tax Exempt Securities Trust (the "Exchange Trust") available for sale in the state in which the Unit holder resides at a Public Offering Price for the units of the Exchange Trust to be acquired based on a fixed sales charge of $25 per unit. The Sponsors reserve the right to modify, suspend or terminate this plan at any time without further notice to Unit holders. Therefore, there is no assurance that a market for units will in fact exist on any given date on which a Unit holder wishes to sell his Units of this series and thus there is no assurance that the Exchange Option will be available to a Unit holder. Exchanges will be effected in whole units only. Any excess proceeds from Unit holders' Units being surrendered will be returned and Unit holders will not be permitted to advance any new money in order to complete an exchange.

An exchange of Units pursuant to the Exchange Option for units of an Exchange Trust will generally constitute a "taxable event" under the Code, i.e., a Holder will recognize a gain or loss at the time of exchange. However, an exchange of Units of this Trust for units of any other similar series of the Tax Exempt Securities Trust which are grantor trusts for U.S. federal income tax purposes will not constitute a taxable event to the extent that the underlying securities in each trust do not differ materially either in kind or in extent. Unit holders are urged to consult their own tax advisors as to the tax consequences to them of exchanging Units in particular cases.

Units of the Exchange Trust will be sold under the Exchange Option at the bid prices of the underlying securities in the particular portfolio involved per unit plus a fixed charge of $25 per unit. As an example, assume that a Unit holder, who has three units of a trust with a current price of $1,020 per unit based on the bid prices of the underlying securities, desires to exchange his Units for units of a series of an Exchange Trust with a current price of $880 per unit based on the bid prices of the underlying securities. In this example, the proceeds from the Unit holder's units will aggregate $3,060. Since only whole units of an Exchange Trust may be purchased under the Exchange Option, the Unit holder would be able to acquire three units in the Exchange Trust for a total cost of $2,715 ($2,640 for the units and $75 for the sales charge). The remaining $345 would be returned to the Unit holder in cash.

Reinvestment Programs

Distributions of interest and principal, if any, are made to Unit holders monthly. The Unit holder will have the option of either receiving his monthly income check from the Trustee or participating in one of the reinvestment programs offered by certain of the Sponsors provided such Unit holder meets the minimum qualifications of the reinvestment program and such program lawfully qualifies for sale in the jurisdiction in which the Unit holder resides. Upon enrollment in a reinvestment program, the Trustee will direct monthly interest distributions and principal distributions, if any, to the reinvestment program selected by the Unit holder. Since each Sponsor has arranged for different reinvestment alternatives, Unit holders should contact the Sponsors for more complete information, including charges and expenses. The appropriate prospectus will be sent to the Unit holder. The Unit holder should read the prospectus for a reinvestment program carefully before deciding to participate. Participation in the reinvestment program will apply to all Units of a Trust owned by a Unit holder and may be terminated at any time by the Unit holder, or the program may be modified or terminated by the Trustee or the program's Sponsor.

Sponsors' Profits

For their services the Sponsors receive a gross commission equal to a percentage of the Public Offering Price of the Units. In maintaining a market for the Units of a Trust (see "Public Offering - Market for Units"), the Sponsors also realize profits or sustain losses in the amount of any difference between the price at which they buy such Units and the price at which they resell or redeem such Units (see "Public Offering - Offering Price").

RIGHTS OF UNIT HOLDERS

Certificates

Ownership of Units of a Trust is evidenced by registered certificates executed by the Trustee and the Sponsors. A Certificate is transferable by presentation and surrender of the Certificate to the Trustee properly endorsed or accompanied by a written instrument or instruments of transfer.

Certificates may be issued in denominations of one Unit or any multiple thereof. A Unit holder may be required to pay $2.00 per certificate reissued or transferred, and to pay any governmental charge that may be imposed in connection with each such transfer or interchange. For new certificates issued to replace destroyed, stolen or lost certificates, the Unit holder must furnish indemnity satisfactory to the Trustee and must pay such expenses as the Trustee may incur. Mutilated certificates must be surrendered to the Trustee for replacement.

Distribution of Interest and Principal

Interest and principal received by a Trust will be distributed on each Monthly Distribution Date on a pro rata basis to Unit holders in such Trust of record as of the preceding Record Date. All distributions will be net of applicable expenses and funds required for the redemption of Units and, if applicable, reimbursements to the Trustee for interest payments advanced to Unit holders on previous Monthly Distribution Dates. (See Part A, "Summary of Essential Information," and "Tax Exempt Securities Trust -Expenses and Charges" and "Rights of Unit Holders - Redemption of Units" in this Section.)

The Trustee will credit to the Interest Account of a Trust all interest received by such Trust, including that part of the proceeds of any disposition of Bonds of such Trust which represents accrued interest. Other receipts will be credited to the Principal Account of the affected Trust. The pro rata share of the Interest Account and the pro rata share of cash in the Principal Account represented by each Unit of a Trust will be computed by the Trustee each month as of the Record Date. (See Part A, "Summary of Essential Information"). Proceeds received from the disposition of any of the Bonds subsequent to a Record Date and prior to the next succeeding Distribution Date will be held in the Principal Account and will not be distributed until the following Distribution Date. The distribution to the Unit holders as of each Record Date will be made on the following Distribution Date or shortly thereafter and shall consist of an amount substantially equal to one-twelfth of such holders' pro rata share of the estimated annual income to the Interest Account after deducting estimated expenses (the "Monthly Interest Distribution") plus such holders' pro rata share of the cash balance in the Principal Account computed as of the close of business on the preceding Record Date. Persons who purchase Units between a Record Date and a Distribution Date will receive their first distribution on the second Distribution Date following their purchase of Units. No distribution need be made from the Principal Account if the balance therein is less than an amount sufficient to distribute $1.00 per Unit.
The Monthly Interest Distribution per Unit as of the date shown under Part A, "Summary of Essential Information" for a Trust will change as the income and expenses of such Trust change and as Bonds are exchanged, redeemed, paid or sold.

