

SECURITIES AND EXCHANGE COMMISSION

FORM S-3

Registration statement for specified transactions by certain issuers

Filing Date: **1996-03-22**
SEC Accession No. **0000225300-96-000005**

([HTML Version](#) on secdatabase.com)

FILER

EQUITABLE OF IOWA COMPANIES

CIK: **225300** | IRS No.: **421083593** | State of Incorporation: **IA** | Fiscal Year End: **1231**
Type: **S-3** | Act: **33** | File No.: **333-01909** | Film No.: **96537656**
SIC: **5311** Department stores

Mailing Address
*604 LOCUST STREET
DES MOINES IA 50306*

Business Address
*604 LOCUST ST
PO BOX 1635
DES MOINES IA 50306
5152456911*

EQUITABLE OF IOWA COMPANIES CAPITAL TRUST

CIK: **1010439** | State of Incorporation: **DE** | Fiscal Year End: **1231**
Type: **S-3** | Act: **33** | File No.: **333-01909-01** | Film No.: **96537657**

Mailing Address
*604 LOCUST STREET
P O BOX 1635
DES MOINES IA 50306-1635*

Business Address
*604 LOCUST STREET
P O BOX 1635
DES MOINES IA 50306-1635
5152456887*

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-3
REGISTRATION STATEMENT
UNDER THE SECURITIES ACT OF 1933

Equitable of Iowa Companies	Iowa	42-1083593
Equitable of Iowa Companies Capital Trust	Delaware	To Be Applied For

(Exact name of the Registrants as specified in their respective charters)	(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
---	--	--

604 Locust Street
P.O. Box 1635
Des Moines, Iowa 50306-1635
(515) 245-6911

(Address, including zip code, and telephone number, including area code,
of each Registrant's principal executive offices)

John A. Merriman, Esq.
General Counsel and Secretary
604 Locust Street
P.O. Box 1635
Des Moines, Iowa 50306-1635
(515) 245-6787

(Name, address, including zip code, and telephone number,
including area code, of agent for service for each Registrant)

Copies to:

G. R. Neumann
Nyemaster, Goode, McLaughlin,
Voigts, West, Hansell & O'Brien, P.C.
1900 Hub Tower
Des Moines, Iowa 50309
(515) 283-3121

Lynn Soukup
Shaw, Pittman, Potts
& Trowbridge
2300 N Street, NW
Washington, D.C. 20037
(202) 663-8000

Approximate date of commencement of proposed sale to the public: From time to time after the Registration Statement becomes effective, as determined by market conditions.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. []

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box. [X]

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. []

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. []

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box: [X]

<TABLE>
<CAPTION>

CALCULATION OF REGISTRATION FEE

=====				
Title of Each Class of Securities to be Registered	Amount to be Registered (1)	Proposed Maximum Offering Price Per Unit (3) (4)	Proposed Maximum Aggregate Offering Price (3) (4)	Amount of Registration Fee (2) (3)
<S>	<C>	<C>	<C>	<C>
Debt Securities of Equitable of Iowa Companies				
Preferred Stock(5) of Equitable of Iowa Companies, without par value				
Common Stock(5) (6) of Equitable of Iowa Companies, without par value				
Preferred Securities of Equitable of Iowa Companies Capital Trust				
Guarantee(7) of				

Preferred Securities
of Equitable of Iowa
Companies Capital
Trust by Equitable
of Iowa Companies

Warrants of Equitable
of Iowa Companies

Total	\$300,000,000	100%	\$300,000,000	\$94,828.25
-------	---------------	------	---------------	-------------

=====

<FN>

- (1) Such indeterminate number or amount of Debt Securities, Preferred Stock and Common Stock of Equitable of Iowa Companies, Preferred Securities of Equitable of Iowa Companies Capital Trust and Warrants of Equitable of Iowa Companies as may from time to time be issued at indeterminate prices. Debt Securities of Equitable of Iowa Companies may be issued and sold to Equitable of Iowa Companies Capital Trust, in which event such Debt Securities may later be distributed to the holders of Preferred Securities of Equitable of Iowa Companies Capital Trust upon its dissolution and the distribution of the assets thereof. The amount registered is in United States dollars or the equivalent thereof in any other currency, currency unit or units, or composite currency or currencies.
- (2) Does not include the filing fee of \$8,620.75 associated with certain securities which has been previously paid, being carried forward pursuant to Rule 429 under the Securities Act of 1933, as described in the last paragraph of this cover page.
- (3) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457. The aggregate offering price of the Debt Securities, Preferred Stock, Common Stock, Preferred Securities and Warrants, and the exercise price of any Securities issuable upon exercise of Warrants registered hereby will not exceed \$300,000,000.
- (4) Exclusive of accrued interest and distributions, if any.
- (5) Also includes such indeterminate number of shares of Preferred Stock and Common Stock as may be issued upon conversion of or exchange for any Debt Securities or Preferred Stock that provide for conversion or exchange into other securities. No separate consideration will be received for the Preferred Stock or Common Stock issuable upon conversion of or in exchange for Debt Securities or Preferred Stock.
- (6) Includes Common Share Purchase Rights ("Rights"). The Rights are associated with and trade with the Common Stock. The value, if any, attributable to the Rights is reflected in the market price of the Common Stock.
- (7) Includes back-up undertakings, consisting of obligations of Equitable of Iowa Companies to provide certain indemnities in respect of, and pay

and be responsible for certain expenses and debts of Equitable of Iowa Companies Capital Trust. No separate consideration will be received for the Guarantee or any back-up undertakings.

</TABLE>

The Registrants hereby amend this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrants shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to Section 8(a), may determine.

Pursuant to Rule 429 under the Securities Act of 1933, the Prospectus contained herein constitutes a combined Prospectus that also relates to \$25,000,000 unsold principal amount of the debt securities previously registered pursuant to Equitable of Iowa Companies Registration Statement on Form S-3 (File No. 33-57343). This Registration Statement constitutes Post-Effective Amendment No. 1 to Registration Statement on Form S-3 (File No. 33-57343) pursuant to which the total amount of unsold debt securities previously registered on Registration Statement on Form S-3 (File No. 33-57343) may be offered and sold as Debt Securities, Preferred Stock, Common Stock, Preferred Securities and Warrants, without limitation as to class of securities, together with the securities registered hereunder, through the use of the combined Prospectus included herein. In the event any such previously registered debt securities are offered prior to the effective date of this Registration Statement, they will not be included in any Prospectus hereunder.

Subject to Completion, Dated March 22, 1996

[Legend on Left Hand Margin]

Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This prospectus shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any State in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such State.

\$300,000,000

EQUITABLE OF IOWA COMPANIES

Debt Securities, Preferred Stock, Common Stock and Warrants

EQUITABLE OF IOWA COMPANIES CAPITAL TRUST

Preferred Securities Guaranteed to the Extent Set Forth Herein
by Equitable of Iowa Companies

Equitable of Iowa Companies (the "Company") may from time to time offer, together or separately, (i) its unsecured debt securities (the "Debt Securities"), (ii) shares of its serial preferred stock, without par value (the "Preferred Stock"), (iii) shares of its common stock, without par value (the "Common Stock") and (iv) warrants to purchase Debt Securities, Preferred Stock or Common Stock or any combination thereof, as shall be designated by the Company at the time of the offering (the "Warrants") in amounts, at prices and on terms to be determined at the time of the offering.

Equitable of Iowa Companies Capital Trust, a statutory business trust formed under the laws of the State of Delaware ("Equitable Trust"), may offer preferred securities, representing undivided beneficial interests in the assets of Equitable Trust ("Preferred Securities"). The payment of periodic cash distributions ("Distributions") with respect to Preferred Securities out of moneys held by Equitable Trust, and payments on liquidation, redemption or otherwise with respect to such Preferred Securities, will be guaranteed (a "Trust Guarantee") by the Company to the extent described herein. See "Description of Trust Guarantee." The Company's obligations under the Trust Guarantee will rank junior and subordinate in right of payment to all other liabilities of the Company and pari passu with its obligations under the senior most preferred or preference stock of the Company. See "Description of Trust Guarantee - Status of Trust Guarantees." Debt Securities may be issued and sold by the Company to Equitable Trust or a trustee of Equitable Trust in connection with the investment of the proceeds from the offering of Preferred Securities and Common Securities (as defined herein). The Debt Securities purchased by Equitable Trust may be subsequently distributed pro rata to holders of Preferred Securities and Common Securities in connection with the dissolution of Equitable Trust, upon the occurrence of certain events as may be described in an accompanying Prospectus Supplement. The Debt Securities, Preferred Stock, Common Stock, Warrants and Preferred Securities are collectively called the "Securities".

The Securities may be offered as separate series or issuances at an aggregate initial public offering price not to exceed \$300,000,000 or, if applicable, the equivalent thereof in one or more foreign currencies, currency units, composite currencies or in amounts determined by reference to an index as shall be designated by the Company or Equitable Trust, in amounts, at prices and on terms to be determined in light of market conditions at the time of sale and set forth in the applicable Prospectus Supplement.

Certain specific terms of the particular Securities in respect of which this Prospectus is being delivered will be set forth in an accompanying supplement to this Prospectus (the "Prospectus Supplement") which will describe, without limitation and where applicable, (i) in the case of Debt Securities, the specific designation, aggregate principal amount, ranking as senior or subordinated debt securities, denominations, maturity, any interest rate (which may be fixed or variable) and time and method of calculating payment of any interest, any premium, dates on which any premium or any interest are payable, any terms for redemption, any terms for sinking fund payments, any terms for conversion or exchange into other securities, any right of the Company to defer payment of interest on the Debt Securities, and the maximum length of such deferral period, subordination terms, currency or currencies of denomination and payment, if other than U.S. dollars, the purchase price, any listing on a securities exchange and any other terms in connection with the offering and sale of the Debt Securities in respect of which this Prospectus is delivered; (ii) in the case of Preferred Stock, the specific designation, stated value and liquidation preference per share and number of shares offered, any dividend rate (including the method of calculating payment of dividends), place or places where dividends on such Preferred Stock will be payable, dates on which such dividends will be payable and dates from which such dividends shall accrue, seniority, redemption, voting and other rights, any terms for any conversion or exchange into other securities, the purchase price, any listing on a securities exchange, and any other terms; (iii) in the case of Common Stock, the number of shares of Common Stock, dividend information and the terms of offering thereof; (iv) in the case of Warrants, the specific designation, the number, the purchase price, the exercise price, any listing of the Warrants or the underlying securities on a securities exchange and any other terms in connection with the offering, sale and exercise of the Warrants; and (v) in the case of Preferred Securities, the specific designation, number of securities, liquidation preference per security, the purchase price, any listing on a securities exchange, distribution rate (or method of calculation thereof), dates on which distributions shall be payable and dates from which distributions shall accrue, any voting rights, terms for any conversion or exchange into other securities, any redemption, exchange or sinking fund provisions, any other rights, preferences, privileges, limitations or restrictions relating to the Preferred Securities and the terms upon which the proceeds of the sale of the Preferred Securities shall be used to purchase a specific series of Debt Securities of the Company. The Debt Securities may be issued in registered or bearer form, or both. If so specified in the applicable Prospectus Supplement, Securities may be issued in whole or in part in the form of one or more temporary or permanent global securities.

The Company's Common Stock is listed on the New York Stock Exchange under the trading symbol "EIC." Any Common Stock sold pursuant to a Prospectus Supplement will be listed on such exchange, subject to official notice of issuance.

The Securities may be sold by the Company or Equitable Trust directly, or

to or through underwriters or through dealers or agents. See "Plan of Distribution." The names of any underwriters, dealers or agents involved in the sale of the Securities in respect of which this Prospectus is being delivered and any applicable fee, commission or discount arrangements with them will be set forth in the applicable Prospectus Supplement. See "Plan of Distribution" for possible indemnification arrangements for dealers, underwriters and agents.

This Prospectus may not be used to consummate sales of Securities unless accompanied by a Prospectus Supplement.

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.

The date of this Prospectus is _____, 1996.

No person has been authorized to give any information or to make any representations other than those contained in this Prospectus, any accompanying Prospectus Supplement or the documents incorporated or deemed incorporated by reference herein, and any information or representations not contained herein or therein must not be relied upon as having been authorized by the Company or Equitable Trust or by any agent, dealer or underwriter. This Prospectus and any accompanying Prospectus Supplement do not constitute an offer to sell or a solicitation of an offer to buy the Securities in any circumstances in which such offer or solicitation is unlawful. The delivery of this Prospectus or any Prospectus Supplement at any time does not imply that the information herein or therein is correct as of any time subsequent to the date of such information.

AVAILABLE INFORMATION

The Company is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports, proxy statements and other information with the Securities and Exchange Commission (the "Commission"). Such reports, proxy statements and other information filed by the Company may be inspected and copied at the public reference facilities maintained by the Commission at Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549, and at the Commission's Regional Offices located at Suite 1400, Citicorp Center, 500 West Madison Street, Chicago, Illinois 60601, and 13th Floor, Seven World Trade Center, New York, New York 10048. Copies of such reports, proxy statements and other information can be obtained by mail from the Public Reference Section of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates. Copies of such reports, proxy statements and other information may also be inspected and copied at the offices of the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005.

The Company and Equitable Trust have filed with the Commission a Registration Statement on Form S-3 under the Securities Act of 1933, as amended, with respect to the Securities. This Prospectus does not contain all of the information set forth in the Registration Statement and the exhibits thereto, certain parts of which are omitted in accordance with the

rules and regulations of the Commission. Statements contained in this Prospectus or in any Prospectus Supplement as to the contents of any document are not necessarily complete and, in each instance, are qualified in all respects by reference to the copy of such document filed as an exhibit to the Registration Statement or otherwise filed with the Commission for a complete version of the provisions thereof.

No separate financial statements of Equitable Trust have been included or incorporated by reference herein. The Company does not consider that such financial statements would be material to holders of the Preferred Securities because (i) all of the voting securities of Equitable Trust will be owned, directly or indirectly, by the Company, a reporting company under the Exchange Act, (ii) Equitable Trust has no independent operations but exists for the sole purpose of issuing securities representing undivided beneficial interests in its assets and investing the proceeds thereof in Debt Securities issued by the Company, and (iii) the obligations of Equitable Trust under the Preferred Securities are fully and unconditionally guaranteed by the Company to the extent that Equitable Trust shall have funds available to meet such obligations. See "Description of Preferred Securities" and "Description of Trust Guarantees."

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The following documents filed by the Company with the Commission pursuant to the Exchange Act (File No. 0-8590) are incorporated by reference into this Prospectus and made a part hereof:

1. The Company's Annual Report on Form 10-K for the year ended December 31, 1995.
2. The descriptions of the Company's Common Stock, without par value, and its Shareholder Rights Agreement, as amended, contained in separate Form 8-A Registration Statements filed with the Commission on August 27, 1993 pursuant to Section 12 of the Exchange Act and any amendment or report filed for the purpose of updating those descriptions.
3. All other documents filed by the Company with the Commission pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the date of this Prospectus and prior to the termination of the offering of the Securities shall be deemed to be incorporated herein by reference and to be a part hereof from the date of filing of such documents.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein or in the accompanying Prospectus Supplement or contained herein or in the accompanying Prospectus Supplement shall be deemed to be supplemented, modified or superseded for purposes of this Prospectus or such Prospectus Supplement to the extent that a statement contained herein or therein or in any other subsequently filed document that also is or is deemed to be incorporated by reference herein or therein supplements, modifies or supersedes such statement. Any such

statement so supplemented, modified or superseded shall not be deemed, except as so supplemented, modified or superseded, to constitute a part of this Prospectus or any Prospectus Supplement.

The Company undertakes to provide without charge to each person to whom a copy of this Prospectus has been delivered, upon the written or oral request of any such person, a copy of any or all of the foregoing documents incorporated herein by reference. Such requests should be directed to Equitable of Iowa Companies, 604 Locust Street, P.O. Box 1635, Des Moines, Iowa 50306-1635, Attention: Secretary, telephone: (515) 245-6799.

THE COMPANY

Equitable of Iowa Companies, a Des Moines, Iowa based insurance holding company, is a provider of individual annuity and life insurance products, targeting middle-income individuals and small businesses throughout the United States. Through its primary insurance subsidiaries, Equitable Life Insurance Company of Iowa ("Equitable Life") and USG Annuity & Life Company ("USG"), the Company offers its products in 49 states and the District of Columbia. Equitable Life was founded in 1867 and is the oldest life insurance company west of the Mississippi River. The Company began actively marketing annuity products in 1988, principally through USG. The Company has had a rapid rate of growth in assets over the past few years, primarily as a result of increased demand for its annuity products.

The Company believes that, because of its diversified portfolio of annuity and life insurance products, it is well-positioned to take advantage of certain demographic and economic trends that are expected to increase demand for these types of products. These trends include: an aging "baby boomer" segment of the population that is increasingly concerned about retirement and estate planning; an increase in the number

of families that are concerned about maintaining their standard of living at retirement; and lower public confidence that government and employer-provided benefits at retirement will be sufficient.

The Company offers, through its insurance subsidiaries, a portfolio of life insurance and annuity products designed to meet the needs of its customers for supplemental retirement income, estate planning and protection from unexpected death. The Company requires that each of its products be priced to earn an adequate margin between the interest credited to the policyholder and the return earned by the Company on its investments.

Annuities. Annuities are long-term savings vehicles that are particularly attractive to customers over the age of 50 who are planning for retirement and seeking secure, tax-deferred savings products. The individual annuity business is a growing segment of the savings and retirement market, and among the fastest growing segments of the life insurance industry. Annuity products currently enjoy an advantage over certain other retirement savings products, because the payment of federal income taxes on interest credited on annuity policies is deferred during the investment accumulation period.

The Company offers a variety of annuity products. Single premium deferred annuities ("SPDAs"), in general, are savings vehicles in which the policyholder, or annuitant, makes a single premium payment to an insurance company. The insurance company credits the account of the annuitant with earnings at an interest rate (the "crediting rate"), which is declared by the insurance company from time to time and may exceed, but may not be lower than, any contractually guaranteed minimum crediting rate. The Company also offers flexible premium deferred annuities ("FPDAs"). FPDAs are deferred annuities in which the policyholder may elect to make more than one premium payment.

The Company's annuity products incorporate a number of features designed to reduce the early withdrawal or surrender of the policies and to partially compensate the Company for its costs if policies are withdrawn early. Under the terms of the Company's policies, the policyholder is permitted to withdraw all or part of the premium paid plus the amount credited to his or her account, less a surrender charge for withdrawals. Certain of the Company's deferred annuity contracts provide for penalty-free partial withdrawals, typically up to 10% of the accumulation value annually. Surrender charge periods on annuity policies currently typically range from five years to the term of the policy, with the majority of such policies currently being issued with a surrender charge period of seven years or more. The initial surrender charge on annuity policies generally ranges from 5% to 20% of the premium and decreases over the surrender charge period. In 1992, the Company introduced a number of annuity products in which a "market value adjustment" is applied to adjust the applicable surrender charge during the surrender charge period. More than half of the Company's new annuity sales currently incorporate a market value adjustment. The withdrawal rates of policyholder funds may be affected to some degree, however, by changes in interest rates.

In the fourth quarter of 1994, the Company introduced a variable annuity product. A variable annuity involves maintaining the policyholder premiums in a separate account. Policyholders have discretion to allocate their premiums among several available fund options. The cash surrender value of a variable annuity policy depends on the performance of these underlying funds, which the policyholder may reallocate from time to time. Similarly, during the variable annuity's payout period, the payments distributed to the annuitant fluctuate with the performance of the underlying funds selected by the annuitant. Variable annuities provide the Company with fee-based revenue in the form of management and administration fees charged to the policyholder's account.

Life Insurance Products. The Company offers a variety of traditional, universal and term life insurance products. Traditional life insurance policies incorporate a fixed premium schedule and combine guaranteed insurance protection with a savings feature. Traditional life policies cost more than comparable term life insurance coverage when the policyholder is younger, but less as the policyholder grows older. The policyholder may borrow against the accumulated cash value, with policy loans typically available at a rate of interest lower than that available from other lending sources. The policyholder may also choose to surrender the policy at any time and receive the accumulated cash value, less any applicable withdrawal charge, rather than continuing the insurance protection. The Company currently offers fixed premium current interest and other traditional life insurance products, and its insurance in force also includes participating policies.

Universal life insurance products provide whole life insurance and adjustable rates of return related to current interest rates. Policyholders may vary the frequency and size of their premium payments, although policy benefits may also fluctuate according to such payments.

Term life insurance policies provide insurance protection for unexpected death during the period in which the policy is in force, generally one, five, ten or twenty years. These products are designed to meet the customers' shorter-term needs because the policies do not have an investment feature and no cash value is built up. Term life premiums are accordingly lower than certain of the Company's other products. The Company's current term life products include annually renewable term and five-year, ten-year and fifteen-year renewable and convertible term policies.

In order to discourage early policy withdrawals and to partially compensate the Company for its costs if policies are terminated, all of the Company's universal life and interest-sensitive policies issued since 1986 have incorporated withdrawal charges or similar provisions.

Distribution. The Company maintains a diverse distribution network that seeks to provide high quality service to its customers, including the

Company's policyholders, agents, brokers and other producers, while controlling costs. The Company markets its products through a variable cost distribution network of over 53,000 licensed independent brokerage and career agents as well as through financial institutions, such as banks and thrifts. The Company competes with other life insurance companies and distributors of retirement savings products.

As a holding company, the Company's principal source of liquidity to meet its obligations (including any dividends, interest, principal and redemption payments with respect to the Securities) is distributions from its subsidiaries. The rights of the Company to participate in any distribution of earnings or assets of any of its subsidiaries (and thus the ability of the Company to use earnings and assets of its subsidiaries to pay its obligations under the Securities) are subject to state insurance regulatory and other statutory restrictions, including limitations on the amount of dividends that may be paid by the Company's insurance subsidiaries in any year without the prior approval of the state regulatory authorities, as more fully described in the notes to the Company's financial statements. Any such distributions are also subject to the prior claims of creditors of that subsidiary, including claims for policy benefits, debt obligations and other liabilities incurred in the ordinary course of business, except to the extent that the claims, if any, of the Company as a creditor of such subsidiary may be recognized.

The mailing address of the principal executive office of the Company is 604 Locust Street, P.O. Box 1635, Des Moines, Iowa 50306-1635 and the telephone number is 515-245-6911.

EQUITABLE TRUST

Equitable Trust is a statutory business trust formed under Delaware law pursuant to (i) a declaration of trust (the "Declaration") executed by the Company as sponsor for such trust (the "Sponsor"), and the Equitable Trustees (as defined herein) of such trust and (ii) the filing of a certificate of trust with the Secretary of State of the State of Delaware on March 19, 1996. Equitable Trust exists for the exclusive purposes of (i) issuing and selling the Preferred Securities and common securities representing undivided beneficial interests in the assets of Equitable Trust (the "Common Securities" and, together with the Preferred Securities, the "Trust Securities"), (ii) using the gross proceeds from the sale of the Trust Securities to acquire the Debt Securities and (iii) engaging in only those other activities necessary, appropriate, convenient or incidental thereto. All of the Common Securities will be directly or indirectly owned by the Company. The Common Securities will rank pari passu, and payments will be made thereon pro rata, with the Preferred Securities, except that, if an event of default under the Declaration has occurred and is continuing, the rights of the holders of the Common Securities to payment in respect of distributions and payments upon liquidation, redemption and otherwise will be subordinated to the rights of the holders of the Preferred Securities. The Company will directly or indirectly acquire

Common Securities, in an aggregate liquidation amount equal to at least 3% of the total capital of Equitable Trust.

Equitable Trust has a term of approximately 25 years but may terminate earlier, as provided in the Declaration. Equitable Trust's business and affairs will be conducted by the trustees (the "Equitable Trustees") appointed by the Company as the direct or indirect holder of all of the Common Securities. The holder of the Common Securities will be entitled to appoint, remove or replace any of, or increase or reduce the number of, the Equitable Trustees of Equitable Trust. The duties and obligations of the Equitable Trustees shall be governed by the Declaration. Equitable Trust will have three Equitable Trustees (the "Regular Trustees") who are employees or officers of or who are affiliated with the Company. One Equitable Trustee of Equitable Trust will be a financial institution that is not affiliated with the Company and has a minimum amount of combined capital and surplus of not less than \$50,000,000, which shall act as property trustee and as indenture trustee for the purposes of compliance with the provisions of Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), pursuant to the terms set forth in the applicable Prospectus Supplement (the "Property Trustee"). In addition, unless the Property Trustee maintains a principal place of business in the State of Delaware and otherwise meets the requirements of applicable law, one Equitable Trustee of Equitable Trust will be an entity having a principal place of business in, or a natural person resident of, the State of Delaware (the "Delaware Trustee"). The Company will pay all fees and expenses related to Equitable Trust and the offering of the Trust Securities.

The Property Trustee for Equitable Trust is the First National Bank of Chicago and its corporate trust office is at One First National Plaza, Suite 0126, Chicago, Illinois 60670-0126 Attention: Corporate Trust Services Division. The Delaware Trustee for Equitable Trust is First Chicago Delaware, Inc. and its address in the State of Delaware is c/o FCC National Bank, 300 King Street, Wilmington, Delaware 19801. The Delaware Trustee is an affiliate of the Property Trustee. The Property Trustee also serves as Trustee under the Indenture of the Company dated as of January 17, 1995, pursuant to which the Company has issued \$100,000,000 of its 8 1/2% Notes due 2005 and will issue any Debt Securities to Equitable Trust in connection with the issuance of Preferred Securities. The address for Equitable Trust is c/o Equitable of Iowa Companies, the Sponsor of Equitable Trust, at the Company's corporate headquarters located at 604 Locust Street, Des Moines, Iowa 50309-3705, telephone 515-245-6911.

USE OF PROCEEDS

Unless otherwise indicated in the accompanying Prospectus Supplement, the net proceeds received by the Company from the sale of any Debt Securities, Common Stock, Preferred Stock or Warrants offered hereby are expected to be used for general corporate purposes. The proceeds from the sale of Preferred Securities by Equitable Trust will be invested in the Debt

Securities of the Company. Except as may otherwise be described in the Prospectus Supplement relating to such Preferred Securities, the Company expects to use the net proceeds from the sale of such Debt Securities to Equitable Trust for general corporate purposes. Until the net proceeds are used for these purposes, the Company may deposit them in interest-bearing accounts or invest them in short-term marketable securities. The specific allocations, if any, of the proceeds of any of the Securities will be described in the Prospectus Supplement relating thereto.

RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth the historical ratios of earnings to fixed charges for the Company and its subsidiaries on a consolidated basis for each of the years ended December 31, 1991 through 1995. The ratio of consolidated earnings to fixed charges is calculated by dividing consolidated earnings (income from continuing operations before income taxes plus fixed charges) by fixed charges (interest expense on debt and a portion of rental expense).

<TABLE>

<CAPTION>

	Year Ended December 31				
<S>	<C>	<C>	<C>	<C>	<C>
	1995	1994	1993	1992	1991
Ratio of earnings to fixed charges	10.0	17.8	12.3	8.0	4.9

</TABLE>

DESCRIPTION OF DEBT SECURITIES

The following description of the terms of the Debt Securities sets forth certain general terms and provisions of the Debt Securities to which any Prospectus Supplement may relate. The particular terms of the Debt Securities offered by any Prospectus Supplement and the extent, if any, to which such general provisions may apply or do not apply to such Debt Securities, will be described in the Prospectus Supplement relating to such Debt Securities.

The Debt Securities may be issued in one or more series under an indenture between the Company and a trustee, a copy of which has been or will be included as an exhibit to or incorporated by reference in the Registration Statement of which this Prospectus is a part. Unless otherwise indicated in an accompanying Prospectus Supplement, the Debt Securities will be issued under an Indenture dated as of January 17, 1995 (as amended or supplemented from time to time, the "Indenture") between the Company and The First National Bank of Chicago, as Trustee (together with any successor thereto, the "Trustee"). The following summaries of certain provisions of the Indenture and the Debt Securities do not purport to be complete and are subject to, and

are qualified in their entirety by reference to, all provisions of the Indenture, a copy of which is incorporated by reference as an exhibit to the Registration Statement of which this Prospectus is a part. Certain terms defined in the Indenture are capitalized in this Prospectus. The parenthetical section references below are to the Indenture.

General

The Debt Securities will be unsecured obligations of the Company. The Indenture does not limit the aggregate principal amount of Debt Securities which may be issued thereunder. The Indenture provides that Debt Securities may be issued thereunder from time to time in one or more series, with different maturity dates, interest rates and other terms, and may be denominated and payable in United States dollars or in foreign currencies or units based on or relating to foreign currencies, in each case as authorized from time to time by the Company. Unless otherwise indicated in the applicable Prospectus Supplement, the Indenture also permits the Company to increase the principal amount of any series of Debt Securities previously issued and to issue additional securities of such series in such increased principal amount. (Section 2.3)

Reference is made to the applicable Prospectus Supplement which will accompany this Prospectus and which will set forth the following terms relating to the Debt Securities, to the extent applicable thereto: (1) the specific designation of the Debt Securities and authorized denominations thereof; (2) any limit on the aggregate principal amount of the Debt Securities; (3) the percentage of the principal amount representing the price for which the Debt Securities will be issued; (4) the date or dates, or method of determining the same, on which the principal of and premium, if any, on the Debt Securities will mature; (5) the rate or rates per annum (which may be fixed or variable) at which the Debt Securities will bear interest, if any, or the method by which such rate or rates will be determined, the date or dates from which any such interest will accrue or the method by which such date or dates will be determined, and the date or dates on which any such interest will be payable and (in the case of Debt Securities in registered form) the Record Dates for any interest payable on the Debt Securities or the method by which such dates will be determined; (6) any index used to determine the amount of principal, premium or interest payable on the Debt Securities; (7) any subordination of the Debt Securities to other indebtedness of the Company (including to any other series of Debt Securities) and the right of the Company, if any, to defer payment of interest on Debt Securities and the maximum length of any such deferral period; (8) any mandatory or optional redemption, repayment or sinking fund or analogous provisions, including the period or periods within or the date upon which, the price or prices at which, the currency or units based on or relating to foreign currencies in which and the terms and conditions upon which the Debt Securities may be redeemed or purchased, in whole or in part, at the option of the Company, at the option of the Holder thereof or otherwise; (9) whether the Debt Securities will be issuable in registered form or bearer form or both, and, if issuable in bearer form, the restrictions as to the offer, sale, delivery, transfer and exchange of the Debt Securities in bearer form or the payment of

interest thereon and the terms of exchanges between registered and bearer form; (10) whether the Debt Securities will be issuable in whole or in part in the form of one or more temporary or permanent Registered Global Securities and, if so, the identity of the Depository for such Registered Global Securities and the terms and conditions, if any, upon which such Registered Global Security or Securities may be exchanged in whole or in part for other definitive securities; (11) each office or agency where the principal of and premium and interest, if any, on the Debt Securities will be payable, and each office or agency where the Debt Securities may be presented for registration of transfer or exchange and where notices may be served upon the Company; (12) if other than in United States dollars, the foreign currency or the units based on or relating to foreign currencies in which the Debt Securities are denominated and/or in which the payment of the principal of and premium and interest, if any, on the Debt Securities will or may be payable; (13) any right of the Company to require a Holder to accept, or of a Holder to elect to receive, payment of the Debt Securities in a currency other than that in which they are denominated or stated to be payable; (14) if other than the stated principal amount thereof, the portion of the principal amount of the Debt Securities payable upon declaration of acceleration of the maturity of the Debt Securities and/or the method by which such amount shall be determined; (15) any variation to the provisions of the Indenture with respect to the satisfaction and discharge of the Company's indebtedness and obligations, or termination of certain of its covenants and Events of Default under the Indenture, with respect to the Debt Securities by deposit of money or Government Obligations; (16) any additions to or deletions from the Events of Default or covenants of the Company contained in the Indenture with respect to the Debt Securities; (17) any trustee (other than The First National Bank of Chicago), depository, currency determination agent, authenticating or paying agent, transfer agent, registrar or other agent with respect to the Debt Securities; (18) the person to whom any interest on any such Debt Security shall be payable if other than the person in whose name such Debt Security is registered on the applicable Record Date; (19) any United States federal income tax considerations applicable to holders of the Debt Securities; (20) any terms for conversion or exchange of the Debt Securities into other securities; and (21) any other terms of the Debt Securities which shall not adversely affect the interests of any Holders of any Debt Securities then outstanding. (Section 2.3)

Debt Securities may be issued bearing no interest or interest at a rate below the prevailing market rate at the time of issuance and may be offered and sold at a substantial discount below their stated principal amount. Certain United States federal income tax consequences and other special considerations applicable to any such discounted Debt Securities or to other Debt Securities offered and sold at par which are treated as having been issued at a discount for United States federal income tax purposes will be described in the Prospectus Supplement relating thereto. Certain United States federal income tax considerations and other information applicable to any Debt Securities denominated in or having principal, any premium or any interest payable in foreign currencies or in units based on or relating to foreign currencies will be described in the Prospectus Supplement relating thereto.

Unless the Prospectus Supplement relating thereto specifies otherwise, Debt Securities denominated in U.S. dollars will be issued only in denominations of \$1,000 or any integral multiple thereof. (Section 2.7) The Prospectus Supplement relating to a series of Debt Securities denominated in a foreign currency or currency unit will specify the denominations thereof.

Unless the Prospectus Supplement relating thereto specifies otherwise, the Debt Securities will be issued only in fully registered form without coupons. Debt Securities of a series may be issuable in whole or in part in the form of one or more Registered Global Securities, as described below under "Registered Global Securities." In such case, one or more Registered Global Securities will be issued in a denomination or aggregate denominations equal to the aggregate principal amount of Outstanding Securities of the series to be represented by such Registered Global Security or Securities. (Section 2.4)

The Debt Securities will be unsecured and, unless otherwise described in the Prospectus Supplement relating thereto, will rank on a parity with all other unsecured and unsubordinated indebtedness of the Company. (Section 2.3) Except as described below under "Description of Debt Securities -- Covenants -- Limitation on Liens on Stock of Restricted Subsidiaries", there is no restriction in the Indenture against the Company or subsidiaries of the Company incurring secured or unsecured indebtedness or issuing secured or unsecured securities. The Company has from time to time entered into, and will in the future enter into, credit agreements to fund its operations. Such credit agreements may be secured by the assets of the Company, secured by the assets of the Company's subsidiaries or guaranteed by the Company's subsidiaries. To the extent that such credit agreements are so secured or guaranteed, the lenders under such credit agreements will have priority over the Holders of the Debt Securities with respect to the assets of the Company or its subsidiaries.

Except as described below under "Description of Debt Securities -- Covenants", the Indenture does not contain covenants or other provisions designed to afford Holders of Debt Securities protection in the event of a change in capital structure, reorganization, dividend or distribution in respect of Capital Stock, change in credit rating, incurrence of indebtedness or similar obligations that would have priority over or be on a parity with the Debt Securities or other similar occurrence. Holders of the Debt Securities will not have the right to accelerate the Debt Securities in the event of material adverse changes in the financial condition or results of operations of the Company or of its subsidiaries or other events which may adversely affect the creditworthiness of the Company. Therefore, the financial condition and results of operations of the Company, and not the covenants and other provisions of the Indenture, should be the primary factor in an evaluation of whether the Company will be able to satisfy its obligations under the Debt Securities.

Exchange and Transfer

At the option of the Holder upon request confirmed in writing, and subject to the terms of the Indenture, Debt Securities of any series (other than Registered Global Securities) will be exchangeable into an equal aggregate principal amount of Debt Securities of the same series (with the same interest rate, maturity date and other terms) of different authorized denominations except that Debt Securities of any series issued in registered form may not be exchanged for Debt Securities of the same series issued in bearer form unless the applicable Prospectus Supplement shall provide to the contrary. (Section 2.8)

Unless otherwise provided in the applicable Prospectus Supplement, the Debt Securities may be presented for exchange, and registered Debt Securities (other than a Registered Global Security) may be presented for registration of transfer, at the offices or agency of the Security Registrar in New York, New York. No service charge will be made for any transfer or exchange, but the Company may require payment of any taxes or other governmental charges due in connection therewith, subject to any applicable limitations or conditions contained in the Indenture. Such transfer or exchange will be effected by the Security Registrar upon its being satisfied with the documents of title and the identity of the person making the request. The Company has appointed the Trustee as Security Registrar. Debt Securities in bearer form and the related coupons, if any, will be transferable by delivery. (Sections 2.8 and 3.2)

Payment

Unless otherwise provided in the applicable Prospectus Supplement, payment of principal of and premium, if any, on the Debt Securities will be made at the office of the Trustee in New York, New York. Unless otherwise provided in the applicable Prospectus Supplement, payment of any installment of interest, if any, on a Debt Security will be made at the office or agency of the Trustee in New York, New York, except that, at the option of the Company, payment of any interest on Debt Securities in registered form may be made (i) by check mailed to the address of the Person entitled thereto as such address shall appear in the Security Register or (ii) by wire transfer to an account maintained by the Person entitled thereto as specified in the Security Register. (Sections 3.1 and 3.2) Unless otherwise provided in the applicable Prospectus Supplement, payment of any interest due on Debt Securities in registered form will be made to the Persons in whose name such Debt Securities are registered at the close of business on the Record Date for such interest payments; provided, however, that any interest that is payable at maturity will be payable to the person to whom principal payable at maturity shall be payable. (Section 2.7)

Principal and premium and interest, if any, shall be considered paid on the due date if on such date the Trustee or the paying agent holds money sufficient to pay all such amounts then due and the Trustee or the paying agent, as the case may be, is not prohibited under the terms of the Indenture from paying such money to the Holders of the Debt Securities on that date. (Section 3.1)

Registered Global Securities

The registered Debt Securities of a particular series may be issued in whole or in part in the form of one or more Registered Global Securities, which will be deposited with or on behalf of a depositary located in the United States (the "Depositary") that will be identified in the Prospectus Supplement relating to such series, and registered in the name of the Depositary or its nominee. (Section 2.4) Unless and until exchanged, in whole or in part, for other Debt Securities of such series in definitive form, a Registered Global Security may not be transferred except as a whole by the Depositary for such Registered Global Security to a nominee of such Depositary, by a nominee of such Depositary to such Depositary or another nominee of such Depositary or by such Depositary or any such nominee to a successor of such Depositary or a nominee of such successor, and except in the circumstances described in the applicable Prospectus Supplement. (Section 2.8)

The specific terms of the depositary arrangement with respect to any portion of a particular series of Debt Securities to be represented by a Registered Global Security will be described in the Prospectus Supplement relating to such series. The Company anticipates that the following provisions will apply to all depositary arrangements.

