

Offering Memorandum

UDIGE NOTES SERIES 2008-1
MXN 110,000,000 (equivalent to UDI 27,454,803) up to MXN10,000,000,000 Face Amount of 4.25%
Certificates Collateralized by Obligations issued by General Electric Capital Corporation due 2038

The Certificates (the “**Certificates**”) offered pursuant to this Offering Memorandum (the “**Offering Memorandum**”) represent a direct payment obligation of the UDIGE NOTES Series 2008-1 (the “**Trust**” or the “**Issuer**”), a newly organized trust established under the laws of the State of Delaware pursuant to a Declaration of Trust and Trust Agreement (the “**Trust Agreement**”) dated April 24, 2008, and executed by HSBC Bank USA, National Association, as trustee (the “**Trustee**”), and as Delaware trustee (the “**Delaware Trustee**”), and Transfer Agent (the “**Transfer Agent**”), and by Merrill Lynch International as distributor and trustor. The assets of the Trust (the “**Trust Property**”) will consist primarily of (i) the Underlying Collateral described herein, (ii) the Trust’s rights under the Swap Agreement described herein, (iii) any bank accounts in the Trust’s name and (iv) the proceeds of the foregoing. The face amount of Certificates issued on the Initial Closing Date shall be MXN 110,000,000 (equivalent to UDI 27,454,803). Additional Certificates may be issued by the Trust pursuant to Upsizes as described herein. References to “**UDI**” are to “Unidades de Inversion”, a MXN equivalent unit of account indexed to inflation on a daily basis, published by Banco de Mexico (Mexico’s central bank, “Banco de Mexico”) in the “*Diario Oficial de la Federación*” and, if the UDI is abolished or replaced, “**UDI**” shall mean the new inflationary index published by the Banco de Mexico (or any successor index sponsor) in place of the UDI. References to “**MXN**” “**Pesos**”, “**Ps**” and “**PS**” mean Mexican Pesos, the lawful currency of Mexico. As used herein, “**USD**” means United States dollars, the lawful currency of the United States of America. All references to Dollars or \$ herein shall refer to USD, unless otherwise stated.

The Trust Property, which includes rights under the Swap Agreement, will provide the sole source of funds for redemption of the Certificates. Distributions will be made semi annually in January and July on the dates specified herein, commencing on July 14, 2008 to, and including, the Maturity Date. Distributions shall be payable in MXN, adjusted to take account of the then current UDI Index Level. Merrill Lynch Capital Services, Inc. (the “**Counterparty**”) under the Swap Agreement (as defined herein) is required to pay to the Trust on each Coupon Payment Date and on the Maturity Date the amounts specified herein under “*The Certificates*”. The coupon payments to each purchaser of the Certificates (a “**Holder**”) will be equal to the amounts paid by the Counterparty to the Trust.

The Swap Agreement is linked to the credit of General Electric Capital Corporation (“**GECC**”). If there is an Additional Collateral Event (as defined herein) with respect to GECC, and the Counterparty delivers to the Trustee an Additional Collateral Event Notice (as defined in the Confirmation), such event will constitute an “**Additional Collateral Event Termination**.” Upon the occurrence of an Additional Collateral Event Termination, the Counterparty will terminate the Swap Agreement, the Trust will distribute the Underlying Collateral to the Holders (or, at the option of the Holders, the Trust Agent may cause the Underlying Collateral to be liquidated and the proceeds delivered to the Holders) and no further payments will be due by any of the parties. Unless on or prior to January 14, 2038 (the “**Scheduled Maturity Date**”) an Additional Collateral Event Termination or Early Redemption Event (as defined herein) has occurred or there has been a Deferral Event (as defined herein), on the Scheduled Maturity Date each Holder will receive its pro rata portion of the product of (i) the UDI Face Amount; and (ii) the Final UDI Index Level (each as defined herein). See “*The Certificates—Final Distribution*” herein.

Holders of the Certificates will be exposed to inflation risk and the credit risk of each of Merrill Lynch & Co., Inc and General Electric Capital Corporation.

This Offering Memorandum (including the Annexes hereto) comprises a prospectus for the purpose of Directive 2003/71/EC (the “**Prospectus Directive**”) and for the purpose of giving information with regard to the Issuer which, according to the particular nature of the Issuer and the Certificates, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer.

Application is being made to the Financial Services Authority (the “**FSA**”) in its capacity as competent authority under the Financial Services and Markets Act 2000 (the “**UK Listing Authority**”) for the Certificates to be admitted to the official list of the UK Listing Authority (the “**Official List**”) and to the London Stock Exchange plc (the “**London Stock Exchange**”) for the Certificates to be admitted to trading on the London Stock Exchange’s Regulated Market (the “**Market**”). References in this Offering Memorandum to Certificates being **listed** (and all

related references) shall mean that Certificates have been admitted to trading on the Market and have been admitted to the Official List. The Market is a regulated market for the purposes of the Market in Financial Investments Directive 2004/39/EC. Even though an application for listing is being made, there is no guarantee that such application will be successful, and the Certificates may remain unlisted.

An application will also be made to list the Certificates in the *Bolsa Mexicana de Valores, S.A. de C.V.*, under the *Sistema Internacional de Cotizaciones*.