Normally, interest on the Bonds in the Portfolio of a Trust is paid on a semi-annual basis. Because Bond interest is not received by a Trust at a constant rate throughout the year, any Monthly Interest Distribution may be more or less than the amount credited to the Interest Account as of the Record Date. In order to eliminate fluctuations in Monthly Interest Distributions resulting from such variances, the Trustee is

required by the Trust Agreement to advance such amounts as may be necessary to provide Monthly Interest Distributions of approximately equal amounts. The Trustee will be reimbursed, without interest, for any such advances from funds available from the Interest Account on the next ensuing Record Date or Record Dates, as the case may be. If all or a portion of the Bonds for which advances have been made subsequently fail to pay interest when due, the Trustee may recoup advances made by it in anticipation of receipt of interest payments on such Bonds by reducing the amount distributed per Unit in one or more Monthly Interest Distributions. If units are redeemed subsequent to such advances by the Trustee, but prior to receipt by the Trustee of actual notice of such failure to pay interest, the amount of which was so advanced by the Trustee, each remaining Unit holder will be subject to a greater pro rata reduction in his Monthly Interest Distribution than would have occurred absent such redemptions. Funds which are available for future distributions, payments of expenses and redemptions are in accounts which are non-interest bearing to Unit holders and are available for use by United States Trust Company of New York, pursuant to normal banking procedures. The Trustee is entitled to the benefit of holding any reasonable cash balances in the Interest and Principal Accounts. The Trustee anticipates that the average cash balance in the Interest Account will be approximately 2% in excess of the amounts anticipated to be required for Monthly Distributions to Unit holders. In addition, because of the varying interest payment dates of the Bonds comprising a Trust Portfolio, accrued interest at any point in time will be greater than the amount of interest actually received by a Trust and distributed to Unit holders. Therefore, there will always remain an item of accrued interest that is added to the value of the Units. This accrued but undistributed interest is known as the accrued interest carryover. If a Unit holder sells or redeems all or a portion of his Units, a portion of his sale proceeds will be allocable to his proportionate share of the accrued interest carryover. Similarly, if a Unit holder redeems all or a portion of his Units, the Redemption Price per Unit which he is entitled to receive from the Trustee will include his accrued interest carryover on the Bonds. (See "Rights of Unit Holders - Redemption of Units -Computation of Redemption Price per Unit.")

As of the first day of each month the Trustee will deduct from the Interest Account of a Trust and, to the extent funds are not sufficient therein, from the Principal Account of such Trust, amounts necessary to pay the expenses of such Trust. (See "Tax Exempt Securities Trust - Expenses and Charges".) The Trustee also may withdraw from said accounts such amounts, if any, as it deems necessary to establish a reserve for any governmental charges payable out of a Trust. Amounts so withdrawn shall not be considered a part of a Trust's assets until such time as the Trustee shall return all or any part of such amounts to the appropriate account. In addition, the Trustee may withdraw from the Interest Account and the Principal Account such amounts as may be necessary to cover redemption of Units by the Trustee. (See "Rights of Unit Holders - Redemption of Units".) The Trustee is also entitled to withdraw from the Interest Account, and, to the extent funds are not sufficient therein, from the Principal Account, on one or more Record Dates as may be appropriate, amounts sufficient to recoup advances which the Trustee has made in anticipation of the receipt by a Trust of interest in respect of Bonds which subsequently fail to pay interest when due.

Reports and Records

The Trustee shall furnish Unit holders in connection with each distribution a statement of the amount of interest, if any, and the amount of other receipts, if any, which are being distributed, expressed in each case as a dollar amount per Unit. In the event that the issuer of any of the Bonds fails to make payment when due of any interest or principal and such failure results in a change in the amount which would otherwise be distributed as a monthly distribution, the Trustee will, with the first such distribution following such failure, set forth in an accompanying statement, the issuer and the Bond, the amount of the reduction in the distribution per Unit resulting from such failure, the percentage of the aggregate principal amount of Bonds which such Bond represents and, to the extent then determined, information regarding any disposition or legal action with respect to such Bond. Within a reasonable time after the end of each calendar year, the Trustee will furnish to each person who at any time during the calendar year was a Unit holder of record, a statement (1) as to the Interest Account: interest received (including amounts representing interest received upon any disposition of Bonds), if the issuers of the Bonds are located in different states or territories, then the percentage of such interest by such states or territories, deductions for payment of applicable taxes and for fees and expenses of a Trust, redemptions of Units and the balance remaining after such distributions and deductions, expressed both as a total dollar amount and as a dollar amount representing the pro rata share of each Unit outstanding on the last business day of such calendar year; (2) as to the Principal Account: the dates of disposition of any Bonds and the net proceeds received therefrom (excluding any portion representing interest), deductions for payments of applicable taxes and for fees and expenses of a Trust, redemptions of Units, and the balance remaining after such distributions and deductions, expressed both as a total dollar amount and as a dollar amount representing the pro rata share of each Unit outstanding on the last business day of such calendar year; (3) a list of the Bonds held and the number of Units outstanding on the last business day of such calendar year; (4) the

Redemption Price per Unit based upon the last computation thereof made during such calendar year; and (5) amounts actually distributed during such calendar year from the Interest Account and from the Principal Account, separately stated, expressed both as total dollar amounts and as dollar amounts representing the pro rata share of each Unit outstanding. The accounts of a Trust will be audited not less frequently than annually by independent auditors designated by the Sponsors, and the report of such auditors shall be furnished by the Trustee to Unit holders upon request.

The Trustee shall keep available for inspection by Unit holders at all reasonable times during the usual business hours, books of record and account of its transactions as Trustee including records of the names and addresses of Unit holders, certificates issued or held, a current list of Bonds in the Portfolio of a Trust and a copy of the Trust Agreement.

Redemption of Units

Units may be tendered to the Trustee for redemption at its unit investment trust office at 770 Broadway, New York, New York 10003, upon payment of any relevant tax. At the present time there are no specific taxes related to the redemption of the Units. No redemption fee will be charged by the Sponsors or the Trustee. Units redeemed by the Trustee will be canceled.