Upon the issuance of a Registered Global Security, the Depositary therefor or its nominee will credit, on its book-entry registration and transfer system, the respective principal amounts of the Debt Securities represented by such Registered Global Security to the accounts of such persons having accounts with such Depositary ("participants") as shall be designated by the dealers, underwriters or agents participating in the distribution of such Debt Securities or by the Company if such Debt Securities are offered and sold directly by the Company. Ownership of beneficial interests in a Registered Global Security will be limited to participants or persons that may hold interests through participants; however, the Company will have no obligations to participants or any persons that hold interests through participants. Ownership of beneficial interests in a Registered Global Security will be shown on, and the transfer of such beneficial interests will be effected only through, records maintained by the Depositary therefor or its nominee (with respect to interests of participants) or by participants or persons that hold through participants (with respect to interests of persons other than participants). The laws of some states require certain purchasers of securities to take physical delivery thereof in definitive form. The depositary arrangements described above and such laws may impair the ability to own or transfer beneficial interests in a Registered Global Security.

So long as the Depositary for a Registered Global Security, or its nominee, is the registered owner thereof, such Depositary or such nominee, as the case may be, will be considered the sole owner or Holder of the Debt Securities represented by such Registered Global Security for all purposes under the Indenture. Unless otherwise specified in the applicable Prospectus Supplement and except as provided below, owners of beneficial

interests in a Registered Global Security will not be entitled to have Debt Securities of the series represented by such Registered Global Security registered in their names, will not receive or be entitled to receive physical delivery of Debt Securities of such series in definitive form and will not be considered the owners or Holders thereof for any purposes under the Indenture. (Section 7.3) Accordingly, each person owning a beneficial interest in such Registered Global Security must rely on the procedures of the Depositary and, if such person is not a participant, on the procedures of the participant through which such person owns its interest, to exercise any rights of a holder under the Indenture. The Depositary may grant proxies and otherwise authorize participants to give or take any request, demand, authorization, direction, notice, consent, waiver or other action which a Holder is entitled to give or take under the Indenture. The Company understands that, under existing industry practices, if the Company requests any action of Holders or if any owner of a beneficial interest in such Registered Global Security desires to give any notice or take any action which a Holder is entitled to give or take under the Indenture, the Depositary would authorize the participants to give such notice or take such action, and such participants would authorize beneficial owners owning through such participants to give such notice or take such action or would otherwise act upon the instructions of beneficial owners owning through them.

Principal of and premium and interest payments, if any, on Debt Securities represented by a Registered Global Security registered in the name of a Depositary or its nominee will be made to such Depositary or nominee, as the case may be, as the registered owner of such Registered Global Security. The Company expects that the Depositary for a Registered Global Security or its nominee, upon receipt of any payment of principal or premium or interest, if any, in respect thereof, will immediately credit participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amounts of such Registered Global Security as shown on the records of such Depositary. The Company also expects that payments by participants to owners of beneficial interests in such Registered Global Security held through such participants will be governed by standing customer instructions and customary practices, as is now the case with securities held for the accounts of customers registered in "street name", and will be the responsibility of such participants. Neither the Company, the Trustee nor any paying agent or Security Registrar for Debt Securities of the series represented by such Registered Global Security will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial interests in such Registered Global Security or for maintaining, supervising or reviewing any records relating to such beneficial interests. (Section 7.3)

Unless otherwise specified in the applicable Prospectus Supplement, if the Depositary for a Registered Global Security representing Debt Securities or a particular series of Debt Securities is at any time unwilling or unable to continue as Depositary or ceases to be a clearing agency registered under the Exchange Act and any other applicable statute or regulation and a successor Depositary is not appointed by the Company within ninety (90) days, the

Company will issue Debt Securities of such series in definitive form in exchange for all of the Registered Global Securities representing Debt Securities of such series. In addition, the Company may at any time and in its sole discretion determine to no longer have the Debt Securities of a particular series represented by one or more Registered Global Securities and, in such event, will issue Debt Securities of such series in definitive form in exchange for all of the Registered Global Securities representing Debt Securities of such series. (Section 2.8)

Within seven days after the occurrence of an Event of Default concerning nonpayment of interest, principal or any sinking fund or analogous payment with respect to any series of Debt Securities that is, in whole or in part, represented by a Registered Global Security, the Company will execute, and the Trustee will authenticate and deliver, Debt Securities of such series in definitive registered form, in any authorized denominations and in an aggregate principal amount equal to the principal amount of the Registered Global Security in exchange for such Registered Global Security. (Section 2.8)

Debt Securities in definitive registered form issued in exchange for a Registered Global Security shall be registered in such names and in such authorized denominations as the Depository for such Registered Global Security, pursuant to instructions from the participants or persons that hold interests through such participants, shall instruct the Trustee. The Trustee will deliver Debt Securities in definitive registered form to or as directed by the persons in whose names such Debt Securities are so registered. (Section 2.8)

Covenants

General. Unless otherwise specified in the applicable Prospectus Supplement, the Indenture requires the Company to covenant to the following with respect to each series of Debt Securities: (i) to duly and punctually pay the principal of and premium and interest, if any, on such series of Debt Securities (together with any additional amounts payable pursuant to the terms thereof) and comply with all other terms, agreements and conditions contained therein or made in the Indenture for the benefit of the Debt Securities of such series; (ii) to maintain an office or agency where Debt Securities of such series may be presented, surrendered for payment, transferred or exchanged and where notices to the Company may be served; (iii) if the Company shall act as its own paying agent for any series of Debt Securities, to segregate and hold in trust for the benefit of the persons entitled thereto a sum sufficient to pay the principal of and premium or interest, if any, so becoming due; (iv) to appoint a successor trustee whenever necessary to avoid or fill a vacancy in the office of trustee, and (v) to preserve its corporate existence (Article 3). The Indenture also requires the Company to deliver to the Trustee, within 120 days after the end of each fiscal year, a written statement as to whether, to the best knowledge of the officer signing the statement, the Company is in compliance with the terms of the Indenture and, if not, the nature and status of such non-compliance. (Section 4.3)

Limitation on Liens on Stock of Restricted Subsidiaries. Unless otherwise specified in the applicable Prospectus Supplement, the Company will not, nor will it permit any Restricted Subsidiary to, issue, assume or guarantee any indebtedness for borrowed money (hereinafter referred to as "Debt") secured by a security interest, pledge, lien or other encumbrance upon any shares of Capital Stock of any Restricted Subsidiary without effectively providing that the Debt Securities (together with, if the Company shall so determine, any other indebtedness of or guarantee by the Company or any Restricted Subsidiary ranking senior to or equally with the Debt Securities and then existing or thereafter created) shall be secured equally and ratably with such Debt. (Section 3.6).

For purposes of the Indenture, "Restricted Subsidiary" means each of Equitable Life and USG, in each case, so long as it remains a subsidiary of the Company, as well as any subsidiary of the Company that is a successor to all or a principal part of the business of any such subsidiary and "Capital Stock" means any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) corporate stock. (Section 1.1). The Restricted Subsidiaries accounted for substantially all of the consolidated revenues of the Company during the year ended December 31, 1995 and the consolidated assets of the Company at December 31, 1995.

Limitation on Issuance or Disposition of Stock of Restricted Subsidiaries. Unless otherwise specified in the applicable Prospectus Supplement, the Company will not, nor will it permit any Restricted Subsidiary to, issue, sell, assign, transfer or otherwise dispose of, directly or indirectly, any Capital Stock (other than nonvoting preferred stock) of any Restricted Subsidiary, except for (i) the purpose of qualifying directors; (ii) sales or other dispositions to the Company or one or more Restricted Subsidiaries; (iii) the disposition of all or any part of the Capital Stock of any Restricted Subsidiary for consideration which is at least equal to the fair value of such Capital Stock as determined by the Company's Board of Directors (acting in good faith); or (iv) an issuance, sale, assignment, transfer or other disposition required to comply with an order of a court or regulatory authority of competent jurisdiction, other than an order issued at the request of the Company or any Restricted Subsidiary. (Section 3.7)

Consolidation, Merger and Transfer of Assets. Unless otherwise specified in the applicable Prospectus Supplement, the Company has agreed that it will not consolidate or merge with or into, or transfer, sell, convey or lease its properties or assets as, or substantially as, an entirety unless (i) either the Company is the continuing entity or the successor (if other than the Company) is a domestic corporation or other domestic entity which expressly assumes the Company's obligations for each series of Debt Securities and under the Indenture, (ii) immediately after giving effect to such transaction, no Event of Default, and no event that, after notice or lapse of time, or both, would become an Event of Default, shall have occurred and be continuing, and (iii) the Company delivers to the Trustee an officer's certificate and opinion of counsel stating that such

consolidation, merger, transfer, sale, conveyance or lease complies with the Indenture. (Article 9)

Events of Default

The occurrence of any of the following events with respect to the Debt Securities of any series will, unless otherwise specified in the applicable Prospectus Supplement, constitute an "Event of Default" with respect to the Debt Securities of such series: (a) default for thirty (30) days in the payment of any installment of interest on any of the Debt Securities of such series; (b) default in the payment of any of the principal of or the premium, if any, on any of the Debt Securities of such series when due, whether at maturity, upon redemption, by declaration of acceleration or otherwise; (c) default in the deposit when due of any sinking fund payment or analogous obligation in respect of any of the Debt Securities of such series; (d) default for sixty (60) days by the Company in the observance or performance of any other covenant or agreement contained in the Debt Securities of such series or the Indenture (other than a covenant or agreement default which is specifically designated as having a different time period) for the benefit of the Debt Securities of such series after written notice thereof as provided in the Indenture; (e) (i) an event of default occurs under any instrument (including the Indenture) under which there is at the time outstanding, or by which there may be secured or evidenced, any indebtedness of the Company or any of its Restricted Subsidiaries for money borrowed by the Company or any of its Restricted Subsidiaries (other than non-recourse indebtedness) which results in acceleration or nonpayment at maturity (after giving effect to any applicable grace period) of such indebtedness in an aggregate amount exceeding \$15,000,000; or any such indebtedness exceeding \$15,000,000 shall otherwise be declared to be due and payable, or required to be prepaid (other than by a regularly scheduled prepayment or exercise of an optional prepayment right), prior to the stated maturity thereof; or any failure by the Company or any Restricted Subsidiary to make any payment under a guarantee in respect of any indebtedness (except up to \$26,311,000 aggregate principal amount of 8.70% Guaranteed Notes issued by Walnut Mall Limited Partnership, due August 19, 1996 and any accrued interest or premium with respect thereto, which indebtedness is more fully described in the notes to the Company's financial statements), in each case in an amount of at least \$15,000,000, on the date such payment is due (or within any grace period specified in the agreement or other instrument governing such indebtedness); in which case the Company shall immediately give notice to the Trustee of such acceleration or non-payment, and (ii) there shall have been a failure to cure such default or to pay or discharge such defaulted indebtedness within ten (10) days after written notice thereof as provided in the Indenture; (f) any final non-appealable judgment or order for the payment of money in excess of \$15,000,000 is rendered against the Company or any Restricted Subsidiary, such judgment or order is not satisfied by payment or bonded and either enforcement proceedings have been commenced by the judgment creditor or there has been a period of 30 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not have been in effect; provided, however, that a judgment or order fully covered by insurance (or a judgment or order for the payment of money covered

by insurance to the extent of all payments in excess of \$15,000,000), which coverage has not been disputed by the insurer, shall not be considered a default or an Event of Default; or (g) certain events of bankruptcy, insolvency or reorganization relating to the Company. (Section 5.1) Different or additional Events of Default may be prescribed for the benefit of the Holders of a particular series of Debt Securities and will be described in the Prospectus Supplement relating thereto. (Sections 2.3 and 5.1) No Event of Default with respect to a particular series of Debt Securities issued under the Indenture will necessarily constitute an Event of Default with respect to any other series of Debt Securities issued thereunder.

If an Event of Default shall have occurred and be continuing with respect to any series of the Debt Securities unless the principal of all of the Debt Securities of such series shall have already become due and payable, either the Trustee or the Holders of not less than 25% in aggregate principal amount of the Debt Securities of such series then Outstanding may declare the principal of all Debt Securities of such series then Outstanding and the interest, if any, accrued thereon to be due and payable immediately. If an Event of Default due to certain events of bankruptcy, insolvency or reorganization of the Company shall have occurred and be continuing, the principal and interest on all the Debt Securities then Outstanding shall thereby become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holders of Debt Securities. Upon certain conditions, any such declaration of acceleration with respect to Debt Securities of any series may be rescinded and annulled if all Events of Default, other than the nonpayment of accelerated principal and premium, if any, with respect to the Debt Securities of such series shall have been cured, waived or otherwise remedied as provided in the Indenture by the Holders of a majority in aggregate principal amount of the Debt Securities of such series then Outstanding. Reference is made to the Prospectus Supplement relating to any series of Original Issue Discount Securities for the particular provisions relating to the acceleration of a portion of the principal thereof upon the occurrence and continuance of an Event of Default with respect thereto. (Section 5.1)

Holders of Debt Securities may not enforce the Indenture or the Debt Securities except as provided in the Indenture. The Trustee may require indemnity satisfactory to it before it enforces the Indenture or the Debt Securities. (Sections 5.6 and 6.2) Subject to such provisions for indemnity and certain other limitations contained in the Indenture, the Holders of a majority in aggregate principal amount of the Debt Securities of any series then Outstanding will have the right to direct the Trustee in the conduct of any proceeding for any remedy or the exercise of any trust or power with respect to such series, except that the Trustee may decline to follow such directions if it in good faith determines that the actions or proceedings so directed would unduly prejudice the rights of Holders of Securities of other affected series not joining in the giving of such directions. (Section 5.9) Holders and beneficial owners of the Debt Securities have no recourse under the Indenture, any Debt Security or the indebtedness evidenced thereby against any incorporator, officer, director, employee, stockholder or partner, as such, of the Company. (Section 11.1)

The Indenture provides that the Trustee may withhold notice to the Holders of the Debt Securities of any series of any continuing default affecting such series (except a default in payment) if it considers such withholding to be in the interests of the Holders of the Debt Securities of such series. (Section 5.11)

Modification and Waiver

The Indenture permits the Company and the Trustee to enter into supplemental indentures without the consent of the Holders of the Debt Securities to: (a) pledge collateral as security for the Debt Securities of one or more series, (b) add guarantees with respect to the Debt Securities of one or more series, (c) evidence the assumption by a successor entity of the obligations of the Company under the Indenture and with regard to the Debt Securities then Outstanding, (d) add covenants for the protection of the Holders of the Debt Securities of one or more series, including any different grace periods or remedies for breach thereof otherwise than as provided in the Indenture, (e) cure any ambiguity or correct or supplement any provision that may be defective or inconsistent with any other provisions contained in the Indenture or make or add such other provisions as the Company may deem necessary or desirable, provided that no such action adversely affects the interests of the Debt Securities of any series, (f) establish the form and terms of the Debt Securities of any series, (g) evidence the acceptance of appointment by a successor Trustee with respect to the Debt Securities of one or more series and certain related matters, (h) subject to compliance with certain requirements of the Indenture, provide for uncertificated Debt Securities in addition to or in place of certificated Debt Securities, (i) comply with any requirements of the Securities and Exchange Commission in connection with qualifying the Indenture under the Trust Indenture Act of 1939, as amended, or to comply with any amendments thereto, (j) comply with any requirements related to the listing of the Debt Securities of any series for trading on a securities exchange or through an interdealer quotation system, and (k) add to or change or eliminate any provision of the Indenture if such change or elimination is applicable only to Debt Securities of any series that are first issued after the effective date thereof. (Section 8.1)

The Indenture also permits the Company and the Trustee, with the consent of the Holders of not less than a majority in aggregate principal amount of the Debt Securities of any series then Outstanding and affected thereby, to execute supplemental indentures adding any provisions to, or changing in any manner or eliminating any of the provisions of, the Indenture or any supplemental indenture or modifying in any manner the rights of the Holders of the Debt Securities of any such affected series; provided, however, that without the consent of the Holder of each Debt Security of any such series then Outstanding and affected thereby, no such supplemental indenture may: (a) extend the time of payment of the principal (or any installment thereof) of, or premium on any Debt Securities, or reduce the amount thereof, or reduce the rate, alter the method of computation of the rate or extend the

time of payment of interest thereon, reduce any amount payable on the redemption thereof, reduce the amount of, or postpone the date fixed for, any sinking fund payment or analogous obligation, or change the currency or currency unit in which the principal thereof or the premium or interest thereon is payable, or reduce the amount payable on any Original Issue Discount Security upon acceleration or provable in bankruptcy, or change the place of payment specified for such Debt Securities, or alter certain provisions of the Indenture relating to Debt Securities not denominated in United States dollars, or impair the right to institute suit for the enforcement of any payment on or with respect to any Debt Securities when due or, if such Debt Security shall so provide, any right of repayment at the option of the Holder thereof; or (b) reduce the percentage in principal amount of the Debt Securities of such series, the consent of whose Holders is required for any modification or amendment of the Indenture or for any waiver provided for in the Indenture; or (c) modify any of the foregoing provisions, except to increase any such percentage or to provide that certain other provisions of the Indenture cannot be modified or waived without the consent of the Holders of each Outstanding Debt Security so affected. (Section 8.2)

The Holders of a majority in aggregate principal amount of the Debt Securities of any series then Outstanding may on behalf of the Holders of all Debt Securities of that series waive, insofar as that series is concerned, compliance by the Company with any covenant or provision of the Indenture applicable to that series, except for any covenant or provision which cannot be modified or amended without the consent of the Holder of each Debt Security of such affected series. (Section 11.13) Prior to the declaration of acceleration of the maturity of Debt Securities of any series then Outstanding, the Holders of a majority in aggregate principal amount of the Debt Securities of such series then Outstanding with respect to which a default or an Event of Default shall have occurred and is continuing may, on behalf of the Holders of all Debt Securities of such series, waive any past default or Event of Default and its consequences, except a default or an Event of Default in respect of a covenant or provision of the Indenture or of any Debt Securities of such series which cannot be modified or amended without the consent of each of the Holders of the Debt Securities of such series. (Section 5.10)

Defeasance and Discharge

Unless otherwise specified in the applicable Prospectus Supplement, the Company may elect either (a) to defease and be discharged from any and all obligations in respect of all outstanding Debt Securities of any particular series (defeasance and discharge), or (b) to be released from its obligations with respect to certain covenants of the Indenture and certain Events of Default applicable to such series, all of which shall be specified in the applicable Prospectus Supplement (covenant defeasance), in each case if the Company irrevocably deposits in trust with the Trustee for the benefit of the Holders of the Debt Securities of such series funds and/or securities that are direct full faith and credit obligations of, or obligations of a Person controlled or supervised by and acting as an agency or instrumentality of and

the payment of which is unconditionally guaranteed by the full faith and credit of, the government which issued the currency in which the Debt Securities of such series are payable or certain depository receipts therefor ("Government Obligations") which, through the payment of the principal thereof and the interest thereon in accordance with their terms, will provide funds in an amount sufficient to pay all the principal of and premium and interest, if any, on the Debt Securities of such series (including any mandatory sinking fund or analogous payments) as they shall become due from time to time in accordance with the terms thereof. To effect a defeasance and discharge with respect to Debt Securities of a series that will not be fully paid (upon maturity or redemption) within one year or to effect a covenant defeasance, the Company is required, among other things, to deliver to the Trustee an opinion of counsel to the effect that the Holders of the Debt Securities of such series would not recognize income, gain or loss for United States federal income tax purposes as a result of such defeasance and discharge or such covenant defeasance, as the case may be, and that such Holders will be subject to United States federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such defeasance had not occurred, and in the case of such a defeasance and discharge such opinion shall additionally state that either (A) there has been a change in the applicable United States federal income tax law to the foregoing effect or (B) the Company has received a private letter ruling from the Internal Revenue Service or there has been published a revenue ruling to the foregoing effect. Neither a defeasance and discharge with respect to Debt Securities of a series that will not be fully paid (upon maturity or redemption) within one year nor a covenant defeasance will be made with respect to any Debt Securities of a series then listed on any national securities exchange if such defeasance and discharge or covenant defeasance would cause Debt Securities of such series to be delisted. Upon defeasance and discharge, the Indenture will cease to be of further effect with respect to the Debt Securities of such series and the Holders of such Debt Securities shall look only to the deposited funds or Government Obligations for payment. Upon covenant defeasance, however, the Company will not be relieved of its obligation to pay when due principal of and premium and interest, if any, on the Debt Securities of such series if not otherwise paid from such deposited funds or Government Obligations. Notwithstanding the foregoing, certain obligations and rights under the Indenture with respect to the obligations of the Trustee, compensation, reimbursement and indemnification of the Trustee, rights of the Holders of Debt Securities of a series to receive payments from the funds and Government Obligations deposited with the Trustee for such series, registration of transfer and exchange of the Debt Securities of such series, replacement of mutilated, defaced, destroyed, lost or stolen Debt Securities and certain other administrative provisions will survive defeasance and discharge. (Section 10.1)

In the event the Company exercises its option to effect a covenant defeasance with respect to any series of Debt Securities and the Debt Securities of such series are declared due and payable because of the occurrence of any Event of Default still applicable to such series, the amount of money and Government Obligations on deposit with the Trustee may

not be sufficient to pay amounts due on the Debt Securities of such series at the time of the acceleration resulting from such Event of Default. However, the Company shall remain liable for such payments. (Section 10.1)

If the Trustee or paying agent is unable to apply any funds or Government Obligations deposited with respect to a series of Debt Securities in accordance with the foregoing provisions by reason of any legal proceeding or by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the Company's obligations under the Indenture and the Debt Securities of such series shall be revived and reinstated as though no deposit had occurred pursuant to such provisions until such time as the Trustee or paying agent is permitted to apply all such funds or Government Obligations in accordance therewith; provided, however, that, if the Company has made any payment of premium or interest on or principal of any Debt Securities of such series because of the reinstatement of its obligations, the Company shall be entitled, at its election, (a) to receive from the Trustee or paying agent, as applicable, that portion of such money or Government Obligations equal to the amount of such payment or (b) to be subrogated to the rights of the Holders of the Debt Securities of such series to receive such payment from the funds or Government Obligations held by the Trustee or paying agent. (Section 10.6)

Governing Law

The Indenture and the Debt Securities issued thereunder will be governed by the laws of the State of New York. (Section 11.8)

Concerning the Trustee

The First National Bank of Chicago, the Trustee under the Indenture, is one of a number of banks with which the Company and its subsidiaries has and in the future may have banking relationships in the ordinary course of business, including, in certain cases, credit facilities. The First National Bank of Chicago is also the Property Trustee of Equitable Trust, the Preferred Securities Guarantee Trustee (as defined herein) and an affiliate of the Delaware Trustee of Equitable Trust.

The Trustee, prior to the occurrence of an Event of Default under the Indenture, undertakes to perform only such duties as are specifically set forth in the Indenture and, after an Event of Default, shall exercise the same degree of care as a prudent individual would exercise in the conduct of his or her own affairs. Subject to such provision, the Trustee is under no obligation to exercise any of the powers vested in it by the Indenture at the request of any Holder of Debt Securities unless it is offered reasonable indemnity against the costs, expenses and liabilities that might be incurred thereby.

DESCRIPTION OF CAPITAL STOCK

The following summary of certain provisions of the Company's Restated Articles of Incorporation, as amended (the "Articles"), Amended and

Restated Bylaws (the "Bylaws"), and Shareholder Rights Agreement, effective as of April 30, 1992, as amended, does not purport to be complete and is subject to and qualified in its entirety by reference to such documents, copies of which are incorporated by reference as exhibits to the Registration Statement of which this Prospectus is a part.

Under the Articles, the authorized capital stock of the Company consists of 70,000,000 shares of common stock, without par value ("Common Stock"), and 2,500,000 shares of serial preferred stock, without par value ("Preferred Stock"). As of February 29, 1996, (a) 31,853,432 shares of Common Stock and (b) no shares of Preferred Stock were outstanding.

DESCRIPTION OF COMMON STOCK

General

All shares of Common Stock offered hereby, or issuable upon conversion, exchange or exercise of Securities, will be fully paid and non-assessable.

Holder of shares of Common Stock do not have any preemptive rights to subscribe for or purchase any additional securities of the Company. The Common Stock is listed on the New York Stock Exchange. The registrar and transfer agent for the Common Stock is currently Boatmen's Trust Company, 510 Locust Street, P.O. Box 14737, St. Louis, Missouri 63178-4737.

Dividends

Subject to the rights of the holders of any shares of the Company's Preferred Stock, holders of Common Stock are entitled to receive such dividends as may be declared from time to time by the Board of Directors of the Company (the "Board" or the "Board of Directors") out of funds legally available therefor.

Liquidation Rights

Holder of Common Stock are entitled to receive, upon any liquidation of the Company, all remaining assets available for distribution to shareholders after satisfaction of the Company's liabilities and the preferential rights of any Preferred Stock that may then be issued and outstanding.

Voting Rights

The Articles and the Bylaws provide that each outstanding share of Common Stock is entitled to one vote on each matter to be voted on at a stockholder meeting, except that the holders of Common Stock have cumulative voting rights with respect to the election of directors. Cumulative voting permits holders of shares of the Company's Common Stock to cast, for any one or more nominees for election to the Board of Directors, the number of votes equal to the product of the number of shares such shareholder owns and the number of nominees proposed for election to the Board. A shareholder may cast all of such votes for a single director or may distribute such votes among any number of nominees proposed for election.

The affirmative vote of two-thirds of the votes entitled to be cast at a meeting of the Company's stockholders is required to remove directors for cause and to effect certain amendments to the Articles.

Shareholder Rights Plan

The Board adopted the Shareholder Rights Agreement (the "Rights Plan"), effective as of April 30, 1992. In connection with the effectiveness of the Rights Plan, the Board declared a dividend distribution of one right (a "Right") for each outstanding share of Common Stock. Each Right, when exercisable, entitles the registered holder to purchase from the Company one or more shares of the Company's Common Stock (or in some instances an equivalent security equal in value to a share of Common Stock) at an exercise price of \$100.00 per Right, subject to adjustment.

Initially the Rights are not exercisable. They will trade with, and cannot be separated from, the outstanding shares of Common Stock. The Rights become exercisable (i) ten (10) days following a public announcement that a person or group of affiliated or associated persons, with the exception of certain Company related entities (an "Acquiring Person"), has acquired, or obtained the right to acquire, beneficial ownership of 25% or more of the Common Stock or (ii) ten (10) days following the commencement of (or a public announcement of an intention to make) a tender offer or exchange offer which would result in any person or group of related persons acquiring beneficial ownership of 25% or more of the Common Stock (the earlier of such dates being called the "Distribution Date").

The Rights will expire on the earlier of April 30, 2002 or redemption of the Rights by the Company. The Rights are redeemable at a price of one-quarter of one cent (\$.0025) per Right at any time before a person becomes an Acquiring Person, or at any time before the Distribution Date.

DESCRIPTION OF PREFERRED STOCK

The following summary contains a description of certain general terms of the Preferred Stock to which any Prospectus Supplement may relate. Certain terms of any series of Preferred Stock offered by any Prospectus Supplement will be described in the Prospectus Supplement relating thereto. If so specified in the Prospectus Supplement, the terms of any series may differ from the terms set forth below. The description of certain provisions of the Preferred Stock does not purport to be complete and is subject to and qualified in its entirety by reference to the provisions of the Articles and the amendment thereto relating to each particular series of Preferred Stock (the "Series Amendment") which will be filed or incorporated by reference, as the case may be, as an exhibit to the Registration Statement of which this Prospectus is a part at or prior to the time of the issuance of such Preferred Stock.

General

Under the Articles, the Board of Directors is authorized, without further stockholder action, to provide for the issuance of up to 2,500,000 shares of Preferred Stock. As of the date hereof, no shares of Preferred Stock were outstanding. The Board of Directors may from time to time authorize the issuance of shares of Preferred Stock in series, and each such series shall have such dividend and liquidation preferences, redemption prices, conversion rights, and other terms and provisions as may be contained in the resolutions of the Board of Directors providing for their issuance. All shares of Preferred Stock offered hereby, or issuable upon conversion, exchange or exercise of Securities, will be, when issued, fully paid and non-assessable and holders thereof will have no preemptive rights in connection therewith.

Rank

Any series of Preferred Stock will, with respect to rights on liquidation, winding up and dissolution, rank (i) senior to all classes of Common Stock and to all equity securities issued by the Company, the terms of which specifically provide that such equity securities will rank junior to such series of Preferred Stock; (ii) on a parity with all equity securities issued by the Company, the terms of which specifically provide that such equity securities will rank on a parity with such series of Preferred Stock; and (iii) junior to all equity securities issued by the Company, the terms of which specifically provide that such equity securities will rank senior to such series of Preferred Stock. In addition, any series of Preferred Stock will, with respect to dividend rights, rank (i) senior to all equity securities issued by the Company, the terms of which specifically provide that such equity securities will rank junior to such series of Preferred Stock and, to the extent provided in the applicable Series Amendment, to Common Stock, (ii) on a parity with all equity securities issued by the Company, the terms of which specifically provide that such equity securities will rank on a parity with such series of Preferred Stock and, to the extent provided in the applicable Series Amendment, to Common Stock, and (iii) junior to all equity securities issued by the Company, the terms of which specifically provide that such equity securities will rank senior to such series of Preferred Stock. As used in any Series Amendment for these purposes, the term "equity securities" will not include debt securities convertible into or exchangeable for equity securities.

Dividends

Holders of each series of Preferred Stock will be entitled to receive, when, as and if declared by the Board of Directors out of funds legally available therefor, cash dividends at such rates and on such dates as are set forth in the Prospectus Supplement relating to such series of Preferred Stock. Such rate may be fixed or variable or both. Dividends will be payable to holders of record of Preferred Stock as they appear on the books of the Company on such record dates as shall be fixed by the Board of Directors. Dividends on any series of Preferred Stock may be cumulative or noncumulative.

No full dividends may be declared or paid or funds set apart for the payment of dividends on any series of Preferred Stock unless dividends shall have been paid or funds set apart for such payment on the equity securities ranking on a parity with respect to dividends with such series of Preferred Stock. If full dividends are not so paid, such series of Preferred Stock shall share dividends pro rata with such other equity securities.

Conversion and Exchange

The Prospectus Supplement for any series of Preferred Stock will state the terms, if any, on which shares of that series are convertible into shares of another series of Preferred Stock or Common Stock or exchangeable for another series of Preferred Stock, Common Stock or Debt Securities of the Company. The Common Stock of the Company is described under "Description of Common Stock".

Redemption

A series of Preferred Stock may be redeemable at any time, in whole or in part, at the option of the Company or the holder thereof and may be subject to mandatory redemption pursuant to a sinking fund or otherwise upon terms and at the redemption prices set forth in the Prospectus Supplement relating to such series.

In the event of partial redemptions of Preferred Stock, whether by mandatory or optional redemption, the shares to be redeemed will be determined by lot or pro rata, as may be determined by the Board of Directors, or by any other method determined to be equitable by the Board of Directors.

On and after a redemption date, unless the Company defaults in the payment of the redemption price, dividends will cease to accrue on shares of Preferred Stock called for redemption and all rights of holders of such shares will terminate except for the right to receive the redemption price.

Liquidation Preference

Upon any voluntary or involuntary liquidation, dissolution or winding up of the Company, holders of each series of Preferred Stock will be entitled to receive out of assets of the Company available for distribution to shareholders, before any distribution is made on any securities ranking junior with respect to liquidation, including Common Stock, distributions upon liquidation in the amount set forth in the Prospectus Supplement relating to such series of Preferred Stock, plus an amount equal to any accrued and unpaid dividends. If, upon any voluntary or involuntary liquidation, dissolution or winding up of the Company, the amounts payable with respect to the Preferred Stock of any series and any other securities of the Company ranking on a parity with respect to liquidation rights are not paid in full, the holders of the Preferred Stock of such series and

such other securities will share ratably in any such distribution of assets of the Company in proportion to the full liquidation preferences to which each is entitled. After payment of the full amount of the liquidation preference to which they are entitled, the holders of Preferred Stock will not be entitled to any further participation in any distribution of assets of the Company.

Voting Rights

Except as set forth in the Prospectus Supplement relating to a particular series of Preferred Stock or except as expressly required by applicable law, the holders of shares of Preferred Stock will have no voting rights.

Transfer Agent and Registrar

The transfer agent and registrar for each series of Preferred Stock will be described in the applicable Prospectus Supplement.

LIMITATIONS ON CHANGE IN CONTROL

The purpose of the Rights Plan and certain provisions of the Articles and the Bylaws are to discourage certain types of transactions that may involve an actual or threatened change of control of the Company. The Company believes that the Rights Plan and these provisions are designed to reduce the vulnerability of the Company to an unsolicited proposal for a takeover of the Company that does not have the effect of maximizing long-term stockholder value or is otherwise unfair to stockholders of the Company. However, the Rights Plan and these provisions, individually and collectively, make more difficult, and may discourage certain types of potential acquirers from proposing, a merger, tender offer or proxy contest, even if such transaction or occurrence may be favorable to the interest of the stockholders, and may delay or frustrate the assumption of control by a holder of a large block of Common Stock and the removal of incumbent management, even if such removal might be beneficial to stockholders. By discouraging takeover attempts, these provisions might have the incidental effect of inhibiting certain changes in management and the temporary fluctuations in the market price of the shares that often result from actual or considered takeover attempts.

Classified Board of Directors. The Articles provide for the classification of the Board of Directors into three classes of directors serving staggered three-year terms, with the classes to be as nearly equal in number as possible. One class of directors stands for election at each annual meeting of stockholders. Therefore, at least two stockholder meetings will generally be required to effect a change in control of the Board.

Cumulative Voting. As discussed above, cumulative voting permits a shareholder to distribute votes to one or any number of nominees proposed for election. As a result, a minority shareholder may be able to prevent an attempt to gain full control over the Board.

Preferred Stock. Preferred Stock can be issued in one or more series by the Board of Directors without further stockholder approval. The Board of Directors has the power to determine the designations, preferences and rights of each such series. Because the Board of Directors has substantial discretion in setting the terms of the Preferred Stock, such stock may act as a defensive measure.

Advance Notice for Stockholder Business Proposals. The Bylaws provide for an orderly procedure for the notification of the Board of Directors of business which is to be presented by a stockholder at stockholder meetings. The procedure is designed to enable the Board to plan such meetings and also, to the extent it deems necessary or desirable, to inform the stock holders, prior to the meeting, of any new business that will be presented at the meeting.

This procedure precludes the conducting of business at a particular meeting if the proper notice procedures have not been followed. Nothing precludes discussion by any stockholder of any business properly brought before the annual meeting of stockholders of the Company.

Advance Notice for Stockholder Nomination Proposals. The Bylaws provide that only persons who are nominated in accordance with the procedures specified therein are eligible for election as directors. Such nominations may be made by the Board of Directors, by any committee appointed by the Board or by any stockholder of the Company entitled to vote for the election of directors at the meeting, provided that any stockholder seeking to nominate a person for election as a director of the Company has complied with the notice procedures. Written notice of a stockholder nomination must be made to the Secretary of the Company not later than, with respect to an annual meeting, 120 days in advance of the date on which the Company's proxy statement for the preceding year's annual meeting of stockholders was released. With respect to an election to be held at a special meeting of stockholders, notice by the stockholder must be delivered or received not later than the close of business on the tenth day following the date on which notice of such meeting is first given to stockholders. This notice must set forth the name and address of the stockholder who intends to make the nomination and the name and address of the person being nominated, together with certain other accompanying information.

Independence Policy. Since 1980, the Board has had an internal "Continuation Policy" which recognizes the Board's adherence to management policies designed to enhance the long-term value of the Company. In 1991, the Board of Directors adopted an Independence Policy which reaffirms its adherence to such management policies and acknowledges the importance of the Company's continued independence to the achievement of such policies. The Independence Policy also indicates that the Board may consider the interests of the Company's other constituents, such as its employees and policyholders, as well as the interests of the Company's stockholders, in evaluating any offer for control of the Company. Under Iowa law, the

consideration by the Board of the interests of such non-stockholder constituencies is consistent with its fiduciary duties.

Removal of Directors Solely for Cause. The Articles provide that the directors of the Company may be removed from office by the stockholders only for cause. Cause is defined as the conviction of a director of a felony or an adjudication by a court of competent jurisdiction that a director was liable for negligence or misconduct in the performance of a director's duty to the Company. This provision makes it more difficult for the Company's stockholders to remove a director and, thereby, may discourage outsiders from seeking to acquire control of the Company because they could be delayed in making changes in existing management.

Employee Benefit Plans. The Company presently has four executive compensation plans that contain provisions which entitle participants to certain benefits in the event of a change in control. Under the Company's Amended and Restated Key Employee Incentive Plan (a cash bonus plan), in the event of a change in control, any awards that are outstanding become immediately vested, any performance standards related to the awards are deemed achieved at target levels and applicable restrictions lapse. Similarly, under the Company's 1982 Stock Incentive Plan, outstanding options become exercisable, restrictions on stock awards lapse and any performance standards are deemed achieved in the event of a change of control. Under the Company's Restated and Amended 1992 Stock Incentive Plan, in the event of a change in control, the Compensation Committee of the Company's Board of Directors may, in its discretion, either at or after the time an award is made (i) provide for the vesting of any award, (ii) provide for the Company's purchase of any award upon the participant's request, (iii) make adjustments to the award to reflect the change in control, (iv) determine that any performance goals required to be met are deemed to have been achieved and provide for the acceleration of such an award, or (v) cause the award to be assumed by the surviving company. Finally, under the Company's Executive Severance Pay Plan, each eligible employee terminated subsequent to a change in control is entitled to receive a maximum severance benefit equal to one year's base salary even though the full vesting period may not have expired. These measures individually and in the aggregate may have an anti-takeover effect.

State Insurance Laws. The insurance laws and regulations of the jurisdictions in which the Company or its insurance subsidiaries do business may impede or delay a business combination involving the Company.