The Certificates shall initially be represented by a Temporary Global Certificate (as defined in the Trust Agreement). Interests in each such Temporary Global Certificate shall be exchanged on the 40th day after commencement of the Offering (as defined herein), for interests in the relevant Permanent Global Certificate (as defined in the Trust Agreement); provided each holder of such beneficial interests provides to the Common Depositary a certification in the form provided in the Trust Agreement that it is a non-U.S. Person. The Temporary Global Certificate and the Permanent Global Certificate (each one a “Global Certificate”) which will be deposited with HSBC Bank plc (the “Depositary” or “Common Depositary”), acting as common depositary for Euroclear Bank S.A./N.V. (“Euroclear”) and Clearstream Banking, société anonyme (“Clearstream” and together with Euroclear, the “Clearing Systems”) and registered in the name of HSBC Issuer Services Common Depositary Nominee (UK) Limited, a limited liability company (“HSBC Issuer Services” or “Registered Holder”), as common nominee of Euroclear and Clearstream.

Holders of the Certificates may own beneficial interests in the Global Certificate through the facilities of S.D. Indeval, Institución para el Depósito de Valores, S.A. de C.V.) (“Indeval”), which is a participant in each of Clearstream, and Euroclear. Indeval is a privately owned securities depositary that is authorized and acts as a clearinghouse, depositary and central custodian for securities in Mexico. As such, Indeval provides settlement and transfer services and is the registration agent for Mexican securities transactions, eliminating the need for physical transfer of securities. In addition, holders who own beneficial interests in the Certificates through Indeval may be required to certify as to their residency in accordance with the procedures of Indeval.

The Certificates will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), or any state securities laws. The Certificates are being offered outside the United States, to persons who are not U.S. Persons (“non-U.S. Persons”) as defined in Regulation S under the Securities Act (“Regulation S”) in offshore transactions in reliance on Regulation S. The Certificates may not be offered, sold, transferred or delivered, directly or indirectly, in the United States, its territories or possessions or to “U.S. Persons” (as defined in Regulation S and in the U.S. Internal Revenue Code of 1986, as amended). Neither the Certificates nor any interest therein may be beneficially owned by any U.S. Person. The Certificates are subject to other restrictions on transferability and resale, and each purchaser of the Certificates in making its purchase will be deemed to have made certain acknowledgements, representations and agreements as set forth thereunder. See “*The Certificates—Transfer Restrictions.*”

The Issuer accepts responsibility for the information contained in this Offering Memorandum. To the best of the knowledge and belief of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Offering Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.

The information contained in the sections “Description of Merrill Lynch & Co., Inc.” and “Description of the Swap Counterparty” has been accurately reproduced from information provided to the Issuer by Merrill Lynch & Co., Inc. and Merrill Lynch Capital Services, Inc. (respectively). So far as the Issuer is aware and is able to ascertain from information published by Merrill Lynch & Co., Inc. or Merrill Lynch Capital Services, Inc., no facts have been omitted from this Offering Memorandum which would render the information in such sections inaccurate or misleading.

THE INFORMATION CONTAINED IN THIS OFFERING MEMORANDUM HAS NOT BEEN REVIEWED BY THE NATIONAL BANKING AND SECURITIES COMMISSION OF MEXICO (COMISIÓN NACIONAL BANCARIA Y DE VALORES).

THE CERTIFICATES HAVE NOT BEEN REGISTERED IN THE MEXICAN NATIONAL SECURITIES REGISTRY (*REGISTRO NACIONAL DE VALORES*) AND THEREFORE THEY ARE NOT THE SUBJECT OF A PUBLIC OFFER IN MEXICO. ANY INVESTOR OF MEXICAN NATIONALITY THAT PURCHASES THESE CERTIFICATES, WILL DO SO UNDER ITS OWN RESPONSIBILITY. INTERMEDIATION OF THE CERTIFICATES IN MEXICO IS SUBJECT TO THE RESTRICTIONS OF THE MEXICAN SECURITIES MARKET LAW.

The Certificates are offered by Merrill Lynch International (the “Distributor”), subject to prior sale, when, as and if issued, with a minimum subscription as set forth in this Offering Memorandum. The Distributor reserves the right to offer Certificates at a price different from the initial offering price at any time.

Prospective investors should inform themselves as to the legal requirements for and tax consequences of the acquisition, holding and disposal of interests in the Certificates within the countries of their residence and domicile and any related foreign exchange restrictions.

The International Securities Identification Number for the Certificates is XS0358733508.

Merrill Lynch International

The date of this Offering Memorandum is April 24, 2008.

NOTICE TO INVESTORS; INVESTOR DEEMED REPRESENTATIONS

The Certificates have been sold in offshore transactions in reliance on Regulation S and will be represented by a Global Certificate.

The Certificates shall be represented by a Temporary Global Certificate (as defined in the Trust Agreement). Interests in each such Temporary Global Certificate shall be exchanged on the 40th day after commencement of the Offering (as defined herein), for interests in the relevant Permanent Global Certificate (as defined in the Trust Agreement); provided each holder of such beneficial interests provides to the Common Depository a certification in the form provided in the Trust Agreement that it is a non-U.S. Person. The Global Certificate will be deposited with or to the order of the Common Depository for the account of Euroclear and Clearstream, Luxembourg. Each of Euroclear and Clearstream, Luxembourg will record the beneficial interests in the Certificates attributable to the relevant Global Certificate (“Book-Entry Interests” and each, a “Book-Entry Interest”). Book-Entry Interests in the Certificates will be shown on, and transfers thereof will be effected only through, records maintained in book entry form by Euroclear or Clearstream, Luxembourg, and their respective participants. No person who owns a Book-Entry Interest will be entitled to receive a Certificate in definitive form (a “Definitive Certificate”) unless Definitive Certificates are issued in the limited circumstances described in the Trust Agreement. Definitive Certificates will be issued in registered form only. See also “The Certificates”.