Certificates for Units to be redeemed must be properly endorsed or accompanied by a written instrument of transfer. Unit holders must sign exactly as their name appears on the face of the certificate with the signature guaranteed by an officer of a national bank or trust company or by a member of either the New York, Midwest or Pacific Stock Exchange. In certain instances the Trustee may require additional documents such as, but not limited to, trust instruments, certificates of death, appointments as executor or administrator or certificates of corporate authority.

Within seven calendar days following such tender, the Unit holder will be entitled to receive in cash an amount for each Unit tendered equal to the Redemption Price per Unit computed as of the Evaluation Time set forth in the "Summary of Essential Information" in Part A on the date of tender. (See "Redemption of Units - Computation of Redemption Price per Unit".) The "date of tender" is deemed to be the date on which Units are received by the Trustee, except as regards Units received after the close of trading on the New York Stock Exchange, the date of tender is the next day on which such Exchange is open for trading, and such Units will be deemed to have been tendered to the Trustee on such day for redemption at the Redemption Price computed on that day. For information relating to the purchase by the Sponsors of Units tendered to the Trustee for redemption

at prices which may be, in certain circumstances, in excess of the Redemption Price, see "Redemption of Units - Purchase by the Sponsors of Units Tendered for Redemption."

Accrued interest paid on redemption shall be withdrawn from the Interest Account, or, if the balance therein is insufficient, from the Principal Account. All other amounts paid on redemption shall be withdrawn from the Principal Account. The Trustee is empowered to sell Bonds in order to make funds available for redemption. Such sales, if required, could result in a sale of Bonds by the Trustee at a loss. To the extent Bonds are sold, the size and diversity of a Trust will be reduced.

The Trustee reserves the right to suspend the right of redemption and to postpone the date of payment of the Redemption Price per Unit for any period during which the New York Stock Exchange is closed, other than weekend and holiday closings, or trading on that Exchange is restricted or during which (as determined by the Securities and Exchange Commission) an emergency exists as a result of which disposal or evaluation of the underlying Bonds is not reasonably practicable, or for such other periods as the Securities and Exchange Commission has by order permitted.

Computation of Redemption Price per Unit - The Redemption Price per Unit of a Trust is determined by the Trustee on the basis of the bid prices of the Bonds in such Trust as of the Evaluation Time on the date any such determination is made. The Redemption Price per Unit of a Trust is each Unit's pro rata share, determined by the Trustee, of: (1) the aggregate value of the Bonds in such Trust on the bid side of the market (determined by the Evaluator as set forth under "Public Offering - - Method of Evaluation") (2) cash on hand in such Trust and accrued and unpaid interest on the Bonds as of the date of computation, less (a) amounts representing taxes or governmental charges payable out of such Trust, (b) the accrued expenses of such Trust, and (c) cash held for distribution to Unit holders of such Trust of record as of a date prior to the evaluation.

Purchase by the Sponsors of Units Tendered for Redemption - - The Trust Agreement requires that the Trustee notify the Sponsors of any tender of Units for redemption. So long as the Sponsors are maintaining a bid in the secondary market, the Sponsors, prior to the close of business on the second succeeding business day, will purchase any Units tendered to the Trustee for redemption at the price so bid by making payment therefor to the Unit holder in an amount not less than the Redemption Price not later than the day on which the Units would otherwise have been redeemed by the Trustee. (See"Public Offering - Market for Units".) Units held by the Sponsors may be tendered to the Trustee for redemption as any other Units, provided that the Sponsors shall not receive for Units purchased

as set forth above a higher price than they paid, plus accrued interest.

The offering price of any Units resold by the Sponsors will be the Public Offering Price determined in the manner provided in this Prospectus. (See "Public Offering - Offering Price".) Any profit resulting from the resale of such Units will belong to the Sponsors which likewise will bear any loss resulting from a lower offering or redemption price subsequent to their acquisition of such Units. (See "Public Offering - - Sponsors' Profits".)

SPONSORS

Smith Barney Shearson Inc., 1345 Avenue of the Americas, New York, New York 10105 ("Smith Barney"), was incorporated in Delaware in 1960 and traces its history through predecessor partnerships to 1873. Smith Barney, an investment banking and securities broker-dealer firm, is a member of the New York Stock Exchange, Inc. and other major securities and commodities exchanges, the National Association of Securities Dealers, Inc. and the Securities Industry Association. Smith Barney is an indirect wholly-owned subsidiary of The Travelers Inc. (formerly, Primerica Corporation).

Kidder, Peabody & Co. Incorporated, 10 Hanover Square, New York, New York 10005 ("Kidder, Peabody"), was incorporated in Delaware in 1956 and traces its history through predecessor partnerships to 1865. Kidder,Peabody, an investment banking and securities broker-dealer firm, is a member of the New York Stock Exchange, Inc. and other major securities and option exchanges, the National Association of Securities Dealers, Inc. and the Securities Industry Association.

On May 26, 1989 the Commission granted Kidder, Peabody a permanent exemption from certain provisions of the Investment Company Act of 1940 which otherwise would have rendered Kidder, Peabody ineligible to serve as sponsor, depositor or underwriter of the Trust, as a result of an injunction entered against Kidder, Peabody. The injunction arose out of certain alleged activities of Kidder, Peabody not involving the Trust or any other investment company and which are described below. In order to obtain the permanent exemption, Kidder, Peabody retained a consultant (at its own expense) to review the policies and procedures utilized by it to prevent violations of the federal securities laws in connection with its investment company business, and to recommend, where appropriate, changes in policies, procedures and staffing necessary to assure ongoing compliance. The Commission considered the application of Kidder, Peabody for a permanent exemption after the Commission had received a copy of the consultant's report and recommendations and reports from Kidder,

Peabody setting forth the actions it had taken or proposed to take in respect of the implementation of the consultant's recommendations.