INDEMNIFICATION

The Articles provide that directors shall not be liable to the Company or its stockholders for monetary damages for breach of fiduciary duty as a director, to the fullest extent permitted by the Iowa Business Corporation Act (the "IBCA"). The IBCA provides in such case that a director shall not be liable for monetary damages for breach of fiduciary duty as a director, except for (i) a breach of the duty of loyalty to the Company or its stockholders, (ii) acts or omissions not in good faith or which involve

intentional misconduct or knowing violation of law, (iii) transactions from which the director derives improper personal benefit, or (iv) liability for an unlawful distribution under the IBCA.

The Articles and Bylaws provide that the Company shall indemnify its directors, officers, employees and agents to the fullest extent permitted by the IBCA. The IBCA provides that a company may indemnify its officers and directors if (i) the person acted in good faith and (ii) the person reasonably believed, in the case of conduct in the person's official capacity with the company, that the conduct was in the company's best interests, and in all other cases, that the person's conduct was at least not opposed to the company's best interests and (iii) in the case of any criminal proceeding, the person had no reasonable cause to believe the person's conduct was unlawful. The Company is required to indemnify officers and directors against reasonable expenses incurred in connection with any proceeding in which they are wholly successful, on the merits or otherwise, to which the person may be a party because of the person's position with the Company. If the proceeding is by or in the right of the Company, indemnification may be made only for reasonable expenses and may not be made in respect of any proceeding in which the person shall have been adjudged liable to the Company. Further, any such person may not be indemnified in respect of any proceeding that charges improper personal benefit to the person, in which the person shall have been adjudged to be liable.

The Company maintains directors' and officers' liability insurance, which indemnifies directors and officers of the Company against certain damages and expenses relating to certain claims against them caused by negligent acts, errors or omissions.

DESCRIPTION OF WARRANTS

The Company may issue Warrants, including Warrants to purchase Debt Securities, Preferred Stock, Common Stock, or any combination thereof. Warrants may be issued independently or together with any such Securities and may be attached to or separate from such Securities. The Warrants are to be issued under warrant agreements (each a "Warrant Agreement") to be entered into between the Company and a bank or trust company, as warrant agent (the "Warrant Agent"), all as shall be set forth in the applicable Prospectus Supplement. No warrants may be issued to purchase Preferred Securities or Common Securities issued by Equitable Trust.

The applicable Prospectus Supplement will describe the terms of any Warrants in respect of which this Prospectus is being delivered, including the following: (i) the title of such Warrants; (ii) the aggregate number of such Warrants; (iii) the price or prices at which such Warrants will be issued; (iv) the currency or currencies, including composite currencies, in which the price of such Warrants may be payable; (v) the designation, amount and terms of the Securities (other than Preferred Securities) purchasable upon exercise of such Warrants; (vi) the price at which and the currency or currencies, including composite currencies, in which the Securities (other

than Preferred Securities) purchasable upon exercise of such Warrants may be purchased; (vii) the date on which the right to exercise such Warrants shall commence and the date on which such right shall expire; (viii) whether such Warrants will be issued in registered form or bearer form; (ix) if applicable, the minimum or maximum amount of such Warrants which may be exercised at any one time; (x) if applicable, the designation and terms of the Securities (other than Preferred Securities) with which such Warrants are issued and the number of such Warrants issued with each such Security; (xi) if applicable, the date on and after which such Warrants and the related Securities (other than Preferred Securities) will be separately transferable; (xii) information with respect to book-entry procedures, if any; (xiii) if applicable, a discussion of certain United States federal income tax considerations; and (xiv) any other terms of such Warrants, including terms, procedures and limitations relating to the exchange and exercise of such Warrants.

DESCRIPTION OF PREFERRED SECURITIES OF EQUITABLE TRUST

The following summary of certain provisions of the Declaration of Trust of Equitable Trust (the "Declaration") does not purport to be complete and is subject to and qualified in its entirety by reference to the Declaration, a copy of which is included as an exhibit to the Registration Statement of which this Prospectus is a part.

Equitable Trust may issue a series of Preferred Securities having terms described in the Prospectus Supplement relating thereto. The Declaration authorizes the Regular Trustees of Equitable Trust to issue on behalf of Equitable Trust one series of Preferred Securities. The Declaration will be qualified as an indenture under the Trust Indenture Act. The Preferred Securities will have such terms, including distributions, redemption, voting, liquidation rights and such other preferred, deferred or other special rights or such restrictions as shall be established by the Regular Trustees in accordance with the Declaration or as shall be set forth in the Declaration or made part of the Declaration by the Trust Indenture Act. Reference is made to any Prospectus Supplement relating to the Preferred Securities of Equitable Trust for specific terms of the Preferred Securities, including, to the extent applicable, (i) the distinctive designation of such Preferred Securities, (ii) the number of Preferred Securities issued by Equitable Trust, (iii) the annual distribution rate (or method of determining such rate) for Preferred Securities issued by Equitable Trust and the date or dates upon which such distributions shall be payable (provided, however, that distributions on such Preferred Securities shall, subject to any deferral provisions, and any provisions for payment of defaulted distributions, be payable on a quarterly basis to Holders of such Preferred Securities as of a record date in each quarter during which such Preferred Securities are outstanding), (iv) any right of Equitable Trust to defer quarterly distributions on the Preferred Securities as a result of an interest deferral right exercised by the Company on the Debt Securities held by Equitable Trust; (v) whether distributions on Preferred Securities shall be cumulative, and, in the case of Preferred Securities having such cumulative distribution rights, the date or dates or method of determining

the date or dates from which distributions on Preferred Securities shall be cumulative, (vi) the amount or amounts which shall be paid out of the assets of Equitable Trust to the Holders of Preferred Securities upon voluntary or involuntary dissolution, winding-up or termination of Equitable Trust, (vii) the obligation or option, if any, of Equitable Trust to purchase or redeem Preferred Securities and the price or prices at which, the period or periods within which and the terms and conditions upon which Preferred Securities shall be purchased or redeemed, in whole or in part, pursuant to such obligation or option, (viii) the voting rights, if any, of Preferred Securities in addition to those required by law, including the number of votes per Preferred Security and any requirement for the approval by the Holders of Preferred Securities as a condition to specified action or amendments to the Declaration, (ix) the terms and conditions, if any, upon which Debt Securities held by Equitable Trust may be distributed to holders of Preferred Securities, and (x) any other relevant rights, preferences, privileges, limitations or restrictions of Preferred Securities consistent with the Declaration or with applicable law. All Preferred Securities offered hereby will be guaranteed by the Company to the extent set forth below under "Description of Trust Guarantee." Certain United States federal income tax considerations applicable to any offering of Preferred Securities will be described in the Prospectus Supplement relating thereto.

The Declaration authorizes the Regular Trustees to issue on behalf of Equitable Trust one series of Common Securities having such terms including distributions, redemption, voting, liquidation rights or such restrictions as shall be established by the Regular Trustees in accordance with the Declaration or as shall otherwise be set forth therein. The terms of the Common Securities issued by Equitable Trust will be substantially identical to the terms of the Preferred Securities issued by Equitable Trust, and the Common Securities will rank pari passu, and payments will be made thereon pro rata, with the Preferred Securities except that, if an event of default under the Declaration has occurred and is continuing, the rights of the holders of the Common Securities to payment in respect of distributions and payments upon liquidation, redemption and otherwise will be subordinated to the rights of the holders of the Preferred Securities. An event of default under the Declaration will be deemed to have occurred whenever an event of default (as defined in the Indenture) shall have occurred with respect to the Debt Securities held by Equitable Trust. Except in certain limited circumstances, the Common Securities will also carry the right to vote and to appoint, remove or replace any of the Equitable Trustees of Equitable Trust. All of the Common Securities of Equitable Trust will be directly or indirectly owned by the Company.

DESCRIPTION OF TRUST GUARANTEE

Set forth below is a summary of information concerning the Trust Guarantee that will be executed and delivered by the Company for the benefit of the holders, from time to time, of Preferred Securities. The Trust Guarantee will be qualified as an indenture under the Trust Indenture Act. The First National Bank of Chicago will act as indenture trustee

under the Trust Guarantee (the "Preferred Securities Guarantee Trustee"). The terms of the Trust Guarantee will be those set forth in such Trust Guarantee and those made part of such Trust Guarantee by the Trust Indenture Act. The summary of certain provisions of the Trust Guarantee does not purport to be complete and is subject to and qualified in its entirety by reference to the provisions of the form of Trust Guarantee, a copy of which has been filed as an exhibit to the Registration Statement of which this Prospectus is a part, and the Trust Indenture Act. The Trust Guarantee will be held by the Preferred Securities Guarantee Trustee for the benefit of the holders of the Preferred Securities of Equitable Trust.

General

Pursuant to the Trust Guarantee, the Company will irrevocably and unconditionally agree, to the extent set forth therein, to pay in full to the holders of the Preferred Securities, the Trust Guarantee Payments (as defined below) (except to the extent paid by Equitable Trust), as and when due, regardless of any defense, right of set-off or counterclaim which Equitable Trust may have or assert. The following payments or distributions with respect to the Preferred Securities (the "Trust Guarantee Payments"), to the extent not paid by Equitable Trust, will be subject to the Trust Guarantee (without duplication): (i) any accrued and unpaid distributions that are required to be paid on such Preferred Securities, to the extent Equitable Trust shall have funds available therefor, (ii) the redemption price, including all accrued and unpaid distributions to the date of redemption (the "Redemption Price"), to the extent Equitable Trust has funds available therefor, with respect to any Preferred Securities called for redemption by Equitable Trust and (iii) upon a voluntary or involuntary dissolution, winding-up or termination of Equitable Trust (other than in connection with the distribution of Debt Securities to the holders of Preferred Securities or the redemption of all of the Preferred Securities upon maturity or redemption of the Debt Securities) the lesser of (a) the aggregate of the liquidation amount and all accrued and unpaid distributions on such Preferred Securities to the date of payment, to the extent Equitable Trust has funds available therefor or (b) the amount of assets of Equitable Trust remaining for distribution to holders of such Preferred Securities in liquidation of Equitable Trust. The Company's obligation to make a Trust Guarantee Payment may be satisfied by direct payment of the required amounts by the Company to the holders of Preferred Securities or by causing Equitable Trust to pay such amounts to such holders.

The Trust Guarantee will be a full and unconditional guarantee with respect to the Preferred Securities from the time of issuance of such Preferred Securities but will not apply to any payment of distributions except to the extent Equitable Trust shall have funds available therefor. If the Company does not make interest or principal payments on the Debt Securities purchased by Equitable Trust, Equitable Trust will not pay distributions on the Preferred Securities issued by Equitable Trust and will not have funds available therefor.

The Company has also agreed to irrevocably and unconditionally guarantee

the obligations of Equitable Trust with respect to the Common Securities (the "Trust Common Guarantee") to the same extent as the Trust Guarantee, except that, if an Event of Default under the Indenture has occurred and is continuing, holders of Preferred Securities under the Trust Guarantee shall have priority over holders of the Common Securities under the Trust Common Guarantee with respect to distributions and payments on liquidation, redemption or otherwise.

Certain Covenants of the Company

In the Trust Guarantee, the Company will covenant that, so long as any Preferred Securities remain outstanding, if there shall have occurred any event of default under the Trust Guarantee or under the Declaration, then (a) the Company will not declare or pay any dividend on, make any distributions with respect to, or redeem, purchase, acquire or make a liquidation payment with respect to, any of its capital stock; (b) the Company shall not make any payment of interest, principal or premium, if any, on or repay, repurchase or redeem any debt securities (including guarantees) issued by the Company which rank pari passu with or junior to the Debt Securities issued to Equitable Trust and (c) the Company shall not make any guarantee payments with respect to the foregoing (other than pursuant to the Trust Guarantee) provided, however, that the Company may declare and pay a stock dividend where the dividend stock is the same stock as that on which the dividend is being paid.

Modification of the Trust Guarantees; Assignment

Except with respect to any changes that do not adversely affect the rights of holders of Preferred Securities (in which case no consent of such holders will be required), the Trust Guarantee may be amended only with the prior approval of the holders of not less than a majority in liquidation amount of the outstanding Preferred Securities. The manner of obtaining any such approval of holders of such Preferred Securities will be set forth in an accompanying Prospectus Supplement. All guarantees and agreements contained in the Trust Guarantee shall bind the successors, assigns, receivers, trustees and representatives of the Company and shall inure to the benefit of the holders of the Preferred Securities then outstanding.

Events of Default

An event of default under the Trust Guarantee will occur upon the failure of the Company to perform any of its payment or other obligations thereunder. The holders of a majority in liquidation amount of the Preferred Securities have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Preferred Securities Guarantee Trustee in respect of the Trust Guarantee or to direct the exercise of any trust or power conferred upon the Preferred Securities Guarantee Trustee under the Trust Guarantee.

If the Preferred Securities Guarantee Trustee fails to enforce the Trust Guarantee, any holder of Preferred Securities may institute a legal proceeding directly against the Company to enforce its rights under the Trust Guarantee without first instituting a legal proceeding against Equitable Trust, the Preferred Securities Guarantee Trustee or any other person or entity. The Company has waived any right or remedy to require that any action be brought first against Equitable Trust or any other person or entity before proceeding directly against the Company.

The Company will be required to provide annually to the Preferred Securities Guarantee Trustee a statement as to the performance by the Company of certain of its obligations under the Trust Guarantee and as to any default in such performance.

Information Concerning the Preferred Securities Guarantee Trustee

The Preferred Securities Guarantee Trustee, prior to the occurrence of a default, undertakes to perform only such duties as are specifically set forth in the Trust Guarantee and, after default with respect to the Trust Guarantee, shall exercise the same degree of care as a prudent individual would exercise in the conduct of his or her own affairs. Subject to such provision, the Preferred Securities Guarantee Trustee is under no obligation to exercise any of the powers vested in it by the Trust Guarantee at the request of any holder of Preferred Securities unless it is offered reasonable indemnity against the costs, expenses and liabilities that might be incurred thereby.

Termination of the Trust Guarantee

The Trust Guarantee will terminate as to the Preferred Securities upon full payment of the Redemption Price of all Preferred Securities, upon distribution of the Debt Securities held by Equitable Trust to the holders of all of the Preferred Securities or upon full payment of the amounts payable in accordance with the Declaration upon liquidation of Equitable Trust. The Trust Guarantee will continue to be effective or will be reinstated, as the case may be, if at any time any holder of Preferred Securities must restore payment of any sums paid under such Preferred Securities or the Trust Guarantee.

Status of the Trust Guarantee

The Trust Guarantee will constitute an unsecured obligation of the Company and will rank (i) subordinate and junior in right of payment to all other liabilities of the Company, including the Debt Securities, except those liabilities of the Company made pari passu or subordinate by their terms, (ii) pari passu with the most senior preferred or preference stock now or hereafter issued by the Company and with any guarantee now or hereafter entered into by the Company in respect of any preferred or preference stock of any affiliate of the Company and (iii) senior to the Company's Common Stock. The terms of the Preferred Securities provide that each holder of Preferred Securities by acceptance thereof agrees to the subordination provisions and other terms of the Trust Guarantee.

The Trust Guarantee will constitute a guarantee of payment and not of collection (that is, the guaranteed party may institute a legal proceeding directly against the Company to enforce its rights under the Trust Guarantee without instituting a legal proceeding against any other person or entity).

Governing Law

The Trust Guarantee will be governed by and construed in accordance with the law of the State of Iowa.

PLAN OF DISTRIBUTION

The Company and Equitable Trust may offer and sell Securities in any of the following ways: (i) directly to purchasers, (ii) through agents, (iii) through underwriters, (iv) through dealers or (v) through a combination of any such methods. The Prospectus Supplement with respect to an offering of Securities will set forth the terms of such offering, including, to the extent applicable, the name or names of any underwriters (and any managing underwriters), the names of any dealers or agents, the purchase price of the Securities and the proceeds to the Company or Equitable Trust from such sale, any underwriting discounts and commissions or agency fees and other items constituting underwriters' or agents' compensation, any initial public offering price and any discounts or concessions allowed or reallocated or paid to dealers and any securities exchanges or interdealer quotation system on which such Securities are expected to be listed. Any initial public offering price and any discounts or concessions allowed or reallocated or paid to dealers may be changed from time to time.

Securities may be offered and sold, and offers to purchase such securities may be solicited, by agents designated by the Company or Equitable Trust from time to time. Any such agent involved in the offer or sale of the Securities in respect of which this Prospectus is delivered will be named, and the terms of such agency (including any commissions payable by the Company or Equitable Trust to such agent) will be set forth, in the applicable Prospectus Supplement. Unless otherwise indicated in such Prospectus Supplement, any such agent will be acting on a best efforts basis for the period of its appointment.

If an underwriter or underwriters are utilized in the sale of Securities, the Company or Equitable Trust will execute an underwriting agreement with such underwriter or underwriters at the time an agreement for such sale is reached, and the names of the managing underwriter or managing underwriters, as well as any other underwriters, and the terms of the transaction, including commissions, discounts and other compensation of the underwriters and dealers, if any, will be set forth in the Prospectus Supplement, which will be used by the underwriters to make resales of the Securities in respect of which such Prospectus Supplement is delivered to the public. If underwriters are used in the sale, such underwriters will acquire Securities for their own account and may resell such Securities from time to time in one or more transactions,

including negotiated transactions, at fixed public offering prices or at varying prices determined by the underwriter at the time of sale. Securities may be offered to the public either through underwriting syndicates represented by managing underwriters, or directly by underwriters without a syndicate. Only underwriters named in the Prospectus Supplement are deemed to be underwriters in connection with the Securities offered thereby. If any underwriters are utilized in the sale of the Securities, unless otherwise set forth in the Prospectus Supplement relating thereto the underwriting agreement will provide that the obligations of the underwriters are subject to certain conditions precedent and that the underwriters with respect to a sale of Securities will be obligated to purchase all such Securities, if any are purchased.

If a dealer is utilized in the sale of the Securities, the Company or Equitable Trust will sell such Securities to the dealer, as principal. The dealer may then resell such Securities to the public at varying prices to be determined by such dealer at the time of resale. The name of the dealer and the terms of the transaction will be set forth in the Prospectus Supplement relating thereto.

Agents, underwriters and dealers may be entitled under agreements that may be entered into with the Company or Equitable Trust to indemnification by the Company or Equitable Trust against certain liabilities, including liabilities under the Securities Act of 1933, as amended, or to contribution with respect to payments which the agents, underwriters or dealers may be required to make in respect thereof. Agents, underwriters and dealers may be customers of, engage in transactions with, or perform services for the Company and affiliates of the Company. Any agents, dealers or underwriters participating in the offering of Securities may be deemed "underwriters" within the meaning of the Securities Act of 1933, as amended, of the Securities so offered.

Offers to purchase Securities may be solicited directly by the Company or Equitable Trust and sales thereof may be made by the Company or Equitable Trust directly to institutional investors or others, who may be deemed to be underwriters within the meaning of the Securities Act with respect to any resale thereof. The terms of any such sales, including the terms of any bidding or auction process, if utilized, will be described in the Prospectus Supplement relating thereto.

Each series of Securities (other than Common Stock) will be a new issue of securities and may have no established trading market. Agents and underwriters may from time to time purchase and sell Securities in the secondary market or may make a market in the Securities, but are not obligated to do so, and there can be no assurance that there will be a secondary market for the Securities or liquidity in the secondary market if one develops.

If so indicated in the applicable Prospectus Supplement, the Company or Equitable Trust will authorize agents, underwriters or dealers to solicit offers by certain institutions to purchase Securities from the Company or

Equitable Trust at the public offering price set forth in the applicable Prospectus Supplement pursuant to Delayed Delivery Contracts ("Contracts") providing for payment and delivery on a specified date in the future. A commission indicated in the applicable Prospectus Supplement will be paid to underwriters, dealers or agents soliciting purchases of Securities pursuant to Contracts accepted by the Company or Equitable Trust. The Contracts will be subject to the conditions set forth in the applicable Prospectus Supplement.

As one of the means of direct issuances of Securities, the Company or Equitable Trust may utilize the services of an entity through which it may conduct an electronic "dutch auction" or similar offering of the Securities among potential purchasers who are eligible to participate in the auction or offering of such Securities, if so described in the applicable Prospectus Supplement.

The anticipated place and time of delivery for the Securities in respect of which this Prospectus is delivered will be set forth in the applicable Prospectus Supplement.

LEGAL MATTERS

The validity of the Securities offered hereby other than the Preferred Securities will be passed upon for the Company and Equitable Trust by Nyemaster, Goode, McLaughlin, Voigts, West, Hansell & O'Brien, P.C., 1900 Hub Tower, Des Moines, Iowa 50309. Certain United States federal income taxation matters also will be passed upon for the Company and Equitable Trust by Nyemaster, Goode, McLaughlin, Voigts, West, Hansell & O'Brien, P.C. Attorneys in such law firm hold shares of Common Stock without par value of the Company. Certain matters of Delaware law relating to the validity of the Preferred Securities will be passed upon for Equitable Trust by Richards, Layton & Finger, P.A., One Rodney Square, Wilmington, Delaware 19899, special Delaware counsel to Equitable Trust. Certain legal matters in connection with the Securities will be passed upon for the underwriter(s), dealer(s) or agent(s) by LeBoeuf, Lamb, Greene & MacRae, L.L.P., a limited liability partnership including professional corporations, 125 West 55th Street, New York, New York 10019-5389. As to certain matters of Iowa law, LeBoeuf, Lamb, Greene & MacRae, L.L.P. may rely upon the opinions of Nyemaster, Goode, McLaughlin, Voigts, West, Hansell & O'Brien, P.C.

EXPERTS

The consolidated financial statements and schedules of the Company appearing in the Company's Annual Report on Form 10-K for the year ended December 31, 1995 incorporated by reference in this Prospectus, have been

audited by Ernst & Young LLP, independent auditors, as set forth in their report thereon included therein and incorporated herein by reference. Such consolidated financial statements and schedules are, and audited financial statements and schedules to be included in subsequently filed documents will be, incorporated herein in reliance upon the reports of Ernst & Young LLP pertaining to such financial statements (to the extent covered by consents filed with the Securities and Exchange Commission) given upon the authority of such firm as experts in accounting and auditing.

Part II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 14. Other Expenses of Issuance and Distribution

Securities and Exchange Commission registration fee	\$94,828.25
New York Stock Exchange Listing Fee	40,000
Legal fees and expenses	135,000
Accounting fees and expenses	50,000
Printing and engraving expenses	40,000
Trustee's fees and expenses	5,000
Rating Agencies' fees	180,000
Blue Sky Fees and Expenses	15,000
Miscellaneous	15,171.75
Total	\$575,000
	=====

Except for the SEC registration fee, all of the foregoing are estimates.

Item 15. Indemnification of Officers and Directors

The Company's Restated Articles of Incorporation and Amended and Restated Bylaws provide that the Company shall indemnify its directors, officers, employees and agents to the fullest extent permitted by the Iowa Business Corporation Act (the "IBCA"). The IBCA provides that a company may indemnify its officers and directors if (i) the person acted in good faith, and (ii) the person reasonably believed, in the case of conduct in the person's official capacity with the Company, that the conduct was in the Company's best interests, and in all other cases, that the person's conduct was at least not opposed to the Company's best interests, and (iii) in the case of any criminal proceeding, the person had no reasonable cause to believe the person's conduct was unlawful. The Company is required to indemnify officers and directors against reasonable expenses incurred in connection with any proceeding in which they are wholly successful, on the merits or otherwise, to which the person may be a party because of the person's position with the Company. If the proceeding is by or in the right of the Company, indemnification may be made only for reasonable expenses and may not be made in respect of any proceeding in which the person shall have been adjudged liable to the Company. Further, any such person may not be indemnified in respect of any proceeding that charges improper personal benefit to the person, in which the person shall have been adjudged to be liable.

The Company maintains directors' and officers' liability insurance, which indemnifies directors and officers of the Company against certain damages

and expenses relating to claims against them caused by negligent acts, errors or omissions.

The Declaration of Equitable Trust provides that no Property Trustee or any of its Affiliates, Delaware Trustee or any of its Affiliates, or any officer, director, shareholder, member, partner, employee, representative, custodian, nominee or agent of the Property Trustee or the Delaware Trustee (each a "Fiduciary Indemnified Person"), and no Regular Trustee, Affiliate of any Regular Trustee, or any officer, director, shareholder, member, partner, employee, representative or agent of any Regular Trustee or any Affiliate thereof, or any employee or agent of Equitable Trust or its Affiliates (each a "Company Indemnified Person") shall be liable, responsible or accountable in damages or otherwise to Equitable Trust or any officer, director, shareholder, partner, member, representative, employee or agent of Equitable Trust or its Affiliates or to any holder of Preferred Securities for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Fiduciary Indemnified Person or Company Indemnified Person in good faith on behalf of Equitable Trust and in a manner such Fiduciary Indemnified Person or Company Indemnified Person reasonably believed to be within the scope of the authority conferred on such Fiduciary Indemnified Person or Company Indemnified Person by such Declaration or by law, except that a Fiduciary Indemnified Person or Company Indemnified Person shall be liable for any such loss, damage or claim incurred by reason of such Fiduciary Indemnified Person's or Company Indemnified Person's gross negligence or willful misconduct with respect to such acts or omissions.

The Declaration of Equitable Trust also provides that to the full extent permitted by law, the Company shall indemnify any Company Indemnified Person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of Equitable Trust) by reason of the fact that he is or was a Company Indemnified Person against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of Equitable Trust, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The Declaration of Equitable Trust also provides that to the full extent permitted by law, the Company shall indemnify any Company Indemnified Person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of Equitable Trust to procure a judgment in its favor by reason of the fact that he is or was a Company Indemnified Person against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of Equitable Trust and except that no such indemnification shall be made in respect of any claim, issue or matter as to which such Company Indemnified Person shall have been adjudged to be

liable to Equitable Trust unless and only to the extent that the Court of Chancery of Delaware or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such Court of Chancery or such other court shall deem proper. The Declaration of Equitable Trust further provides that expenses (including attorneys' fees) incurred by a Company Indemnified Person in defending a civil, criminal, administrative or investigative action, suit or proceeding referred to in the immediately preceding two sentences shall be paid by the Company in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such Company Indemnified Person to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the Company as authorized in the Declaration.

The directors and officers of the Company and the Regular Trustees are covered by insurance policies indemnifying them against certain liabilities, including certain liabilities arising under the Securities Act of 1933, as amended (the "Securities Act"), which might be incurred by them in such capacities and against which they cannot be indemnified by the Company or Equitable Trust. Any agents, dealers or underwriters who execute any of the agreements filed as Exhibit 1 to this Registration Statement will agree to indemnify the Company's directors and their officers and the Equitable Trustees who signed the Registration Statement against certain liabilities that may arise under the Securities Act with respect to information furnished to the Company or Equitable Trust by or on behalf of any such indemnifying party.

The Declaration of Equitable Trust also provides that the Company shall indemnify each Fiduciary Indemnified Person against any loss, liability or expense incurred without negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of the trust or trusts under the Equitable Trust, including the costs and expenses (including reasonable legal fees and expenses) of defending itself against or investigating any claim or liability in connection with the exercise or performance of any of its powers or duties thereunder.

Item 16. Exhibits

Exhibit

Number

Description of Exhibit

- 1.1 Form of Underwriting Agreement for Debt Securities*
- 1.2 Form of Underwriting Agreement for Equity Securities*
- 1.3 Form of Underwriting Agreement for Preferred Securities*
- 4.1 Restated Articles of Incorporation of Equitable of Iowa Companies (incorporated herein by reference to Exhibit 3(a) to the Company's

- 4.2 Amendment(s) to the Restated Articles of Incorporation of Equitable of Iowa Companies with respect to a series of Preferred Stock*
- 4.3 Amended and Restated Bylaws of Equitable of Iowa Companies (incorporated herein by reference to Exhibit 2 to the Company's Form 8-K dated November 11, 1991)
- 4.4 Rights Agreement (incorporated herein by reference to Exhibit 1 to the Company's Form 8-K dated April 30, 1992)
- 4.5 First Amendment to Rights Agreement (incorporated herein by reference to Exhibit 4(b)(ii) to the Company's Quarterly Report on Form 10-Q for the period ended September 30, 1992)
- 4.6 Second Amendment to Rights Agreement (incorporated herein by reference to Exhibit 2.2 to the Company's Form 8-A dated May 13, 1993)
- 4.7 Indenture dated as of January 17, 1995 by and between Equitable of Iowa Companies and the First National Bank of Chicago, as Trustee, pursuant to which the Debt Securities are to be issued (incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-3 Registration No. 33-57343 filed January 18, 1995)
- 4.8 Certificate of Trust of Equitable of Iowa Companies Capital Trust
- 4.9 Declaration of Trust of Equitable of Iowa Companies Capital Trust
- 4.10 Form of Preferred Securities Guarantee Agreement by Equitable of Iowa Companies
- 4.11 Form of Debt Security*
- 4.11 Form of Preferred Stock*
- 4.12 Form of Warrant Agreement*
- 4.13 Form of Preferred Security*
- 5.1 Opinion of Nyemaster, Goode, McLaughlin, Voigts, West, Hansell & O'Brien, P.C.
- 5.2 Opinion of Richards, Layton & Finger, P.A.
- 8 Opinion of Nyemaster, Goode, McLaughlin, Voigts, West, Hansell & O'Brien, P.C. as to certain federal income taxation matters*
- 12 Computation of Ratio of Earnings to Fixed Charges

- 23.1 Consent of Nyemaster, Goode, McLaughlin, Voigts, West, Hansell & O'Brien, P.C. (included in Exhibits 5.1 and 8 hereto)
- 23.2 Consent of Richards, Layton & Finger, P.A. (included in Exhibit 5.2 hereto)
- 23.3 Consent of Independent Auditors, Ernst & Young LLP
- 24 Power of Attorney (set forth on the signature page of this Registration Statement)
- 25.1 Statement of Eligibility on Form T-1 under the Trust Indenture Act of 1939, as amended, of The First National Bank of Chicago, as Trustee under the Indenture
- 25.2 Statement of Eligibility on Form T-1 under the Trust Indenture Act of 1939, as amended, of The First National Bank of Chicago, as Trustee under the Declaration of Equitable of Iowa Companies Capital Trust
- 25.3 Statement of Eligibility on Form T-1 under the Trust Indenture Act of 1939, as amended, of The First National Bank of Chicago, as Trustee of the Trust Preferred Securities Guarantee for the benefit of the holders of Preferred Securities of Equitable of Iowa Companies Capital Trust

* To be filed by amendment or incorporated by reference from other documents filed with the Commission.

Item 17. Undertakings

- (a) The undersigned Registrants hereby undertake:
 - (1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:
 - (i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;
 - (ii) To reflect in the prospectus any facts or events arising after the effective date of the Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the Registration Statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that

which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) under the Securities Act if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective Registration Statement.

- (iii) To include any material information with respect to the plan of distribution not previously disclosed in the Registration Statement or any material change to such information in the Registration Statement;

Provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) above do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by the Registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the Registration Statement.

- (2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
- (3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in the Registration Statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) If the securities to be registered are to be offered at competitive bidding, the undersigned Registrant hereby undertakes: (1) to use its best efforts to distribute prior to the opening of bids, to prospective bidders, underwriters, and dealers, a reasonable number of copies of a prospectus which at that time meets the requirements of Section 10(a) of the Act, and relating to the securities offered at competitive bidding, as contained in the Registration Statement, together with any supplements thereto, and (2) to file an amendment to the Registration Statement reflecting the results of bidding, the

terms of the reoffering and related matters to the extent required by the applicable form, not later than the first use, authorized by the issuer after the opening of bids, of a prospectus relating to the securities offered at competitive bidding, unless no further public offering of such securities by the issuer and no reoffering of such securities by the purchasers is proposed to be made.

- (d) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.
- (e) The undersigned Registrant hereby undertakes that
- (1) for purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this Registration Statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this Registration Statement as of the time it was declared effective; and
 - (2) for the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
- (f) The undersigned Registrant hereby undertakes to file, if necessary, an application for the purpose of determining the eligibility of the Trustee to act under subsection (a) of Section 310 of the Trust Indenture Act of 1939, as amended, in accordance with the rules and regulations prescribed by the Securities and Exchange Commission under Section 305(b)(2) of such Act.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, Equitable of Iowa Companies certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Des Moines, State of Iowa, on March 22, 1996.

EQUITABLE OF IOWA COMPANIES

By /s/ Fred S. Hubbell

Fred S. Hubbell
Chairman, President and Chief
Executive Officer
(Principal Executive Officer)

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Fred S. Hubbell, Paul E. Larson and John A. Merriman, and each of them, as true and lawful attorneys-in-fact and agents with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities to sign any or all amendments, including post-effective amendments, to this Registration Statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or either of them, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

Name	Title	Date
------	-------	------

/s/ Fred S. Hubbell	Chairman of the Board, President and Chief Executive Officer (Principal Executive Officer)	March 22, 1996
<hr/>		
Fred S. Hubbell		
/s/ Paul E. Larson	Executive Vice President, Treasurer and Chief Financial Officer (Principal Financial Officer)	March 22, 1996
<hr/>		
Paul E. Larson		
/s/ David A. Terwilliger	Vice President and Controller (Principal Accounting Officer)	March 22, 1996
<hr/>		
David A. Terwilliger		
/s/ Richard B. Covey	Director	March 22, 1996
<hr/>		
Richard B. Covey		
/s/ Doris M. Drury	Director	March 22, 1996
<hr/>		
Doris M. Drury		
/s/ James L. Heskett	Director	March 22, 1996
<hr/>		
James L. Heskett		
/s/ Richard S. Ingham, Jr.	Director	March 22, 1996
<hr/>		
Richard S. Ingham, Jr.		
/s/ Robert E. Lee	Director	March 22, 1996
<hr/>		
Robert E. Lee		
/s/ Jack D. Rehm	Director	March 22, 1996
<hr/>		
Jack D. Rehm		
/s/ Thomas N. Urban	Director	March 22, 1996
<hr/>		

/s/ Hans F. E. Wachtmeister Director

March 22, 1996

Hans F. E. Wachtmeister

/s/ Richard S. White Director

March 22, 1996

Richard S. White

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, Equitable of Iowa Companies Capital Trust certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Des Moines, State of Iowa, on March 22, 1996.

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Fred S. Hubbell, Paul E. Larson and John A. Merriman, and each of them, as true and lawful attorneys-in-fact and agents with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities to sign any or all amendments, including post-effective amendments, to this Registration Statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or either of them, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

EQUITABLE OF IOWA COMPANIES
CAPITAL TRUST

By /s/ Fred S. Hubbell

Fred S. Hubbell, as Trustee

By /s/ Paul E. Larson

Paul E. Larson, as Trustee

By /s/ John A. Merriman

John A. Merriman, as Trustee

EXHIBIT INDEX
to Registration Statement
on Form S-3

EQUITABLE OF IOWA COMPANIES

Exhibit Number	Description of Exhibit
1.1	Form of Underwriting Agreement for Debt Securities*
1.2	Form of Underwriting Agreement for Equity Securities*
1.3	Form of Underwriting Agreement for Preferred Securities*
4.1	Restated Articles of Incorporation of Equitable of Iowa Companies (incorporated herein by reference to Exhibit 3(a) to the Company's

- 4.2 Amendment(s) to the Restated Articles of Incorporation of Equitable of Iowa Companies with respect to a series of Preferred Stock*
- 4.3 Amended and Restated Bylaws of Equitable of Iowa Companies (incorporated herein by reference to Exhibit 2 to the Company's Form 8-K dated November 11, 1991)
- 4.4 Rights Agreement (incorporated herein by reference to Exhibit 1 to the Company's Form 8-K dated April 30, 1992)
- 4.5 First Amendment to Rights Agreement (incorporated herein by reference to Exhibit 4(b)(ii) to the Company's Quarterly Report on Form 10-Q for the period ended September 30, 1992)
- 4.6 Second Amendment to Rights Agreement (incorporated herein by reference to Exhibit 2.2 to the Company's Form 8-A dated May 13, 1993)
- 4.7 Indenture dated as of January 17, 1995 by and between Equitable of Iowa Companies and the First National Bank of Chicago, as Trustee, pursuant to which the Debt Securities are to be issued (incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-3 Registration No. 33-57343 filed January 18, 1995)
- 4.8 Certificate of Trust of Equitable of Iowa Companies Capital Trust
- 4.9 Declaration of Trust of Equitable of Iowa Companies Capital Trust
- 4.10 Form of Preferred Securities Guarantee Agreement by Equitable of Iowa Companies
- 4.11 Form of Debt Security*
- 4.12 Form of Preferred Stock*
- 4.13 Form of Warrant Agreement*
- 4.14 Form of Preferred Security*
- 5.1 Opinion of Nyemaster, Goode, McLaughlin, Voigts, West, Hansell & O'Brien, P.C.
- 5.2 Opinion of Richards, Layton & Finger, P.A.
- 8 Opinion of Nyemaster, Goode, McLaughlin, Voigts, West, Hansell & O'Brien, P.C. as to certain federal income taxation matters*
- 12 Computation of Ratio of Earnings to Fixed Charges

- 23.1 Consent of Nyemaster, Goode, McLaughlin, Voigts, West, Hansell & O'Brien, P.C. (included in Exhibits 5.1 and 8 hereto)
- 23.2 Consent of Richards, Layton & Finger, P.A. (included in Exhibit 5.2 hereto)
- 23.3 Consent of Independent Auditors, Ernst & Young LLP
- 24 Power of Attorney (set forth on the signature page of this Registration Statement)
- 25.1 Statement of Eligibility on Form T-1 under the Trust Indenture Act of 1939, as amended, of The First National Bank of Chicago, as Trustee under the Indenture
- 25.2 Statement of Eligibility on Form T-1 under the Trust Indenture Act of 1939, as amended, of The First National Bank of Chicago, as Trustee under the Declaration of Equitable of Iowa Companies Capital Trust
- 25.3 Statement of Eligibility on Form T-1 under the Trust Indenture Act of 1939, as amended, of The First National Bank of Chicago, as Trustee of the Trust Preferred Securities Guarantee for the benefit of the holders of Preferred Securities of Equitable of Iowa Companies Capital Trust

* To be filed by amendment or incorporated by reference from other documents filed with the Commission.

CERTIFICATE OF TRUST

The undersigned, the trustees of Equitable of Iowa Companies Capital Trust, desiring to form a business trust pursuant to Delaware Business Trust Act, 12 Del. C. Section 3810, hereby certify as follows:

1. The name of the business trust being formed hereby (the "Trust") is "Equitable of Iowa Companies Capital Trust."
2. The name and business address of the trustee of the Trust which has its principal place of business in the State of Delaware is as follows:

First Chicago Delaware, Inc.
c/o FCC National Bank
300 King Street
Wilmington, Delaware 19801

3. This Certificate of Trust shall be effective as of the date of filing with the office of the Secretary of State of the State of Delaware.