The Certificates have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”) nor under the securities laws of any other jurisdiction. The Certificates are being offered outside the United States, to persons who are not U.S. Persons as defined in Regulation S in offshore transactions in reliance on Regulation S. The Certificates may not be offered, sold, transferred or delivered, directly or indirectly (including by any Holder), in the United States, its territories or possessions or to “U.S. Persons” (as defined in Regulation S and in the U.S. Internal Revenue Code of 1986, as amended (the “Code”). See “The Certificates—Transfer Restrictions” and “Offering” herein. Neither the Certificates nor any interest therein may be beneficially owned by any U.S. Person.

No Certificates may be offered or sold in any jurisdiction unless such offer and sale is in compliance with all laws of such jurisdiction. The distribution of this Offering Memorandum and the offering of the Certificates in certain jurisdictions may be restricted by law. Persons receiving this Offering Memorandum are required to inform themselves about and to observe any such restriction. This Offering Memorandum does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. For a further description of certain restrictions on offerings and sales of Certificates and on distributions of this Offering Memorandum. See “The Certificates—Transfer Restrictions” and “Offering” herein.

This Offering Memorandum is not authorized for distribution or use in the United States and may not be used or distributed in the United States.

There are restrictions on the promotion in the United Kingdom of the sale of the Certificates described in this Offering Memorandum and on the circulation in the United Kingdom of documents (including this Offering Memorandum) relating thereto.

The information contained in the section “Issuer of the Underlying Collateral” has been accurately reproduced from information obtained from official or other sources that the Distributor believes to be reliable. So far as the Issuer is aware and is able to ascertain from information published by GECC, no facts have been omitted from this Offering Memorandum which would render the information in such sections inaccurate or misleading. Neither the Distributor nor the Trustee has independently verified any of this information and neither makes any representation to you concerning the condition or creditworthiness of GECC or the merits of an investment in the Certificates. You should consult independent sources as to the

creditworthiness of GECC and the risks associated with an investment in an obligation issued by GECC to the same extent as if you were making a direct investment in an obligation issued by GECC. The GECC has not participated in, and most likely is unaware of, the issuance of the Certificates or the preparation of this Offering Memorandum. See “Risk Factors—Risks Associated with GECC” herein. GECC has not participated in, and most likely is unaware of, the issuance of the Certificates or the preparation of this Offering Memorandum.

Purchase of Certificates will expose Holders to the credit risk of Merrill Lynch & Co., Inc., the guarantor of the obligations of Merrill Lynch Capital Services, Inc. (“MLCS”) under the Swap Agreement. See “Risk Factors—Risks Associated with the Swap Agreement” herein.

This Offering Memorandum contains summaries of certain documents. All such summaries are qualified by reference to the actual documents, copies of which may be obtained on a confidential basis from the Paying Agent or the Trustee. This Offering Memorandum refers to certain website addresses.

The Trust accepts responsibility for the information contained in the Offering Memorandum. To the best of the knowledge and belief of the Trust, the information contained in the Offering Memorandum is in accordance with the facts and does not omit anything that would affect the import of such information.

The information in this Offering Memorandum is intended to be current as of the date of this Offering Memorandum. No representation or warranty is made as to the accuracy or completeness of such information as of any other date, and nothing contained in this Offering Memorandum is, or should be relied on as, a promise or representation as to the future. Neither the subsequent delivery of this Offering Memorandum nor any sale of the Certificates after the date of this Offering Memorandum implies that there has not been any change in the affairs of the Trust or the information presented here after the date of this Offering Memorandum.

The Certificates are a highly illiquid investment. There is currently no secondary market in the Certificates and it is highly unlikely that a significant secondary market in the Certificates will develop or that, if a significant secondary market does develop, such market will continue or will be sufficient to provide you with needed liquidity. The Certificates are subject to restrictions on transfer which will also limit their liquidity. See “The Certificates—Transfer Restrictions” and “Offering” herein. The purchase of Certificates is suitable only for, and should be made only by, investors who can bear the risks of limited liquidity and understand and can bear the financial and other risks of such an investment for a significant period of time.

You should assume that the Counterparty, the Distributor and their affiliates (the “Merrill Lynch Affiliates”) will or are willing to accept deposits from, make loans or otherwise extend credit to, and generally engage or seek to engage in commercial or investment banking or other business with GECC or any of its affiliates and are likely to act with respect to such business as if the Certificates did not exist, regardless of whether any such action might have an adverse effect on GECC or on a purchaser of the Certificates (including, without limitation, any action which might constitute or give rise to an Additional Collateral Event (as defined in the Confirmation). You further understand that the Merrill Lynch Affiliates will vote any interests they may have in any obligations of GECC (or of any of its affiliates), and purchase or sell such obligations, provide bid and offer prices with respect thereto, affect the value thereof, and otherwise participate in the secondary market for such obligations as if the Certificates did not exist, regardless of whether any such action would have an adverse effect on GECC or the Holders of the Certificates.