On June 4, 1987 the Commission filed a complaint (the "Complaint") in the United States District Court for the Southern District of New York, in a civil action entitled Securities and Exchange Commission v. Kidder, Peabody & Co. Incorporated, 87 Civ. 3869 (RO) (the "SEC Action"). On the same day, Kidder, Peabody entered into, and the parties filed in the SEC Action, a related Consent and Undertakings, in which Kidder, Peabody neither admitted nor denied any of the allegations in the Complaint except as to jurisdiction, and pursuant to which Consent and Undertakings the District Court entered a Final Judgment of Permanent Injunction and other relief as to Kidder, Peabody (the "Final Judgment"). The exemption from the Act was requested by Kidder, Peabody as a result of the Final Judgment.

The Complaint in the injunctive action brought by the Commission alleges that Kidder, Peabody violated sections 10(b) and 14(e) of the Securities Exchange Act of 1934 (the "Exchange Act") and rules promulgated thereunder by engaging, for its own account, in purchases or sales of the securities of six named companies while in the possession of material, non-public information concerning tender offers or other extraordinary corporate transactions concerning such companies. The Complaint asserts that such information was obtained by a former executive of Kidder, Peabody as part of a scheme for the exchange of non-public information with a partner at another investment banking firm. These allegations are directed to events in 1984 and 1985; the executive ceased employment with Kidder, Peabody in February, 1986. Other allegations of the Complaint allege violations by Kidder, Peabody of sections 7(c) and 17(a)(1) of the Exchange Act and various rules promulgated thereunder and aiding and abetting in violations by another entity of sections 15(c)(3) and 17(a)(1) of the Exchange Act and various rules promulgated thereunder. These provisions relate to the maintenance and preservation of accurate books and records, adherence to margin requirements prescribed by the Federal Reserve Board and compliance with net capital requirements applicable to broker-dealers. The violations alleged in the Complaint with respect to all of these provisions stem from several transactions in 1984 and 1985 involving another broker-dealer. According to the Complaint, oral understandings between Kidder, Peabody and the other broker-dealer enabled the other broker- dealer to avoid adherence to the net capital requirements and constituted an impermissible extension of credit to such entity by Kidder, Peabody.

Among other provisions, the Final Judgment enjoins Kidder, Peabody from engaging in certain transactions, acts, practices or courses of business which constitute or would constitute violations of Sections 7(c), 10(b), 14(e) and 17(a)(1), or constitute or would constitute aiding and abetting violations of Sections 15(c)(3) and 17(a)(1), of the Exchange Act and various rules promulgated thereunder. The Final Judgment also requires that Kidder, Peabody pay a penalty of approximately $11.6 million to the U.S. Treasury under the Insider Trading Sanctions Act of 1984, and establish a fund of approximately $13.7 million which would be available to compensate anyone with valid claims of injury from the conduct alleged.

Also, on June 4, 1987, the Commission instituted administrative proceedings against Kidder, Peabody pursuant to Section 15(b)(4) of the Exchange Act, entitled In the Matter of Kidder, Peabody & Co. Incorporated, Administrative Proceeding File No. 3-6855 (the "SEC Order"). On the same day, Kidder, Peabody filed an Offer of Settlement (the "Offer") with respect to the SEC Order, which was accepted by the Commission and incorporated into the SEC Order. The Final Judgment was the basis for the SEC Order. In the SEC Order, the Commission censured Kidder, Peabody and ordered that Kidder, Peabody comply with its undertakings (consisting of certain remedial measures to be taken by Kidder, Peabody designed to prevent future occurrence of the conduct alleged in the Complaint and to ensure Kidder, Peabody's compliance on an ongoing basis with the federal securities laws and the rules and regulations of self-regulatory organizations) set forth in the Order.

None of the allegations in the Complaint relate to any of Kidder, Peabody's activities in connection with any unit investment trust or any other investment company.

Smith Barney sponsors seven open-end investment companies, Smith Barney Equity Funds, Inc., Smith Barney Funds, Inc., Smith Barney Variable Account Funds, Smith Barney Tax Free Money Fund, Inc., Smith Barney Money Funds, Inc., Smith Barney Muni Funds and Smith Barney World Funds, Inc. and four closed-end investment companies, The Inefficient-Market Fund, Inc., Smith Barney Intermediate Municipal Fund, Inc., Smith Barney Municipal Fund, Inc. and Smith Barney High Income Opportunity Fund Inc. Smith Barney also sponsors all Series of Corporate Securities Trust, Government Securities Trust and Harris, Upham Tax-Exempt Fund and acts as co-sponsor of certain trusts of The Equity Income Fund, Concept series. Kidder, Peabody sponsors Target Corporate High Yield Series Unit Trust and twelve open-end investment companies: Kidder, Peabody Government Money Fund, Inc., Kidder, Peabody Premium Account Fund, Kidder, Peabody Tax-Exempt Money Fund, Inc., Kidder, Peabody Cash Reserve Fund, Inc., Kidder, Peabody Exchange Money Fund, Kidder, Peabody Equity Income Fund, Inc., Kidder, Peabody Government Income Fund, Inc., Liquid Institutional Reserves, Kidder, Peabody Global Equity Fund, Kidder, Peabody Intermediate Term Fixed Income Fund and Kidder, Peabody Asset Allocation Fund and Kidder, Peabody California Tax Exempt Money Fund, Inc. Kidder, Peabody Asset Management, Inc., a subsidiary of Kidder, Peabody, is the investment adviser and administrator of each of the twelve open-end investment companies. The Sponsors have acted previously as managing underwriters of other investment companies. In addition to participating as a member of various underwriting and selling groups or as agent of other investment companies, the Sponsors also execute orders for the purchase and sale of securities of investment companies and sell securities to such companies in their capacities as brokers or dealers in securities.

Limitations on Liability

The Sponsors are jointly and severally liable for the performance of their obligations arising from their responsibilities under the Trust Agreement, but will be under no liability to Unit holders for taking any action or refraining from any action in good faith or for errors in judgment or responsible in any way for depreciation or loss incurred by reason of the sale of any Bonds, except in cases of willful misfeasance, bad faith, gross negligence or reckless disregard of their obligations and duties. (See "Tax Exempt Securities Trust - Portfolio" and "Sponsors - Responsibility.")