IN WITNESS WHEREOF, the undersigned have executed this Certificate of Trust as of the date written below.

Dated: March 19, 1996

/s/ Fred S. Hubbell
Fred S. Hubbell, Trustee

THE FIRST NATIONAL BANK OF CHICAGO,
as Trustee

/s/ Paul E. Larson
Paul E. Larson, Trustee

By: /s/ R. D. Manella
Name: R. D. Manella
Title: Vice President

/s/ John A. Merriman
John A. Merriman, Trustee

FIRST CHICAGO DELAWARE, INC.,
as Trustee

By: /s/ L. Dillard
Name: L. Dillard
Title: Vice President

=====

DECLARATION OF TRUST

EQUITABLE OF IOWA COMPANIES
CAPITAL TRUST

Dated as of March 19, 1996

=====

TABLE OF CONTENTS

ARTICLE I INTERPRETATION AND DEFINITIONS

SECTION 1.1 Interpretation and Definitions

ARTICLE II TRUST INDENTURE ACT

SECTION 2.1 Trust Indenture Act; Application
SECTION 2.2 Lists of Holders of Securities
SECTION 2.3 Reports by the Property Trustee
SECTION 2.4 Periodic Reports to the Property Trustee
SECTION 2.5 Evidence of Compliance with Conditions Precedent
SECTION 2.6 Events of Default; Waiver
SECTION 2.7 Event of Default; Notice

ARTICLE III ORGANIZATION

SECTION 3.1 Name and Organization
SECTION 3.2 Office
SECTION 3.3 Purpose
SECTION 3.4 Authority
SECTION 3.5 Title to Property of the Trust
SECTION 3.6 Powers and Duties of the Regular Trustees
SECTION 3.7 Prohibition of Actions by the Trust and the Trustees
SECTION 3.8 Powers and Duties of the Property Trustee
SECTION 3.9 Certain Duties and Responsibilities of the Property Trustee
SECTION 3.10 Certain Rights of Property Trustee
SECTION 3.11 Delaware Trustee
SECTION 3.12 Execution of Documents
SECTION 3.13 Not Responsible for Recitals or Issuance of Securities
SECTION 3.14 Duration of Trust
SECTION 3.15 Mergers
SECTION 3.16 Property Trustee May File Proofs of Claim

ARTICLE IV SPONSOR

SECTION 4.1 Sponsor's Purchase of Common Securities
SECTION 4.2 Responsibilities of the Sponsor

ARTICLE V
TRUSTEES

SECTION 5.1 Number of Trustees
SECTION 5.2 Delaware Trustee
SECTION 5.3 Property Trustee; Eligibility
SECTION 5.4 Qualifications of Regular Trustees and Delaware Trustee
Generally
SECTION 5.5 Initial Trustees
SECTION 5.6 Appointment, Removal and Resignation of Trustees
SECTION 5.7 Vacancies among Trustees
SECTION 5.8 Effect of Vacancies
SECTION 5.9 Meetings
SECTION 5.10 Delegation of Power
SECTION 5.11 Merger, Conversion, Consolidation or Succession to Business

ARTICLE VI
DISTRIBUTIONS

SECTION 6.1 Distributions

ARTICLE VII
ISSUANCE OF SECURITIES

SECTION 7.1 General Provisions Regarding Securities

ARTICLE VIII
TERMINATION OF TRUST

SECTION 8.1 Termination of Trust

ARTICLE IX
TRANSFER OF INTERESTS

SECTION 9.1 Transfer of Securities
SECTION 9.2 Transfer of Certificates
SECTION 9.3 Deemed Security Holders
SECTION 9.4 Book Entry Interests
SECTION 9.5 Notices to Clearing Agency
SECTION 9.6 Appointment of Successor Clearing Agency
SECTION 9.7 Definitive Preferred Security Certificates
SECTION 9.8 Mutilated, Destroyed, Lost or Stolen Certificates

ARTICLE X
LIMITATION OF LIABILITY OF
HOLDERS OF SECURITIES, TRUSTEES OR OTHERS

SECTION 10.1 Liability
SECTION 10.2 Exculpation
SECTION 10.3 Fiduciary Duty
SECTION 10.4 Indemnification
SECTION 10.5 Outside Businesses

ARTICLE XI
ACCOUNTING

SECTION 11.1 Fiscal Year
SECTION 11.2 Certain Accounting Matters
SECTION 11.3 Banking
SECTION 11.4 Withholding

ARTICLE XII
AMENDMENTS AND MEETINGS

SECTION 12.1 Amendments
SECTION 12.2 Meetings of the Holders of Securities; Action by Written Consent

ARTICLE XIII
REPRESENTATIONS OF PROPERTY TRUSTEE
AND DELAWARE TRUSTEE

SECTION 13.1 Representations and Warranties of the Property Trustee
SECTION 13.2 Representations and Warranties of the Delaware Trustee

ARTICLE XIV
MISCELLANEOUS

SECTION 14.1 Notices
SECTION 14.2 Governing Law
SECTION 14.3 Intention of the Parties
SECTION 14.4 Headings
SECTION 14.5 Successors and Assigns
SECTION 14.6 Partial Enforceability
SECTION 14.7 Counterparts

CROSS-REFERENCE TABLE *

Section of Trust Indenture Act of 1939, as amended	Section of Declaration
310 (a)	5.3 (a)
310 (b)	5.3 (c)
310 (c)	Inapplicable
311 (a)	2.2 (b)
311 (b)	2.2 (b)
311 (c)	Inapplicable
312 (a)	2.2 (a)
312 (b)	2.2 (b)

313	2.3
314 (a)	2.4
314 (b)	Inapplicable
314 (c)	2.5
314 (d)	Inapplicable
314 (e)	2.5
315 (a)	3.9 (b)
315 (b)	2.7
315 (c)	3.9 (a)
315 (d)	3.9 (b)
316 (a)	2.6
316 (c)	3.6 (e)
317 (a)	3.16
317 (b)	3.8 (h)

* This Cross-Reference Table does not constitute part of the Declaration and shall not affect the interpretation of any of its terms or provisions.

DECLARATION OF TRUST

THIS DECLARATION OF TRUST ("Declaration") dated as of March 19, 1996 between Equitable of Iowa Companies, an Iowa corporation, as Sponsor, and Fred S. Hubbell, Paul E. Larson, John A. Merriman, The

First National Bank of Chicago, a national banking association, and First Chicago Delaware, Inc., a Delaware corporation, not in their individual capacities but solely as Trustees, and the holders, from time to time, of undivided beneficial interests in the Trust to be issued from time to time pursuant to this Declaration.

WHEREAS, the Sponsor desires to establish a statutory business trust (the "Trust") under the Business Trust Act (as hereinafter defined); and

WHEREAS, the sole purpose of the Trust shall be to issue and sell certain securities representing undivided beneficial interests in the assets of the Trust, to invest the proceeds from such sales in the Debentures issued by the Debenture Issuer (as those terms are hereinafter defined) and to engage in activities necessary, appropriate, convenient or incidental thereto.

NOW, THEREFORE, it being the intention of the parties hereto that the Trust constitute a business trust under the Business Trust Act, the Trustees hereby declare that all assets contributed to the Trust be held in trust for the benefit of the holders, from time to time, of the securities representing undivided beneficial interests in the assets of the Trust issued hereunder, subject to the provisions of this Declaration.

ARTICLE I INTERPRETATION AND DEFINITIONS

SECTION 1.1 Interpretation and Definitions.

Unless the context otherwise requires:

- (a) capitalized terms used in this Declaration but not defined in the preamble above have the respective meanings assigned to them in this Section 1.1;
- (b) a term defined anywhere in this Declaration has the same meaning throughout;
- (c) all references to "the Declaration" or "this Declaration" are to this Declaration as modified, supplemented or amended from time to time;
- (d) all references in this Declaration to Articles and Sections are to Articles and Sections of this Declaration unless otherwise specified;
- (e) a term defined in the Trust Indenture Act has the same meaning when used in this Declaration unless otherwise defined in this Declaration or unless the context otherwise requires; and

(f) a reference to the singular includes the plural and vice versa.

"AFFILIATE" has the same meaning as given to that term in Rule 405 of the Securities Act or any successor rule thereunder.

"AUTHORIZED OFFICER" of a Person means any Person that is authorized to bind such Person.

"BOOK ENTRY INTEREST" means a beneficial interest in a Global Certificate, ownership and transfers of which shall be maintained and made through book entries by a Clearing Agency as described in Section 9.4.

"BUSINESS DAY" means any day other than a day on which banking institutions in New York, New York are authorized or required by law to close.

"BUSINESS TRUST ACT" means Chapter 38 of Title 12 of the Delaware Code, 12 Del. Code Section 3801 et seq., as it may be amended from time to time, or any successor legislation.

"CERTIFICATE" means a Common Security Certificate or a Preferred Security Certificate.

"CERTIFICATE OF TRUST" has the meaning specified in Section 3.1.

"CLEARING AGENCY" means an organization registered as a "Clearing Agency" pursuant to Section 17A of the Exchange Act that is acting as depository for the Preferred Securities and in whose name or in the name of a nominee of that organization shall be registered a Global Certificate and which shall undertake to effect book entry transfers and pledges of the Preferred Securities.

"CLEARING AGENCY PARTICIPANT" means a broker, dealer, bank, other financial institution or other Person for whom from time to time the Clearing Agency effects book entry transfers and pledges of securities deposited with the Clearing Agency.

"CLOSING DATE" means the date on which the Preferred Securities are sold pursuant to the terms of the Underwriting Agreement.

"CODE" means the Internal Revenue Code of 1986, as amended from time to time, or any successor legislation. A reference to a specific section of the Code refers not only to such specific section but also to any corresponding provision of any federal tax statute enacted after the date of this Declaration, as such specific section or corresponding provision is in effect on the date of application of the provisions of this Declaration containing such reference.

"COMMISSION" means the Securities and Exchange Commission.

"COMMON SECURITIES GUARANTEE" means the guarantee agreement of

the Sponsor in respect of the Common Securities.

"COMMON SECURITY" has the meaning specified in Section 7.1.

"COMMON SECURITY CERTIFICATE" means a definitive certificate in fully registered form representing a Common Security.

"COMPANY INDEMNIFIED PERSON" means (a) any Regular Trustee; (b) any Affiliate of any Regular Trustee; (c) any officers, directors, shareholders, members, partners, employees, representatives or agents of any Regular Trustee or any Affiliate thereof; or (d) any officer, employee or agent of the Trust or its Affiliates.

"CORPORATE TRUST OFFICE" means the office of the Property Trustee at which the corporate trust business of the Property Trustee shall, at any particular time, be principally administered, which office at the date of execution of this Declaration is located at One First National Plaza - Suite 0126, Chicago, Illinois 60670-0126, Attention: Corporate Trust Services Division; telecopy no. (312) 407-7108.

"COVERED PERSON" means (a) any officer, director, shareholder, partner, member, representative, employee or agent of (i) the Trust or (ii) the Trust's Affiliates; and (b) any Holder of Securities.

"DEBENTURE ISSUER" means Equitable of Iowa Companies in its capacity as issuer of the Debentures under the Indenture.

"DEBENTURE TRUSTEE" means The First National Bank of Chicago, as trustee under the Indenture until a successor is appointed thereunder, and thereafter means such successor trustee.

"DEBENTURES" means the series of junior subordinated deferrable interest debentures to be issued by the Debenture Issuer under the Indenture to be held by the Property Trustee.

"DEFINITIVE PREFERRED SECURITY CERTIFICATES" has the meaning set forth in Section 9.4.

"DELAWARE TRUSTEE" has the meaning set forth in Section 5.2.

"DISTRIBUTION" means a distribution payable to Holders of Securities in accordance with Section 6.1.

"DTC" means The Depository Trust Company, the initial Clearing Agency.

"EVENT OF DEFAULT" in respect of the Securities means an Event of Default (as defined in the Indenture) has occurred and is continuing in respect of the Debentures.

"EXCHANGE ACT" means the Securities Exchange Act of 1934, as amended from time to time, or any successor legislation.

"FIDUCIARY INDEMNIFIED PERSON" has the meaning set forth in Section 10.4(b).

"FISCAL YEAR" has the meaning set forth in Section 11.1.

"GLOBAL CERTIFICATE" has the meaning set forth in Section 9.4.

"HOLDER" means a Person in whose name a Certificate representing a Security is registered, such Person being a beneficial owner within the meaning of the Business Trust Act, PROVIDED, HOWEVER, that in determining whether the Holders of the requisite liquidation amount of Preferred Securities have voted on any matter provided for in this Declaration, then for the purpose of such determination only (and not for any other purpose hereunder), if the Preferred Securities remain in the form of one or more Global Certificates, the term "Holders" shall mean the holder of the Global Certificate acting at the direction of the Preferred Security Beneficial Owners.

"INDEMNIFIED PERSON" means a Company Indemnified Person or a Fiduciary Indemnified Person.

"INDENTURE" means the Indenture dated as of January 17, 1995, among the Debenture Issuer and the Debenture Trustee, and any indenture supplemental thereto pursuant to which the Debentures are to be issued.

"INVESTMENT COMPANY" means an investment company as defined in the Investment Company Act and the regulations promulgated thereunder.

"INVESTMENT COMPANY ACT" means the Investment Company Act of 1940, as amended from time to time, or any successor legislation.

"LEGAL ACTION" has the meaning set forth in Section 3.6(g).

"LIST OF HOLDERS" has the meaning specified in Section 2.2(a).

"MAJORITY IN LIQUIDATION AMOUNT" means, except as provided in the terms of the Preferred Securities or by the Trust Indenture Act, Holder(s) of outstanding Securities, voting together as a single class, or, as the context may require, Holders of outstanding Preferred Securities or Holders of outstanding Common Securities, voting separately as a class, who are the record owners of more than 50% of the aggregate liquidation amount (including the stated amount that would be paid on redemption, liquidation or otherwise, plus accrued and unpaid Distributions to the date upon which the voting percentages are determined) of all outstanding Securities of the relevant class.

"OFFICERS' CERTIFICATE" means, with respect to any Person (other than Regular Trustees who are natural persons), a certificate signed by two Authorized Officers of such Person. Any Officers' Certificate delivered with respect to compliance with a condition or covenant provided for in this

Declaration shall include:

- (a) a statement that each officer signing the Officers' Certificate has read the covenant or condition and the definitions relating thereto;
- (b) a brief statement of the nature and scope of the examination or investigation undertaken by each officer in rendering the Officers' Certificate;
- (c) a statement that each such officer has made such examination or investigation as, in such officer's opinion, is necessary to enable such officer to express an informed opinion as to whether or not such covenant or condition has been complied with; and
- (d) a statement as to whether, in the opinion of each such officer, such condition or covenant has been complied with ;

PROVIDED, that the term "Officers' Certificate" when used with reference to Regular Trustees who are natural persons shall mean a certificate signed by two of the Regular Trustees which otherwise satisfies the foregoing requirements.

"PAYING AGENT" has the meaning specified in Section 3.8(h).

"PAYMENT AMOUNT" has the meaning specified in Section 6.1.

"PERSON" means a legal person, including any individual, corporation, estate, partnership, joint venture, association, joint stock company, limited liability company, trust, unincorporated association, or government or any agency or political subdivision thereof, or any other entity of whatever nature.

"PREFERRED SECURITIES GUARANTEE" means the guarantee agreement of the Sponsor in respect of the Preferred Securities.

"PREFERRED SECURITY" has the meaning specified in Section 7.1.

"PREFERRED SECURITY BENEFICIAL OWNER" means, with respect to a Book Entry Interest, a Person who is the beneficial owner of such Book Entry Interest, as reflected on the books of the Clearing Agency, or on the books of a Person maintaining an account with such Clearing Agency (directly as a Clearing Agency Participant or as an indirect participant, in each case in accordance with the rules of such Clearing Agency).

"PREFERRED SECURITY CERTIFICATE" means a certificate representing a Preferred Security.

"PRICING AGREEMENT" means the pricing agreement between the Trust, the Debenture Issuer and the underwriters designated by the Regular Trustees with respect to the offer and sale of the Preferred Securities.

"PROPERTY TRUSTEE" means the Trustee meeting the eligibility requirements set forth in Section 5.3

"PROPERTY TRUSTEE ACCOUNT" has the meaning set forth in Section 3.8(c).

"QUORUM" means a majority of the Regular Trustees or, if there are only two Regular Trustees, both of them.

"REGULAR TRUSTEE" means any Trustee other than the Property Trustee and the Delaware Trustee.

"RELATED PARTY" means, with respect to the Sponsor, any direct or indirect wholly owned subsidiary of the Sponsor or any Person that owns, directly or indirectly, 100% of the outstanding voting securities of the Sponsor.

"RESPONSIBLE OFFICER" means, with respect to the Property Trustee, any officer within the Corporate Trust Office of the Property Trustee, including any vice-president, any assistant vice-president, the secretary, any assistant secretary, the treasurer, any assistant treasurer or other officer of the Corporate Trust Office of the Property Trustee customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of that officer's knowledge of and familiarity with the particular subject.

"RULE 3a-5" means Rule 3a-5 under the Investment Company Act or any successor rule thereunder.

"RULE 3a-7" means Rule 3a-7 under the Investment Company Act or any successor rule thereunder.

"SECURITIES" means the Common Securities and the Preferred Securities.

"SECURITIES ACT" means the Securities Act of 1933, as amended from time to time, or any successor legislation.

"SECURITIES GUARANTEES" means the Common Securities Guarantee and the Preferred Securities Guarantee.

"SPONSOR" means Equitable of Iowa Companies, an Iowa corporation, or any successor entity in a merger, consolidation or amalgamation, in its capacity as sponsor of the Trust.

"SUCCESSOR DELAWARE TRUSTEE" has the meaning specified in Section 5.6(b).

"SUCCESSOR ENTITY" has the meaning specified in Section 3.15(b)(i).

"SUCCESSOR PROPERTY TRUSTEE" has the meaning specified in Section 5.6(b).

"SUCCESSOR SECURITY" has the meaning specified in Section 3.15(b)(i)(B).

"SUPER MAJORITY" has the meaning set forth in Section 2.6(a) (ii).

"10% IN LIQUIDATION AMOUNT" means, except as provided in the terms of the Preferred Securities or by the Trust Indenture Act, Holder(s) of outstanding Securities, voting together as a single class, or, as the context may require, Holders of outstanding Preferred Securities or Holders of outstanding Common Securities, voting separately as a class, who are the record owners of 10% or more of the aggregate liquidation amount (including the stated amount that would be paid on redemption, liquidation or otherwise, plus accrued and unpaid Distributions to the date upon which the voting percentages are determined) of all outstanding Securities of the relevant class.

"TREASURY REGULATIONS" means the income tax regulations, including temporary and proposed regulations, promulgated under the Code by the United States Treasury, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

"TRUST INDENTURE ACT" means the Trust Indenture Act of 1939, as amended from time to time, or any successor legislation.

"TRUSTEE" or "TRUSTEES" means each Person who has signed this Declaration as a trustee, so long as such Person shall continue in office in accordance with the terms hereof, and all other Persons who may from time to time be duly appointed, qualified and serving as Trustees in accordance with the provisions hereof, and references herein to a Trustee or the Trustees shall refer to such Person or Persons solely in their capacity as trustees hereunder.

"TRUSTEES' AUTHORIZATION CERTIFICATE" means a written certificate signed by two of the Regular Trustees for the purpose of establishing the terms and form of the Preferred Securities and the Common Securities as determined by the Regular Trustees.

"UNDERWRITING AGREEMENT" means the Underwriting Agreement for the offering and sale of Preferred Securities between the Trust, the Debenture Issuer and the underwriters designated by the Regular Trustees.

ARTICLE II TRUST INDENTURE ACT

SECTION 2.1 Trust Indenture Act; Application.

(a) This Declaration is subject to the provisions of the Trust Indenture Act that are required to be part of this Declaration and shall, to the extent applicable, be governed by such provisions.

(b) The Property Trustee shall be the only Trustee which is a Trustee for the purposes of the Trust Indenture Act.

(c) If and to the extent that any provision of this Declaration limits, qualifies or conflicts with the duties imposed by Sections 310 to 317, inclusive, of the Trust Indenture Act, such imposed duties shall control.

(d) The application of the Trust Indenture Act to this Declaration shall not affect the nature of the Securities as equity securities representing undivided beneficial interests in the assets of the Trust.

SECTION 2.2 Lists of Holders of Securities.

(a) Each of the Sponsor and the Regular Trustees on behalf of the Trust shall provide the Property Trustee with a list, in such form as the Property Trustee may reasonably require, of the names and addresses of the Holders of the Securities ("List of Holders"), (i) within one Business Day after January 1 and June 30 of each year and current as of such date, and (ii) at any other time, within 30 days of receipt by the Trust of a written request from the Property Trustee for a List of Holders as of a date no more than 14 days before such List of Holders is given to the Property Trustee; PROVIDED THAT neither the Sponsor nor the Regular Trustees on behalf of the Trust shall be obligated to provide such List of Holders at any time the List of Holders does not differ from the most recent List of Holders given to the Property Trustee by the Sponsor and the Regular Trustees on behalf of the Trust. The Property Trustee shall preserve, in as current a form as is reasonably practicable, all information contained in Lists of Holders given to it or which it receives in the capacity as Paying Agent (if acting in such capacity) PROVIDED THAT the Property Trustee may destroy any List of Holders previously given to it on receipt of a new List of Holders.

(b) The Property Trustee shall comply with its obligations under, and shall be entitled to the benefits of, Sections 311(a), 311(b) and 312(b) of the Trust Indenture Act.

SECTION 2.3 Reports by the Property Trustee.

Within 60 days after May 15 of each year (commencing with the year of the first anniversary of the issuance of the Preferred Securities), the Property Trustee shall provide to the Holders of the Preferred Securities such reports as are required by Section 313 of the Trust Indenture Act, if any, in the form and in the manner provided by Section 313 of the Trust Indenture Act. The Property Trustee shall also comply with the requirements of Section 313(d) of the Trust Indenture Act.

SECTION 2.4 Periodic Reports to the Property Trustee.

Each of the Sponsor and the Regular Trustees on behalf of the Trust shall provide to the Property Trustee such documents, reports and information as required by Section 314 (if any) of the Trust Indenture Act and the compliance certificate required by Section 314 of the Trust

Indenture Act in the form, in the manner and at the times required by Section 314 of the Trust Indenture Act.

SECTION 2.5 Evidence of Compliance with Conditions Precedent.

Each of the Sponsor and the Regular Trustees on behalf of the Trust shall provide to the Property Trustee such evidence of compliance with any conditions precedent, if any, provided for in this Declaration that relate to any of the matters set forth in Section 314(c) of the Trust Indenture Act. Any certificate or opinion required to be given by an officer pursuant to Section 314(c)(1) may be given in the form of an Officers' Certificate.

SECTION 2.6 Events of Default; Waiver.

(a) The Holders of a Majority in Liquidation Amount of the Preferred Securities may, by vote, on behalf of the Holders of all of the Preferred Securities, waive any past Event of Default in respect of the Preferred Securities and its consequences, PROVIDED THAT, if the underlying Event of Default under the Indenture:

- (i) is not waivable under the Indenture, the Event of Default under the Declaration shall also not be waivable; or
- (ii) requires the consent or vote of greater than a majority in principal amount of the holders of the Debentures (a "Super Majority") to be waived under the Indenture, the Event of Default under the Declaration may only be waived by the vote of the Holders of at least the proportion in liquidation amount of the Preferred Securities that the relevant Super Majority represents of the aggregate principal amount of the Debentures outstanding.

The foregoing provisions of this Section 2.6(a) shall be in lieu of Section 316(a)(1)(B) of the Trust Indenture Act and such Section 316(a)(1)(B) of the Trust Indenture Act is hereby expressly excluded from this Declaration and the Securities, as permitted by the Trust Indenture Act. Upon such waiver, any such default shall cease to exist, and any Event of Default with respect to the Preferred Securities arising therefrom shall be deemed to have been cured, for every purpose of this Declaration and the Preferred Securities, but no such waiver shall extend to any subsequent or other default or Event of Default with respect to the Preferred Securities or impair any right consequent thereon.

(b) The Holders of a Majority in Liquidation Amount of the Common Securities may, by vote, on behalf of the Holders of all of the Common Securities, waive any past Event of Default in respect of the Common Securities and its consequences, PROVIDED THAT, if the underlying Event of Default under the Indenture:

- (i) is not waivable under the Indenture, except where the Holders of

the Common Securities are deemed to have waived such Event of Default under the Declaration as provided below in this Section 2.6(b), the Event of Default under the Declaration shall also not be waivable; or

- (ii) requires the consent or vote of a Super Majority to be waived under the Indenture, except where the Holders of the Common Securities are deemed to have waived such Event of Default under the Declaration as provided below in this Section 2.6(b), the Event of Default under the Declaration may only be waived by the vote of the Holders of at least the proportion in liquidation amount of the Common Securities that the relevant Super Majority represents of the aggregate principal amount of the Debentures outstanding;

PROVIDED FURTHER, each Holder of Common Securities will be deemed to have waived any such Event of Default and all Events of Default with respect to the Common Securities and the consequences thereof until all Events of Default with respect to the Preferred Securities have been cured, waived or otherwise eliminated, and until such Events of Default with respect to the Preferred Securities have been so cured, waived or otherwise eliminated, the Property Trustee will be deemed to be acting solely on behalf of the Holders of the Preferred Securities and only the Holders of the Preferred Securities will have the right to direct the Property Trustee in accordance with the terms of the Securities. The foregoing provisions of this Section 2.6(b) shall be in lieu of Sections 316(a)(1)(A) and 316(a)(1)(B) of the Trust Indenture Act and such Sections 316(a)(1)(A) and 316(a)(1)(B) of the Trust Indenture Act are hereby expressly excluded from this Declaration and the Securities, as permitted by the Trust Indenture Act. Subject to the foregoing provisions of this Section 2.6(b), upon such waiver, any such default shall cease to exist and any Event of Default with respect to the Common Securities arising therefrom shall be deemed to have been cured for every purpose of this Declaration, but no such waiver shall extend to any subsequent or other default or Event of Default with respect to the Common Securities or impair any right consequent thereon.

(c) A waiver of an Event of Default under the Indenture by the Property Trustee at the direction of the Holders of the Preferred Securities constitutes a waiver of the corresponding Event of Default with respect to the Preferred Securities under this Declaration. The foregoing provisions of this Section 2.6(c) shall be in lieu of Section 316(a)(1)(B) of the Trust Indenture Act and such Section 316(a)(1)(B) of the Trust Indenture Act is hereby expressly excluded from this Declaration and the Securities, as permitted by the Trust Indenture Act.

SECTION 2.7 Event of Default; Notice.

(a) The Property Trustee shall, within 90 days after the occurrence of an Event of Default, transmit by mail, first class postage prepaid, to the Holders of the Securities, notices of all defaults with respect to the Securities actually known to a Responsible Officer of the Property Trustee, unless such defaults have been cured before the giving of such notice (the

term "defaults" for the purposes of this Section 2.7(a) being hereby defined to be an Event of Default as defined in the Indenture, not including any periods of grace provided for therein and irrespective of the giving of any notice provided therein); PROVIDED THAT, except for a default in the payment of principal of (or premium, if any) or interest on any of the Debentures or in the payment of any sinking fund installment established for the Debentures, the Property Trustee shall be protected in withholding such notice if and so long as a Responsible Officer of the Property Trustee in good faith determines that the withholding of such notice is in the interests of the Holders of the Securities.

(b) The Property Trustee shall not be deemed to have knowledge of any default except:

- (i) a default under Sections 5.1(a) and 5.1(b) of the Indenture; or
- (ii) any default as to which the Property Trustee shall have received written notice or of which a Responsible Officer of the Property Trustee charged with the administration of this Declaration shall have actual knowledge.

ARTICLE III ORGANIZATION

SECTION 3.1 Name and Organization.

The Trust hereby created is named "Equitable of Iowa Companies Capital Trust" as such name may be modified from time to time by the Regular Trustees following written notice to the Holders of Securities. The Trust's activities may be conducted under the name of the Trust or any other name deemed advisable by the Regular Trustees. The Trustees are hereby authorized and directed to execute and file a certificate of trust (the "Certificate of Trust") with the Delaware Secretary of State in accordance with the provisions of Section 3810 of the Business Trust Act. This Declaration, as amended or supplemented from time to time, and the Trustees' Authorization Certificate, when issued, shall constitute the governing instrument of the Trust.

SECTION 3.2 Office.

The address of the principal office of the Trust is c/o Equitable of Iowa Companies, 604 Locust Street, Des Moines, Iowa 50309. On ten Business Days written notice to the Holders of Securities, the Regular Trustees may designate another principal office.

SECTION 3.3 Purpose.

The exclusive purposes and functions of the Trust are (a) to issue and sell Securities and use the gross proceeds from such sale to acquire the Debentures, and (b) except as otherwise limited herein, to engage in only those other activities necessary, appropriate, convenient or incidental thereto. The Trust shall not borrow money, issue debt or reinvest proceeds derived from investments, pledge any of its assets or otherwise undertake (or permit to be undertaken) any activity that would cause the Trust not to be classified for United States federal income tax purposes as a grantor trust.

The Trust will be classified as a grantor trust for United States federal income tax purposes under Subpart E of Subchapter J of the Code, pursuant to which the owners of the Preferred Securities and the Common Securities will be the owners of the Trust for United States federal income tax purposes, and such owners will include directly in their gross income the income, gain, deduction or loss of the Trust as if the Trust did not exist. By the acceptance of this Trust, none of the Trustees, the Sponsor, the Holders of the Preferred Securities or Common Securities or the Preferred Securities Beneficial Owners will take any position for United States federal income tax purposes which is contrary to the classification of the Trust as a grantor trust.

SECTION 3.4 Authority.

Subject to the limitations provided in this Declaration and to the specific duties of the Property Trustee, the Regular Trustees shall have exclusive and complete authority to carry out the purposes of the Trust. An action taken by the Regular Trustees in accordance with their powers shall constitute the act of and serve to bind the Trust and an action taken by the Property Trustee on behalf of the Trust in accordance with its powers shall constitute the act of and serve to bind the Trust. In dealing with the Trustees acting on behalf of the Trust, no person shall be required to inquire into the authority of the Trustees to bind the Trust. Persons dealing with the Trust are entitled to rely conclusively on the power and authority of the Trustees as set forth in this Declaration.

SECTION 3.5 Title to Property of the Trust.

Except as provided in Section 3.8 with respect to the Debentures and the Property Trustee Account or as otherwise provided in this Declaration, legal title to all assets of the Trust shall be vested in the Trust. The Holders shall not have legal title to any part of the assets of the Trust, but shall have an undivided beneficial interest in the assets of the Trust.

SECTION 3.6 Powers and Duties of the Regular Trustees.

The Regular Trustees shall have the exclusive power, duty and authority to cause the Trust to engage in the following activities:

- (a) to establish the terms and form of the Preferred Securities and the Common Securities in the manner specified in Section 7.1 and issue and sell the Preferred Securities and the Common Securities in accordance with this Declaration; PROVIDED, HOWEVER, that the Trust may issue no more than one series of Preferred Securities and no more than one series of Common Securities, and, PROVIDED FURTHER, that there shall be no interests in the Trust other than the Securities, and the issuance of Securities shall be limited to a one-time, simultaneous issuance of both Preferred Securities and Common Securities on the Closing Date;
- (b) in connection with the issue and sale of the Preferred Securities, at the direction of the Sponsor, to:
- (i) execute and file with the Commission a registration statement on Form S-3 prepared by the Sponsor, including any amendments thereto, pertaining to the Preferred Securities (and any other securities of the Sponsor which the Sponsor may desire to include in such registration statement);
 - (ii) execute and file any documents prepared by the Sponsor, or take any acts as determined by the Sponsor to be necessary, in order to qualify or register all or part of the Preferred Securities in any State in which the Sponsor has determined to qualify or register such Preferred Securities for sale;
 - (iii) execute and file an application, prepared by the Sponsor, to the New York Stock Exchange, Inc. or any other national stock exchange or the Nasdaq Stock Market's National Market System for listing upon notice of issuance of any Preferred Securities;
 - (iv) execute and file with the Commission a registration statement on Form 8-A, including any amendments thereto, prepared by the Sponsor, relating to the registration of the Preferred Securities under Section 12(b) of the Exchange Act; and
 - (v) execute and enter into the Underwriting Agreement and Pricing Agreement providing for the sale of the Preferred Securities;
- (c) to acquire the Debentures with the proceeds of the sale of the Preferred Securities and the Common Securities; PROVIDED, HOWEVER, that the Regular Trustees shall cause legal title to the Debentures to be held of record in the name of the Property Trustee for the benefit of the Holders of the Preferred Securities and the Holders of the Common Securities;
- (d) to give the Sponsor and the Property Trustee prompt written notice of the occurrence of certain events (as may be specified in the terms of the Securities) arising from a change in law or a change in legal interpretation or other circumstances specified in the

terms of the Securities PROVIDED THAT the Regular Trustees shall consult with the Sponsor and the Property Trustee before taking or refraining from taking any action in relation to any such event;

- (e) to establish a record date with respect to all actions to be taken hereunder that require a record date be established, including and with respect to, for the purposes of Section 316(c) of the Trust Indenture Act, Distributions, voting rights, redemptions and exchanges, and to issue relevant notices to the Holders of Preferred Securities and Holders of Common Securities as to such actions and applicable record dates;
- (f) to take all actions and perform such duties as may be required of the Regular Trustees pursuant to the terms of the Securities;
- (g) to bring or defend, pay, collect, compromise, arbitrate, resort to legal action or otherwise adjust claims or demands of or against the Trust ("Legal Action"), unless pursuant to Section 3.8(e), the Property Trustee has the exclusive power to bring such Legal Action;
- (h) to employ or otherwise engage employees and agents (who may be designated as officers with titles) and managers, contractors, advisors and consultants and pay reasonable compensation for such services;
- (i) to cause the Trust to comply with the Trust's obligations under the Trust Indenture Act;
- (j) to give the certificate required by Section 314(a) (4) of the Trust Indenture Act to the Property Trustee, which certificate may be executed by any Regular Trustee;
- (k) to incur expenses that are necessary or desirable to carry out any of the purposes of the Trust;
- (l) to act as, or appoint another Person to act as, registrar and transfer agent for the Securities;
- (m) to give prompt written notice to the Holders of the Securities of any notice received from the Debenture Issuer of its election (i) to defer payments of interest on the Debentures by extending the interest payment period under the Debentures as authorized by the Indenture, or (ii) to extend the maturity date of the Debentures if so authorized by the Indenture, provided that any such extension of the maturity date will not adversely affect the federal income tax status of the Trust;
- (n) to take all action that may be necessary or appropriate for the preservation and the continuation of the Trust's valid existence, rights, franchises and privileges as a statutory business trust under the laws of the State of Delaware and of each other

jurisdiction in which such existence is necessary to protect the limited liability of the Holders of the Preferred Securities or to enable the Trust to effect the purposes for which the Trust was created;

- (o) to take any action, not inconsistent with this Declaration or with applicable law, that the Regular Trustees determine in their discretion to be necessary or desirable in carrying out the purposes and functions of the Trust as set out in Section 3.3 or the activities of the Trust as set out in this Section 3.6, including, but not limited to:
 - (i) causing the Trust not to be deemed to be an Investment Company required to be registered under the Investment Company Act;
 - (ii) causing the Trust to be classified for United States federal income tax purposes as a grantor trust; and
 - (iii) cooperating with the Debenture Issuer to ensure that the Debentures will be treated as indebtedness of the Debenture Issuer for United States federal income tax purposes,

PROVIDED THAT such action does not adversely affect the interests of Holders;

- (p) to take all action necessary to cause all applicable tax returns and tax information reports that are required to be filed with respect to the Trust to be duly prepared and filed by the Regular Trustees, on behalf of the Trust; and
- (q) to execute all documents or instruments, perform all duties and powers, and do all things for and on behalf of the Trust in all matters necessary or desirable to the foregoing.

The Regular Trustees must exercise the powers set forth in this Section 3.6 in a manner that is consistent with the purposes and functions of the Trust set out in Section 3.3, and the Regular Trustees shall not take any action that is inconsistent with the purposes and functions of the Trust set forth in Section 3.3.

Subject to this Section 3.6, the Regular Trustees shall have none of the powers or the authority of the Property Trustee set forth in Section 3.8.

Any expenses incurred by the Regular Trustees pursuant to this Section 3.6 shall be reimbursed by the Debenture Issuer.

SECTION 3.7 Prohibition of Actions by the Trust and the Trustees.

(a) The Trust shall not, and the Trustees (including the Property Trustee) shall cause the Trust not to, engage in any activity other than as required or authorized by this Declaration. In particular, the Trust

shall not and the Trustees (including the Property Trustee) shall cause the Trust not to:

- (i) invest any proceeds received by the Trust from holding the Debentures, but shall distribute all such proceeds to Holders of Securities pursuant to the terms of this Declaration and of the Securities;
- (ii) acquire any assets other than as expressly provided herein;
- (iii) possess Trust property for other than a Trust purpose;
- (iv) make any loans or incur any indebtedness other than loans represented by the Debentures;
- (v) possess any power or otherwise act in such a way as to vary the Trust assets or the terms of the Securities in any way whatsoever (except to the extent expressly authorized in this Declaration or by the terms of the Securities);
- (vi) issue any securities or other evidences of beneficial ownership of, or beneficial interest in, the Trust other than the Securities; or
- (vii) other than as provided in this Declaration or by the terms of the Securities, (A) direct the time, method and place of exercising any trust or power conferred upon the Debenture Trustee with respect to the Debentures, (B) waive any past default that is waivable under the Indenture, (C) exercise any right to rescind or annul any declaration that the principal of all the Debentures shall be due and payable, or (D) consent to any amendment, modification or termination of the Indenture or the Debentures where such consent shall be required unless the Trust shall have received an opinion of counsel to the effect that such modification will not cause more than an insubstantial risk that for United States federal income tax purposes the Trust will not be classified as a grantor trust.

SECTION 3.8 Powers and Duties of the Property Trustee.