You should also assume that the Merrill Lynch Affiliates may, whether by virtue of the types of relationships described above or otherwise, at the date hereof or at any time hereafter be in possession of information in relation to GECC or any of its obligations which is or may be material in the context of the Certificates and which is not or may not be known to the general public. None of the Merrill Lynch Affiliates has any obligation, and the offering of the Certificates and the execution of the Swap Agreement does not create any obligation on the part of any Merrill Lynch Affiliate, to disclose to the purchaser of the Certificates any such

relationship or information (whether or not confidential) and you should assume that the Merrill Lynch Affiliates will not disclose such relationship information to you.

No person is authorized to give any information or to make any representation not contained in this Offering Memorandum. You should not rely on any information or representation not contained herein as having been authorized by or on behalf of the Counterparty, the Distributor or their affiliates (collectively, the “Merrill Lynch Affiliates”) or the Trustee. Neither the delivery of this Offering Memorandum nor any sale made hereunder should, at any time, imply that the information contained herein is correct as of any date subsequent to the date hereof.

As a purchaser of Certificates, you will be deemed to have represented to and agreed with the Distributor, the Counterparty and the Trustee, on behalf of yourself and each account for which you purchase any Certificates, as follows:

(i) You understand that the information in this Offering Memorandum is not investment advice or a recommendation to purchase the Certificates.

(ii) You understand that the Certificates will not be registered under the Securities Act and any securities law of any state of the United States.

(iii) You are:

1.1 not a U.S. Person (as defined in the regulations under the Securities Act and you are not a U.S. person as defined in Section 7701(a)(30) of the Internal Revenue code (the “Code”); and

1.2 acquiring the Certificates pursuant to Rule 903 or 904 of Regulation S; and

1.3 an entity which is not, and for so long as it holds any Certificates will not be, (i) an employee benefit plan as defined in Section 3(3) of the U.S. Employee Retirement Income Security Act of 1974, as amended (“ERISA”) which is subject to Title I of ERISA, a plan as defined in Section 4975(e)(1) of the Code, or any entity or other person whose assets constitute (or are deemed for purposes of ERISA or the Code to constitute) the assets of any such plan or (ii) an employee benefit plan, including governmental, church or non-U.S. plans, subject to U.S. federal, state or local laws, or non-U.S. laws, which are substantially similar to Section 406 of ERISA or Section 4975 of the Code unless its purchase and holding of the Certificates would not violate such substantially similar laws.

(iv) You understand that the Certificates may only be held by persons who satisfy the requirements of clause (iii) above (such person, an “Eligible Investor”) and you will not reoffer, sell, pledge or otherwise transfer the Certificates except to an Eligible Investor.

(v) You understand that you are bound by the terms and conditions of the Declaration of Trust and Trust Agreement (the “Trust Agreement”) dated as of the Initial Closing Date among HSBC Bank USA, National Association as Trustee, Delaware Trustee and Transfer Agent and Merrill Lynch International as Distributor and Trustor, and of this Offering Memorandum.

(vi) You are acquiring the Certificates for your own account.

(vii) You:

(a) will hold at least the minimum denominations of the Certificates; and

(b) have all necessary power and authority to acquire the Certificates and your acquisition of the Certificates will not contravene any law, rule or regulation binding on you or such account or any investment guideline or restriction applicable to you or such account.

- (viii) In deciding whether or not to purchase Certificates,
- (a) you have carefully read and fully understood this Offering Memorandum (including the Swap Agreement attached hereto and including the Risk Factors herein) and have had an opportunity to review, and have reviewed (to the extent you deemed necessary), the Trust Agreement and the other agreements executed by the Trust (the “Trust Documents”);
 - (b) you understand you are exposed to the credit of the Counterparty and its guarantor and you have made your own independent evaluation (based upon such investigation and analysis as you deem appropriate), of the Counterparty and its guarantor, and of the terms and provisions of the Certificates and the Trust Documents;
 - (c) you are not relying (and will not at any time rely on) any communication (written or oral) of the Trustee, the issuer of the Underlying Collateral, the Distributor or the Counterparty as investment advice or as a recommendation to purchase the Certificates, it being understood that information and explanations related to the terms and conditions of the Certificates and the other Trust Documents that are described in this Offering Memorandum shall not be considered investment advice or a recommendation to purchase the Certificates; and
 - (d) you have the knowledge, expertise and experience in financial matters to evaluate the risks involved in purchasing the Certificates.
- (ix) Neither the Issuer, the Trustee nor any Merrill Lynch Affiliate has made any representation to you regarding the legality of your investment in the Certificates and you understand that the appropriate characterization of the Certificates under various legal investment restrictions may be subject to significant interpretative uncertainties.
- (x) There is no action, suit or proceeding before or by any court or governmental agency or body, now pending, or, to your knowledge, threatened against or affecting you, which might result in any material adverse change in your condition, financial or otherwise, your business affairs or business prospects, or which might materially and adversely affect your properties or assets.
- (xi) You understand that the Merrill Lynch Affiliates may accept deposits from, make loans or otherwise extend credit to, and generally engage in any kind of commercial or investment banking or other business with GECC or its affiliates (or any other person or entity having obligations relating to GECC) and may act with respect to such business in the same manner as if the Certificates did not exist, regardless of whether any such action might have an adverse effect (including, without limitation, any action which might constitute or give rise to an Additional Collateral Event) on GECC or a purchaser of the Certificates; You further understand that the Merrill Lynch Affiliates will vote any interests they may have in any obligations of GECC (or of any of its affiliates), and purchase or sell such obligations, provide bid and offer prices with respect thereto, affect the value thereof, and otherwise participate in the secondary market for such obligations as if the Certificates did not exist, regardless of whether any such action would have an adverse effect on GECC or the Holders of the Certificates. You should also assume that the Merrill Lynch Affiliates may, whether by virtue of the types of relationships described above or otherwise, at the date hereof or at any time hereafter, be in possession of information in relation to GECC or any of its obligations which is or may be material in the context of the Certificates and which is not or may not be known to the general public. None of the Merrill Lynch Affiliates has any obligation, and the offering of the Certificates and the execution of the Swap Agreement does not create any obligation on the part of any Merrill Lynch Affiliate, to disclose to you any such relationship or information (whether or not confidential).
- (xii) You will comply with all applicable laws and regulations in effect in any jurisdiction in which you purchase or sell your Certificates and you will obtain any required consent, approval or permission for such purchase or sale under the laws and regulations of each such jurisdiction and you will comply with all transfer restrictions imposed on the Certificates as described herein.