Responsibility

The Sponsors are empowered to direct the Trustee to dispose of Bonds or deposited Units of other trusts when certain events occur that adversely affect the value of the Bonds, including default in payment of interest or principal, default in payment of interest or principal on other obligations of the same issuer, institution of legal proceedings, default under other documents adversely affecting debt service, decline in price or the occurrence of other market or credit factors, or decline in projected income pledged for debt service on revenue bonds and advanced refunding that, in the opinion of the Sponsors, may be detrimental to the interests of the Unit holders.

The Sponsors intend to provide portfolio services for each Trust in order to determine whether the Trustee should be directed to dispose of any such Bonds.

It is the responsibility of the Sponsors to instruct the Trustee to reject any offer made by an issuer of any of the Bonds to issue new obligations in exchange and substitution for any Bonds pursuant to a refunding or refinancing plan, except that the Sponsors may instruct the Trustee to accept such an offer or to take any other action with respect thereto as the Sponsors may deem proper if the issuer is in default with respect to such Bonds or in the judgment of the Sponsors the issuer will

probably default in respect to such Bonds in the foreseeable future. Any obligations so received in exchange or substitution will be held by the Trustee subject to the terms and conditions of the Trust Agreement to the same extent as Bonds originally deposited thereunder. Within five days after the deposit of obligations in exchange or substitution for underlying Bonds, the Trustee is required to give notice thereof to each Unit holder, identifying the Bonds eliminated and the Bonds substituted therefor.
Except as stated in this paragraph, the acquisition by a Trust of any securities other than the Bonds initially deposited in the Trust is prohibited.

Smith Barney Shearson Inc. has been appointed by Kidder, Peabody & Co. Incorporated as agent for purposes of taking any action required or permitted to be taken by the Sponsors under the Trust Agreement. If the Sponsors are unable to agree with respect to action to be taken jointly by them under the Trust Agreement and they cannot agree as to which Sponsor shall act as sole Sponsor, then Smith Barney Shearson Inc. shall act as sole Sponsor. If one of the Sponsors fails to perform its duties under the Trust Agreement or becomes incapable of acting or becomes bankrupt or its affairs are taken over by public authorities, that Sponsor is automatically discharged under the Trust Agreement and the remaining Sponsor acts as Sponsor.

Resignation

Any Sponsor may resign provided that at the time of such resignation each remaining Sponsor maintains a net worth of $1,000,000 and is agreeable to such resignation. Concurrently with or subsequent to such resignation a new Sponsor may be appointed by the remaining Sponsor and the Trustee to assume the duties of the resigning Sponsor. If all Sponsors resign or otherwise fail or become unable to perform their duties under the Trust Agreement, and no express provision is made for action by the Trustee in such event, the Trustee may appoint a successor sponsor or terminate the Trust Agreement and liquidate the affected Trusts.

TRUSTEE

The Trustee is United States Trust Company of New York, with its principal place of business at 114 West 47th Street, New York, New York 10036. United States Trust Company of New York has, since its establishment in 1853, engaged primarily in the management of trust and agency accounts for individuals and corporations. The Trustee is a member of the New York Clearing House Association and is subject to supervision and examination by the Superintendent of Banks of the State of New York, the Federal Deposit Insurance Corporation and the Board of Governors of the Federal Reserve System. In connection with the storage and handling of certain Bonds deposited in the Trust, the Trustee may use the services of The Depository Trust Company. These services may include safekeeping of the Bonds and coupon-clipping, computer book-entry transfer and institutional delivery services. The Depository Trust Company is a limited purpose trust company organized under the Banking Law of the State of New York, a member of the Federal Reserve System and a clearing agency registered under the Securities Exchange Act of 1934.

Limitations on Liability

The Trustee shall not be liable or responsible in any way for depreciation or loss incurred by reason of the disposition of any monies, securities or certificates or in respect of any evaluation or for any action taken in good faith reliance on prima facie properly executed documents except in cases of willful misfeasance, bad faith, gross negligence or reckless disregard for its obligations and duties. In addition, the Trustee shall not be personally liable for any taxes or other governmental charges imposed upon or in respect of a Trust which the Trustee may be required to pay under current or future law of the United States or any other taxing authority having jurisdiction. (See"Tax Exempt Securities Trust - Portfolio".) For information relating to the responsibilities and indemnification of the Trustee under the Trust Agreement, reference is made to the material set forth under "Rights of Unit Holders," "Sponsors - Resignation" and "Other Charges".

Resignation

By executing an instrument in writing and filing the same with the Sponsors, the Trustee and any successor may resign. In such an event, the Sponsors are obligated to appoint a successor trustee as soon as possible. If the Trustee becomes incapable of acting or becomes bankrupt or its affairs are taken over by public authorities, the Sponsors may remove the Trustee and appoint a successor as provided in the Trust Agreement. Such resignation or removal shall become effective upon the acceptance of appointment by the successor trustee. If no successor has accepted the appointment within thirty days after notice of resignation, the retiring trustee may apply to a court of competent jurisdiction for the appointment of a successor. The resignation or removal of a trustee becomes effective only when the successor trustee accepts its appointment as such or when a court of competent jurisdiction appoints a successor trustee.

EVALUATOR

The Evaluator is Kenny S&P Evaluation Services, a division of Kenny Information Systems, Inc., with main offices located at 65 Broadway, New York, New York 10006.

Limitations on Liability

The Trustee, Sponsors and Unit holders may rely on any evaluation furnished by the Evaluator and shall have no responsibility for the accuracy thereof. Determinations by the Evaluator under the Trust Agreement shall be made in good faith upon the basis of the best information available to it; provided, however, that the Evaluator shall be under no liability to the Trustee, the Sponsors or Unit holders for errors in judgment. But this provision shall not protect the Evaluator in cases of willful misfeasance, bad faith, gross negligence or reckless disregard of its obligations and duties.

Responsibility

The Trust Agreement requires the Evaluator to evaluate the Bonds of a Trust on the basis of their bid prices on the last business day of June and December in each year, on the day on which any Unit of such Trust is tendered for redemption and on any other day such evaluation is desired by the Trustee or is requested by the Sponsors. For information relating to the responsibility of the Evaluator to evaluate the Bonds on the basis of their bid prices, see "Public Offering - Offering Price".

Resignation

The Evaluator may resign or may be removed by the joint action of the Sponsors and the Trustee, and in such event, the Sponsors and the Trustee are to use their best efforts to appoint a satisfactory successor. Such resignation or removal shall become effective upon the acceptance of appointment by a successor evaluator. If upon resignation of the Evaluator no successor has accepted appointment within thirty days after notice of resignation, the Evaluator may apply to a court of competent jurisdiction for the appointment of a successor.

AMENDMENT AND TERMINATION OF THE TRUST AGREEMENT

Amendment

The Sponsors and the Trustee have the power to amend the Trust Agreement without the consent of any of the Unit holders when such an amendment is (1) to cure any ambiguity or to correct or supplement any provision of the Trust Agreement which may be defective or inconsistent with any other provision contained therein, or (2) to make such other provisions as shall not adversely affect the interests of the Unit holders; provided, that the Trust Agreement is not amended to increase the number of Units issuable thereunder or to permit the deposit or acquisition of securities either in addition to or in substitution for any of the Bonds initially deposited in a Trust, except for the substitution of certain refunding securities for such Bonds or to permit the Trustee to engage in business or investment activities not specifically authorized in the Trust Agreement as originally adopted. In the event of any amendment, the Trustee is obligated to notify promptly all Unit holders of the substance of such amendment.

Termination

The Trust Agreement provides that if the principal amount of Bonds is less than 50% of the principal amount of the Bonds originally deposited in such Trust, the Trustee may in its discretion and will, when directed by the Sponsors, terminate such Trust. A Trust may be terminated at any time by 100% of the Unit holders. See Part A for additional optional and mandatory termination provisions. However, in no event may a Trust continue beyond the Mandatory Termination Date set forth under Part A, "Summary of Essential Information". In the event of termination, written notice thereof will be sent by the Trustee to all Unit holders. Within a reasonable period after termination, the Trustee will sell any Bonds remaining in the affected Trust, and, after paying all expenses and charges incurred by such Trust, will distribute to each Unit holder, upon surrender for cancellation of his certificate for Units, his pro rata share of the balances remaining in the Interest and Principal Account of such Trust.

LEGAL OPINIONS

Certain legal matters in connection with the Trusts have been passed upon by Messrs. Cahill Gordon & Reindel, a partnership including professional corporations, 80 Pine Street, New York, New York 10005, as special counsel for the Sponsors. Messrs. Carter, Ledyard & Milburn, 2 Wall Street, New York, New York 10005, act as counsel for the Trustee.

AUDITORS

The Statements of Financial Condition and Portfolio of Securities of a trust included in this Prospectus have been audited by KPMG Peat Marwick, independent auditors, as indicated in their report with respect thereto, and are included herein in reliance upon the authority of said firm as experts in giving said report.

BOND RATINGS

All ratings except those identified otherwise are by Standard & Poor's Corporation.

Standard & Poor's Corporation

A Standard & Poor's corporate or municipal bond rating is a current assessment of the creditworthiness of an obligor with respect to a specific debt obligation. This assessment of creditworthiness may take into consideration obligors such as guarantors, insurers, or lessees.

The bond rating is not a recommendation to purchase or sell a security, inasmuch as it does not comment as to market price or suitability for a particular investor.

The ratings are based on current information furnished to Standard & Poor's by the issuer and obtained by Standard & Poor's from other sources it considers reliable. The ratings may be changed, suspended or withdrawn as a result of changes in, or unavailability of, such information.

The ratings are based, in varying degrees, on the following considerations:

I. Likelihood of default - capacity and willingness of the obligor as to the timely payment of interest and repayment of principal in accordance with the terms of the obligation;

II. Nature of and provisions of the obligation; and

III. Protection afforded by, and relative position of, the obligation in the event of bankruptcy, reorganization or other arrangement under the laws of bankruptcy and other laws affecting creditors' rights.

A summary of the meaning of the applicable rating symbols as published by Standard & Poor's follows:

AAA - This is the highest rating assigned by Standard & Poor's to a debt obligation and indicates an extremely strong capacity to pay interest and repay principal.

AA - Bonds rated AA have a very strong capacity to pay interest and repay principal, and in the majority of instances differ from AAA issues only in small degrees.

A - Bonds rated A have a strong capacity to pay interest and repay principal, although they are somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than bonds in higher-rated categories.

BBB - Bonds rated BBB are regarded as having an adequate capacity to pay interest and repay principal. Whereas they normally exhibit adequate protection parameters, adverse economic conditions or changing circumstances are more likely to lead to weakened capacity to pay interest and repay principal for bonds in this category than for bonds in the higher-rated categories.

BB, B, CCC, CC, C - Debt rated BB, B, CCC, CC and C is regarded, on balance, as predominantly speculative with respect to capacity to pay interest and repay principal in accordance with the terms of the obligation. BB indicates the lowest degree of speculation and C the highest degree of speculation. While such debt will likely have some quality and protective characteristics, these are outweighed by large uncertainties or major risk exposures to adverse conditions.

Plus(+) or Minus(-): To provide more detailed indications of credit quality, the ratings from "AA" to "CCC" may be modified by the addition of a plus or minus sign to show relative standing within the major rating categories.

Provisional Ratings: The letter "p" following a rating indicates the rating is provisional. A provisional rating assumes the successful completion of the project being financed by the issuance of the bonds being rated and indicates that payment of debt service requirements is largely or entirely dependent upon the successful and timely completion of the project. This rating, however, while addressing credit quality subsequent to completion, makes no comment on the likelihood of, or the risk of default upon failure of, such completion. Accordingly, the investor should exercise his own judgment with respect to such likelihood and risk.

Conditional Ratings: Indicated by "Con" are given to bonds for which the continuance of the security rating is contingent upon Standard & Poor's receipt of an executed copy of the escrow agreement or closing issuance of insurance by the respective insurance company.