(a) The legal title to the Debentures shall be owned by and held of record in the name of the Property Trustee in trust for the benefit of the Trust and the Holders of the Securities. The right, title and interest of the Property Trustee to the Debentures shall vest automatically in each Person who may hereafter be appointed as Property Trustee in accordance with Section 5.6. Such vesting and cessation of title shall be effective whether or not conveyancing documents with regard to the Debentures have been executed and delivered.

(b) The Property Trustee shall not transfer its right, title and interest in the Debentures to the Regular Trustees or to the Delaware

Trustee (if the Property Trustee does not also act as Delaware Trustee).

(c) The Property Trustee shall:

- (i) establish and maintain a segregated non-interest bearing trust account (the "Property Trustee Account") in the name of and under the exclusive control of the Property Trustee on behalf of the Holders of the Securities and, upon the receipt of payments of funds made in respect of the Debentures held by the Property Trustee, deposit such funds into the Property Trustee Account and make payments to the Holders of the Preferred Securities and Holders of the Common Securities from the Property Trustee Account in accordance with Section 6.1. Funds in the Property Trustee Account shall be held uninvested until disbursed in accordance with this Declaration. The Property Trustee Account shall be an account that is maintained with a banking institution the rating on whose long-term unsecured indebtedness is at least equal to the rating assigned to the Preferred Securities by a "nationally recognized statistical rating organization", as that term is defined for purposes of Rule 436(g) (2) under the Securities Act;
- (ii) engage in such ministerial activities as shall be necessary or appropriate to effect the redemption of the Preferred Securities and the Common Securities to the extent the Debentures are redeemed or mature; and
- (iii) upon written notice of distribution issued by the Regular Trustees in accordance with the terms of the Securities, engage in such ministerial activities as shall be necessary or appropriate to effect the distribution of the Debentures to Holders of Securities upon the occurrence of certain special events (as may be defined in the terms of the Securities) arising from a change in law or a change in legal interpretation or other specified circumstances pursuant to the terms of the Securities.

(d) The Property Trustee shall take all actions and perform such duties as may be specifically required of the Property Trustee pursuant to the terms of the Securities.

(e) The Property Trustee shall take any Legal Action which arises out of or in connection with an Event of Default of which a Responsible Officer of the Property Trustee has actual knowledge or the Property Trustee's duties and obligations under this Declaration or the Trust Indenture Act.

(f) The Property Trustee shall continue to serve as a Trustee until either:

- (i) the Trust has been completely liquidated and the proceeds of the liquidation distributed to the Holders of Securities pursuant to the terms of the Securities; or

(ii) a Successor Property Trustee has been appointed and has accepted that appointment in accordance with Section 5.6.

(g) The Property Trustee shall have the legal power to exercise all of the rights, powers and privileges of a holder of Debentures under the Indenture and, if an Event of Default actually known to a Responsible Officer of the Property Trustee occurs and is continuing, the Property Trustee shall, for the benefit of Holders of the Securities, enforce its rights as holder of the Debentures subject to the rights of the Holders pursuant to the terms of such Securities.

(h) The Property Trustee may authorize one or more Persons (each, a "Paying Agent") to pay Distributions, redemption payments or liquidation payments on behalf of the Trust with respect to all Securities and any such Paying Agent shall comply with Section 317(b) of the Trust Indenture Act. Any Paying Agent may be removed by the Property Trustee at any time and a successor Paying Agent or additional Paying Agents may be appointed at any time by the Property Trustee. In the event the Preferred Securities do not remain in the form of one or more Global Certificates, the Property Trustee will act as Paying Agent and may designate an additional or substitute Paying Agent at any time.

(i) Subject to this Section 3.8, the Property Trustee shall have none of the duties, liabilities, powers or the authority of the Regular Trustees set forth in Section 3.6.

The Property Trustee must exercise the powers set forth in this Section 3.8 in a manner that is consistent with the purposes and functions of the Trust set out in Section 3.3, and the Property Trustee shall not take any action that is inconsistent with the purposes and functions of the Trust set out in Section 3.3.

SECTION 3.9 Certain Duties and Responsibilities of the Property Trustee.

(a) The Property Trustee, before the occurrence of any Event of Default and after the curing of all Events of Default that may have occurred, shall undertake to perform only such duties as are specifically set forth in this Declaration and no implied covenants shall be read into this Declaration against the Property Trustee. In case an Event of Default has occurred (that has not been cured or waived pursuant to Section 2.6) of which a Responsible Officer of the Property Trustee has actual knowledge, the Property Trustee shall exercise such of the rights and powers vested in it by this Declaration, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

(b) No provision of this Declaration shall be construed to relieve the Property Trustee from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that:

- (i) prior to the occurrence of an Event of Default and after the curing or waiving of all such Events of Default that may have occurred:
 - (A) the duties and obligations of the Property Trustee shall be determined solely by the express provisions of this Declaration and the Property Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Declaration, and no implied covenants or obligations shall be read into this Declaration against the Property Trustee; and
 - (B) in the absence of bad faith on the part of the Property Trustee, the Property Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificates or opinions furnished to the Property Trustee and conforming to the requirements of this Declaration; but in the case of any such certificates or opinions that by any provision hereof are specifically required to be furnished to the Property Trustee, the Property Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Declaration;
- (ii) the Property Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer of the Property Trustee, unless it shall be proved that the Property Trustee was negligent in ascertaining the pertinent facts;
- (iii) the Property Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of not less than a Majority in Liquidation Amount of the Securities relating to the time, method and place of conducting any proceeding for any remedy available to the Property Trustee, or exercising any trust or power conferred upon the Property Trustee under this Declaration;
- (iv) no provision of this Declaration shall require the Property Trustee to expend or risk its own funds or otherwise incur personal financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it under the terms of this Declaration or indemnity reasonably satisfactory to the Property Trustee against such risk or liability is not reasonably assured to it;
- (v) the Property Trustee's sole duty with respect to the custody, safe keeping and physical preservation of the Debentures and the Property Trustee Account shall be to deal with such property in a

similar manner as the Property Trustee deals with similar property for its own account, subject to the protections and limitations on liability afforded to the Property Trustee under this Declaration and the Trust Indenture Act;

- (vi) the Property Trustee shall have no duty or liability for or with respect to the value, genuineness, existence or sufficiency of the Debentures or the payment of any taxes or assessments levied thereon or in connection therewith;
- (vii) the Property Trustee shall not be liable for any interest on any money received by it except as it may otherwise agree with the Sponsor. Money held by the Property Trustee need not be segregated from other funds held by it except in relation to the Property Trustee Account maintained by the Property Trustee pursuant to Section 3.8(c) (i) and except to the extent otherwise required by law; and
- (viii) the Property Trustee shall not be responsible for monitoring the compliance by the Regular Trustees or the Sponsor with their respective duties under this Declaration, nor shall the Property Trustee be liable for any default or misconduct of the Regular Trustees or the Sponsor.

SECTION 3.10 Certain Rights of Property Trustee.

- (a) Subject to the provisions of Section 3.9:
 - (i) the Property Trustee may conclusively rely and shall be fully protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document believed by it to be genuine and to have been signed, sent or presented by the proper party or parties;
 - (ii) any direction or act of the Sponsor or the Regular Trustees contemplated by this Declaration shall be sufficiently evidenced by an Officers' Certificate (or, with respect to the establishment of the terms and form of the Securities by the Regular Trustees, by a Trustees' Authorization Certificate);
 - (iii) whenever in the administration of this Declaration, the Property Trustee shall deem it desirable that a matter be proved or established before taking, suffering or omitting any action hereunder, the Property Trustee (unless other evidence is herein specifically prescribed) may, in the absence of bad faith on its part, request and conclusively rely upon an Officers' Certificate which, upon receipt of such request, shall be promptly delivered by the Sponsor or the Regular Trustees;

- (iv) the Property Trustee shall have no duty to see to any recording, filing or registration of any instrument (including any financing or continuation statement or any filing under tax or securities laws) or any rerecording, refiling or registration thereof;
- (v) the Property Trustee may consult with counsel or other experts and the advice or opinion of such counsel and experts with respect to legal matters or advice within the scope of such experts' area of expertise shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in accordance with such advice or opinion, such counsel may be counsel to the Sponsor or any of its Affiliates, and may include any of its employees. The Property Trustee shall have the right at any time to seek instructions concerning the administration of this Declaration from any court of competent jurisdiction;
- (vi) the Property Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Declaration at the request or direction of any Holder, unless such Holder shall have provided to the Property Trustee security and indemnity, reasonably satisfactory to the Property Trustee, against the costs, expenses (including attorneys' fees and expenses and the expenses of the Property Trustee's agents, nominees or custodians) and liabilities that might be incurred by it in complying with such request or direction, including such reasonable advances as may be requested by the Property Trustee; provided that, nothing contained in this Section 3.10(a) (vi) shall be taken to relieve the Property Trustee, upon the occurrence of an Event of Default, of its obligation to exercise the rights and powers vested in it by this Declaration;
- (vii) the Property Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document, but the Property Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit;
- (viii) the Property Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, custodians, nominees or attorneys and the Property Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder;
- (ix) any action taken by the Property Trustee or its agents hereunder shall bind the Trust and the Holders of the Securities, and the signature of the Property Trustee or its agents alone shall be sufficient and effective to perform any such action and no third

party shall be required to inquire as to the authority of the Property Trustee to so act or as to its compliance with any of the terms and provisions of this Declaration, both of which shall be conclusively evidenced by the Property Trustee's or its agent's taking such action;

- (x) whenever in the administration of this Declaration the Property Trustee shall deem it desirable to receive instructions with respect to enforcing any remedy or right or taking any other action hereunder, the Property Trustee (i) may request instructions from the Holders of the Securities which instructions may only be given by the Holders of the same proportion in liquidation amount of the Securities as would be entitled to direct the Property Trustee under the terms of the Securities in respect of such remedy, right or action, (ii) may refrain from enforcing such remedy or right or taking such other action until such instructions are received, and (iii) shall be protected in conclusively relying on or acting in or accordance with such instructions; and
- (xi) except as otherwise expressly provided by this Declaration, the Property Trustee shall not be under any obligation to take any action that is discretionary under the provisions of this Declaration.

(b) No provision of this Declaration shall be deemed to impose any duty or obligation on the Property Trustee to perform any act or acts or exercise any right, power, duty or obligation conferred or imposed on it, in any jurisdiction in which it shall be illegal, or in which the Property Trustee shall be unqualified or incompetent in accordance with applicable law, to perform any such act or acts, or to exercise any such right, power, duty or obligation. No permissive power or authority available to the Property Trustee shall be construed to be a duty.

SECTION 3.11 Delaware Trustee.

Notwithstanding any other provision of this Declaration other than Section 5.2, the Delaware Trustee shall not be entitled to exercise any powers, nor shall the Delaware Trustee have any of the duties and responsibilities of the Regular Trustees or the Property Trustee described in this Declaration. Except as set forth in Section 5.2, the Delaware Trustee shall be a Trustee for the sole and limited purpose of fulfilling the requirements of Section 3807 of the Business Trust Act.

SECTION 3.12 Execution of Documents.

Unless otherwise determined by the Regular Trustees, and except as otherwise required by the Business Trust Act, a majority of the Regular Trustees or, if there are only two, both Regular Trustees or, if there is only one, such Regular Trustee is authorized to execute on behalf of the Trust any documents that the Regular Trustees have the power and

authority to execute pursuant to Section 3.6; PROVIDED THAT, the registration statement referred to in Section 3.6(b)(i), including any amendments thereto, shall be signed by all of the Regular Trustees.

SECTION 3.13 Not Responsible for Recitals or Issuance of Securities.

The recitals contained in this Declaration and the Securities shall be taken as the statements of the Sponsor, and the Trustees do not assume any responsibility for their correctness. The Trustees make no representations as to the value or condition of the property of the Trust or any part thereof. The Trustees make no representations as to the validity or sufficiency of this Declaration, the Securities or the Debentures or the Indenture.

SECTION 3.14 Duration of Trust.

The Trust, unless terminated pursuant to the provisions of Article VIII hereof, shall have existence for twenty-five (25) years from the Closing Date.

SECTION 3.15 Mergers.

(a) The Trust may not consolidate, amalgamate, merge with or into, or be replaced by, or convey, transfer or lease its properties and assets substantially as an entirety to any corporation or other body, except as described in Section 3.15(b) and (c).

(b) The Trust may, with the consent of the Regular Trustees or, if there are more than two, a majority of the Regular Trustees and without the consent of the Holders of the Securities, the Delaware Trustee or the Property Trustee, consolidate, amalgamate, merge with or into, or be replaced by a trust organized as such under the laws of any State; PROVIDED THAT:

- (i) such successor entity (the "Successor Entity") either:
 - (A) expressly assumes all of the obligations of the Trust under the Securities; or
 - (B) substitutes for the Securities other securities having substantially the same terms as the Preferred Securities (the "Successor Securities") so long as the Successor Securities rank the same as the Preferred Securities rank with respect to Distributions and payments upon liquidation, redemption and otherwise;
- (ii) the Debenture Issuer expressly acknowledges a trustee of the Successor Entity that possesses the same powers and duties as the Property Trustee as the holder of the Debentures;
- (iii) the Preferred Securities or any Successor Securities are listed, or any Successor Securities will be listed upon notification of issuance, on any national securities exchange or with any other

organization on which the Preferred Securities are then listed or quoted;

- (iv) such merger, consolidation, amalgamation or replacement does not cause the Preferred Securities (including any Successor Securities) to be downgraded by any nationally recognized statistical rating organization then rating the Preferred Securities at the request of the Sponsor;
- (v) such merger, consolidation, amalgamation or replacement does not adversely affect the rights, preferences and privileges of the Holders of the Securities (including any Successor Securities) in any material respect (other than with respect to any dilution of such Holders' interests in the Preferred Securities as a result of such merger, consolidation, amalgamation or replacement);
- (vi) such Successor Entity has a purpose identical to that of the Trust;
- (vii) prior to such merger, consolidation, amalgamation or replacement, the Sponsor has received an opinion of qualified independent counsel to the Trust experienced in such matters to the effect that:
 - (A) such merger, consolidation, amalgamation or replacement does not adversely affect the rights, preferences and privileges of the Holders of the Securities (including any Successor Securities) in any material respect (other than with respect to any dilution of such Holders' interests in the Preferred Securities as a result of such merger, consolidation, amalgamation or replacement);
 - (B) following such merger, consolidation, amalgamation or replacement, neither the Trust nor the Successor Entity will be required to register as an Investment Company; and
 - (C) following such merger, consolidation, amalgamation or replacement, the Trust (or the Successor Entity) will continue to be classified as a grantor trust for United States federal income tax purposes; and

(viii) the Sponsor guarantees the obligations of such Successor Entity under the Successor Securities at least to the extent provided by the Preferred Securities Guarantee.

(c) Notwithstanding Section 3.15(b), the Trust shall not, except with the consent of Holders of 100% in liquidation amount of the Securities, consolidate, amalgamate, merge with or into, or be replaced by any other entity or permit any other entity to consolidate, amalgamate, merge with or into, or replace it if such consolidation, amalgamation, merger or replacement would cause the Trust or Successor Entity to be classified as other than a grantor trust for United States federal income tax purposes.

SECTION 3.16 Property Trustee May File Proofs of Claim. In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other similar judicial proceeding relative to the Trust or any other obligor upon the Securities or the property of the Trust or of such other obligor or their creditors, the Property Trustee (irrespective of whether any Distributions on the Securities shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Property Trustee shall have made any demand on the Trust for the payment of any past due Distributions) shall be entitled and empowered, to the fullest extent permitted by law, by intervention in such proceeding or otherwise:

- (a) to file and prove a claim for the whole amount of any Distributions owing and unpaid in respect of the Securities (or, if the Securities are original issue discount Securities, such portion of the liquidation amount as may be specified in the terms of such Securities) and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Property Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Property Trustee, its agents and counsel) and of the Holders allowed in such judicial proceeding, and
- (b) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Property Trustee and, in the event the Property Trustee shall consent to the making of such payments directly to the Holders, to pay to the Property Trustee any amount due it for the reasonable compensation, expenses, disbursements and advances of the Property Trustee, its agents and counsel, and any other amounts due the Property Trustee.

Nothing herein contained shall be deemed to authorize the Property Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement adjustment or compensation affecting the Securities or the rights of any Holder thereof or to authorize the Property Trustee to vote in respect of the claim of any Holder in any such proceeding.

ARTICLE IV SPONSOR

SECTION 4.1 Sponsor's Purchase of Common Securities.

On the Closing Date the Sponsor will purchase all of the Common

Securities issued by the Trust, in an amount at least equal to 3% of the capital of the Trust, at the same time as the Preferred Securities are sold.

SECTION 4.2 Responsibilities of the Sponsor.

In connection with the issue and sale of the Preferred Securities, the Sponsor shall have the exclusive right and responsibility to engage in the following activities:

- (a) to prepare for filing by the Trust with the Commission a registration statement on Form S-3 pertaining to the Preferred Securities, including any amendments thereto (which registration statement may also include other securities of the Sponsor);
- (b) to determine the States in which to take appropriate action to qualify or register for sale all or part of the Preferred Securities and to do any and all such acts, other than actions which must be taken by the Trust, and advise the Trust of actions it must take, and prepare for execution and filing any documents to be executed and filed by the Trust, as the Sponsor deems necessary or advisable in order to comply with the applicable laws of any such States;
- (c) to prepare for filing by the Trust an application to the New York Stock Exchange, Inc. or any other national stock exchange or the Nasdaq Stock Market's National Market System for listing upon notice of issuance of any Preferred Securities;
- (d) to prepare for filing by the Trust with the Commission a registration statement on Form 8-A relating to the registration of the Preferred Securities under Section 12(b) of the Exchange Act, including any amendments thereto; and
- (e) to negotiate the terms of the Underwriting Agreement and Pricing Agreement providing for the sale of the Preferred Securities.

ARTICLE V TRUSTEES

SECTION 5.1 Number of Trustees.

The number of Trustees initially shall be five (5), and:

- (a) at any time before the issuance of any Securities, the Sponsor may, by written instrument, increase or decrease the number of Trustees; and

- (b) after the issuance of any Securities, the number of Trustees may be increased or decreased by vote of the Holders of a Majority in Liquidation Amount of the Common Securities voting as a class at a meeting of the Holders of the Common Securities or by written consent in lieu of such meeting.

PROVIDED THAT, if the Property Trustee does not also act as Delaware Trustee, the number of Trustees shall be at least three (3).

SECTION 5.2 Delaware Trustee.

If required by the Business Trust Act, one Trustee (the "Delaware Trustee") shall be:

- (a) a natural person who is a resident of the State of Delaware; or
- (b) if not a natural person, an entity which has its principal place of business in the State of Delaware, and otherwise meets the requirements of applicable law,

PROVIDED THAT, if the Property Trustee has its principal place of business in the State of Delaware and otherwise meets the requirements of applicable law, then the Property Trustee shall also be the Delaware Trustee and Section 3.11 shall have no application.

SECTION 5.3 Property Trustee; Eligibility.

- (a) There shall at all times be one Trustee which shall act as Property Trustee which shall:
 - (i) not be an Affiliate of the Sponsor;
 - (ii) be a corporation organized and doing business under the laws of the United States of America or any State or Territory thereof or of the District of Columbia, or a corporation or other Person permitted by the Commission to act as an institutional trustee under the Trust Indenture Act, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least 50 million U.S. dollars (\$50,000,000), and subject to supervision or examination by Federal, State, Territorial or District of Columbia authority. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of the supervising or examining authority referred to above, then for the purposes of this Section 5.3(a)(ii), the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published; and
 - (iii) if the Trust is excluded from the definition of an Investment Company solely by means of Rule 3a-7 and to the extent Rule 3a-7

requires a trustee having certain qualifications to hold title to the "eligible assets" (as defined in Rule 3a-7) of the Trust, the Property Trustee shall possess those qualifications.

- (b) If at any time the Property Trustee shall cease to be eligible to so act under Section 5.3(a), the Property Trustee shall immediately resign in the manner and with the effect set forth in Section 5.6(c).
- (c) If the Property Trustee has or shall acquire any "conflicting interest" within the meaning of Section 310(b) of the Trust Indenture Act, the Property Trustee and the Holder of the Common Securities (as if it were the Obliger referred to in Section 310(b) of the Trust Indenture Act) shall in all respects comply with the provisions of Section 310(b) of the Trust Indenture Act.
- (d) The Preferred Securities Guarantee shall be deemed to be specifically described in this Declaration for purposes of clause (i) of the first provision contained in Section 310(b) of the Trust Indenture Act.

SECTION 5.4 Qualifications of Regular Trustees and Delaware Trustee Generally.

Each Regular Trustee and the Delaware Trustee (unless the Property Trustee also acts as Delaware Trustee) shall be either a natural person who is at least 21 years of age or a legal entity that shall act through one or more Authorized Officers.

SECTION 5.5 Initial Trustees.

The initial Regular Trustees shall be:

Fred S. Hubbell
Paul E. Larson
John A. Merriman
c/o Equitable of Iowa Companies
604 Locust Street
Des Moines, Iowa 50309

The initial Property Trustee shall be:

The First National Bank of Chicago
One First National Plaza, Suite 0126
Chicago, Illinois 60670-0126
Attn: Corporate Trust Services Division

The initial Delaware Trustee shall be:

First Chicago Delaware, Inc.

SECTION 5.6 Appointment, Removal and Resignation of Trustees.

(a) Subject to Section 5.6(b), Trustees may be appointed or removed without cause at any time:

- (i) until the issuance of any Securities, by written instrument executed by the Sponsor; and
- (ii) after the issuance of any Securities, by vote of the Holders of a Majority in Liquidation Amount of the Common Securities voting as a class at a meeting of the Holders of the Common Securities.

(b) The Trustee that acts as Property Trustee shall not be removed in accordance with Section 5.6(a) until a successor Trustee possessing the qualifications to act as Property Trustee under Section 5.3 (a "Successor Property Trustee") has been appointed and has accepted such appointment by written instrument executed by such Successor Property Trustee and delivered to the Regular Trustees and the Sponsor. The Trustee that acts as Delaware Trustee shall not be removed in accordance with Section 5.6(a) until a successor Trustee possessing the qualifications to act as Delaware Trustee under Sections 5.2 and 5.4 (a "Successor Delaware Trustee") has been appointed and has accepted such appointment by written instrument executed by such Successor Delaware Trustee and delivered to the Regular Trustees and the Sponsor.

(c) A Trustee appointed to office shall hold office until his or its successor shall have been appointed, until his death or its dissolution or until his or its removal or resignation. Any Trustee may resign from office (without need for prior or subsequent accounting) by an instrument in writing signed by the Trustee and delivered to the Sponsor and the Trust, which resignation shall take effect upon such delivery or upon such later date as is specified therein; PROVIDED, HOWEVER, that:

- (i) No such resignation of the Trustee that acts as the Property Trustee shall be effective:
 - (A) until a Successor Property Trustee has been appointed and has accepted such appointment by instrument executed by such Successor Property Trustee and delivered to the Trust, the Sponsor and the resigning Property Trustee; or
 - (B) until the assets of the Trust have been completely liquidated and the proceeds thereof distributed to the holders of the Securities; and

- (ii) no such resignation of the Trustee that acts as the Delaware Trustee shall be effective until a Successor Delaware Trustee has been appointed and has accepted such appointment by instrument executed by such Successor Delaware Trustee and delivered to the Trust, the Sponsor and the resigning Delaware Trustee.
- (d) The Holders of the Common Securities shall use their best efforts to promptly appoint a Successor Delaware Trustee or Successor Property Trustee, as the case may be, if the Property Trustee or the Delaware Trustee delivers an instrument of resignation in accordance with this Section 5.6.
- (e) If no Successor Property Trustee or Successor Delaware Trustee, as the case may be, shall have been appointed and accepted appointment as provided in this Section 5.6 within 60 days after delivery to the Sponsor and the Trust of an instrument of resignation, the resigning Property Trustee or Delaware Trustee, as applicable, may petition any court of competent jurisdiction for appointment of a Successor Property Trustee or Successor Delaware Trustee, as applicable. Such court may thereupon, after prescribing such notice, if any, as it may deem proper, appoint a Successor Property Trustee or Successor Delaware Trustee, as the case may be.
- (f) No Property Trustee or Delaware Trustee shall be liable for the acts or omissions to act of any Successor Property Trustee or Successor Delaware Trustee, as the case may be.

SECTION 5.7 Vacancies among Trustees.

If a Trustee ceases to hold office for any reason and the number of Trustees is not reduced pursuant to Section 5.1, or if the number of Trustees is increased pursuant to Section 5.1, a vacancy shall occur. A resolution certifying the existence of such vacancy by the Regular Trustees or, if there are more than two, a majority of the Regular Trustees shall be conclusive evidence of the existence of such vacancy. The vacancy shall be filled with a Trustee appointed in accordance with Section 5.6.

SECTION 5.8 Effect of Vacancies.

The death, resignation, retirement, removal, bankruptcy, dissolution, liquidation, incompetence or incapacity to perform the duties of a Trustee shall not operate to annul the Trust. Whenever a vacancy in the number of Regular Trustees shall occur, until such vacancy is filled by the appointment of a Regular Trustee in accordance with Section 5.6, the Regular Trustees in office, regardless of their number, shall have all the powers granted to the Regular Trustees and shall discharge all the duties imposed upon the Regular Trustees by this Declaration.

SECTION 5.9 Meetings.

If there is more than one Regular Trustee, meetings of the Regular Trustees shall be held from time to time upon the call of any Regular Trustee. Regular meetings of the Regular Trustees may be held at a time and place fixed by resolution of the Regular Trustees. Notice of any in-person meetings of the Regular Trustees shall be hand delivered or otherwise delivered in writing (including by facsimile, with a hard copy by overnight courier) not less than 48 hours before such meeting. Notice of any telephonic meetings of the Regular Trustees shall be hand delivered or otherwise delivered in writing (including by facsimile, with a hard copy by overnight courier) not less than 24 hours before a meeting. Notices shall contain a brief statement of the time, place and anticipated purposes of the meeting. The presence (whether in person or by telephone) of a Regular Trustee at a meeting shall constitute a waiver of notice of such meeting except where a Regular Trustee attends a meeting for the express purpose of objecting to the transaction of any activity on the ground that the meeting has not been lawfully called or convened. Unless provided otherwise in this Declaration, any action of the Regular Trustees may be taken at a meeting by vote of a majority of the Regular Trustees present (whether in person or by telephone) and eligible to vote with respect to such matter, provided that a Quorum is present, or without a meeting by the unanimous written consent of the Regular Trustees. In the event there is only one Regular Trustee, any and all action of such Regular Trustee shall be evidenced by a written consent of such Regular Trustee.

SECTION 5.10 Delegation of Power.

(a) Any Regular Trustee may, by power of attorney consistent with applicable law, delegate to any natural person over the age of 21 his, her or its power for the purpose of executing any documents contemplated in Section 3.6, including any registration statement or amendment thereto filed with the Commission, or making any other governmental filing.

(b) The Regular Trustees shall have power to delegate from time to time to such of their number or to officers of the Trust the doing of such things and the execution of such instruments either in the name of the Trust or the names of the Regular Trustees or otherwise as the Regular Trustees may deem expedient, to the extent such delegation is not prohibited by applicable law or contrary to the provisions of the Trust, as set forth herein.

SECTION 5.11 Merger, Conversion, Consolidation or Succession to Business.

Any corporation into which the Property Trustee or the Delaware Trustee, as the case may be, may be merged or converted or with which either may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Property Trustee or the Delaware Trustee, as the case may be, shall be a party, or any corporation succeeding to all or substantially all the corporate trust business of the Property Trustee or the Delaware Trustee, as the case

may be, shall be the successor of the Property Trustee or the Delaware Trustee, as the case may be, hereunder, provided such corporation shall be otherwise qualified and eligible under this Article without the execution or filing of any paper or any further act on the part of any of the parties hereto.

ARTICLE VI DISTRIBUTIONS

SECTION 6.1 Distributions.

Holders shall receive Distributions (as defined herein) in accordance with the applicable terms of the relevant Holder's Securities. Distributions shall be made on the Preferred Securities and the Common Securities in accordance with the preferences set forth in their respective terms. If and to the extent that the Debenture Issuer makes a payment of interest (including Compounded Interest (as defined in the Indenture) and Additional Interest (as defined in the Indenture)), premium and/or principal on the Debentures held by the Property Trustee (the amount of any such payment being a "Payment Amount"), the Property Trustee shall and is directed, to the extent funds are available for that purpose, to make a distribution (a "Distribution") of the Payment Amount to Holders.

ARTICLE VII ISSUANCE OF SECURITIES

SECTION 7.1 General Provisions Regarding Securities.

(a) The Regular Trustees shall on behalf of the Trust issue one class of preferred securities representing undivided beneficial interests in the assets of the Trust having such terms and in such form as shall be established by the Regular Trustees (the "Preferred Securities") and one class of common securities representing undivided beneficial interests in the assets of the Trust having such terms and in such form as shall be established by the Regular Trustees (the "Common Securities"). The terms and form of the Preferred Securities and the Common Securities as established by the Regular Trustees shall be set forth in a Trustees' Authorization Certificate prepared prior to issuance of the Securities. The Trust shall issue no securities or other interests in the assets of the Trust other than the Preferred Securities and the Common Securities.

(b) The Certificates shall be signed on behalf of the Trust by a Regular Trustee. Such signature shall be the manual or facsimile signature of any present or any future Regular Trustee. In case any Regular Trustee of the Trust who shall have signed any of the Certificates shall cease to be such Regular Trustee before the Certificates so signed shall be delivered by the Trust, such Certificates nevertheless may be delivered as though the person who signed such Certificates had not ceased to be such Regular Trustee; and any Certificate may be signed on behalf of the Trust by such persons who, at the actual date of execution of such Certificate, shall be the Regular Trustees of the Trust, although at the date of the execution and

delivery of the Declaration any such person was not such a Regular Trustee. Certificates shall be printed, lithographed or engraved or may be produced in any other manner as is reasonably acceptable to the Regular Trustees, as evidenced by their execution thereof, and may have such letters, numbers or other marks of identification or designation and such legends or endorsements as the Regular Trustees may deem appropriate, or as may be required to comply with any law or with any rule or regulation of any stock exchange on which Securities may be listed, or to conform to usage.

(c) The consideration received by the Trust for the issuance of the Securities shall constitute a contribution to the capital of the Trust and shall not constitute a loan to the Trust.

(d) Upon issuance of the Securities as provided in this Declaration, the Securities so issued shall be deemed to be validly issued, fully paid and non-assessable.

(e) Every Person, by virtue of having become a Holder or a Preferred Security Beneficial Owner in accordance with the terms of this Declaration, shall be deemed to have expressly assented and agreed to the terms of, and shall be bound by, this Declaration and the terms of the Securities, the Securities Guarantees, the Indenture and the Debentures.

ARTICLE VIII TERMINATION OF TRUST

SECTION 8.1 Termination of Trust.

- (a) The Trust shall terminate upon the earlier of:
 - (i) the bankruptcy of the Holder of the Common Securities or the Sponsor;
 - (ii) the filing of a certificate of dissolution or its equivalent with respect to the Holder of the Common Securities or the Sponsor; the filing of a certificate of cancellation with respect to the Trust or the revocation of the Holder of the Common Securities' or the Sponsor's charter and the expiration of 90 days after the date of revocation without a reinstatement thereof;
 - (iii) upon the entry of a decree of judicial dissolution of the Holder of the Common Securities, the Sponsor or the Trust;
 - (iv) when all of the Securities shall have been called for redemption and the amounts necessary for redemption thereof shall have been paid to the Holders in accordance with the terms of the Securities;
 - (v) the occurrence and continuation of certain events (as may be specified in the terms of the Securities) arising from a change in law or a change in legal interpretation or other circumstances specified in the terms of the Securities pursuant to which the

Trust shall have been dissolved in accordance with the terms of the Securities and all of the Debentures shall have been distributed to the Holders of Securities in exchange for all of the Securities;

- (vi) before the issuance of any Securities, when all of the Regular Trustees and the Sponsor shall have consented to termination of the Trust; or
- (vii) the expiration of the term of the Trust as set forth in Section 3.14.

(b) As soon as is practicable after the occurrence of an event referred to in Section 8.1(a) and upon completion of the winding up of the Trust and its termination, the Trustees shall file a certificate of cancellation with the Secretary of State of the State of Delaware.

(c) The provisions of Section 3.9 and Article X shall survive the termination of the Trust.

ARTICLE IX TRANSFER OF INTERESTS

SECTION 9.1 Transfer of Securities.

(a) Securities may only be transferred, in whole or in part, in accordance with the terms and conditions set forth in this Declaration and in the terms of the Securities. Any transfer or purported transfer of any Security not made in accordance with this Declaration shall be null and void.

(b) Subject to this Article IX, Preferred Securities shall be freely transferable.

(c) Subject to this Article IX, the Sponsor and any Related Party may only transfer Common Securities to the Sponsor or a Related Party of the Sponsor; PROVIDED THAT, any such transfer is subject to the condition precedent that the transferor obtain the written opinion of qualified independent counsel experienced in such matters that such transfer would not cause more than an insubstantial risk that:

(i) the Trust would not be classified for United States federal income tax purposes as a grantor trust; and

(ii) the Trust would be an Investment Company or the transferee would become an Investment Company.

SECTION 9.2 Transfer and Exchange of Certificates.

The Regular Trustees shall provide for the registration of Certificates and of transfers or exchanges of Certificates, which will be effected without charge but only upon payment (with such indemnity as the Regular Trustees may

require) in respect of any tax or other government charges that may be imposed in relation to it. Upon surrender for registration of transfer of any Certificate, the Regular Trustees shall cause one or more new Certificates to be issued in the name of the designated transferee or transferees. Upon surrender for exchange of any Certificate, the Regular Trustees shall cause one or more new Certificates in the same aggregate liquidation amount as the Certificate surrendered for exchange to be issued in the name of the Holder of the Certificate so surrendered. Every Certificate surrendered for registration of transfer or for exchange shall be accompanied by a written instrument of transfer in form satisfactory to the Regular Trustees duly executed by the Holder or such Holder's attorney duly authorized in writing. Each Certificate surrendered for registration of transfer or for exchange shall be canceled by the Regular Trustees. A transferee of a Certificate shall be entitled to the rights and subject to the obligations of a Holder hereunder upon the receipt by such transferee of a Certificate. By acceptance of a Certificate, each transferee shall be deemed to have agreed to be bound by this Declaration.

SECTION 9.3 Deemed Security Holders.

The Trustees may treat the Person in whose name any Certificate shall be registered on the books and records of the Trust as the sole holder of such Certificate and of the Securities represented by such Certificate for purposes of receiving Distributions and for all other purposes whatsoever and, accordingly, shall not be bound to recognize any equitable or other claim to or interest in such Certificate or in the Securities represented by such Certificate on the part of any Person, whether or not the Trust shall have actual or other notice thereof.

SECTION 9.4 Book Entry Interests.

Unless otherwise specified in the terms of the Preferred Securities, the Preferred Securities Certificates, on original issuance, will be issued in the form of one or more fully registered, global Preferred Security Certificates (each a "Global Certificate"), to be delivered to DTC, the initial Clearing Agency, by, or on behalf of, the Trust. Such Global Certificates shall initially be registered on the books and records of the Trust in the name of Cede & Co., the nominee of DTC, and no Preferred Security Beneficial Owner will receive a definitive Preferred Security Certificate representing such Preferred Security Beneficial Owner's interests in such Global Certificates, except as provided in Section 9.7. Unless and until definitive, fully registered Preferred Security Certificates (the "Definitive Preferred Security Certificates") have been issued to the Preferred Security Beneficial Owners pursuant to Section 9.7:

(a) the provisions of this Section 9.4 shall be in full force and effect;

(b) the Trust and the Trustees shall be entitled to deal with the Clearing Agency for all purposes of this Declaration (including the payment of Distributions on the Global Certificates and receiving

approvals, votes or consents hereunder) as the Holder of the Preferred Securities and the sole holder of the Global Certificates and shall have no obligation to the Preferred Security Beneficial Owners;

(c) to the extent that the provisions of this Section 9.4 conflict with any other provisions of this Declaration, the provisions of this Section 9.4 shall control; and

(d) the rights of the Preferred Security Beneficial Owners shall be exercised only through the Clearing Agency and shall be limited to those established by law and agreements between such Preferred Security Beneficial Owners and the Clearing Agency and/or the Clearing Agency Participants. DTC will make book entry transfers among the Clearing Agency Participants and receive and transmit payments of Distributions on the Global Certificates to such Clearing Agency Participants.

SECTION 9.5 Notices to Clearing Agency.

Whenever a notice or other communication to the Preferred Security Holders is required under this Declaration, unless and until Definitive Preferred Security Certificates shall have been issued to the Preferred Security Beneficial Owners pursuant to Section 9.7, the Regular Trustees shall give all such notices and communications specified herein to be given to the Preferred Security Holders to the Clearing Agency, and shall have no notice obligations to the Preferred Security Beneficial Owners.

SECTION 9.6 Appointment of Successor Clearing Agency.

If any Clearing Agency elects to discontinue its services as securities depository with respect to the Preferred Securities, the Regular Trustees may, in their sole discretion, appoint a successor Clearing Agency with respect to such Preferred Securities.

SECTION 9.7 Definitive Preferred Security Certificates.

If:

(a) a Clearing Agency elects to discontinue its services as securities depository with respect to the Preferred Securities and a successor Clearing Agency is not appointed within 90 days after such discontinuance pursuant to Section 9.6; or

(b) the Regular Trustees elect after consultation with the Sponsor to terminate the book entry system through the Clearing Agency with respect to the Preferred Securities, then:

(i) Definitive Preferred Security Certificates shall be prepared by the Regular Trustees on behalf of the Trust with respect to such Preferred Securities; and

(ii) upon surrender of the Global Certificates by the Clearing

Agency, accompanied by registration instructions, the Regular Trustees shall cause Definitive Preferred Security Certificates to be delivered to the Preferred Security Beneficial Owners in accordance with the instructions of the Clearing Agency. Neither the Trustees nor the Trust shall be liable for any delay in delivery of such instructions and each of them may conclusively rely on, and shall be protected in relying on, said instructions of the Clearing Agency. The Definitive Preferred Security Certificates shall be printed, lithographed or engraved or may be produced in any other manner as is reasonably acceptable to the Regular Trustees, as evidenced by their execution thereof, and may have such letters, numbers or other marks of identification or designation and such legends or endorsements as the Regular Trustees may deem appropriate, or as may be required to comply with any law or with any rule or regulation made pursuant thereto or with any rule or regulation of any stock exchange on which Preferred Securities may be listed, or to conform to usage.