(xiii) You will not act as, and will not hold yourself out as, an agent or representative of any Merrill Lynch Affiliate in any offers or sales of the Certificates.

(xiv) You understand that if the Distributor determines that a Certificate is being held by or for the benefit of a person who is not an Eligible Investor or that such holding is unlawful under the laws of a relevant jurisdiction then the Distributor shall require the Holder to transfer such Certificate to an Eligible Investor or cause such Certificate to be held for the benefit of an Eligible Investor as the case may be within fourteen days, failing which the Distributor may sell or otherwise dispose of the Certificate on behalf of the Holder at the then current value of the Certificate or otherwise in such manner as it may deem appropriate and pay over the proceeds of such sale or disposition to such Holder. You further understand that the Trustee may, by giving not less than fourteen days prior written notice to a Holder, at any time, redeem all or a portion of such Holder's Certificates compulsorily, for any reason, including without limitation, if the Trustee shall determine or is notified by the Distributor that a Certificate is being held by a person who is not an Eligible Investor or for the benefit of a person who is not an Eligible Investor or that such holding is unlawful under the laws of a relevant jurisdiction. Certificates will be redeemed compulsorily at the then current value of the Certificate or otherwise in such manner as the Trustee determines appropriate and the Trustee will pay over the proceeds of such sale or disposition to such Holder. A Holder shall cease for all purposes to be a Holder after close of business on the date the redemption is effected and all costs incurred in a compulsory redemption of Certificates shall be for the account of such Holder and may be withheld from the proceeds of the redemption. By your acceptance of the Certificates, you authorize the Distributor to take such action if required and understand that the Distributor will not be responsible for any losses you may incur as a result of any such transfer or sale.

(xv) If you are at any time in breach of any of your representations and agreements herein or if you make a transfer to a transferee that, at the time of acquisition of its Certificates, is in breach of its representations and agreements set forth herein, you shall hold the Trustee and Distributor and their respective affiliates harmless for their actions taken in connection with the Certificates and shall indemnify the Trustee and Distributor and their respective affiliates for any reasonable costs they may incur in finding and transferring the Certificates to an Eligible Investor capable of making such representations and agreements.

(xvi) You will irrevocably waive any and all right to trial by jury with respect to any legal proceeding arising out of or relating to any offers, purchases or sales of Certificates.

(xvii) With respect to any suit, action or proceedings relating to any dispute arising out of or in connection with any offers, purchases or sales of the Certificates ("Proceedings"), you irrevocably submit to the jurisdiction of the courts of the United States District Court located in the Borough of Manhattan in New York City, which submission shall be exclusive unless none of such courts has lawful jurisdiction over such Proceedings.

(xviii) Your purchase of the Certificates will be governed by the laws of the State of New York.

CIRCULAR 230 NOTICE:

THE FOLLOWING NOTICE IS BASED ON U.S. TREASURY REGULATIONS GOVERNING PRACTICE BEFORE THE INTERNAL REVENUE SERVICE: (1) ANY U.S. FEDERAL TAX ADVICE CONTAINED HEREIN, IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING U.S. FEDERAL TAX PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER; (2) ANY SUCH ADVICE IS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS DESCRIBED HEREIN; AND (3) EACH TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, EFFECTIVE FROM THE DATE OF COMMENCEMENT OF DISCUSSIONS, RECIPIENTS OF THIS OFFERING MEMORANDUM AND

EACH EMPLOYEE, REPRESENTATIVE OR OTHER AGENT OF ANY SUCH RECIPIENT MAY DISCLOSE TO ANY AND ALL PERSONS, WITHOUT LIMITATION OF ANY KIND, THE U.S. FEDERAL INCOME TAX TREATMENT AND TAX STRUCTURE OF THIS OFFERING AND ALL MATERIALS OF ANY KIND, INCLUDING OPINIONS OR OTHER TAX ANALYSES, THAT ARE PROVIDED TO THE RECIPIENTS RELATING TO SUCH TAX TREATMENT AND TAX STRUCTURE. HOWEVER, ANY SUCH INFORMATION RELATING TO THE TAX TREATMENT OR TAX STRUCTURE IS REQUIRED TO BE KEPT CONFIDENTIAL TO THE EXTENT NECESSARY TO COMPLY WITH ANY APPLICABLE FEDERAL OR STATE SECURITIES LAWS. FURTHERMORE, THIS AUTHORIZATION TO DISCLOSE SUCH TAX TREATMENT AND TAX STRUCTURE DOES NOT PERMIT DISCLOSURE OF INFORMATION IDENTIFYING THE TRUST OR ANY OTHER PARTY TO THE TRANSACTION, THIS OFFERING OR THE PRICING (EXCEPT TO THE EXTENT PRICING IS RELEVANT TO TAX STRUCTURE OR TAX TREATMENT) OF THIS OFFERING.

This Offering Memorandum does not constitute an offer to sell or a solicitation of any offer to buy any security other than the Certificates offered hereby, nor constitute an offer to sell or a solicitation of an offer to buy any of the Certificates to any person in any jurisdiction in which it is unlawful to make such an offer or solicitation to such person.

The Trustee has not participated in the preparation of this Offering Memorandum and assumes no responsibility for its contents. The Trustee refers you to the actual documents herein described for complete information and will provide you with copies, upon request, on a confidential basis. The Trustee qualifies all summaries by reference to the actual documents.

The Trust does not have a place of business in the United Kingdom.

The Certificates have been rated “AAA” by Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc. (“S&P”) (the “Rating Agency”) on the Initial Closing Date. The rating assigned to the Certificates applies only as of and for the purposes of the Initial Closing Date and is not subject to ongoing surveillance by S&P. The rating does not address any risks associated with any Upsizes, any risks associated with inflation as measured by the UDI Index Level, or any risks associated with changes of the USD/MXN exchange rate. A credit rating is not a recommendation to buy, sell or hold a security.

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OVERVIEW OF PRINCIPAL TERMS

The following overview contains basic information about the Certificates being offered and is qualified in its entirety by, and should be read in conjunction with, the more detailed information appearing elsewhere in this Offering Memorandum. It does not purport to be complete and it does not contain all the information that is important to you.

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| Issuer of Certificates | <p>UDIGE NOTES Series 2008-1 (the “Trust”), a newly organized trust to be established under the laws of the State of Delaware. See “<i>The Certificates—The Trust</i>” herein.</p> <p>References to “UDI” are to “Unidades de Inversion” a MXN equivalent unit of account indexed to inflation on a daily basis, published by Banco de Mexico (Mexico’s central bank, “Banco de Mexico”) in the “<i>Diario Oficial de la Federación</i>” and, if the UDI is abolished or replaced, “UDI” shall mean the new inflationary index published by the Banco de Mexico (or any successor index sponsor) in place of the UDI.</p> <p>“MXN” means Mexican Pesos, the lawful currency of Mexico (or if such currency is not at the time of any payment on the Certificates legal tender for the payment of public and private debts, in such other currency of Mexico as at the time of such payment is legal tender for the payment of debts).</p> |
| Certificates | <p>MXN 110,000,000 face amount of Certificates (the “Certificates”) (equivalent to UDI 27,454,803) of the Trust issued on or prior to the date of this Offering Memorandum. See “<i>The Certificates—Securities Offered</i>” herein.</p> <p>All Certificates issued by the Trust will constitute direct payment obligations of the Trust.</p> |
| Initial Purchase Price | <p>The Initial Purchase Price of the Certificates is 100% of the MXN equivalent, as of the Initial Closing Date, of the UDI Face Amount of the Certificates.</p> |
| UDI Face Amount | <p>As of any date, an amount equal to UDI 27,454,803, plus the aggregate of all Upsize Amounts in respect of any Upsize Notices delivered prior to such date.</p> |
| Upsize Factor | <p>As of any date, the UDI Face Amount in respect of such date, divided by UDI 27,454,803.</p> |
| Underlying Collateral | <p>As of the Initial Closing Date: USD 10,419,000 face amount of 5.875% notes issued by General Electric Capital Corporation, maturing on January 14, 2038, CUSIP 36962G3P7 (the “Underlying Collateral”). The face amount of the Underlying Collateral will be increased on the date of any Upsize by an amount specified in the Upsize Notice.</p> |

The Underlying Collateral will have characteristics that demonstrate capacity to produce funds to service any payments due and payable on the Certificates. However, there can be no assurance that the Underlying Collateral will produce such funds.

Initial Issue Date of Certificates

April 24, 2008 (the “**Initial Closing Date**”).

Coupon Payment Dates

Each date set forth in “—*Coupon Amounts*” below, and the Maturity Date (if different), unless such date is not a Business Day, in which case such date shall fall on the next succeeding Business Day.

Coupon Amount

In respect of: (a) any Coupon Payment Date specified in the table below, an amount equal to the product of (i) amount stated for such date, and (ii) the UDI Index Level in respect of such Coupon Payment Date, and (b) in respect of the Maturity Date (if such date is not one of the dates listed therein), an amount equal to the product of (i) UDI 27,454,803, (ii) the Fixed Rate; (iii) the Fixed Rate Day Count Fraction and (iv) the UDI Index Level in respect of the Maturity Date, and, in the case of either (a) or (b), multiplied by the Upsize Factor.

Schedule of Coupon Payments

| Date | Coupon Size (in UDI Amount) |
|-----------------------------|--|
| Monday, July 14, 2008 | 259,295.36 |
| Wednesday, January 14, 2009 | 583,414.56 |
| Tuesday, July 14, 2009 | 583,414.56 |
| Thursday, January 14, 2010 | 583,414.56 |
| Wednesday, July 14, 2010 | 583,414.56 |
| Friday, January 14, 2011 | 583,414.56 |
| Thursday, July 14, 2011 | 583,414.56 |
| Tuesday, January 17, 2012 | 593,138.14 |
| Monday, July 16, 2012 | 580,173.37 |
| Monday, January 14, 2013 | 576,932.18 |
| Monday, July 15, 2013 | 586,655.76 |
| Tuesday, January 14, 2014 | 580,173.37 |
| Monday, July 14, 2014 | 583,414.56 |
| Wednesday, January 14, 2015 | 583,414.56 |
| Tuesday, July 14, 2015 | 583,414.56 |
| Thursday, January 14, 2016 | 583,414.56 |
| Thursday, July 14, 2016 | 583,414.56 |
| Tuesday, January 17, 2017 | 593,138.14 |
| Friday, July 14, 2017 | 573,690.99 |
| Tuesday, January 16, 2018 | 589,896.95 |
| Monday, July 16, 2018 | 583,414.56 |
| Monday, January 14, 2019 | 576,932.18 |
| Monday, July 15, 2019 | 586,655.76 |
| Tuesday, January 14, 2020 | 580,173.37 |
| Tuesday, July 14, 2020 | 583,414.56 |
| Thursday, January 14, 2021 | 583,414.56 |
| Wednesday, July 14, 2021 | 583,414.56 |
| Friday, January 14, 2022 | 583,414.56 |
| Thursday, July 14, 2022 | 583,414.56 |
| Tuesday, January 17, 2023 | 593,138.14 |

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|-----------------------------|------------|
| Friday, July 14, 2023 | 573,690.99 |
| Tuesday, January 16, 2024 | 589,896.95 |
| Monday, July 15, 2024 | 580,173.37 |
| Tuesday, January 14, 2025 | 580,173.37 |
| Monday, July 14, 2025 | 583,414.56 |
| Wednesday, January 14, 2026 | 583,414.56 |
| Tuesday, July 14, 2026 | 583,414.56 |
| Thursday, January 14, 2027 | 583,414.56 |
| Wednesday, July 14, 2027 | 583,414.56 |
| Friday, January 14, 2028 | 583,414.56 |
| Friday, July 14, 2028 | 583,414.56 |
| Tuesday, January 16, 2029 | 589,896.95 |
| Monday, July 16, 2029 | 583,414.56 |
| Monday, January 14, 2030 | 576,932.18 |
| Monday, July 15, 2030 | 586,655.76 |
| Tuesday, January 14, 2031 | 580,173.37 |
| Monday, July 14, 2031 | 583,414.56 |
| Wednesday, January 14, 2032 | 583,414.56 |
| Wednesday, July 14, 2032 | 583,414.56 |
| Friday, January 14, 2033 | 583,414.56 |
| Thursday, July 14, 2033 | 583,414.56 |
| Tuesday, January 17, 2034 | 593,138.14 |
| Friday, July 14, 2034 | 573,690.99 |
| Tuesday, January 16, 2035 | 589,896.95 |
| Monday, July 16, 2035 | 583,414.56 |
| Monday, January 14, 2036 | 576,932.18 |
| Monday, July 14, 2036 | 583,414.56 |
| Wednesday, January 14, 2037 | 583,414.56 |
| Tuesday, July 14, 2037 | 583,414.56 |
| Thursday, January 14, 2038 | 683,414.56 |

Rating The Certificates have been rated “AAA” by S&P on the Initial Closing Date. The rating assigned to the Certificates applies only as of and for the purposes of the Initial Closing Date and is not subject to ongoing surveillance by S&P. The rating does not address any risks associated with any Upsizes, any risks associated with inflation as measured by the UDI Index Level, or any risks associated with changes of the USD/MXN exchange rate.

Payment at Maturity Except in the case of an Additional Collateral Event Termination, on the Maturity Date, MLCS shall pay the Trust an amount equal to the product of (a) the UDI Face Amount as of the Maturity Date, and (b) the UDI Index Level in respect of the Maturity Date, together with the Coupon Amount payable on the Final Coupon Payment Date (the “**Final Redemption Amount**”). Such amounts paid to the Trust shall be distributed by the Trust to the Holders on the Maturity Date.

UDI Index Level In respect of a relevant date (the “**Relevant Date**”), the “Unidad de Inversión” (“**UDI**”), expressed as the number of MXN per one UDI, determined by Banco de Mexico as applicable to the Relevant Date, as published in the “*Diario Oficial de la Federación*”.

If the method by which the UDI Index Level is calculated is modified or if the UDI Index Level is replaced or substituted by another unit by the Banco de Mexico, then references herein to UDI Index Level shall be revised accordingly, *provided that* such methodology or unit (a) is applicable to cash lending transactions payable under the same conditions as the UDI Index Level, (b) is determined by the Banco de Mexico, (c) is published in an official publication in respect of the relevant date, and (d) is used to calculate an amount equivalent to the UDI Adjustment in connection with any Mexican government bond that references inflation. In addition, if the Banco de Mexico is recalculating an amount equivalent to the UDI Adjustment in connection with any outstanding Mexican government bond that references inflation, then the Calculation Agent shall recalculate payments using the methodology so applied by the Banco de Mexico.

If, in respect of any Relevant Date, the UDI Index Level, or any unit or methodology replacing or substituting such UDI Index Level is not determined and published by the Banco de Mexico for any reason whatsoever in respect of such date or is not used in respect of such date to calculate an amount equivalent to the UDI Adjustment in connection with any Mexican government bond that references inflation, then references herein to the UDI Index Level shall be calculated using whichever commercially reasonable methodology as determined in the sole discretion of the Calculation Agent is actually used by the government of Mexico to make payments on any government bond that references inflation or any other instrument issued into the Mexican market that references inflation. If no such methodology is used or available in the calculation of an amount equivalent to the UDI Adjustment in connection with any Mexican government bond that references inflation, then the Calculation Agent shall determine a comparable indexing figure, acting in good faith and in a commercially reasonable manner based on the methodology last used by the Banco de Mexico to calculate the UDI Index Level prior to its becoming unavailable; *provided that* the Calculation Agent shall not be obligated to incur unreasonable costs in calculating such methodology and would be entitled to alter such methodology to avoid excess expense.

No amount payable by the Counterparty hereunder shall be subject to adjustment in the event that the UDI Index Level used in calculation of such amount is modified after the payment by the Counterparty.

Maturity Date

The earliest to occur of:

(a) The date following the occurrence of an Additional Collateral Event Determination Date on which the Trust delivers to the Holders (i) the Underlying Collateral, or (ii) the proceeds that result from the liquidation of such Underlying Collateral by the Trust's Agent;

(b) An Early Redemption Event;

(c) the later of (i) the Scheduled Termination Date and (ii) the last date of the Additional Collateral Event Deferral Period,

subject, in each case, to adjustment in accordance with the Modified Following Business Day Convention.

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| Liquidation of Underlying Collateral | If the Swap is terminated as a result of an Additional Collateral Event Termination, the Holders may instruct the Trust Agent to liquidate the Underlying Collateral and deliver the proceeds of such liquidation to the Holders in terms of what is set forth in the Trust Agreement. |
| Scheduled Maturity Date | January 14, 2038. |
| Business Day | A day on which commercial banks and foreign exchange markets settle payments and are open for business (including dealings in foreign exchange and foreign currency deposits) in Mexico City, Mexico, New York, New York and London, United Kingdom. |
| Swap Agreement | The Swap Agreement will consist of the 1992 ISDA Master Agreement (Multicurrency-Cross Border) published by the International Swaps and Derivatives Association, Inc. (“ ISDA ”) (www.isda.org) and the schedule (the “ Schedule ”) and a confirmation (the “ Confirmation ”) relating to the transaction (the 1992 ISDA Master Agreement, together with the Schedule and the Confirmation, the “ Swap Agreement ”) to be executed by the Trust and the Counterparty, each dated as of the Initial Closing Date. |
| Swap Counterparty or Counterparty | Merrill Lynch Capital Services, Inc. with guarantee from Merrill Lynch & Co., Inc. |
| Calculation Agent | Merrill Lynch International. |
| Early Redemption Event | If the Swap Agreement is terminated early for any reason other than an Additional Collateral Event Redemption, the Issuer will redeem the Certificates in full, and in complete satisfaction of the Certificates, the Trust shall pay to Holders the Final Redemption Amount. |

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| Additional Collateral Event Termination | <p>If there is an Additional Collateral Event with respect to GECC, and the Counterparty delivers to the Trustee an Additional Collateral Event Notice (as defined in the Confirmation), such event will constitute an “Additional Collateral Event Termination.” Upon the occurrence of an Additional Collateral Event Termination, the Counterparty will terminate the Swap Agreement, the Trust will distribute the Underlying Collateral to the Holders (or, at the option of the holders, the Trust Agent may cause the Underlying Collateral to be liquidated and the proceeds delivered to the Holders) and no further payments will be due by any of the parties. See “<i>Terms Specific to the Confirmation</i>” herein.</p> |
| Upsize | <p>Merrill Lynch International may require the Trust to issue additional Certificates at any time. Such additional Certificates shall be issued on the same terms, and shall be fungible with, existing Certificates. Additional Certificates issued as the result of an Upsize will rank <i>pari passu</i> with respect to existing Certificates.</p> |
| Upsize Amount | <p>In respect of any Upsize Notice, the amount specified in such Upsize Notice (as defined in the Trust Agreement).</p> |
| Listing | <p>Application is being made to the FSA in its capacity as competent authority under the Financial Services and Markets Act 2000 for the Certificates to be admitted to the Official List and to the London Stock Exchange for the Certificates to be admitted to trading on the Market. The Market is a regulated market for the purposes of the Market in Financial Investments Directive 2004/39/EC. See “<i>Listing and General Information.</i>” In addition, there is currently no market for the Certificates, and there can be no assurance that such a market will develop.</p> |

RISK FACTORS

The purchase of the Certificates involves substantial risks, including without limitation, credit, liquidity and market risk as well as the additional risks described below. