

SECURITIES AND EXCHANGE COMMISSION

FORM POS EX

Post-effective amendments filed solely to add exhibits to a registration statement

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FILER

MERRILL LYNCH PIERCE FENNER & SMITH INC

CIK: **728612** | State of Incorporation: **DE** | Fiscal Year End: **1231**
Type: **POS EX** | Act: **33** | File No.: **333-78575** | Film No.: **99708886**
SIC: **6189** Asset-backed securities

Mailing Address
*WORLD FINANCIAL CENTER
NORTH TOWER 23RD FL
NEW YORK NY 10281-1323*

Business Address
*NORTH TOWER WORLD
FINANCIAL CENTER
NORTH TOWER WORLD
FINANCIAL CENTER 5TH F
NEW YORK NY 10281-1323
2124496202*

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

POST-EFFECTIVE AMENDMENT NO. 2
TO
FORM S-1
REGISTRATION STATEMENT
Under
THE SECURITIES ACT OF 1933

Merrill Lynch, Pierce, Fenner & Smith Incorporated
Initial Depositor
(Exact name of registrant as specified in charter)

Internet HOLDERS SM Trust
yet-to-be formed
[Issuer with respect to the receipts]

<TABLE>
<CAPTION>

Delaware	6211	13-5674085
<S> (State or other jurisdiction of incorporation or organization)	<C> (Primary Standard Industrial Classification Code Number)	<C> (I.R.S. Employer Identification Number)

250 Vesey Street
New York, New York 10281
(212) 449-1000
(Address, including zip code, and telephone number, including area code, of
registrant's
principal executive offices)

Andrea L. Dulberg, Esq.
Corporate Secretary
Merrill Lynch, Pierce, Fenner & Smith
Incorporated
250 Vesey Street
New York, New York 10281
(212) 449-1000
(Name, address, including zip code, and
telephone number, including area code,
of agent for service)

Copies to:
Andrew B. Janszky
Shearman & Sterling
599 Lexington Avenue
New York, New York 10022
(212) 848-4000

Approximate date of commencement of proposed sale to public:
As soon as practicable after this Registration Statement becomes effective.

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, 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 registration statement for the same offering. []

If this Form is a post-effective amendment filed pursuant to Rule 462(d) 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 under the Securities Act, please check the following box. []

CALCULATION OF REGISTRATION FEE

<TABLE>

<CAPTION>

Title of Each Class of Securities to Be Registered	Amount to Be Registered	Proposed Maximum Offering Price Per Receipt(1)	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee(2) (3)
Internet HOLDRs.....	1,000,000,000	\$100	\$1,248,850,000	\$347,181

</TABLE>

(1)Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457 under the Securities Act. 11,500,000 Receipts are estimated to be offered in the initial offering at \$100.00 per Receipt and 988,500,000 Receipts are estimated to be offered continuously after the initial offering at \$0.10 per Receipt.

(2)Previously paid

(3) This Registration Statement also registers, where required, an indeterminate amount of securities to be sold by Merrill Lynch, Pierce, Fenner & Smith Incorporated in market-making transactions.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant 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, as amended, or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to such Section 8(a), may determine.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 14. Other Expenses of Issuance and Distribution.

The expenses expected to be incurred in connection with the issuance and distribution of the securities being registered, other than underwriting compensation, are as set forth below. Except for the registration fee payable to the Securities and Exchange Commission, all such expenses are estimated:

<TABLE>

Securities and Exchange Commission registration fee.....	\$ 347,181
--	------------

Printing and engraving expenses.....	150,000
Legal fees and expenses.....	1,000,000
Rating agency fees.....	0
Miscellaneous.....	2,819

Total.....	\$1,500,000

</TABLE>

Item 15. Indemnification of Directors and Officers.

Section 145 of the General Corporation Law of the State of Delaware, as amended, provides that under certain circumstances a corporation may indemnify any 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, by reason of the fact that such person is or was a director, officer, employee or agent of the corporation or is or was serving at its request in such capacity in another corporation or business association, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe such person's conduct was unlawful.

Article XIV, Section 2 of the Restated Certificate of Incorporation of Merrill Lynch, Pierce, Fenner & Smith Incorporated provides in effect that, subject to certain limited exceptions, Merrill Lynch, Pierce, Fenner & Smith Incorporated shall indemnify its directors and officers to the full extent authorized or permitted by law.

The directors and officers of Merrill Lynch, Pierce, Fenner & Smith Incorporated are insured under policies of insurance maintained by Merrill Lynch, Pierce, Fenner & Smith Incorporated, subject to the limits of the policies, against certain losses arising from any claim made against them by reason of being or having been such directors or officers. In addition, Merrill Lynch, Pierce, Fenner & Smith Incorporated has entered into contracts with all of its directors providing for indemnification of such persons by Merrill Lynch, Pierce, Fenner & Smith Incorporated to the full extent authorized or permitted by law, subject to certain limited exceptions.

Item 16. Exhibits.

See Exhibit Index.

Item 17. Undertakings.

The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:

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(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 the prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20 percent 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.

(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.

(4) 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.

(5) For purposes 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.

(6) 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 Item 15 of this registration statement, 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.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the

registrant hereby certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-1 and has duly caused this Post-Effective Amendment No. 2 to the Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of New York, on September 9, 1999.

Merrill Lynch, Pierce, Fenner & Smith
 Incorporated

By: *

 Name: Michael Castellano
 Title: Chief Financial Officer and Controller

Pursuant to the requirements of the Securities Act of 1933, this Post-Effective Amendment No. 2 to the Registration Statement has been signed by the following persons in the capacities indicated below on September 9, 1999.

<TABLE>
 <CAPTION>

Signature -----	Title -----
* ----- Michael Castellano	<C> Chief Financial Officer and Controller
* ----- George A. Schieren	Director
* ----- John L. Steffens	Director

</TABLE>

*By: /s/ Stephen G. Bodurtha Attorney-in-Fact

 Stephen G. Bodurtha

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INDEX TO EXHIBITS

<TABLE>
 <CAPTION>

Exhibits -----	Sequential page numbers -----
<C> <S>	<C>
*4.1 Form of Depositary Trust Agreement.....	
*4.2 Form of Internet HOLDERS.....	
*5.1 Opinion of Shearman & Sterling regarding the validity of the Internet HOLDERS.....	

8.1 Opinion of Shearman & Sterling, as special U. S. tax
counsel regarding the material federal income tax
consequences.....

*24.1 Power of Attorney (included on page II-3 of original
filing).....

</TABLE>

* Previously filed.

Shearman & Sterling

202/508-8000

September 10, 1999

Merrill Lynch, Pierce, Fenner & Smith
Incorporated
World Financial Center
North Tower - 4th Floor
New York, NY 10281

Merrill Lynch, Pierce, Fenner & Smith Incorporated
Internet HOLDRs_ Trust
Registration Statement on Form S-1
Registration No. 333-78575

Dear Ladies and Gentlemen:

We have acted as special Tax Counsel to Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch"), as Initial Depositor, and the Internet HOLDRs_ Trust in connection with the preparation and filing of a Prospectus and Registration Statement on Form S-1, No. 333-78575, as amended from time to time and filed by the Initial Depositor (the "Registration Statement"), of which the prospectus forms a part (the "Prospectus"), for the registration under the Securities Act of 1933, as amended (the "Securities Act"), of 1,000,000,000 Internet HOLDRs_ to be issued by the Trust. Capitalized terms used herein have the meaning ascribed to them in the Prospectus. The Internet HOLDRs_ are being issued pursuant to the Depositary Trust Agreement between the Initial Depositor, The Bank of New York, as trustee (in such capacity, the "Trustee"), other depositors and owners of Internet HOLDRs_ to be dated as of September 1, 1999 (the "Trust Agreement").

In connection with the preparation of this opinion, we have examined and relied on such documents as we have deemed appropriate, including, inter alia, (i) the Trust Agreement and (ii)

the Prospectus. We have made such investigations of law as we have deemed appropriate as a basis for the opinion expressed below.

Based on the foregoing, it is our opinion that the Trust will provide for flow through tax consequences since it will be treated as a grantor trust or custodial arrangement for United States Federal income tax purposes. Moreover, the discussion set forth under the caption "Federal Income Tax Consequences" in the Prospectus represents our opinion of and, subject to the limitations contained therein, accurately describes, the principal United States Federal income tax consequences to a holder of Internet HOLDRs_ receipts. The foregoing opinion is based upon provisions of the Internal Revenue code of 1986, as amended, Treasury regulations and administration and judicial interpretations as of the date hereof (all of which are subject to change, possibly with retroactive effect, or different interpretations).

We consent to the use of this opinion as an exhibit to the Registration Statement and to the reference to our firm under the caption "Legal Matters" in the Prospectus.

Very truly yours,

/s/ Shearman & Sterling