SECTION 9.8 Mutilated, Destroyed, Lost or Stolen Certificates.

If:

- (a) any mutilated Certificates should be surrendered to the Regular Trustees, or if the Regular Trustees shall receive evidence to their satisfaction of the destruction, loss or theft of any Certificate; and
- (b) there shall be delivered to the Regular Trustees such security or indemnity as may be required by them to keep each of them, the Sponsor and the Trust harmless,

then, in the absence of notice that such Certificate shall have been acquired by a bona fide purchaser, any Regular Trustee on behalf of the Trust shall execute and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Certificate, a new Certificate of like denomination. In connection with the issuance of any new Certificate under this Section 9.8, the Regular Trustees may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith. Any duplicate Certificate issued pursuant to this Section shall constitute conclusive evidence of an ownership interest in the relevant Securities, as if originally issued, whether or not the lost, stolen or destroyed Certificate shall be found at any time.

ARTICLE X LIMITATION OF LIABILITY OF HOLDERS OF SECURITIES, TRUSTEES OR OTHERS

SECTION 10.1 Liability.

- (a) Except as expressly set forth in this Declaration, the Securities

Guarantees and the terms of the Securities, the Sponsor shall not be:

(i) personally liable for the return of any portion of the capital contributions (or any return thereon) of the Holders of the Securities which shall be made solely from assets of the Trust; and

(ii) be required to pay to the Trust or to any Holder of Securities any deficit upon dissolution of the Trust or otherwise.

(b) The Holder of the Common Securities shall be liable for all of the debts and obligations of the Trust (other than with respect to the Securities) to the extent not satisfied out of the Trust's assets.

(c) Pursuant to Section 3803(a) of the Business Trust Act, the Holders of the Preferred Securities shall be entitled to the same limitation of personal liability extended to stockholders of private corporations for profit organized under the General Corporation Law of the State of Delaware.

SECTION 10.2 Exculpation.

(a) No Indemnified Person shall be liable, responsible or accountable in damages or otherwise to the Trust or any Covered Person for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Indemnified Person in good faith on behalf of the Trust and in a manner such Indemnified Person reasonably believed to be within the scope of the authority conferred on such Indemnified Person by this Declaration or by law, except that an Indemnified Person shall be liable for any such loss, damage or claim incurred by reason of such Indemnified Person's gross negligence or willful misconduct with respect to such acts or omissions.

(b) An Indemnified Person shall be fully protected in relying in good faith upon the records of the Trust and upon such information, opinions, reports or statements presented to the Trust by any Person as to matters the Indemnified Person reasonably believes are within such other Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Trust, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, profits, losses or any other facts pertinent to the existence and amount of assets from which Distributions to Holders of Securities might properly be paid.

SECTION 10.3 Fiduciary Duty.

(a) To the extent that, at law or in equity, an Indemnified Person has duties (including fiduciary duties) and liabilities relating thereto to the Trust or to any other Covered Person, an Indemnified Person acting under this Declaration shall not be liable to the Trust or to any other Covered Person for its good faith reliance on the provisions of this Declaration. The provisions of this Declaration, to the extent that they restrict the duties and liabilities of an Indemnified Person otherwise existing at law or in equity (other than the duties imposed on the Property Trustee under the Trust

Indenture Act), are agreed by the parties hereto to replace such other duties and liabilities of such Indemnified Person.

(b) Unless otherwise expressly provided herein:

(i) whenever a conflict of interest exists or arises between any Covered Persons; or

(ii) whenever this Declaration or any other agreement contemplated herein or therein provides that an Indemnified Person shall act in a manner that is, or provides terms that are, fair and reasonable to the Trust or any Holder of Securities,

the Indemnified Person shall resolve such conflict of interest, take such action or provide such terms, considering in each case the relative interest of each party (including its own interest) to such conflict, agreement, transaction or situation and the benefits and burdens relating to such interests, any customary or accepted industry practices and any applicable generally accepted accounting practices or principles. In the absence of bad faith by the Indemnified Person, the resolution, action or term so made, taken or provided by the Indemnified Person shall not constitute a breach of this Declaration or any other agreement contemplated herein or of any duty or obligation of the Indemnified Person at law or in equity or otherwise.

(c) Whenever in this Declaration an Indemnified Person is permitted or required to make a decision:

(i) in its "discretion" or under a grant of similar authority, the Indemnified Person shall be entitled to consider such interests and factors as it desires, including its own interests, and shall have no duty or obligation to give any consideration to any interest of or factors affecting the Trust or any other Person; or

(ii) in its "good faith" or under another express standard, the Indemnified Person shall act under such express standard and shall not be subject to any other or different standard imposed by this Declaration or by applicable law.

SECTION 10.4 Indemnification.

(a) (i) The Debenture Issuer shall indemnify, to the full extent permitted by law, any Company Indemnified Person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Trust) by reason of the fact that he is or was a Company Indemnified Person against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Trust, and, with respect to any criminal action or proceeding, had no

reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the Company Indemnified Person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Trust, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

(ii) The Debenture Issuer shall indemnify, to the full extent permitted by law, any Company Indemnified Person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Trust to procure a judgment in its favor by reason of the fact that he is or was a Company Indemnified Person against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Trust and except that no such indemnification shall be made in respect of any claim, issue or matter as to which such Company Indemnified Person shall have been adjudged to be liable to the Trust unless and only to the extent that the Court of Chancery of Delaware or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such Court of Chancery or such other court shall deem proper.

(iii) Any indemnification under paragraphs (i) and (ii) of this Section 10.4(a) (unless ordered by a court) shall be made by the Debenture Issuer only as authorized in the specific case upon a determination that indemnification of the Company Indemnified Person is proper in the circumstances because he has met the applicable standard of conduct set forth in paragraphs (i) and (ii). Such determination shall be made (1) by the Regular Trustees by a majority vote of a quorum consisting of such Regular Trustees who were not parties to such action, suit or proceeding, (2) if such a quorum is not obtainable, or, even if obtainable, if a quorum of disinterested Regular Trustees so directs, by independent legal counsel in a written opinion, or (3) by the Common Security Holder of the Trust.

(iv) Expenses (including attorneys' fees) incurred by a Company Indemnified Person in defending a civil, criminal, administrative or investigative action, suit or proceeding referred to in paragraphs (i) and (ii) of this Section 10.4(a) shall be paid by the Debenture Issuer in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such Company Indemnified Person to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the Debenture Issuer as authorized in this Section 10.4(a). Notwithstanding the foregoing, no advance shall be made by the Debenture Issuer if a determination is reasonably and promptly made (i) by the Regular Trustees by a majority vote of a quorum of disinterested Regular Trustees, (ii) if such a quorum is not obtainable, or, even if

obtainable, if a quorum of disinterested Regular Trustees so directs, by independent legal counsel in a written opinion or (iii) the Common Security Holder of the Trust, that, based upon the facts known to the Regular Trustees, counsel or the Common Security Holder at the time such determination is made, such Company Indemnified Person acted in bad faith or in a manner that such person did not believe to be in or not opposed to the best interests of the Trust, or, with respect to any criminal proceeding, that such Company Indemnified Person believed or had reasonable cause to believe his conduct was unlawful. In no event shall any advance be made in instances where the Regular Trustees, independent legal counsel or Common Security Holder reasonably determine that such person deliberately breached his duty to the Trust or its Common or Preferred Security Holders.

(v) The indemnification and advancement of expenses provided by, or granted pursuant to, the other paragraphs of this Section 10.4(a) shall not be deemed exclusive of any other rights to which those seeking indemnification and advancement of expenses may be entitled under any agreement, vote of stockholders or disinterested directors of the Debenture Issuer or Preferred Security Holders of the Trust or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office. All rights to indemnification under this Section 10.4(a) shall be deemed to be provided by a contract between the Debenture Issuer and each Company Indemnified Person who serves in such capacity at any time while this Section 10.4(a) is in effect. Any repeal or modification of this Section 10.4(a) shall not affect any rights or obligations then existing.

(vi) The Debenture Issuer or the Trust may purchase and maintain insurance on behalf of any person who is or was a Company Indemnified Person against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Debenture Issuer would have the power to indemnify him against such liability under the provisions of this Section 10.4(a).

(vii) For purposes of this Section 10.4(a), references to "the Trust" shall include, in addition to the resulting or surviving entity, any constituent entity (including any constituent of a constituent) absorbed in a consolidation or merger, so that any person who is or was a director, trustee, officer or employee of such constituent entity, or is or was serving at the request of such constituent entity as a director, trustee, officer, employee or agent of another entity, shall stand in the same position under the provisions of this Section 10.4(a) with respect to the resulting or surviving entity as he would have with respect to such constituent entity if its separate existence had continued.

(viii) The indemnification and advancement of expenses provided by, or granted pursuant to, this Section 10.4(a) shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a Company Indemnified Person and shall inure to the benefit of the heirs, executors and administrators of such a person. The obligation to indemnify as set forth in this Section 10.4(a) shall survive the satisfaction and discharge of this Declaration.

(b) The Debenture Issuer agrees to indemnify the (i) Property Trustee, (ii) the Delaware Trustee, (iii) any Affiliate of the Property Trustee and the Delaware Trustee, and (iv) any officers, directors, shareholders, members, partners, employees, representatives, custodians, nominees or agents of the Property Trustee and the Delaware Trustee (each of the Persons in (i) through (iv) being referred to as a "Fiduciary Indemnified Person") for, and to hold each Fiduciary Indemnified Person harmless against, any loss, liability or expense incurred without negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of the trust or trusts hereunder, including the costs and expenses (including reasonable legal fees and expenses) of defending itself against or investigating any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder. The obligation to indemnify as set forth in this Section 10.4(b) shall survive the satisfaction and discharge of this Declaration.

SECTION 10.5 Outside Businesses.

Any Covered Person, the Sponsor, the Delaware Trustee and the Property Trustee may engage in or possess an interest in other business ventures of any nature or description, independently or with others, similar or dissimilar to the business of the Trust, and the Trust and the Holders of Securities shall have no rights by virtue of this Declaration in and to such independent ventures or the income or profits derived therefrom, and the pursuit of any such venture, even if competitive with the business of the Trust, shall not be deemed wrongful or improper. No Covered Person, the Sponsor, the Delaware Trustee or the Property Trustee shall be obligated to present any particular investment or other opportunity to the Trust even if such opportunity is of a character that, if presented to the Trust, could be taken by the Trust, and any Covered Person, the Sponsor, the Delaware Trustee and the Property Trustee shall have the right to take for its own account (individually or as a partner or fiduciary) or to recommend to others any such particular investment or other opportunity. Any Covered Person, the Delaware Trustee and the Property Trustee may engage or be interested in any financial or other transaction with the Sponsor or any Affiliate of the Sponsor, or may act as depositary for, trustee or agent for, or act on any committee or body of holders of, securities or other obligations of the Sponsor or its Affiliates.

ARTICLE XI ACCOUNTING

SECTION 11.1 Fiscal Year.

The fiscal year ("Fiscal Year") of the Trust shall be the calendar year, or such other year as is required by the Code.

SECTION 11.2 Certain Accounting Matters.

(a) At all times during the existence of the Trust, the Regular

Trustees shall keep, or cause to be kept, full books of account, records and supporting documents, which shall reflect in reasonable detail, each transaction of the Trust. The books of account shall be maintained on the accrual method of accounting, in accordance with generally accepted accounting principles. The Trust shall use the accrual method of accounting for United States federal income tax purposes. The books of account and the records of the Trust shall be examined by and reported upon as of the end of each Fiscal Year of the Trust by a firm of independent certified public accountants selected by the Regular Trustees.

(b) The Regular Trustees shall cause to be prepared and delivered to each of the Holders of Securities, within 90 days after the end of each Fiscal Year of the Trust, annual financial statements of the Trust, including a balance sheet of the Trust as of the end of such Fiscal Year, and the related statements of income or loss.

(c) The Regular Trustees shall cause to be duly prepared and delivered to each of the Holders of Securities, any annual United States federal income tax information statement, required by the Code, containing such information with regard to the Securities held by each Holder as is required by the Code and the Treasury Regulations. Notwithstanding any right under the Code to deliver any such statement at a later date, the Regular Trustees shall endeavor to deliver all such statements within 30 days after the end of each Fiscal Year of the Trust.

(d) The Regular Trustees shall cause to be duly prepared and filed with the appropriate taxing authority, an annual United States federal income tax return, on a Form 1041 or such other form required by United States federal income tax law, and any other annual income tax returns required to be filed by the Regular Trustees on behalf of the Trust with any state or local taxing authority.

SECTION 11.3 Banking.

The Trust shall maintain one or more bank accounts in the name and for the sole benefit of the Trust; PROVIDED, HOWEVER, that all payments of funds in respect of the Debentures held by the Property Trustee shall be made directly to the Property Trustee Account and no other funds of the Trust shall be deposited in the Property Trustee Account. The sole signatories for such accounts shall be designated by the Regular Trustees; PROVIDED, HOWEVER, that the Property Trustee shall designate the signatories for the Property Trustee Account.

SECTION 11.4 Withholding.

The Trust and the Regular Trustees shall comply with all withholding requirements under United States federal, state and local law. The Trust shall request, and the Holders shall provide to the Trust, such forms or certificates as are necessary to establish an exemption from withholding with respect to each Holder, and any representations and forms as shall

reasonably be requested by the Trust to assist it in determining the extent of, and in fulfilling, its withholding obligations. The Regular Trustees shall file required forms with applicable jurisdictions and, unless an exemption from withholding is properly established by a Holder, shall remit amounts withheld with respect to the Holder to applicable jurisdictions. To the extent that the Trust is required to withhold and pay over any amounts to any authority with respect to distributions or allocations to any Holder, the amount withheld shall be deemed to be a distribution in the amount of the withholding to the Holder. In the event of any claimed over withholding, Holders shall be limited to an action against the applicable jurisdiction. If the amount required to be withheld was not withheld from actual Distributions made, the Trust may reduce subsequent Distributions by the amount of such withholding.

ARTICLE XII AMENDMENTS AND MEETINGS

SECTION 12.1 Amendments.

(a) Except as otherwise provided in this Declaration or by any applicable terms of the Securities, this Declaration may only be amended by a written instrument approved and executed by the Regular Trustees (or, if there are more than two Regular Trustees, a majority of the Regular Trustees) and:

(i) by the Property Trustee if the amendment affects the rights, powers, duties, obligations or immunities of the Property Trustee; and

(ii) by the Delaware Trustee if the amendment affects the rights, powers, duties, obligations or immunities of the Delaware Trustee;

(b) no amendment shall be made, and any such purported amendment shall be void and ineffective:

(i) unless, in the case of any proposed amendment, the Property Trustee shall have first received an Officers' Certificate from each of the Trust and the Sponsor that such amendment is permitted by, and conforms to, the terms of this Declaration (including the terms of the Securities);

(ii) unless, in the case of any proposed amendment which affects the rights, powers, duties, obligations or immunities of the Property Trustee, the Property Trustee shall have first received:

(A) an Officers' Certificate from each of the Trust and the Sponsor that such amendment is permitted by, and conforms to, the terms of this Declaration (including the terms of the Securities); and

(B) an opinion of counsel (who may be counsel to the Sponsor or the Trust) that such amendment is permitted by, and conforms to, the terms of this Declaration (including the terms of the Securities); and

(iii) to the extent the result of such amendment would be to:

(A) cause the Trust to fail to continue to be classified for purposes of United States federal income taxation as a grantor trust;

(B) reduce or otherwise adversely affect the powers of the Property Trustee in contravention of the Trust Indenture Act; or

(C) cause the Trust to be deemed to be an Investment Company required to be registered under the Investment Company Act;

(c) at such time after the Trust has issued any Securities that remain outstanding, any amendment that would adversely affect the rights, privileges or preferences of any Holder of Securities may be effected only with such additional requirements as may be set forth in the terms of such Securities;

(d) Section 9.1(c) and this Section 12.1 shall not be amended without the consent of all of the Holders of the Securities;

(e) Article IV shall not be amended without the consent of the Holders of a Majority in Liquidation Amount of the Common Securities;

(f) the rights of the Holders of the Common Securities under Article V to increase or decrease the number of, and appoint and remove Trustees shall not be amended without the consent of the Holders of a Majority in Liquidation Amount of the Common Securities; and

(g) notwithstanding Section 12.1(c), this Declaration may be amended without the consent of the Holders of the Securities to:

(i) cure any ambiguity;

(ii) correct or supplement any provision in this Declaration that may be defective or inconsistent with any other provision of this Declaration;

(iii) add to the covenants, restrictions or obligations of the Sponsor;

(iv) to conform to any change in Rule 3a-5 or written change in

interpretation or application of Rule 3a-5 by any legislative body, court, government agency or regulatory authority which amendment does not have a material adverse effect on the rights, preferences or privileges of the Holders; and

(v) to modify, eliminate and add to any provision of this Declaration, provided such modification, elimination or addition would not adversely affect the rights, privileges or preferences of any Holder of the Securities.

(h) The issuance of a Trustees' Authorization Certificate by the Regular Trustees for purposes of establishing the terms and form of the Securities as contemplated by Section 7.1 shall not be deemed an amendment of this Declaration subject to the provisions of this Section 12.1.

SECTION 12.2 Meetings of the Holders of Securities; Action by Written Consent.

(a) Meetings of the Holders of any class of Securities may be called at any time by the Regular Trustees (or as provided in the terms of the Securities) to consider and act on any matter on which Holders of such class of Securities are entitled to act under the terms of this Declaration, the terms of the Securities or the rules of any stock exchange on which the Preferred Securities are listed or admitted for trading. The Regular Trustees shall call a meeting of the Holders of such class if directed to do so by the Holders of at least 10% in Liquidation Amount of such class of Securities. Such direction shall be given by delivering to the Regular Trustees one or more calls in a writing stating that the signing Holders of Securities wish to call a meeting and indicating the general or specific purpose for which the meeting is to be called. Any Holders of Securities calling a meeting shall specify in writing the Certificates held by the Holders of Securities exercising the right to call a meeting and only those Securities specified shall be counted for purposes of determining whether the required percentage set forth in the second sentence of this paragraph has been met.

(b) Except to the extent otherwise provided in the terms of the Securities, the following provisions shall apply to meetings of Holders of Securities:

(i) notice of any such meeting shall be given to all the Holders of Securities having a right to vote thereat at least 7 days and not more than 60 days before the date of such meeting. Whenever a vote, consent or approval of the Holders of Securities is permitted or required under this Declaration or the rules of any stock exchange on which the Preferred Securities are listed or admitted for trading, such vote, consent or approval may be given at a meeting of the Holders of Securities. Any action that may be taken at a meeting of the Holders of Securities may be taken without a meeting if a consent in writing setting forth the action so taken is signed by the Holders of Securities owning not less than the minimum amount of Securities in liquidation amount that would be necessary to authorize or take such action at a meeting at which all Holders of Securities having a right to vote

thereon were present and voting. Prompt notice of the taking of action without a meeting shall be given to the Holders of Securities entitled to vote who have not consented in writing. The Regular Trustees may specify that any written ballot submitted to the Security Holders for the purpose of taking any action without a meeting shall be returned to the Trust within the time specified by the Regular Trustees;

(ii) each Holder of a Security may authorize any Person to act for it by proxy on all matters in which a Holder of Securities is entitled to participate, including waiving notice of any meeting, or voting or participating at a meeting. No proxy shall be valid after the expiration of 11 months from the date thereof unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the Holder of Securities executing such proxy. Except as otherwise provided herein, all matters relating to the giving, voting or validity of proxies shall be governed by the General Corporation Law of the State of Delaware relating to proxies, and judicial interpretations thereunder, as if the Trust were a Delaware corporation and the Holders of the Securities were stockholders of a Delaware corporation;

(iii) each meeting of the Holders of the Securities shall be conducted by the Regular Trustees or by such other Person that the Regular Trustees may designate; and

(iv) unless the Business Trust Act, this Declaration, the terms of the Securities, the Trust Indenture Act or the listing rules of any stock exchange on which the Preferred Securities are then listed for trading, otherwise provides, the Regular Trustees, in their sole discretion, shall establish all other provisions relating to meetings of Holders of Securities, including notice of the time, place or purpose of any meeting at which any matter is to be voted on by any Holders of Securities, waiver of any such notice, action by consent without a meeting, the establishment of a record date, quorum requirements, voting in person or by proxy or any other matter with respect to the exercise of any such right to vote.

ARTICLE XIII
REPRESENTATIONS OF PROPERTY TRUSTEE
AND DELAWARE TRUSTEE

SECTION 13.1 Representations and Warranties of the Property Trustee.

The Trustee that acts as initial Property Trustee represents and warrants to the Trust and to the Sponsor at the date of this Declaration, and each Successor Property Trustee represents and warrants to the Trust and the Sponsor at the time of the Successor Property Trustee's acceptance of its appointment as Property Trustee that:

(a) the Property Trustee is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its

incorporation or organization, with trust power and authority to execute and deliver, and to carry out and perform its obligations under the terms of, this Declaration;

(b) the Property Trustee satisfies the requirements set forth in Section 5.3(a);

(c) the execution, delivery and performance by the Property Trustee of this Declaration has been duly authorized by all necessary corporate action on the part of the Property Trustee. This Declaration has been duly executed and delivered by the Property Trustee, and it constitutes a legal, valid and binding obligation of the Property Trustee, enforceable against it in accordance with its terms, subject to applicable bankruptcy, reorganization, moratorium, insolvency and other similar laws affecting creditors' rights generally and to general principles of equity and the discretion of the court (regardless of whether the enforcement of such remedies is considered in a proceeding in equity or at law);

(d) the execution, delivery and performance of this Declaration by the Property Trustee does not conflict with or constitute a breach of the articles of association or incorporation, as the case may be, or the by-laws (or other similar organizational documents) of the Property Trustee; and

(e) no consent, approval or authorization of, or registration with or notice to, any State or Federal banking authority is required for the execution, delivery or performance by the Property Trustee of this Declaration.

SECTION 13.2 Representations and Warranties of the Delaware Trustee.

The Trustee that acts as initial Delaware Trustee represents and warrants to the Trust and to the Sponsor at the date of this Declaration, and each Successor Delaware Trustee represents and warrants to the Trust and the Sponsor at the time of the Successor Delaware Trustee's acceptance of its appointment as Delaware Trustee that:

(a) the Delaware Trustee satisfies the requirements set forth in Section 5.2 and has the power and authority to execute and deliver, and to carry out and perform its obligations under the terms of, this Declaration and, if it is not a natural person, is duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation or organization;

(b) the Delaware Trustee has been authorized to perform its obligations under the Certificate of Trust and this Declaration. This Declaration under Delaware law constitutes a legal, valid and binding obligation of the Delaware Trustee, enforceable against it in accordance with its terms, subject to applicable bankruptcy, reorganization, moratorium,

insolvency and other similar laws affecting creditors' rights generally and to general principles of equity and the discretion of the court (regardless of whether the enforcement of such remedies is considered in a proceeding in equity or at law); and

(c) no consent, approval or authorization of, or registration with or notice to, any State or Federal banking authority is required for the execution, delivery or performance by the Delaware Trustee of this Declaration.

ARTICLE XIV
MISCELLANEOUS

SECTION 14.1 Notices.

All notices provided for in this Declaration shall be in writing, duly signed by the party giving such notice, and shall be delivered, telecopied or mailed by registered or certified mail, as follows:

(a) if given to the Trust, in care of the Regular Trustees at the Trust's mailing address set forth below (or such other address as the Trust may give notice of to the Property Trustee, the Delaware Trustee and the Holders of the Securities):

Equitable of Iowa Companies Capital Trust
c/o Equitable of Iowa Companies
604 Locust Street
Des Moines, Iowa 50309
Telecopy No. (515) 245-6973

(b) if given to the Delaware Trustee, at the mailing address set forth below (or such other address as Delaware Trustee may give notice of to the Regular Trustees, the Property Trustee and the Holders of the Securities):

First Chicago Delaware, Inc.
c/o FCC National Bank
300 King Street
Wilmington, Delaware 19801
Telecopy No. (312) 407-4656

(c) if given to the Property Trustee, at its Corporate Trust Office (or such other address as the Property Trustee may give notice of to the Regular Trustees, the Delaware Trustee and the Holders of the Securities).

(d) if given to the Holder of the Common Securities, at the mailing address of the Sponsor set forth below (or such other address as the Holder of the Common Securities may give notice of to the Property Trustee, the Delaware Trustee and the Trust):

Equitable of Iowa Companies
604 Locust Street
Des Moines, Iowa 50309
Telecopy No. (515) 245-6973

(e) if given to any other Holder, at the address set forth on the books and records of the Trust.

All such notices shall be deemed to have been given when received in person, telecopied with receipt confirmed or mailed by first class mail, postage prepaid except that if a notice or other document is refused delivery or cannot be delivered because of a changed address of which no notice was given, such notice or other document shall be deemed to have been delivered on the date of such refusal or inability to deliver.

SECTION 14.2 Governing Law.

This Declaration and the rights of the parties hereunder shall be governed by and interpreted in accordance with the laws of the State of Delaware and all rights and remedies shall be governed by such laws without regard to principles of conflict of laws.

SECTION 14.3 Intention of the Parties.

It is the intention of the parties hereto that the Trust be classified for United States federal income tax purposes as a grantor trust. The provisions of this Declaration shall be interpreted to further this intention of the parties.

SECTION 14.4 Headings.

Headings contained in this Declaration are inserted for convenience of reference only and do not affect the interpretation of this Declaration or any provision hereof.

SECTION 14.5 Successors and Assigns.

Whenever in this Declaration any of the parties hereto is named or referred to, the successors and assigns of such party shall be deemed to be included, and all covenants and agreements in this Declaration by the Sponsor and the Trustees shall bind and inure to the benefit of their respective successors and assigns, whether so expressed.

SECTION 14.6 Partial Enforceability.

If any provision of this Declaration, or the application of such provision to any Person or circumstance, shall be held invalid, the remainder of this Declaration, or the application of such provision to persons or circumstances other than those to which it is held invalid, shall not be affected thereby.

SECTION 14.7 Counterparts.

This Declaration may contain more than one counterpart of the signature page and this Declaration may be executed by the affixing of the signature of each of the Trustees to one of such counterpart signature pages. All of such counterpart signature pages shall be read as though one, and they shall have the same force and effect as though all of the signers had signed a single signature page.

IN WITNESS WHEREOF, the undersigned have caused these presents to be executed as of the day and year first above written.

EQUITABLE OF IOWA COMPANIES, as Sponsor
and Debenture Issuer

By: /s/ John A. Merriman
Name: John A. Merriman
Title: General Counsel and Secretary

THE FIRST NATIONAL BANK OF CHICAGO,
as Property Trustee

By: /s/ R. D. Manella
Name: R.D. Manella
Title: Vice President

FIRST CHICAGO DELAWARE, INC.,
as Delaware Trustee

By: /s/ L. Dillard
Name: L. Dillard
Title: Vice President

/s/ Fred S. Hubbell
Fred S. Hubbell, as Regular Trustee

/s/ Paul E. Larson
Paul E. Larson, as Regular Trustee

/s/ John A. Merriman
John A. Merriman, as Regular Trustee

(Signature Page of Declaration of Trust)

=====

PREFERRED SECURITIES GUARANTEE AGREEMENT

EQUITABLE OF IOWA COMPANIES CAPITAL TRUST

Dated as of _____, 1996

=====

TABLE OF CONTENTS

ARTICLE I
INTERPRETATION AND DEFINITIONS

SECTION 1.1 Interpretation and Definitions

ARTICLE II
TRUST INDENTURE ACT

SECTION 2.1 Trust Indenture Act; Application
SECTION 2.2 Lists of Holders of Securities
SECTION 2.3 Reports by Preferred Guarantee Trustee
SECTION 2.4 Periodic Reports to Preferred Guarantee Trustee
SECTION 2.5 Evidence of Compliance with Conditions Precedent
SECTION 2.6 Event of Default; Waiver
SECTION 2.7 Event of Default; Notice
SECTION 2.8 Conflicting Interests
SECTION 2.9 Disclosure of Information
SECTION 2.10 Preferred Guarantee Trustee May File Proofs of Claim

ARTICLE III
POWERS, DUTIES AND RIGHTS OF
PREFERRED GUARANTEE TRUSTEE

SECTION 3.1 Powers and Duties of Preferred Guarantee Trustee
SECTION 3.2 Certain Rights of Preferred Guarantee Trustee
SECTION 3.3 Not Responsible for Recitals or Issuance of Guarantee

ARTICLE IV
PREFERRED GUARANTEE TRUSTEE

SECTION 4.1 Preferred Guarantee Trustee; Eligibility
SECTION 4.2 Appointment, Removal and Resignation of Preferred Guarantee Trustee

ARTICLE V
GUARANTEE

- SECTION 5.1 Guarantee
- SECTION 5.2 Waiver of Notice and Demand
- SECTION 5.3 Obligations Not Affected
- SECTION 5.4 Rights of Holders
- SECTION 5.5 Guarantee of Payment
- SECTION 5.6 Subrogation
- SECTION 5.7 Independent Obligations

ARTICLE VI
LIMITATION OF TRANSACTIONS; SUBORDINATION

- SECTION 6.1 Limitation of Transactions
- SECTION 6.2 Ranking

ARTICLE VII
TERMINATION

- SECTION 7.1 Termination

ARTICLE VIII
INDEMNIFICATION

- SECTION 8.1 Exculpation
- SECTION 8.2 Indemnification

ARTICLE IX
MISCELLANEOUS

- SECTION 9.1 Successors and Assigns
- SECTION 9.2 Amendments
- SECTION 9.3 Notices
- SECTION 9.4 Benefit
- SECTION 9.5 Governing Law

PREFERRED SECURITIES GUARANTEE AGREEMENT

This GUARANTEE AGREEMENT (the "Preferred Securities Guarantee"), dated as of _____, 1996, is executed and delivered by Equitable of Iowa Companies, an Iowa corporation (the "Guarantor"), and The First National Bank of Chicago, as trustee (the "Preferred Guarantee Trustee"), for the benefit of the Holders (as defined herein) from time to time of the Preferred Securities (as defined herein) of Equitable of Iowa Companies Capital Trust, a Delaware statutory business trust (the "Issuer").

WHEREAS, pursuant to the Declaration (as defined herein), the Issuer is issuing on the date hereof [] preferred securities, having an aggregate liquidation amount of [\$] [(plus up to an additional [] preferred securities, having an aggregate liquidation amount of [\$], to cover over-allotments)], designated the ____% Trust Originated Preferred Securities (the "Preferred Securities");

WHEREAS, as incentive for the Holders to purchase the Preferred Securities, the Guarantor desires irrevocably and unconditionally to agree, to the extent set forth in this Preferred Securities Guarantee,

to pay to the Holders of the Preferred Securities the Guarantee Payments (as defined herein) and to make certain other payments on the terms and conditions set forth herein; and

WHEREAS, the Guarantor is also executing and delivering a guarantee agreement (as amended, modified or supplemented from time to time, the "Common Securities Guarantee") in substantially identical terms to this Preferred Securities Guarantee for the benefit of the holders of the Common Securities (as defined herein), except that if an Event of Default (as defined in the Indenture), has occurred and is continuing, the rights of holders of the Common Securities to receive payments under the Common Securities Guarantee are subordinated to the rights of Holders of Preferred Securities to receive Guarantee Payments under this Preferred Securities Guarantee.

NOW, THEREFORE, in consideration of the purchase by each Holder of Preferred Securities, which purchase the Guarantor hereby agrees shall benefit the Guarantor, the Guarantor executes and delivers this Preferred Securities Guarantee for the benefit of the Holders.

ARTICLE I INTERPRETATION AND DEFINITIONS

SECTION 1.1 Interpretation and Definitions.

In this Preferred Securities Guarantee, unless the context otherwise requires:

- (a) capitalized terms used in this Preferred Securities Guarantee but not defined in the preamble above have the respective meanings assigned to them in this Section 1.1;
- (b) a term defined anywhere in this Preferred Securities Guarantee

has the same meaning throughout;

- (c) all references to "the Preferred Securities Guarantee" or "this Preferred Securities Guarantee" are to this Preferred Securities Guarantee as modified, supplemented or amended from time to time;
- (d) all references in this Preferred Securities Guarantee to Articles and Sections are to Articles and Sections of this Preferred Securities Guarantee, unless otherwise specified;
- (e) a term defined in the Trust Indenture Act has the same meaning when used in this Preferred Securities Guarantee, unless otherwise defined in this Preferred Securities Guarantee or unless the context otherwise requires; and
- (f) a reference to the singular includes the plural and vice versa.

"AFFILIATE" has the same meaning as given to that term in Rule 405 of the Securities Act of 1933, as amended, or any successor rule thereunder.

"BUSINESS DAY" means any day other than a day on which banking institutions in New York, New York are authorized or required by law to close.

"COMMON SECURITIES" means the securities representing common undivided beneficial interests in the assets of the Issuer.

"CORPORATE TRUST OFFICE" means the office of the Preferred Guarantee Trustee at which the corporate trust business of the Preferred Guarantee Trustee shall, at any particular time, be principally administered, which office at the date of execution of this Preferred Securities Guarantee is located at One First National Plaza - Suite 0126, Chicago, Illinois 60670-0126, Attention: Corporate Trust Services Division; telecopy no. (312) 407-7108.

"COVERED PERSON" means any Holder or beneficial owner of Preferred Securities.

"DEBENTURES" means the series of junior subordinated deferrable interest debentures to be issued by the Guarantor designated the ___% Junior Subordinated Deferrable Interest Debentures due [] held by the Property Trustee (as defined in the Declaration) of the Issuer.

"DECLARATION" means the Declaration of Trust, dated as of March ___, 1996, as amended, modified or supplemented from time to time, among the trustees of the Issuer named therein, the Guarantor, as sponsor, and the holders from time to time of undivided beneficial interests in the assets of the Issuer.

"EVENT OF DEFAULT" means a default by the Guarantor on any of its

payment or other obligations under this Preferred Securities Guarantee.

"GUARANTEE PAYMENTS" means the following payments or distributions, without duplication, with respect to the Preferred Securities, to the extent not paid or made by the Issuer: (i) any accrued and unpaid Distributions (as defined in the Declaration) that are required to be paid on such Preferred Securities to the extent the Issuer shall have funds available therefor, (ii) the redemption price, including all accrued and unpaid Distributions to the date of redemption (the "Redemption Price") to the extent the Issuer has funds available therefor, with respect to any Preferred Securities called for redemption by the Issuer, and (iii) upon a voluntary or involuntary dissolution, winding-up or termination of the Issuer (other than in connection with the distribution of Debentures to the Holders in exchange for Preferred Securities as provided in the Declaration or the redemption of all the Preferred Securities upon maturity or redemption of the Debentures as provided in the Declaration), the lesser of (a) the aggregate of the liquidation amount and all accrued and unpaid Distributions on the Preferred Securities to the date of payment, to the extent the Issuer shall have funds available therefor, and (b) the amount of assets of the Issuer remaining available for distribution to Holders in liquidation of the Issuer (in either case, the "Liquidation Distribution"). If an Event of Default as defined in the Indenture) has occurred and is continuing, the rights of holders of the Common Securities to receive payments under the Common Securities Guarantee are subordinated to the rights of Holders of Preferred Securities to receive Guarantee Payments under this Preferred Securities Guarantee.

"HOLDER" shall mean any holder, as registered on the books and records of the Issuer of any Preferred Securities; provided, however, that, in determining whether the holders of the requisite percentage of Preferred Securities have given any request, notice, consent or waiver hereunder, "Holder" shall not include the Guarantor or any Affiliate of the Guarantor; and provided further, that in determining whether the Holders of the requisite liquidation amount of Preferred Securities have voted on any matter provided for in this Preferred Securities Guarantee, then for the purpose of such determination only (and not for any other purpose hereunder), if the Preferred Securities remain in the form of one or more Global Certificates, the term "Holders" shall mean the holder of the Global Certificate acting at the direction of the Preferred Security Beneficial Owners.

"INDEMNIFIED PERSON" means the Preferred Guarantee Trustee, any Affiliate of the Preferred Guarantee Trustee, or any officers, directors, shareholders, members, partners, employees, representatives, nominees, custodians or agents of the Preferred Guarantee Trustee.

"INDENTURE" means the Indenture dated as of January 17, 1995, among the Guarantor (the "Debenture Issuer") and The First National Bank of Chicago, as trustee, and any indenture supplemental thereto pursuant to which certain subordinated debt securities of the Debenture Issuer are to be issued to the Property Trustee (as defined in the Declaration) of

the Issuer.

"MAJORITY IN LIQUIDATION AMOUNT OF THE PREFERRED SECURITIES" means, except as provided in the terms of the Preferred Securities or by the Trust Indenture Act, Holder(s) of outstanding Preferred Securities, voting separately as a class, who are the record holders of more than 50% of the aggregate liquidation amount (including the stated amount that would be paid on redemption, liquidation or otherwise, plus accrued and unpaid Distributions to the date upon which the voting percentages are determined) of all outstanding Preferred Securities.

"OFFICERS' CERTIFICATE" means, with respect to any Person, a certificate signed by two Authorized Officers (as defined in the Declaration) of such Person. Any Officers' Certificate delivered with respect to compliance with a condition or covenant provided for in this Preferred Securities Guarantee shall include:

(a) a statement that each officer signing the Officers' Certificate has read the covenant or condition and the definitions relating thereto;

(b) a brief statement of the nature and scope of the examination or investigation undertaken by each officer in rendering the Officers' Certificate;

(c) a statement that each such officer has made such examination or investigation as, in such officer's opinion, is necessary to enable such officer to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(d) a statement as to whether, in the opinion of each such officer, such condition or covenant has been complied with.

"PERSON" means a legal person, including any individual, corporation, estate, partnership, joint venture, association, joint stock company, limited liability company, trust, unincorporated association, or government or any agency or political subdivision thereof, or any other entity of whatever nature.

"PREFERRED GUARANTEE TRUSTEE" means The First National Bank of Chicago, until a Successor Preferred Guarantee Trustee has been appointed and has accepted such appointment pursuant to the terms of this Preferred Securities Guarantee and thereafter means each such Successor Preferred Guarantee Trustee.

"RESPONSIBLE OFFICER" means, with respect to the Preferred Guarantee Trustee, any officer within the Corporate Trust Office of the Preferred Guarantee Trustee, including any vice-president, any assistant vice-president, the secretary, any assistant secretary, the treasurer, any assistant treasurer or other officer of the Corporate Trust Office of the Preferred Guarantee Trustee customarily performing functions similar to those performed

by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of that officer's knowledge of and familiarity with the particular subject.

"SUCCESSOR PREFERRED GUARANTEE TRUSTEE" means a successor Preferred Guarantee Trustee possessing the qualifications to act as Preferred Guarantee Trustee under Section 4.1.

"TRUST INDENTURE ACT" means the Trust Indenture Act of 1939, as amended from time to time, or any successor legislation.

ARTICLE II TRUST INDENTURE ACT

SECTION 2.1 Trust Indenture Act; Application.

(a) This Preferred Securities Guarantee is subject to the provisions of the Trust Indenture Act that are required to be part of this Preferred Securities Guarantee and shall, to the extent applicable, be governed by such provisions.

(b) If and to the extent that any provision of this Preferred Securities Guarantee limits, qualifies or conflicts with the duties imposed by Sections 310 to 317, inclusive, of the Trust Indenture Act, such imposed duties shall control.

SECTION 2.2 Lists of Holders of Securities.

(a) The Guarantor shall provide the Preferred Guarantee Trustee with a list, in such form as the Preferred Guarantee Trustee may reasonably require, of the names and addresses of the Holders of the Preferred Securities ("List of Holders"), (i) within one Business Day after January 1 and June 30 of each year and current as of such date, and (ii) at any other time, within 30 days of receipt by the Guarantor of a written request from the Preferred Guarantee Trustee for a List of Holders as of a date no more than 14 days before such List of Holders is given to the Preferred Guarantee Trustee; provided, that the Guarantor shall not be obligated to provide such List of Holders at any time the List of Holders does not differ from the most recent List of Holders given to the Preferred Guarantee Trustee by the Guarantor. The Preferred Guarantee Trustee shall preserve, in as current a form as is reasonably practicable, all information contained in Lists of Holders given to it, provided that it may destroy any List of Holders previously given to it on receipt of a new List of Holders.

(b) The Preferred Guarantee Trustee shall comply with its obligations under Section 311(a), 311(b) and Section 312(b) of the Trust

Indenture Act.

SECTION 2.3 Reports by Preferred Guarantee Trustee.

Within 60 days after May 15 of each year (commencing with the year of the first anniversary of the issuance of the Preferred Securities), the Preferred Guarantee Trustee shall provide to the Holders of the Preferred Securities such reports as are required by Section 313 of the Trust Indenture Act, if any, in the form and in the manner provided by Section 313 of the Trust Indenture Act. The Preferred Guarantee Trustee shall also comply with the requirements of Section 313(d) of the Trust Indenture Act.

SECTION 2.4 Periodic Reports to Preferred Guarantee Trustee.

The Guarantor shall provide to the Preferred Guarantee Trustee such documents, reports and information as required by Section 314 (if any) of the Trust Indenture Act and the compliance certificate required by Section 314 of the Trust Indenture Act in the form, in the manner and at the times required by Section 314 of the Trust Indenture Act.

SECTION 2.5 Evidence of Compliance with Conditions Precedent.

The Guarantor shall provide to the Preferred Guarantee Trustee such evidence of compliance with any conditions precedent, if any, provided for in this Preferred Securities Guarantee that relate to any of the matters set forth in Section 314(c) of the Trust Indenture Act. Any certificate or opinion required to be given by an officer pursuant to Section 314(c)(1) may be given in the form of an Officers' Certificate.

SECTION 2.6 Event of Default; Waiver.

The Holders of a Majority in Liquidation Amount of the Preferred Securities may, by vote, on behalf of the Holders of all of the Preferred Securities, waive any past Event of Default and its consequences. Upon such waiver, any such Event of Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of this Preferred Securities Guarantee, but no such waiver shall extend to any subsequent or other default or Event of Default or impair any right consequent thereon.

SECTION 2.7 Event of Default; Notice.

(a) The Preferred Guarantee Trustee shall, within 90 days after the occurrence of an Event of Default, transmit by mail, first class postage prepaid, to the Holders of the Preferred Securities, notices of all Events of Default actually known to a Responsible Officer of the Preferred Guarantee Trustee, unless such defaults have been cured before the giving of such notice; provided, that the Preferred Guarantee Trustee shall be protected in withholding such notice if and so long as

a Responsible Officer of the Preferred Guarantee Trustee in good faith determines that the withholding of such notice is in the interests of the Holders of the Preferred Securities.

(b) The Preferred Guarantee Trustee shall not be deemed to have knowledge of any Event of Default unless the Preferred Guarantee Trustee shall have received written notice thereof, or a Responsible Officer of the Preferred Guarantee Trustee charged with the administration of the Declaration shall have obtained actual knowledge thereof.

SECTION 2.8 Conflicting Interests.

The Declaration shall be deemed to be specifically described in this Preferred Securities Guarantee for the purposes of clause (i) of the first proviso contained in Section 310(b) of the Trust Indenture Act.

SECTION 2.9 Disclosure of Information.

The disclosure of information as to the names and addresses of the Holders of the Preferred Securities in accordance with Section 312 of the Trust Indenture Act, regardless of the source from which such information was derived, shall not be deemed to be a violation of any existing law, or any law hereafter enacted which does not specifically refer to Section 312 of the Trust Indenture Act, nor shall the Preferred Guarantee Trustee be held accountable by reason of mailing any material pursuant to a request made under Section 312(b) of the Trust Indenture Act.

SECTION 2.10 Preferred Guarantee Trustee May File Proofs of Claim.

Upon the occurrence of an Event of Default, the Preferred Guarantee Trustee is hereby authorized to (a) recover judgment, in its own name and as trustee of an express trust, against the Guarantor for the whole amount of any Guarantee Payments remaining unpaid and (b) file such proofs of claim and other papers or documents as may be necessary or advisable in order to have its claims and those of the Holders of the Preferred Securities allowed in any judicial proceedings relative to the Guarantor, its creditors or its property.

ARTICLE III POWERS, DUTIES AND RIGHTS OF PREFERRED GUARANTEE TRUSTEE

SECTION 3.1 Powers and Duties of Preferred Guarantee Trustee.

(a) This Preferred Securities Guarantee shall be held by the Preferred Guarantee Trustee for the benefit of the Holders of the Preferred Securities, and the Preferred Guarantee Trustee shall not transfer this Preferred Securities Guarantee to any Person except a Holder of Preferred Securities exercising his or her rights pursuant to Section 5.4(b) or to a Successor Preferred Guarantee Trustee on acceptance by such Successor Preferred Guarantee Trustee of its appointment to act as Successor Preferred Guarantee Trustee. The right, title and interest of the Preferred Guarantee Trustee in and to this Preferred Securities Guarantee shall automatically vest in any Successor Preferred Guarantee Trustee, and such vesting and cessation of title shall be effective whether or not conveyancing documents have been executed and delivered pursuant to the appointment of such Successor Preferred Guarantee Trustee.

(b) If an Event of Default actually known to a Responsible Officer of the Preferred Guarantee Trustee has occurred and is continuing, the Preferred Guarantee Trustee shall enforce this Preferred Securities Guarantee for the benefit of the Holders of the Preferred Securities.

(c) The Preferred Guarantee Trustee, before the occurrence of any Event of Default and after the curing of all Events of Default that may have occurred, shall undertake to perform only such duties as are specifically set forth in this Preferred Securities Guarantee, and no implied covenants shall be read into this Preferred Securities Guarantee against the Preferred Guarantee Trustee. In case an Event of Default has occurred (that has not been cured or waived pursuant to Section 2.6) and is actually known to a Responsible Officer of the Preferred Guarantee Trustee, the Preferred Guarantee Trustee shall exercise such of the rights and powers vested in it by this Preferred Securities Guarantee, and use the same degree of care and skill in its exercise thereof, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

(d) No provision of this Preferred Securities Guarantee shall be construed to relieve the Preferred Guarantee Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(i) prior to the occurrence of any Event of Default and after the curing or waiving of all such Events of Default that may have occurred:

(A) the duties and obligations of the Preferred Guarantee Trustee shall be determined solely by the express provisions of this Preferred Securities Guarantee, and the Preferred Guarantee Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Preferred Securities Guarantee, and no implied covenants or obligations shall be read into this Preferred Securities Guarantee against the Preferred Guarantee Trustee; and

(B) in the absence of bad faith on the part of the Preferred Guarantee Trustee, the Preferred Guarantee Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificates or opinions furnished to the Preferred Guarantee Trustee and conforming to the requirements of this Preferred Securities Guarantee; but in the case of any such certificates or opinions that by any provision hereof are specifically required to be furnished to the Preferred Guarantee Trustee, the Preferred Guarantee Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Preferred Securities Guarantee;

(ii) the Preferred Guarantee Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer of the Preferred Guarantee Trustee, unless it shall be proved that the Preferred Guarantee Trustee was negligent in ascertaining the pertinent facts upon which such judgment was made;

(iii) the Preferred Guarantee Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of not less than a Majority in Liquidation Amount of the Preferred Securities relating to the time, method and place of conducting any proceeding for any remedy available to the Preferred Guarantee Trustee, or exercising any trust or power conferred upon the Preferred Guarantee Trustee under this Preferred Securities Guarantee; and

(iv) no provision of this Preferred Securities Guarantee shall require the Preferred Guarantee Trustee to expend or risk its own funds or otherwise incur personal financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if the Preferred Guarantee Trustee shall have reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it under the terms of this Preferred Securities Guarantee or indemnity, reasonably satisfactory to the Preferred Guarantee Trustee, against such risk or liability is not reasonably assured to it.

SECTION 3.2 Certain Rights of Preferred Guarantee Trustee.

(a) Subject to the provisions of Section 3.1:

(i) The Preferred Guarantee Trustee may conclusively rely, and shall be fully protected in acting or refraining from acting upon, any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document believed by it to be genuine and to have been signed, sent or presented by the proper party or parties.

(ii) Any direction or act of the Guarantor contemplated by this

Preferred Securities Guarantee shall be sufficiently evidenced by an Officers' Certificate.

(iii) Whenever, in the administration of this Preferred Securities Guarantee, the Preferred Guarantee Trustee shall deem it desirable that a matter be proved or established before taking, suffering or omitting any action hereunder, the Preferred Guarantee Trustee (unless other evidence is herein specifically prescribed) may, in the absence of bad faith on its part, request and conclusively rely upon an Officers' Certificate which, upon receipt of such request, shall be promptly delivered by the Guarantor.

(iv) The Preferred Guarantee Trustee shall have no duty to see to any recording, filing or registration of any instrument (or any rerecording, refiling or registration thereof).

(v) The Preferred Guarantee Trustee may consult with counsel, and the written advice or opinion of such counsel with respect to legal matters shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in accordance with such advice or opinion. Such counsel may be counsel to the Guarantor or any of its Affiliates and may include any of its employees. The Preferred Guarantee Trustee shall have the right at any time to seek instructions concerning the administration of this Preferred Securities Guarantee from any court of competent jurisdiction.

(vi) The Preferred Guarantee Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Preferred Securities Guarantee at the request or direction of any Holder, unless such Holder shall have provided to the Preferred Guarantee Trustee such security and indemnity, reasonably satisfactory to the Preferred Guarantee Trustee, against the costs, expenses (including attorneys' fees and expenses and the expenses of the Preferred Guarantee Trustee's agents, nominees or custodians) and liabilities that might be incurred by it in complying with such request or direction, including such reasonable advances as may be requested by the Preferred Guarantee Trustee; provided, that nothing contained in this Section 3.2(a)(vi) shall be taken to relieve the Preferred Guarantee Trustee, upon the occurrence of an Event of Default, of its obligation to exercise the rights and powers vested in it by this Preferred Securities Guarantee.

(vii) The Preferred Guarantee Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document, but the Preferred Guarantee Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit.

(viii) The Preferred Guarantee Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly

or by or through agents, nominees, custodians or attorneys, and the Preferred Guarantee Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder.

(ix) Any action taken by the Preferred Guarantee Trustee or its agents hereunder shall bind the Holders of the Preferred Securities, and the signature of the Preferred Guarantee Trustee or its agents alone shall be sufficient and effective to perform any such action. No third party shall be required to inquire as to the authority of the Preferred Guarantee Trustee to so act or as to its compliance with any of the terms and provisions of this Preferred Securities Guarantee, both of which shall be conclusively evidenced by the Preferred Guarantee Trustee's or its agent's taking such action.

(x) Whenever in the administration of this Preferred Securities Guarantee the Preferred Guarantee Trustee shall deem it desirable to receive instructions with respect to enforcing any remedy or right or taking any other action hereunder, the Preferred Guarantee Trustee (i) may request instructions from the Holders of a Majority in Liquidation Amount of the Preferred Securities, (ii) may refrain from enforcing such remedy or right or taking such other action until such instructions are received, and (iii) shall be protected in conclusively relying on or acting in accordance with such instructions.

(b) No provision of this Preferred Securities Guarantee shall be deemed to impose any duty or obligation on the Preferred Guarantee Trustee to perform any act or acts or exercise any right, power, duty or obligation conferred or imposed on it in any jurisdiction in which it shall be illegal, or in which the Preferred Guarantee Trustee shall be unqualified or incompetent in accordance with applicable law, to perform any such act or acts or to exercise any such right, power, duty or obligation. No permissive power or authority available to the Preferred Guarantee Trustee shall be construed to be a duty.

SECTION 3.3 Not Responsible for Recitals or Issuance of Guarantee.

The recitals contained in this Preferred Securities Guarantee shall be taken as the statements of the Guarantor, and the Preferred Guarantee Trustee does not assume any responsibility for their correctness. The Preferred Guarantee Trustee makes no representation as to the validity or sufficiency of this Preferred Securities Guarantee.

ARTICLE IV PREFERRED GUARANTEE TRUSTEE

Section 4.1 Preferred Guarantee Trustee; Eligibility.

(a) There shall be at all times be a Preferred Guarantee Trustee which shall:

(i) not be an Affiliate of the Guarantor; and

(ii) be a corporation organized and doing business under the laws of the United States of America or any State or Territory thereof or of the District of Columbia, or a corporation or Person permitted by the Securities and Exchange Commission to act as a trustee under the Trust Indenture Act, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least 50 million U.S. dollars (\$50,000,000), and subject to supervision or examination by Federal, State, Territorial or District of Columbia authority. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of the supervising or examining authority referred to above, then, for the purposes of this Section 4.1(a)(ii), the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

(b) If at any time the Preferred Guarantee Trustee shall cease to be eligible to so act under Section 4.1(a), the Preferred Guarantee Trustee shall immediately resign in the manner and with the effect set out in Section 4.2(c).

(c) If the Preferred Guarantee Trustee has or shall acquire any "conflicting interest" within the meaning of Section 310(b) of the Trust Indenture Act, the Preferred Guarantee Trustee and Guarantor shall in all respects comply with the provisions of Section 310(b) of the Trust Indenture Act.

Section 4.2 Appointment, Removal and Resignation of Preferred Guarantee Trustee.

(a) Subject to Section 4.2(b), the Preferred Guarantee Trustee may be appointed or removed without cause at any time by the Guarantor.

(b) The Preferred Guarantee Trustee shall not be removed in accordance with Section 4.2(a) until a Successor Preferred Guarantee Trustee has been appointed and has accepted such appointment by written instrument executed by such Successor Preferred Guarantee Trustee and delivered to the Guarantor.

(c) The Preferred Guarantee Trustee appointed to office shall hold office until a Successor Preferred Guarantee Trustee shall have been appointed or until its removal or resignation. The Preferred Guarantee Trustee may resign from office (without need for prior or subsequent accounting) by an instrument in writing executed by the Preferred Guarantee Trustee and delivered to the Guarantor, which resignation shall not take effect until a Successor Preferred Guarantee Trustee has

been appointed and has accepted such appointment by instrument in writing executed by such Successor Preferred Guarantee Trustee and delivered to the Guarantor and the resigning Preferred Guarantee Trustee.

(d) If no Successor Preferred Guarantee Trustee shall have been appointed and accepted appointment as provided in this Section 4.2 within 60 days after delivery to the Guarantor of an instrument of resignation, the resigning Preferred Guarantee Trustee may petition any court of competent jurisdiction for appointment of a Successor Preferred Guarantee Trustee. Such court may thereupon, after prescribing such notice, if any, as it may deem proper, appoint a Successor Preferred Guarantee Trustee.

(e) No Preferred Guarantee Trustee shall be liable for the acts or omissions to act of any Successor Preferred Guarantee Trustee.

(f) Upon termination of this Preferred Securities Guarantee or removal or resignation of the Preferred Guarantee Trustee pursuant to this Section 4.2, the Guarantor shall pay to the Preferred Guarantee Trustee all amounts owing for fees and reimbursement of expenses which have accrued to the date of such termination, removal or resignation.

ARTICLE V GUARANTEE

Section 5.1 Guarantee.

The Guarantor irrevocably and unconditionally agrees to pay in full to the Holders the Guarantee Payments (without duplication of amounts theretofore paid by the Issuer), as and when due, regardless of any defense, right of set-off or counterclaim that the Issuer may have or assert. The Guarantor's obligation to make a Guarantee Payment may be satisfied by direct payment of the required amounts by the Guarantor to the Holders or by causing the Issuer to pay such amounts to the Holders.

Section 5.2 Waiver of Notice and Demand.

The Guarantor hereby waives notice of acceptance of this Preferred Securities Guarantee and of any liability to which it applies or may apply, presentment, demand for payment, any right to require a proceeding first against the Issuer or any other Person before proceeding against the Guarantor, protest, notice of nonpayment, notice of dishonor, notice of redemption and all other notices and demands. Notwithstanding anything to the contrary herein, the Guarantor retains all of its rights under the Indenture to (i) extend the interest payment period on the Debentures and the Guarantor shall not be obligated hereunder to make any Guarantee Payments during any Extended Interest Payment Period (as defined in the Indenture) with respect to the

Distributions (as defined in the Declaration) on the Preferred Securities, and (ii) extend the maturity date of the Debentures to the extent permitted by the Indenture, provided that any such extension of the maturity date will not adversely affect the federal income tax status of the Issuer.

Section 5.3 Obligations Not Affected.

The obligations, covenants, agreements and duties of the Guarantor under this Preferred Securities Guarantee shall in no way be affected or impaired by reason of the happening from time to time of the following:

- (a) The release or waiver, by operation of law or otherwise, of the performance or observance by the Issuer of any express or implied agreement, covenant, term or condition relating to the Preferred Securities to be performed or observed by the Issuer;
- (b) The extension of time for the payment by the Issuer of all or any portion of the Distributions, Redemption Price, Liquidation Distribution or any other sums payable under the terms of the Preferred Securities or the extension of time for the performance of any other obligation under, arising out of, or in connection with, the Preferred Securities (other than an extension of time for payment of Distributions, Redemption Price, Liquidation Distribution or other sum payable that results from the extension of any interest payment period on the Debentures or any extension of the maturity date of the Debentures permitted by the Indenture);
- (c) Any failure, omission, delay or lack of diligence on the part of the Property Trustee or the Holders to enforce, assert or exercise any right, privilege, power or remedy conferred on the Property Trustee or the Holders pursuant to the terms of the Preferred Securities, or any action on the part of the Issuer granting indulgence or extension of any kind;
- (d) The voluntary or involuntary liquidation, dissolution, sale of any collateral, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, arrangement, composition or readjustment of debt of, or other similar proceedings affecting, the Issuer or any of the assets of the Issuer;
- (e) Any invalidity of, or defect or deficiency in, the Preferred Securities;
- (f) The settlement or compromise of any obligation guaranteed hereby or hereby incurred; or
- (g) Any other circumstance whatsoever that might otherwise constitute a legal or equitable discharge or defense of a guarantor, it being the intent of this Section 5.3 that the obligations of the Guarantor hereunder shall be absolute and unconditional under any and all

circumstances.

There shall be no obligation of the Preferred Guarantee Trustee or the Holders to give notice to, or obtain consent of, the Guarantor or any other Person with respect to the happening of any of the foregoing.

SECTION 5.4 Rights of Holders.

(a) The Holders of a Majority in Liquidation Amount of the Preferred Securities have the right to direct the time, method and place of conducting of any proceeding for any remedy available to the Preferred Guarantee Trustee in respect of this Preferred Securities Guarantee or exercising any trust or power conferred upon the Preferred Guarantee Trustee under this Preferred Securities Guarantee.

(b) If the Preferred Guarantee Trustee fails to enforce this Preferred Securities Guarantee, then any Holder of Preferred Securities may institute a legal proceeding directly against the Guarantor to enforce its rights under this Preferred Securities Guarantee, without first instituting a legal proceeding against the Issuer, the Preferred Guarantee Trustee or any other Person. Notwithstanding the foregoing, if the Guarantor has failed to make a Guarantee Payment, a Holder may directly institute a proceeding against the Guarantor for enforcement of this Preferred Securities Guarantee for such payment.

SECTION 5.5 Guarantee of Payment.

This Preferred Securities Guarantee creates a guarantee of payment and not of collection.

SECTION 5.6 Subrogation.

The Guarantor shall be subrogated to all (if any) rights of the Holders of Preferred Securities against the Issuer in respect of any amounts paid to such Holders by the Guarantor under this Preferred Securities Guarantee; provided, however, that the Guarantor shall not (except to the extent required by mandatory provisions of law) be entitled to enforce or exercise any right that it may acquire by way of subrogation or any indemnity, reimbursement or other agreement, in all cases as a result of payment under this Preferred Securities Guarantee, if, at the time of any such payment, any amounts are due and unpaid under this Preferred Securities Guarantee. If any amount shall be paid to the Guarantor in violation of the preceding sentence, the Guarantor agrees to hold such amount in trust for the Holders and to pay over such amount to the Preferred Guarantee Trustee for the benefit of the Holders.

SECTION 5.7 Independent Obligations.

The Guarantor acknowledges that its obligations hereunder are independent of the obligations of the Issuer with respect to the

Preferred Securities, and that the Guarantor shall be liable as principal and as debtor hereunder to make Guarantee Payments pursuant to the terms of this Preferred Securities Guarantee notwithstanding the occurrence of any event referred to in subsections (a) through (g), inclusive, of Section 5.3 hereof.

ARTICLE VI
LIMITATION OF TRANSACTIONS; SUBORDINATION

SECTION 6.1 Limitation of Transactions.

So long as any Preferred Securities remain outstanding, if there shall have occurred an Event of Default or an event of default under the Declaration, then (a) the Guarantor shall not declare or pay any dividend on, make any distributions with respect to, or redeem, purchase, acquire or make a liquidation payment with respect to, any of its capital stock, (b) the Guarantor shall not make any payment of interest, principal or premium, if any, on or repay, repurchase or redeem any debt securities (including guarantees) issued by the Guarantor which rank pari passu with or junior to the Debentures and (c) the Guarantor shall not make any guarantee payments with respect to the foregoing (other than pursuant to this Preferred Securities Guarantee); provided, however, the Guarantor may declare and pay a stock dividend where the dividend stock is the same stock as that on which the dividend is being paid.

SECTION 6.2 Ranking.

This Preferred Securities Guarantee will constitute an unsecured obligation of the Guarantor and will rank (i) subordinate and junior in right of payment to all other liabilities of the Guarantor, including the Debentures, except those liabilities of the Guarantor made pari passu or subordinate by their terms, (ii) pari passu with the most senior preferred or preference stock now or hereafter issued by the Guarantor and with any guarantee now or hereafter entered into by the Guarantor in respect of any preferred or preference stock of any Affiliate of the Guarantor, and (iii) senior to the Guarantor's common stock.

ARTICLE VII
TERMINATION

SECTION 7.1 Termination.

This Preferred Securities Guarantee shall terminate upon (i) full payment of the Redemption Price of all Preferred Securities, (ii) upon the distribution of the Debentures to the Holders of all of the Preferred Securities or (iii) upon full payment of the amounts payable in accordance with the Declaration upon liquidation of the Issuer. Notwithstanding the

foregoing, this Preferred Securities Guarantee will continue to be effective or will be reinstated, as the case may be, if at any time any Holder of Preferred Securities must restore payment of any sums paid under the Preferred Securities or under this Preferred Securities Guarantee.

ARTICLE VIII INDEMNIFICATION

SECTION 8.1 Exculpation.

(a) No Indemnified Person shall be liable, responsible or accountable in damages or otherwise to the Guarantor or any Covered Person for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Indemnified Person in good faith in accordance with this Preferred Securities Guarantee and in a manner that such Indemnified Person reasonably believed to be within the scope of the authority conferred on such Indemnified Person by this Preferred Securities Guarantee or by law, except that an Indemnified Person shall be liable for any such loss, damage or claim incurred by reason of such Indemnified Person's negligence or willful misconduct with respect to such acts or omissions.

(b) An Indemnified Person shall be fully protected in relying in good faith upon the records of the Guarantor and upon such information, opinions, reports or statements presented to the Guarantor by any Person as to matters the Indemnified Person reasonably believes are within such other Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Guarantor, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, profits, losses, or any other facts pertinent to the existence and amount of assets from which Distributions to Holders of Preferred Securities might properly be paid.

SECTION 8.2 Indemnification.

The Guarantor agrees to indemnify each Indemnified Person for, and to hold each Indemnified Person harmless against, any loss, liability or expense incurred without negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of the trust or trusts hereunder, including the costs and expenses (including reasonable legal fees and expenses) of defending itself against, or investigating, any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder. The obligation to indemnify as set forth in this Section 8.2 shall survive the termination of this Preferred Securities Guarantee.

ARTICLE IX MISCELLANEOUS

SECTION 9.1 Successors and Assigns.

All guarantees and agreements contained in this Preferred Securities Guarantee shall bind the successors, assigns, receivers, trustees and representatives of the Guarantor and shall inure to the benefit of the Holders of the Preferred Securities then outstanding.

SECTION 9.2 Amendments.

Except with respect to any changes that do not adversely affect the rights of the Holders (in which case no consent of the Holders will be required), this Preferred Securities Guarantee may only be amended with the prior approval of the Holders of at least a Majority in Liquidation Amount of the Preferred Securities. The provisions of Section 12.2 of the Declaration with respect to meetings of, and action by written consent of, the Holders of the Securities apply to the giving of such approval.

SECTION 9.3 Notices.

All notices provided for in this Preferred Securities Guarantee shall be in writing, duly signed by the party giving such notice, and shall be delivered, telecopied or mailed by registered or certified mail, as follows:

(a) If given to the Preferred Guarantee Trustee, at the Preferred Guarantee Trustee's mailing address set forth below (or such other address as the Preferred Guarantee Trustee may give notice of to the Guarantor and the Holders of the Preferred Securities):

The First National Bank of Chicago
One First National Plaza - Suite 0126
Chicago, Illinois 60670-0126
Attn: Corporate Trust Services Division
Telecopy No. (312) 407-7108

(b) If given to the Guarantor, at the Guarantor's mailing addresses set forth below (or such other address as the Guarantor may give notice of to the Preferred Guarantee Trustee and the Holders of the Preferred Securities):

Equitable of Iowa Companies
604 Locust Street
Des Moines, Iowa 50309
Attn: John A. Merriman
Telecopy No. (515) 245-6973

(c) If given to any Holder of Preferred Securities, at the address set forth on the books and records of the Issuer.

All such notices shall be deemed to have been given when received in person, telecopied with receipt confirmed, or mailed by first class mail, postage prepaid, except that if a notice or other document is refused delivery or cannot be delivered because of a changed address of which no notice was given, such notice or other document shall be deemed to have been delivered on the date of such refusal or inability to deliver.

SECTION 9.4 Benefit.

This Preferred Securities Guarantee is solely for the benefit of the Holders of the Preferred Securities and, subject to Section 3.1(a), is not separately transferable from the Preferred Securities.

SECTION 9.5 Governing Law.

THIS PREFERRED SECURITIES GUARANTEE SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF IOWA.

IN WITNESS WHEREOF, this Preferred Securities Guarantee is executed as of the day and year first above written.

EQUITABLE OF IOWA COMPANIES,
as Guarantor

By: _____

Name: _____

Title: _____

THE FIRST NATIONAL BANK OF CHICAGO,
as Preferred Guarantee Trustee

By: _____

Name: _____

Title: _____

NYEMASTER, GOODE, MCLAUGHLIN, VOIGTS
WEST, HANSELL & O'BRIEN

A Professional Corporation
Attorneys and Counselors at Law

515-283-3121

17th Floor Fax No.
515-283-8022

March 22, 1996

EXHIBIT 5.1 TO
REGISTRATION STATEMENT

Equitable of Iowa Companies
P.O. Box 1635
Des Moines, Iowa 50306-1635

RE: Registration of \$300,000,000 in Securities
of Equitable of Iowa Companies

Ladies and Gentlemen:

We have acted as counsel to Equitable of Iowa Companies, an Iowa corporation ("EIC"), in connection with the registration statement on Form S-3 (the "Registration Statement") being filed by EIC with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Securities Act") relating to the registration of \$300,000,000 of the following securities of EIC: unsecured debt securities (the "Debt Securities"), shares of serial preferred stock, without par value (the "Preferred Stock"), shares of common stock, without par value (the "Common Stock") and warrants to purchase Debt Securities, Preferred Stock or Common Stock or any combination thereof, as shall be designated by the Company at the time of the offering (the "Warrants") in amounts, at prices and on terms to be determined at the time of the offering. The Registration Statement also relates to the guarantee by EIC of preferred securities of Equitable of Iowa Companies Capital Trust pursuant to a guarantee agreement to be entered into by EIC (the "Preferred Securities Guarantee Agreement"). The Debt Securities will be issued under an Indenture (the "Indenture") between EIC and The First National Bank of Chicago as Trustee in the form incorporated as an exhibit to the Registration Statement.

In rendering this opinion, we have examined and relied upon a copy of the Registration Statement. We have also examined originals, or copies of originals certified to our satisfaction, of such agreements, documents, certificates and statements of government officials and other instruments, and have examined such questions of law and have satisfied ourselves as to such matters of fact, as we have considered relevant and necessary as a basis for this opinion. We have assumed the authenticity of all documents submitted to us as originals, the genuineness of all signatures, the legal capacity of all natural persons and the conformity with the original documents of any copies thereof submitted to us for examination.

Based on the foregoing, and subject to the qualifications and limitations hereinafter set forth, it is our opinion that:

1. When (i) the Registration Statement, as finally amended (including any necessary post-effective amendments), shall have become effective under the Securities Act and the Indenture, including any necessary supplemental indenture, filed as an exhibit to the Registration Statement shall have been duly executed and delivered by EIC and the Trustee and qualified under the Trust Indenture Act of 1939, as amended; (ii) a prospectus supplement with respect to such series of Debt Securities shall have been filed with the Commission in compliance with the Securities Act and the rules and regulations thereunder; (iii) a Board Resolution or Officers' Certificate within the meaning of the Indenture shall have been duly issued, or supplemental indenture entered into, in accordance with the Indenture detailing the establishment of such series of Debt Securities; and (iv) such series of Debt Securities shall have been duly executed and authenticated and shall have been duly delivered to the purchasers thereof against payment of the agreed consideration therefor, each series of Debt Securities will be legally issued and binding obligations of EIC (except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer or other similar laws affecting the enforcement of creditors' rights generally and by the effect of general principles of equity, regardless of whether considered in a proceeding in equity or at law).
2. When the Common Stock has been duly issued and the consideration therefor has been received by EIC, the Common Stock will be legally issued, fully paid and nonassessable.
3. When (i) the Board of Directors of EIC has duly adopted resolutions specifying the terms and conditions of the applicable series of Preferred Stock; (ii) EIC has filed with the Iowa Secretary of State articles of amendment with respect to such series of Preferred Stock; and (iii) such series of Preferred Stock has been duly issued and the consideration therefor has been received by EIC, each series of Preferred Stock will be legally issued, fully paid and nonassessable.
4. When (i) the Warrant Agreement relating to the Warrants (the "Warrant Agreement") has been duly executed and delivered; (ii) the terms of the Warrants and of their issuance and sale have been duly established in

conformity with the Warrant Agreement relating to such Warrants so as not to violate any applicable law or result in a default under or breach of any agreement or instrument binding upon EIC and so as to comply with any requirement or restriction imposed by any court or governmental or regulatory body having jurisdiction over EIC; and (iii) the Warrants have been duly executed and countersigned in accordance with the Warrant Agreement relating to such Warrants, and issued and sold in the form and manner contemplated in the Registration Statement and any prospectus supplement relating thereto, such Warrants will be legally issued and binding obligations of EIC (except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer or other similar laws affecting the enforcement of creditors' rights generally and by the effect of general principles of equity, regardless of whether considered in a proceeding in equity or at law).

5. When the Preferred Securities Guarantee has been duly executed and delivered by EIC and the preferred guarantee trustee, the Preferred Securities Guarantee will constitute the legal and binding obligation of EIC (except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer or other similar laws affecting the enforcement of creditors' rights generally and by the effect of general principles of equity, regardless of whether considered in a proceeding in equity or at law).

We do not find it necessary for the purposes of this opinion to cover, and accordingly we express no opinion as to, the application of the securities or blue sky laws of the various states to the sale of the securities to be registered pursuant to the Registration Statement. Without limiting the generality of the foregoing, we express no opinion in connection with the matters contemplated by the Registration Statement, and no opinion may be implied or inferred, except as expressly set forth herein.

This opinion is limited to the laws of the State of Iowa and of the United States of America to the extent applicable.

We hereby consent to the inclusion of this opinion as Exhibit 5.1 to the Registration Statement and to all references to this law firm in the Registration Statement or the Prospectus included therein.

Respectfully submitted,

Nyemaster, Goode, McLaughlin,
Voigts, West, Hansell &
O'Brien, P.C.

By /s/ G. R. Neumann
G. R. Neumann

GRN:pjt

RICHARDS, LAYTON & FINGER
One Rodney Square
P.O. Box 551
Wilmington, Delaware 19899
Telephone (301) 658-6541
Telecopier (302) 658-6548
Writer's Direct Dial Number
(302) 651-7726

March 22, 1996

Equitable of Iowa Companies Capital Trust
c/o Equitable of Iowa Companies
604 Locust Street
Des Moines, IA 50309

Re: Equitable of Iowa Companies Capital Trust

Ladies and Gentlemen:

We have acted as special Delaware counsel for Equitable of Iowa Companies, an Iowa corporation (the "Company"), and Equitable of Iowa Companies Capital Trust, a Delaware business trust ("Equitable Trust"), in connection with the matters set forth herein. This opinion is being furnished at the request of the Company and Equitable Trust.

For purposes of giving the opinion hereinafter set forth, our examination of documents has been limited to the examination of originals or copies of the following:

- (a) The Certificate of Trust of Equitable Trust, dated as of March 19, 1996 (the "Certificate"), as filed in the office of the Secretary of State of the State of Delaware (the "Secretary of State") on March 19, 1996;
- (b) The Declaration of Trust of Equitable Trust, dated as of March 19, 1996, between the Company and the trustees of Equitable Trust named therein (the "Declaration");
- (c) The Registration Statement on Form S-3 (the "Registration Statement"), including a preliminary prospectus (the "Prospectus"), relating to the Preferred Securities of

Equitable Trust representing preferred undivided beneficial interests in the assets of Equitable Trust, filed by the Company and Equitable Trust with the Securities and Exchange Commission on March 22, 1996; and

- (d) A Certificate of Good Standing for Equitable Trust dated March 22, 1996 obtained from the Secretary of State.

The documents listed in paragraphs (a) through (d) above will be referred to herein collectively as the "Trust Documents". Capitalized terms used herein and not otherwise defined herein are used as defined in the Declaration.

For purposes of this opinion, we have not reviewed any documents other than the Trust Documents and, in particular, we have not reviewed any documents (other than the Trust Documents) that is referred to in or incorporated by reference into the Trust Documents reviewed by us. We have assumed that there exists no provision in any document that we have not reviewed that is inconsistent with our opinions stated herein. We have conducted no independent factual investigation of our own, but rather have relied solely upon the Trust Documents, the statements and information set forth therein and the additional matters recited or assumed herein, all of which have been assumed to be true, complete and accurate in all material respects. We have not participated in the preparation of the Registration Statement and assume no responsibility for its contents.

With respect to all documents examined by us, we have assumed (i) the authenticity of all documents submitted to us as authentic originals, (ii) the conformity with the originals of all documents submitted to us as copies or forms, and (iii) the genuineness of all signatures.

For purposes of this opinion, we have assumed (i) that the Declaration constitutes the entire agreement among the parties thereto with respect to the subject matter thereof, including with respect to the creation, operation and termination of Equitable Trust (except that a Trustees' Authorization Certificate ("Authorization Certificate") will be issued for purposes of establishing the terms and form of the Preferred Securities as contemplated by the Declaration), and that the Declaration and the Certificate are in full force and effect and have not been amended, (ii) except to the extent provided in paragraph 1 below, the due organization or due formation, as the case may be, and valid existence in good standing of each party to the Trust Documents under the laws of the jurisdiction governing its organization or formation, (iii) the legal capacity of natural persons who are parties to the Trust Documents, (iv) that each of the parties to the Trust Documents has the power and authority to execute and deliver, and to perform its obligations under the Trust Documents, (v) the due authorization, execution and delivery by all parties thereto of the Trust Documents, (vi) the establishment of the terms and form of the Preferred Securities by the Regular Trustees in accordance with the Declaration and the Authorization Certificate, (vii) the receipt by each person to whom a Preferred Security is to be issued by Equitable Trust (collectively, the "Preferred Security Holders") of a Preferred Security, in

accordance with the Declaration, the Authorization Certificate and the Registration Statement, and (viii) that the Preferred Securities are issued and sold to the Preferred Security Holders in accordance with the Declaration, the Authorization Certificate and the Registration Statement.

This opinion is limited to the laws of the State of Delaware (excluding the securities laws of the State of Delaware), and we have not considered and express no opinion on the laws of any other jurisdiction, including federal laws and rules and regulations relating thereto. Our opinions are rendered only with respect to Delaware laws and rules, regulations and orders thereunder which are currently in effect.

Based on the foregoing, and upon our examination of such questions of law and statutes of the State of Delaware, as we have considered necessary or appropriate, and subject to the assumptions, qualifications, limitations and exceptions set forth herein, we are of the opinion that:

1. Equitable Trust has been duly created and is validly existing in good standing as a business trust under the Delaware Business Trust Act.

2. The Preferred Securities of Equitable Trust will represent valid and, subject to the qualifications set forth in paragraph 3 below, fully paid and nonassessable undivided beneficial interests in the assets of Equitable Trust.

3. The Preferred Security Holders, as beneficial owners of Equitable Trust, will be entitled to the same limitation of personal liability extended to stockholders of private corporations for profit organized under the General Corporation Law of the State of Delaware. We note that the Preferred Security Holders may be obligated to make payments in connection with the transfer and exchange of Certificates (as defined in the Declaration) and with replacement of mutilated, destroyed, lost or stolen Certificates (as defined in the Declaration) as set forth in the Declaration.

We consent to the filing of this opinion with the Securities and Exchange Commission as an exhibit to the Registration Statement. We further consent to the use of our name under the heading "Legal Matters" in the Prospectus. In giving the foregoing consents, we do not thereby admit that we come within the category of persons whose consent is required under Section 7 of the Securities Act of 1933, as amended, or the rules and regulations of the Securities and Exchange Commission thereunder. Except as stated above, without our prior written consent, this opinion may not be furnished or quoted to, or relied upon by, any other person for any other purpose.

Yours very truly,

/s/ Richards, Layton & Finger

EQUITABLE OF IOWA COMPANIES AND SUBSIDIARIES
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

The following table reflects the company's computation of the ratio of earnings to fixed charges for the last five years:

<TABLE>

<CAPTION>

	For the Year ended December 31,				
	1995	1994	1993	1992	1991
	(Dollars in thousands)				
<S>	<C>	<C>	<C>	<C>	<C>
Consolidated pretax income from continuing operations before equity income, extraordinary items and cumulative effect of accounting change	\$128,506	\$151,244	\$134,995	\$83,743	\$43,128
Share of pretax losses of unconsolidated majority-owned affiliate	--	--	--	--	--
Share of pretax earnings of 50% owned affiliates	23	60	(368)	(268)	(392)
Distributed earnings of less than 50% owned affiliates	3,689	137	321	464	128
Interest	13,809	8,071	11,177	11,099	10,012
Amortization of debt issuance expenses	1	1	8	8	8
Interest portion of rental expense	896	966	771	949	924
Earnings	\$146,924	\$160,479	\$146,904	\$95,995	\$53,808
Interest	\$13,809	\$8,071	\$11,177	\$11,099	\$10,012
Amortization of debt issuance expenses	1	1	8	8	8
Interest portion of rental expense	896	966	771	949	924

Fixed Charges	\$14,706	\$9,038	\$11,956	\$12,056	\$10,944
Ratio of Earnings to Fixed Charges	9.99	17.76	12.29	7.96	4.92

<FN>

No preferred stock dividends were paid during the periods presented. Accordingly, the ratio of earnings to combined fixed charges and preferred stock dividends is the same as the ratio of earnings to fixed charges.

The company guarantees debt of an unaffiliated party. Fixed charges of: 1995 - \$2,310,000; 1994 - \$2,327,000; 1993 - \$2,359,000; 1992 - \$2,389,000; and 1991 - \$2,416,000, have been excluded from the computation of the ratio of earnings to fixed charges because the company does not believe it probable that it will be required to satisfy this guarantee.

</TABLE>

Exhibit 23.3 - Consent of Independent Auditors

We consent to the reference to our firm under the caption "Experts" in the Registration Statement (Form S-3, No. 33-_____) and related Prospectus of Equitable of Iowa Companies and Equitable of Iowa Companies Capital Trust for the registration of \$300,000,000 of debt securities, preferred stock, common stock and warrants of Equitable of Iowa Companies and Preferred Securities of Equitable of Iowa Companies Capital Trust and to the incorporation by reference therein of our report dated February 7, 1996, with respect to the consolidated financial statements and schedules of Equitable of Iowa Companies and subsidiaries included in its Annual Report (Form 10-K) for the year ended December 31, 1995, filed with the Securities and Exchange Commission.

/s/ Ernst & Young LLP

Des Moines, Iowa
March 20, 1996

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM T-1

STATEMENT OF ELIGIBILITY
UNDER THE TRUST INDENTURE ACT OF 1939
OF A CORPORATION DESIGNATED TO ACT AS TRUSTEE

CHECK IF AN APPLICATION TO DETERMINE ELIGIBILITY
OF A TRUSTEE PURSUANT TO SECTION 305(b) (2) _____

THE FIRST NATIONAL BANK OF CHICAGO
(Exact name of trustee as specified in its charter)

A National Banking Association 36-0899825
(I.R.S. employer
identification number)

One First National Plaza, Chicago, Illinois 60670-0126
(Address of principal executive offices) (Zip Code)

The First National Bank of Chicago
One First National Plaza, Suite 0286
Chicago, Illinois 60670-0286
Attn: Lynn A. Goldstein, Law Department (312) 732-6919
(Name, address and telephone number of agent for service)

EQUITABLE OF IOWA COMPANIES
(Exact name of obligor as specified in its charter)

Iowa 42-1083593
(State or other jurisdiction of (I.R.S. employer
incorporation or organization) identification number)

604 Locust Street
P.O. Box 1635
Des Moines, Iowa 50306-1635
(Address of principal executive offices) (Zip Code)

Debt Securities
(Title of Indenture Securities)

Item 1. General Information. Furnish the following
information as to the trustee:

(a) Name and address of each examining or
supervising authority to which it is subject.

Comptroller of Currency, Washington, D.C.,
Federal Deposit Insurance Corporation,
Washington, D.C., The Board of Governors of
the Federal Reserve System, Washington D.C.

(b) Whether it is authorized to exercise
corporate trust powers.

The trustee is authorized to exercise corporate
trust powers.

Item 2. Affiliations With the Obligor. If the obligor
is an affiliate of the trustee, describe each
such affiliation.

No such affiliation exists with the trustee.

Item 16. List of exhibits. List below all exhibits filed as a part of this Statement of Eligibility.

1. A copy of the articles of association of the trustee now in effect.*
2. A copy of the certificates of authority of the trustee to commence business.*
3. A copy of the authorization of the trustee to exercise corporate trust powers.*
4. A copy of the existing by-laws of the trustee.*
5. Not Applicable.
6. The consent of the trustee required by Section 321(b) of the Act.
7. A copy of the latest report of condition of the trustee published pursuant to law or the requirements of its supervising or examining authority.
8. Not Applicable.
9. Not Applicable.

Pursuant to the requirements of the Trust Indenture Act of 1939, as amended, the trustee, The First National Bank of Chicago, a national banking association organized and existing under the laws of the United States of America, has duly caused this Statement of Eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in the City of Chicago and State of Illinois, on the 18th day of March, 1996.

The First National Bank of Chicago,
Trustee

By /s/ R. D. Manella

R. D. Manella
Vice President

* Exhibit 1,2,3 and 4 are herein incorporated by reference to Exhibits bearing identical numbers in Item 12 of the Form T-1 of The First National Bank of Chicago, filed as Exhibit 26 to the Registration Statement on Form S-3 of The CIT Group Holdings, Inc., filed with the Securities and Exchange Commission on February 16, 1993 (Registration No. 33-58418).

EXHIBIT 6

THE CONSENT OF THE TRUSTEE REQUIRED
BY SECTION 321(b) OF THE ACT

March 18, 1996

Securities and Exchange Commission
Washington, D.C. 20549

Gentlemen:

In connection with the qualification of an indenture between Equitable of Iowa Companies and The First National Bank of Chicago, the undersigned, in accordance with Section 321(b) of the Trust Indenture Act of 1939, as amended, hereby consents that the reports of examinations of the undersigned, made by Federal or State authorities authorized to make such examinations, may be furnished by such authorities to the Securities and Exchange Commission upon its request therefor.

Very truly yours,

The First National Bank of Chicago

By: /s/ R.D. Manella

R. D. Manella
Vice President

EXHIBIT 7

Legal Title of Bank: The First National Bank of Chicago Call Date: 12/31/95
Address: One First National Plaza, Suite 0460 ST-BK: 17-1630 FFIEC 031
City, State Zip: Chicago, IL 60670-0460 Page RC-1

Consolidated Report of Condition for Insured Commercial
and State-Chartered Savings Banks for December 31, 1995

All schedules are to be reported in thousands of dollars. Unless otherwise indicated, report the amount outstanding of the last business day of the quarter.

Schedule RC--Balance Sheet

<TABLE>

<CAPTION>

<S>	Dollar Amounts in Thousands		RCFD	C400		<->
	<C>	<C>		BIL	MIL THOU	
ASSETS						
1. Cash and balances due from depository institutions (from Schedule RC-A):						
a. Noninterest-bearing balances and currency and coin(1)			0081	4,003,995		1.a.
b. Interest-bearing balances(2)			0071	9,240,284		1.b.
2. Securities						
a. Held-to-maturity securities (from Schedule RC-B, column A)			1754	0		2.a.
b. Available-for-sale securities (from Schedule RC-B, column D)			1773	827,134		2.b.
3. Federal funds sold and securities purchased under agreements to resell in domestic offices of the bank and its Edge and Agreement subsidiaries, and in IBFs:						
a. Federal Funds sold			0276	3,287,844		3.a.
b. Securities purchased under agreements to resell			0277	612,400		3.b.
4. Loans and lease financing receivables:						
a. Loans and leases, net of unearned income (from Schedule RC-C)	RCFD 2122	16,463,126				4.a.
b. LESS: Allowance for loan and lease losses	RCFD 3123	353,777				4.b.
c. LESS: Allocated transfer risk reserve	RCFD 3128	0				4.c.
d. Loans and leases, net of unearned income, allowance, and reserve (item 4.a minus 4.b and 4.c)			2125	16,109,349		4.d.

</TABLE>

Legal Title of Bank: The First National Bank of Chicago Call Date: 12/31/95
 Address: One First National Plaza, Suite 0460 ST-BK: 17-1630 FFIEC 031
 City, State Zip: Chicago, IL 60670-0460 Page RC-2
 FDIC Certificate No.: 0/3/6/1/8

Schedule RC--Balance Sheet (continued)

<TABLE>

<CAPTION>

<S>	Dollar Amounts in Thousands		RCFD	C400		<->
	<C>	<C>		BIL	MIL THOU	
5. Assets held in trading accounts			3545	12,379,396		5.
6. Premises and fixed assets (including capitalized leases)			2145	591,753		6.
7. Other real estate owned (from Schedule RC-M)			2150	8,796		7.
8. Investments in unconsolidated subsidiaries and associated companies (from Schedule RC-M)			2130	40,560		8.
9. Customers' liability to this bank on acceptances outstanding			2155	524,918		9.
10. Intangible assets (from Schedule RC-M)			2143	101,011		10.
11. Other assets (from Schedule RC-F)			2160	1,633,056		11.

12. Total assets (sum of items
1 through 11) 2170 49,360,496 12.

<FN>

- (1) Includes cash items in process of collection and unposted debits.
(2) Includes time certificates of deposit not held in trading accounts.

</TABLE>

Legal Title of Bank: The First National Bank of Chicago Call Date: 12/31/95
Address: One First National Plaza, Suite 0460 ST-BK: 17-1630 FFIEC 031
City, State Zip: Chicago, IL 60670-0460 Page RC-3
FDIC Certificate No.: 0/3/6/1/8

Schedule RC-Continued

<TABLE>

<CAPTION>

<S>	<C>	Dollar Amounts in Thousands		Bil Mil Thou	
		<C>	<C>	<C>	<C>
LIABILITIES					
13. Deposits:					
a. In domestic offices					
(sum of totals of columns A and C from Schedule RC-E, part 1)					
			RCN 2200	15,174,243	13.a.
(1) Noninterest-bearing(1)	RCN 6631	6,217,164			13.a.(1)
(2) Interest-bearing	RCN 6636	8,957,079			13.a.(2)
b. In foreign offices, Edge and Agreement subsidiaries, and IBFs (from Schedule RC-E, part II)					
			RCFN 2200	14,435,503	13.b.
(1) Noninterest-bearing	RCFN 6631	625,206			13.b.(1)
(2) Interest-bearing	RCFN 6636	13,810,297			13.b.(2)
14. Federal funds purchased and securities sold under agreements to repurchase in domestic offices of the bank and of its Edge and Agreement subsidiaries, and in IBFs:					
a. Federal funds purchased			RCFD 0278	2,449,282	14.a.
b. Securities sold under agreements to repurchase			RCFD 0279	880,215	14.b.
15. a. Demand notes issued to the U.S. Treasury					
			RCN 2840	93,942	15.a.
b. Trading Liabilities					
			RCFD 3548	7,523,265	15.b.
16. Other borrowed money:					
a. With original maturity					

of one year or less	RCFD 2332	1,897,370	16.a.
b. With original maturity of more than one year	RCFD 2333	383,807	16.b.
17. Mortgage indebtedness and obligations under capitalized leases	RCFD 2910	280,522	17.
18. Bank's liability on acceptance executed and outstanding	RCFD 2920	524,918	18.
19. Subordinated notes and debentures	RCFD 3200	1,225,000	19.

</TABLE>

Legal Title of Bank: The First National Bank of Chicago Call Date: 12/31/95
Address: One First National Plaza, Suite 0460 ST-BK: 17-1630 FFIEC 031
City, State Zip: Chicago, IL 60670-0460 Page RC-4
FDIC Certificate No.: 0/3/6/1/8

Schedule RC-Continued

<TABLE>
<CAPTION>

<S>	<C>	Dollar Amounts		<C>	<C>
		in Thousands	Bil Mil Thou		
20. Other liabilities (from Schedule RC-G)		RCFD 2930	1,444,364	20.	
21. Total liabilities (sum of items 13 through 20)		RCFD 2948	46,312,431	21.	
22. Limited-Life preferred stock and related surplus		RCFD 3282	0	22.	
EQUITY CAPITAL					
23. Perpetual preferred stock and related surplus		RCFD 3838	0	23.	
24. Common stock		RCFD 3230	200,858	24.	
25. Surplus (exclude all surplus related to preferred stock)		RCFD 3839	2,320,126	25.	
26. a. Undivided profits and capital reserves		RCFD 3632	519,849	26.a.	
b. Net unrealized holding gains (losses) on available-for-sale securities		RCFD 8434	7,315	26.b.	
27. Cumulative foreign currency translation adjustments		RCFD 3284	(83)	27.	
28. Total equity capital (sum of items 23 through 27)		RCFD 3210	3,048,065	28.	
29. Total liabilities, limited-life preferred stock, and equity capital (sum of items 21, 22, and 28)		RCFD 3300	49,360,496	29.	

<FN>

Memorandum

To be reported only with the March Report of Condition.

1. Indicate in the box at the right the number of the statement below that best describes the most comprehensive level of auditing work performed for the bank by independent external auditors as of any date during 1993	Number	RCFD 6724	N/A	M.1.
--	--------	-----------	-----	------

- 1 = Independent audit of the bank conducted in accordance with generally accepted auditing standards by a certified public accounting firm which submits a report on the bank
- 2 = Independent audit of the bank's parent holding company conducted in accordance with generally accepted auditing standards by a certified public accounting firm which submits a report on the consolidated holding company (but not on the bank separately)
- 3 = Directors' examination of the bank conducted in accordance with generally accepted auditing standards by a certified public accounting firm (may be required by state chartering authority)
- 4 = Directors' examination of the bank performed by other external auditors (may be required by state chartering authority)

5 = Review of the bank's financial statements by external auditors

6 = Compilation of the bank's financial statements by external auditors

7 = Other audit procedures (excluding tax preparation work)

8 = No external audit work

(1) Includes total demand deposits and noninterest-bearing time and savings deposits.

</TABLE>

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM T-1

STATEMENT OF ELIGIBILITY
UNDER THE TRUST INDENTURE ACT OF 1939
OF A CORPORATION DESIGNATED TO ACT AS TRUSTEE

CHECK IF AN APPLICATION TO DETERMINE ELIGIBILITY
OF A TRUSTEE PURSUANT TO SECTION 305(b) (2) _____

THE FIRST NATIONAL BANK OF CHICAGO
(Exact name of trustee as specified in its charter)

A National Banking Association 36-0899825
(I.R.S. employer
identification number)

One First National Plaza, Chicago, Illinois 60670-0126
(Address of principal executive offices) (Zip Code)

The First National Bank of Chicago
One First National Plaza, Suite 0286
Chicago, Illinois 60670-0286
Attn: Lynn A. Goldstein, Law Department (312) 732-6919
(Name, address and telephone number of agent for service)

EQUITABLE OF IOWA COMPANIES CAPITAL TRUST
(Exact name of obligor as specified in its charter)

Iowa To Be Applied For
(State or other jurisdiction of (I.R.S. employer
incorporation or organization) identification number)

604 Locust Street
P.O. Box 1635
Des Moines, Iowa 50306-1635
(Address of principal executive offices) (Zip Code)

Preferred Securities
(Title of Indenture Securities)

Item 1. General Information. Furnish the following
information as to the trustee:

(a) Name and address of each examining or
supervising authority to which it is subject.

Comptroller of Currency, Washington, D.C.,
Federal Deposit Insurance Corporation,
Washington, D.C., The Board of Governors of
the Federal Reserve System, Washington D.C.

(b) Whether it is authorized to exercise
corporate trust powers.

The trustee is authorized to exercise corporate
trust powers.

Item 2. Affiliations With the Obligor. If the obligor
is an affiliate of the trustee, describe each
such affiliation.

No such affiliation exists with the trustee.

Item 16. List of exhibits. List below all exhibits filed as a part of this Statement of Eligibility.

1. A copy of the articles of association of the trustee now in effect.*
2. A copy of the certificates of authority of the trustee to commence business.*
3. A copy of the authorization of the trustee to exercise corporate trust powers.*
4. A copy of the existing by-laws of the trustee.*
5. Not Applicable.
6. The consent of the trustee required by Section 321(b) of the Act.
7. A copy of the latest report of condition of the trustee published pursuant to law or the requirements of its supervising or examining authority.
8. Not Applicable.
9. Not Applicable.

Pursuant to the requirements of the Trust Indenture Act of 1939, as amended, the trustee, The First National Bank of Chicago, a national banking association organized and existing under the laws of the United States of America, has duly caused this Statement of Eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in the City of Chicago and State of Illinois, on the 18th day of March, 1996.

The First National Bank of Chicago,
Trustee

By /s/ R.D. Manella
R. D. Manella
Vice President

* Exhibit 1,2,3 and 4 are herein incorporated by reference to Exhibits bearing identical numbers in Item 12 of the Form T-1 of The First National Bank of Chicago, filed as Exhibit 26 to the Registration Statement on Form S-3 of The CIT Group Holdings, Inc., filed with the Securities and Exchange Commission on February 16, 1993 (Registration No. 33-58418).

EXHIBIT 6

THE CONSENT OF THE TRUSTEE REQUIRED
BY SECTION 321(b) OF THE ACT

March 18, 1996

Securities and Exchange Commission
Washington, D.C. 20549

Gentlemen:

In connection with the qualification of a Declaration of Trust of Equitable of Iowa Companies Capital Trust, the undersigned, in accordance with Section 321(b) of the Trust Indenture Act of 1939, as amended, hereby consents that the reports of examinations of the undersigned, made by Federal or State authorities authorized to make such examinations, may be furnished by such authorities to the Securities and Exchange Commission upon its request therefor.

Very truly yours,

The First National Bank of Chicago

By: /s/ R. D. Manella

R. D. Manella
Vice President

EXHIBIT 7

Legal Title of Bank: The First National Bank of Chicago Call Date: 12/31/95
Address: One First National Plaza, Suite 0460 ST-BK: 17-1630 FFIEC 031
City, State Zip: Chicago, IL 60670-0460 Page RC-1

Consolidated Report of Condition for Insured Commercial
and State-Chartered Savings Banks for December 31, 1995

All schedules are to be reported in thousands of dollars. Unless otherwise indicated, report the amount outstanding of the last business day of the quarter.

Schedule RC--Balance Sheet

<TABLE>

<CAPTION>

<S>	Dollar Amounts in Thousands		RCFD	C400		<->
	<C>	<C>		BIL	MIL THOU	
ASSETS						
1. Cash and balances due from depository institutions (from Schedule RC-A):						
a. Noninterest-bearing balances and currency and coin(1)			0081	4,003,995		1.a.
b. Interest-bearing balances(2)			0071	9,240,284		1.b.
2. Securities						
a. Held-to-maturity securities (from Schedule RC-B, column A)			1754	0		2.a.
b. Available-for-sale securities (from Schedule RC-B, column D)			1773	827,134		2.b.
3. Federal funds sold and securities purchased under agreements to resell in domestic offices of the bank and its Edge and Agreement subsidiaries, and in IBFs:						
a. Federal Funds sold			0276	3,287,844		3.a.
b. Securities purchased under agreements to resell			0277	612,400		3.b.
4. Loans and lease financing receivables:						
a. Loans and leases, net of unearned income (from Schedule RC-C)	RCFD 2122	16,463,126				4.a.
b. LESS: Allowance for loan and lease losses	RCFD 3123	353,777				4.b.
c. LESS: Allocated transfer risk reserve	RCFD 3128	0				4.c.
d. Loans and leases, net of unearned income, allowance, and reserve (item 4.a minus 4.b and 4.c)			2125	16,109,349		4.d.

</TABLE>

Legal Title of Bank: The First National Bank of Chicago Call Date: 12/31/95
Address: One First National Plaza, Suite 0460 ST-BK: 17-1630 FFIEC 031
City, State Zip: Chicago, IL 60670-0460 Page RC-2
FDIC Certificate No.: 0/3/6/1/8

Schedule RC--Balance Sheet (continued)

<TABLE>

<CAPTION>

<S>	Dollar Amounts in Thousands		RCFD	C400		<->
	<C>	<C>		BIL	MIL THOU	
5. Assets held in trading accounts			3545	12,379,396		5.
6. Premises and fixed assets (including capitalized leases)			2145	591,753		6.
7. Other real estate owned (from Schedule RC-M)			2150	8,796		7.
8. Investments in unconsolidated subsidiaries and associated companies (from Schedule RC-M)			2130	40,560		8.
9. Customers' liability to this bank on acceptances outstanding			2155	524,918		9.
10. Intangible assets (from Schedule RC-M)			2143	101,011		10.
11. Other assets (from Schedule RC-F)			2160	1,633,056		11.

12. Total assets (sum of items
1 through 11) 2170 49,360,496 12.

<FN>

- (1) Includes cash items in process of collection and unposted debits.
(2) Includes time certificates of deposit not held in trading accounts.

</TABLE>

Legal Title of Bank: The First National Bank of Chicago Call Date: 12/31/95
Address: One First National Plaza, Suite 0460 ST-BK: 17-1630 FFIEC 031
City, State Zip: Chicago, IL 60670-0460 Page RC-3
FDIC Certificate No.: 0/3/6/1/8

Schedule RC-Continued

<TABLE>

<CAPTION>

<S>	<C>	Dollar Amounts in Thousands		Bil Mil Thou	
		<C>	<C>	<C>	<C>
LIABILITIES					
13. Deposits:					
a. In domestic offices (sum of totals of columns A and C from Schedule RC-E, part 1)				RCN 2200	15,174,243 13.a.
(1) Noninterest- bearing(1)	RCN 6631	6,217,164			13.a.(1)
(2) Interest- bearing	RCN 6636	8,957,079			13.a.(2)
b. In foreign offices, Edge and Agreement subsidiaries, and IBFs (from Schedule RC-E, part II)				RCFN 2200	14,435,503 13.b.
(1) Noninterest- bearing	RCFN 6631	625,206			13.b.(1)
(2) Interest- bearing	RCFN 6636	13,810,297			13.b.(2)
14. Federal funds purchased and securities sold under agreements to repurchase in domestic offices of the bank and of its Edge and Agreement subsidiaries, and in IBFs:					
a. Federal funds purchased				RCFD 0278	2,449,282 14.a.
b. Securities sold under agreements to repurchase				RCFD 0279	880,215 14.b.
15. a. Demand notes issued to the U.S. Treasury					
				RCN 2840	93,942 15.a.
b. Trading Liabilities					
				RCFD 3548	7,523,265 15.b.
16. Other borrowed money:					
a. With original maturity					

of one year or less	RCFD 2332	1,897,370	16.a.
b. With original maturity of more than one year	RCFD 2333	383,807	16.b.
17. Mortgage indebtedness and obligations under capitalized leases	RCFD 2910	280,522	17.
18. Bank's liability on acceptance executed and outstanding	RCFD 2920	524,918	18.
19. Subordinated notes and debentures	RCFD 3200	1,225,000	19.

</TABLE>

Legal Title of Bank: The First National Bank of Chicago Call Date: 12/31/95
Address: One First National Plaza, Suite 0460 ST-BK: 17-1630 FFIEC 031
City, State Zip: Chicago, IL 60670-0460 Page RC-4
FDIC Certificate No.: 0/3/6/1/8

Schedule RC-Continued

<TABLE>
<CAPTION>

<S>	<C>	Dollar Amounts		Bil Mil Thou	
		in Thousands			
		<C>	<C>	<C>	<C>
20. Other liabilities (from Schedule RC-G)			RCFD 2930	1,444,364	20.
21. Total liabilities (sum of items 13 through 20)			RCFD 2948	46,312,431	21.
22. Limited-Life preferred stock and related surplus			RCFD 3282	0	22.
EQUITY CAPITAL					
23. Perpetual preferred stock and related surplus			RCFD 3838	0	23.
24. Common stock			RCFD 3230	200,858	24.
25. Surplus (exclude all surplus related to preferred stock)			RCFD 3839	2,320,126	25.
26. a. Undivided profits and capital reserves			RCFD 3632	519,849	26.a.
b. Net unrealized holding gains (losses) on available-for-sale securities			RCFD 8434	7,315	26.b.
27. Cumulative foreign currency translation adjustments			RCFD 3284	(83)	27.
28. Total equity capital (sum of items 23 through 27)			RCFD 3210	3,048,065	28.
29. Total liabilities, limited-life preferred stock, and equity capital (sum of items 21, 22, and 28)			RCFD 3300	49,360,496	29.

<FN>

Memorandum

To be reported only with the March Report of Condition.

1. Indicate in the box at the right the number of the statement below that best describes the most comprehensive level of auditing work performed for the bank by independent external auditors as of any date during 1993			RCFD 6724	N/A	M.1.
--	--	--	-----------	-----	------

1 = Independent audit of the bank conducted in accordance with generally accepted auditing standards by a certified public accounting firm which submits a report on the bank

2 = Independent audit of the bank's parent holding company conducted in accordance with generally accepted auditing standards by a certified public accounting firm which submits a report on the consolidated holding company (but not on the bank separately)

3 = Directors' examination of the bank conducted in accordance with generally accepted auditing standards by a certified public accounting firm (may be required by state chartering authority)

4 = Directors' examination of the bank performed by other external auditors (may be required by state chartering authority)

5 = Review of the bank's financial statements by external auditors

6 = Compilation of the bank's financial statements by external auditors

7 = Other audit procedures (excluding tax preparation work)

8 = No external audit work

(1) Includes total demand deposits and noninterest-bearing time and savings deposits.

</TABLE>

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM T-1

STATEMENT OF ELIGIBILITY
UNDER THE TRUST INDENTURE ACT OF 1939
OF A CORPORATION DESIGNATED TO ACT AS TRUSTEE

CHECK IF AN APPLICATION TO DETERMINE ELIGIBILITY
OF A TRUSTEE PURSUANT TO SECTION 305(b) (2) _____

THE FIRST NATIONAL BANK OF CHICAGO
(Exact name of trustee as specified in its charter)

A National Banking Association 36-0899825
(I.R.S. employer
identification number)

One First National Plaza, Chicago, Illinois 60670-0126
(Address of principal executive offices) (Zip Code)

The First National Bank of Chicago
One First National Plaza, Suite 0286
Chicago, Illinois 60670-0286
Attn: Lynn A. Goldstein, Law Department (312) 732-6919
(Name, address and telephone number of agent for service)

EQUITABLE OF IOWA COMPANIES
(Exact name of obligor as specified in its charter)

Iowa 42-1083593
(State or other jurisdiction of (I.R.S. employer
incorporation or organization) identification number)

604 Locust Street
P.O. Box 1635
Des Moines, Iowa 50306-1635
(Address of principal executive offices) (Zip Code)

Guarantee of Preferred Securities of
Equitable of Iowa Companies Capital Trust
(Title of Indenture Securities)

Item 1. General Information. Furnish the following
information as to the trustee:

(a) Name and address of each examining or
supervising authority to which it is subject.

Comptroller of Currency, Washington, D.C.,
Federal Deposit Insurance Corporation,
Washington, D.C., The Board of Governors of
the Federal Reserve System, Washington D.C.

(b) Whether it is authorized to exercise
corporate trust powers.

The trustee is authorized to exercise corporate
trust powers.

Item 2. Affiliations With the Obligor. If the obligor
is an affiliate of the trustee, describe each
such affiliation.

No such affiliation exists with the trustee.

Item 16. List of exhibits. List below all exhibits filed as a part of this Statement of Eligibility.

1. A copy of the articles of association of the trustee now in effect.*
2. A copy of the certificates of authority of the trustee to commence business.*
3. A copy of the authorization of the trustee to exercise corporate trust powers.*
4. A copy of the existing by-laws of the trustee.*
5. Not Applicable.
6. The consent of the trustee required by Section 321(b) of the Act.
7. A copy of the latest report of condition of the trustee published pursuant to law or the requirements of its supervising or examining authority.
8. Not Applicable.
9. Not Applicable.

Pursuant to the requirements of the Trust Indenture Act of 1939, as amended, the trustee, The First National Bank of Chicago, a national banking association organized and existing under the laws of the United States of America, has duly caused this Statement of Eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in the City of Chicago and State of Illinois, on the 18th day of March, 1996.

The First National Bank of Chicago,
Trustee

By /s/ R. D. Manella

R. D. Manella
Vice President

* Exhibit 1,2,3 and 4 are herein incorporated by reference to Exhibits bearing identical numbers in Item 12 of the Form T-1 of The First National Bank of Chicago, filed as Exhibit 26 to the Registration Statement on Form S-3 of The CIT Group Holdings, Inc., filed with the Securities and Exchange Commission on February 16, 1993 (Registration No. 33-58418).

EXHIBIT 6

THE CONSENT OF THE TRUSTEE REQUIRED
BY SECTION 321(b) OF THE ACT

March 18, 1996

Securities and Exchange Commission
Washington, D.C. 20549

Gentlemen:

In connection with the qualification of a Preferred Securities Guarantee Agreement of Equitable of Iowa Companies, the undersigned, in accordance with Section 321(b) of the Trust Indenture Act of 1939, as amended, hereby consents that the reports of examinations of the undersigned, made by Federal or State authorities authorized to make such examinations, may be furnished by such authorities to the Securities and Exchange Commission upon its request therefor.

Very truly yours,

The First National Bank of Chicago

By: /s/ R. D. Manella

R. D. Manella
Vice President

EXHIBIT 7

Legal Title of Bank: The First National Bank of Chicago Call Date: 12/31/95
Address: One First National Plaza, Suite 0460 ST-BK: 17-1630 FFIEC 031
City, State Zip: Chicago, IL 60670-0460 Page RC-1

Consolidated Report of Condition for Insured Commercial
and State-Chartered Savings Banks for December 31, 1995

All schedules are to be reported in thousands of dollars. Unless otherwise indicated, report the amount outstanding of the last business day of the quarter.

Schedule RC--Balance Sheet

<TABLE>

<CAPTION>

<S>	Dollar Amounts in Thousands		RCFD	C400		<->
	<C>	<C>		BIL	MIL THOU	
ASSETS						
1. Cash and balances due from depository institutions (from Schedule RC-A):						
a. Noninterest-bearing balances and currency and coin(1)			0081	4,003,995		1.a.
b. Interest-bearing balances(2)			0071	9,240,284		1.b.
2. Securities						
a. Held-to-maturity securities (from Schedule RC-B, column A)			1754	0		2.a.
b. Available-for-sale securities (from Schedule RC-B, column D)			1773	827,134		2.b.
3. Federal funds sold and securities purchased under agreements to resell in domestic offices of the bank and its Edge and Agreement subsidiaries, and in IBFs:						
a. Federal Funds sold			0276	3,287,844		3.a.
b. Securities purchased under agreements to resell			0277	612,400		3.b.
4. Loans and lease financing receivables:						
a. Loans and leases, net of unearned income (from Schedule RC-C)	RCFD 2122	16,463,126				4.a.
b. LESS: Allowance for loan and lease losses	RCFD 3123	353,777				4.b.
c. LESS: Allocated transfer risk reserve	RCFD 3128	0				4.c.
d. Loans and leases, net of unearned income, allowance, and reserve (item 4.a minus 4.b and 4.c)			2125	16,109,349		4.d.

</TABLE>

Legal Title of Bank: The First National Bank of Chicago Call Date: 12/31/95
 Address: One First National Plaza, Suite 0460 ST-BK: 17-1630 FFIEC 031
 City, State Zip: Chicago, IL 60670-0460 Page RC-2
 FDIC Certificate No.: 0/3/6/1/8

Schedule RC--Balance Sheet (continued)

<TABLE>

<CAPTION>

<S>	Dollar Amounts in Thousands		RCFD	C400		<->
	<C>	<C>		BIL	MIL THOU	
5. Assets held in trading accounts			3545	12,379,396		5.
6. Premises and fixed assets (including capitalized leases)			2145	591,753		6.
7. Other real estate owned (from Schedule RC-M)			2150	8,796		7.
8. Investments in unconsolidated subsidiaries and associated companies (from Schedule RC-M)			2130	40,560		8.
9. Customers' liability to this bank on acceptances outstanding			2155	524,918		9.
10. Intangible assets (from Schedule RC-M)			2143	101,011		10.
11. Other assets (from Schedule RC-F)			2160	1,633,056		11.

12. Total assets (sum of items
1 through 11) 2170 49,360,496 12.

<FN>

- (1) Includes cash items in process of collection and unposted debits.
(2) Includes time certificates of deposit not held in trading accounts.

</TABLE>

Legal Title of Bank: The First National Bank of Chicago Call Date: 12/31/95
Address: One First National Plaza, Suite 0460 ST-BK: 17-1630 FFIEC 031
City, State Zip: Chicago, IL 60670-0460 Page RC-3
FDIC Certificate No.: 0/3/6/1/8

Schedule RC-Continued

<TABLE>

<CAPTION>

<S>	<C>	Dollar Amounts in Thousands		Bil Mil Thou	
		<C>	<C>	<C>	<C>
LIABILITIES					
13. Deposits:					
a. In domestic offices					
(sum of totals of columns A and C from Schedule RC-E, part 1)					
			RCON 2200	15,174,243	13.a.
(1) Noninterest- bearing(1)	RCON 6631	6,217,164			13.a.(1)
(2) Interest- bearing	RCON 6636	8,957,079			13.a.(2)
b. In foreign offices, Edge and Agreement subsidiaries, and IBFs (from Schedule RC-E, part II)					
			RCFN 2200	14,435,503	13.b.
(1) Noninterest- bearing	RCFN 6631	625,206			13.b.(1)
(2) Interest- bearing	RCFN 6636	13,810,297			13.b.(2)
14. Federal funds purchased and securities sold under agreements to repurchase in domestic offices of the bank and of its Edge and Agreement subsidiaries, and in IBFs:					
a. Federal funds purchased			RCFD 0278	2,449,282	14.a.
b. Securities sold under agreements to repurchase			RCFD 0279	880,215	14.b.
15. a. Demand notes issued to the U.S. Treasury					
			RCON 2840	93,942	15.a.
b. Trading Liabilities					
			RCFD 3548	7,523,265	15.b.
16. Other borrowed money:					
a. With original maturity					

of one year or less	RCFD 2332	1,897,370	16.a.
b. With original maturity of more than one year	RCFD 2333	383,807	16.b.
17. Mortgage indebtedness and obligations under capitalized leases	RCFD 2910	280,522	17.
18. Bank's liability on acceptance executed and outstanding	RCFD 2920	524,918	18.
19. Subordinated notes and debentures	RCFD 3200	1,225,000	19.

</TABLE>

Legal Title of Bank: The First National Bank of Chicago Call Date: 12/31/95
Address: One First National Plaza, Suite 0460 ST-BK: 17-1630 FFIEC 031
City, State Zip: Chicago, IL 60670-0460 Page RC-4
FDIC Certificate No.: 0/3/6/1/8

Schedule RC-Continued

<TABLE>
<CAPTION>

<S>	<C>	Dollar Amounts		<C>	<C>
		in Thousands	Bil Mil Thou		
		<C>	<C>	<C>	<C>
20. Other liabilities (from Schedule RC-G)	RCFD 2930		1,444,364		20.
21. Total liabilities (sum of items 13 through 20)	RCFD 2948		46,312,431		21.
22. Limited-Life preferred stock and related surplus	RCFD 3282		0		22.
EQUITY CAPITAL					
23. Perpetual preferred stock and related surplus	RCFD 3838		0		23.
24. Common stock	RCFD 3230		200,858		24.
25. Surplus (exclude all surplus related to preferred stock)	RCFD 3839		2,320,126		25.
26. a. Undivided profits and capital reserves	RCFD 3632		519,849		26.a.
b. Net unrealized holding gains (losses) on available-for-sale securities	RCFD 8434		7,315		26.b.
27. Cumulative foreign currency translation adjustments	RCFD 3284		(83)		27.
28. Total equity capital (sum of items 23 through 27)	RCFD 3210		3,048,065		28.
29. Total liabilities, limited-life preferred stock, and equity capital (sum of items 21, 22, and 28)	RCFD 3300		49,360,496		29.

<FN>

Memorandum

To be reported only with the March Report of Condition.

1. Indicate in the box at the right the number of the statement below that best describes the most comprehensive level of auditing work performed for the bank by independent external auditors as of any date during 1993	RCFD 6724	N/A	M.1.
--	-----------	-----	------

- 1 = Independent audit of the bank conducted in accordance with generally accepted auditing standards by a certified public accounting firm which submits a report on the bank
- 2 = Independent audit of the bank's parent holding company conducted in accordance with generally accepted auditing standards by a certified public accounting firm which submits a report on the consolidated holding company (but not on the bank separately)
- 3 = Directors' examination of the bank conducted in accordance with generally accepted auditing standards by a certified public accounting firm (may be required by state chartering authority)
- 4 = Directors' examination of the bank performed by other external auditors (may be required by state chartering authority)

5 = Review of the bank's financial statements by external auditors

6 = Compilation of the bank's financial statements by external auditors

7 = Other audit procedures (excluding tax preparation work)

8 = No external audit work

(1) Includes total demand deposits and noninterest-bearing time and savings deposits.

</TABLE>