Moody's Investors Service

A brief description of the applicable Moody's Investors Service's rating symbols and their meanings is as follows:

Aaa - Bonds which are rated Aaa are judged to be of the best quality. They carry the smallest degree of investment risk and are generally referred to as "gilt edge". Interest payments are protected by a large or by an exceptionally stable margin and principal is secure. While the various protective elements are likely to change, such changes as can be visualized are most unlikely to impair the fundamentally strong position of such issues.

Aa - Bonds which are rated Aa are judged to be of high quality by all standards. Together with the Aaa group, they comprise what are generally known as high grade bonds. Aa bonds are rated lower than the best bonds because margins of protection may not be as large as in Aaa securities or fluctuation of protective elements may be of greater amplitude or there may be other elements present which make the long-term risks appear somewhat larger than in Aaa securities.

A - Bonds which are rated A possess many favorable investment attributes and are to be considered as upper medium grade obligations. Factors giving security to principal and interest are considered adequate, but elements may be present which suggest a susceptibility to impairment sometime in the future.

Baa - Bonds which are rated Baa are considered as medium grade obligations; i.e., they are neither highly protected nor poorly secured. Interest payments and principal security appear adequate for the present but certain protective elements may be lacking or may be characteristically unreliable over any great length of time. Such bonds lack outstanding investment characteristics and in fact have speculative characteristics as well.

Ba - Bonds which are rated Ba are judged to have speculative elements; their future cannot be considered as well assured. Often the protection of interest and principal payments may be very moderate and thereby not well safeguarded during both good and bad times over the future. Uncertainty of position characterizes bonds in this class.

B - Bonds which are rated B generally lack characteristics of the desirable investment. Assurance of interest and principal payments or of maintenance of other terms of the contract over any long period of time may be small.

Caa - Bonds which are rated Caa are of poor standing. Such issues may be in default or there may be present elements of danger with respect to principal or interest.

Ca - Bonds which are rated Ca represent obligations which are speculative in a high degree. Such issues are often in default or have other marked shortcomings.

C - Bonds which are rated C are the lowest rated class of bonds and issues so rated can be regarded as having extremely poor prospects of ever attaining any real investment standing.

Note: Those municipal bonds in the Aa, A, Baa, Ba and B groups which Moody's believes possess the strongest investment attributes are designated by the symbols Aa1, A1, Baa1, Ba1 and B1, respectively. In addition, Moody's applies numerical modifiers, 1, 2, and 3 in each generic rating classification from Aa through B in its corporate bond rating system. The modifier 1 indicates that the security ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates that the issue ranks in the lower end of its generic rating category. Although Industrial Revenue Bonds and Environmental Control Revenue Bonds are tax-exempt issues, they are included in the corporate bond rating system.

Conditional ratings, indicated by "Con" are given to bonds for which the security depends upon the completion of some act or the fulfillment of some condition. These are bonds secured by (a) earnings of projects under construction, (b) earnings of projects unseasoned in operating experience, (c) rentals which begin when facilities are completed, or (d) payments to which some other limiting condition attaches. A parenthetical rating denotes probable credit stature upon completion of construction or elimination of basis of condition.

Note: NR indicates, among other things, that no rating has been requested, that there is insufficient information on which to base a rating, or that Standard & Poor's Corporation and Moody's Investors Service do not rate a particular type of obligation as a matter of policy. Subsequent to the Date of Deposit the credit characteristics of the Issuers of Securities may have changed. Currently, certain of the Securities in the Portfolio of a Trust may be unrated and have credit characteristics comparable to securities rated below the minimum requirements of such Trust for acquisition of a Security. See

Part A - "Portfolio of Securities" herein to ascertain the ratings on the Securities, if any, on the date of the Portfolios of Securities.

Fitch Investors Service, Inc.

A brief description of the applicable Fitch Investors Service, Inc. rating symbols and their meanings is as follow:

AAA - Bonds which are considered to be investment grade and of the highest credit quality. The obligor has an exceptionally strong ability to pay interest and repay principal, which is unlikely to be affected by reasonably foreseeable events.

AA - Bonds which are considered to be investment grade and of very high credit quality. The obligor's ability to pay interest and repay principal is very strong although not quite as strong as bonds rated AAA.

A - Bonds which are considered to be investment grade and of high credit quality. The obligor's ability to pay interest and repay principal is considered to be strong, but may be more vulnerable to adverse changes in economic conditions and circumstances than bonds with higher ratings.

BBB - Bonds which are considered to be investment grade and of satisfactory credit quality. The obligor's ability to pay interest and repay principal is considered to be adequate. Adverse changes in economic conditions and circumstances, however, are more likely to have adverse impact on these bonds, and therefore impair timely payment. The likelihood that these bonds will fall below investment grade is higher than for bonds with higher ratings.

Plus (+) Minus (-) - Plus and minus signs are used with a rating symbol to indicate the relative position of a credit within the rating category. Plus and minus signs, however, are not used in the `AAA', `DDD', `DD' or `D' categories.

Conditional - A conditional rating is promised on the successful completion of a project of the occurrence of a specific event.

Duff & Phelps Credit Rating Co.

A brief description of the applicable Duff & Phelps Credit Rating Co. rating symbols and their meanings is as follows:

AAA-Highest credit quality. The risk factors are negligible, being only slightly more than for risk-free U.S. Treasury debt.

AA-High credit quality. Protection factors are strong. Risk is modest but may vary slightly from time to time because of economic conditions.

A-Protection factors are average but adequate. However, risk factors are more variable and greater in periods of economic stress.

BBB-Below average protection factors but still considered sufficient for prudent investment. Considerable variability in risk during economic cycles.

NR- Not rated (credit characteristics comparable to A or better on the Date of Deposit).

[/TEXT]

<TABLE>
Prospectus
This Prospectus contains information concerning the Trust and the Sponsors, but does not contain all the information set forth in the registration statements and exhibits relating thereto, which the Trust has filed with the Securities and Exchange Commission, Washington, D.C. under the Securities Act of 1933 and the Investment Company Act of 1940, and to which reference is hereby made.

<S>
<C>
Index:
Page

23,404 Units

PROSPECTUS

Dated February 25, 1994

Sponsors

SMITH BARNEY SHEARSON INC.. . . . .

1345 Avenue of the Americas

New York, New York 10105

(800) 298-UNIT

&

KIDDER, PEABODY & CO.

Incorporated

10 Hanover Square

New York, New York 10005

(212) 747-5951

This Prospectus does not constitute an offer to sell, or a solicitation

of an offer to buy, securities in any state to any person to whom it is
not lawful to make such offer in such state.
</TABLE>

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

CONTENTS OF REGISTRATION STATEMENT

This Post-Effective Amendment to the Registration Statement on Form S-6 comprises the following papers and documents:

The facing Sheet on Form S-6.

The cross-reference sheet.

The Prospectus consisting of pages A-1 - A-   , and 1-   , back cover.

Signatures.

Written consents of the following persons:

KPMG Peat Marwick

Kenny S&P Evaluation Services,
a division of Kenny Information Systems, Inc.
(included in Exhibit 4.6A)

The following exhibits:
*4.6A - Consent of Kenny S&P Evaluation Services, a division of Kenny Information Systems, Inc. as Evaluator.

* Filed herewith.

KENNY S&P EVALUATION SERVICES
A Division of Kenny Information Systems, Inc.
65 Broadway
New York, New York, 10006-2511
Telephone 212/770-4000

Smith Barney Shearson
Incorporated
1345 Avenue of the Americas
New York, NY   10105

RE:Tax Exempt Securities Trust
Series 315

Gentlemen:

We have examined the post-effective Amendment to the Registration Statement File No. 33-32007 for the above-captioned trust. We hereby acknowledge that Kenny S&P Evaluation Services, a division of Kenny Information Systems, Inc. is currently acting as the evaluator for the trust. We hereby consent to the use in the Amendment of the reference to Kenny S&P Evaluation Services, a division of Kenny Information Systems, Inc. as evaluator.

In addition, we hereby confirm that the ratings indicated in the above-referenced Amendment to the Registration Statement for the respective bonds comprising the trust portfolio are the ratings currently indicated in our KENNYBASE database.

You are hereby authorized to file a copy of this letter with the Securities and Exchange Commission.

Sincerely,

F.A. Shinal
Senior Vice President

Chief Financial Officer

tru:l-31

CONSENT OF COUNSEL

The consent of counsel to the use of their name in the Prospectus included in this Post-Effective Amendment to the Registration Statement ("Post-Effective Amendment") is contained in their opinion filed as Exhibit 3.1 to the Registration Statement.

CONSENT OF INDEPENDENT AUDITORS

We consent to the use of our report dated February 8, 1994 included herein and to the reference to our firm under the heading "AUDITORS" in the prospectus.

KPMG PEAT MARWICK

New York, New York

February 9, 1994

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant, Tax Exempt Securities Trust, Series 000, certifies that it meets all the requirements for effectiveness of this Post-Effective Amendment pursuant to Rule 485(b) under the Securities Act of 1933 and has duly caused this Post-Effective Amendment to be signed on its behalf by the undersigned thereunto duly authorized, in the City of New York, and State of New York on the 9th day of February, 1994.

Signatures appear on pages II-3 and II-4.

A majority of the members of the Board of Directors of Smith Barney Shearson Incorporated have signed this Post-Effective Amendment pursuant to Powers of Attorney authorizing the person signing this Post-Effective Amendment to do so on behalf of such members.

These Powers of Attorney were filed with the Securities and Exchange Commission under the Securities Act of 1933 with the Registration Statement of Tax Exempt Securities Trust, Appreciation Series 7, Registration No. 2-78499 and with the Registration Statement of Tax Exempt Securities Trust, Series 110, Intermediate Term Series 15 and Short-Intermediate Term Series 13, Registration Nos. 2-97179, 2-95591 and 2-96184, respectively, with the Registration Statement of Tax Exempt Securities Trust, Series 284, Amendment No. 2, Registration No. 33-22777, with the Registration Statement of Tax Exempt Securities Trust, Series 295, Amendment No. 1, Registration No. 33-26376, and with the Registration Statement of Tax Exempt Securities Trust, Series 335, Amendment No. 1, Registration No. 33-37952.

A majority of the members of the Board of Directors of Kidder, Peabody & Co. Incorporated have signed this Post-Effective Amendment pursuant to Powers of Attorney authorizing the person signing this Post-Effective Amendment to do so on behalf of such members. These Powers of Attorney were filed with the Securities and Exchange Commission under the Securities Act of 1933 as an exhibit to the Registration Statement of Tax Exempt Securities Trust, Series 303, Post-Effective Amendment No. 1, Registration No. 33-28378.

TAX EXEMPT SECURITIES TRUST

BY SMITH BARNEY SHEARSON INC.

By

(George S. Michinard, Jr.)

By the following persons,* who constitute a majority of the directors of Smith Barney Shearson Incorporated:

Steven D. Black
James S. Boshart III

Robert K. Difazio
James Dimon
Robert Druskin
Toni A. Elliot
Lewis L. Glucksman
John B. Hoffman
A. Richard Janiak, Jr.
Robert Q. Jones
Robert B. Kane
Jeffrey B. Lane
Thomas A. Maguire
Howard D. Marsh
William J. Mills II
John C. Morris
A. George Saks
Bruce D. Sargent
Melvin B. Taub
Jacques S. Theriot
Stephen J. Treadway
Paul Underwood
Philip M. Waterman, Jr.

By

(George S. Michinard, Jr.
Attorney-in-Fact)

* Pursuant to Powers of Attorney previously filed.

TAX EXEMPT SECURITIES TRUST

By Kidder, Peabody & Co. Incorporated

By

(Gilbert R. Ott, Jr.)

By the following persons*, who constitute a majority

of the directors of Kidder, Peabody & Co. Incorporated:

Edward A. Cerullo

Michael A. M. Keehner

John M. Liftin

James A. Mullin

Richard W. O'Donnell

Thomas F. Ryan, Jr.

By

(Gilbert R. Ott, Jr.
Attorney-in-Fact)

___
* Pursuant to Powers of Attorney previously filed.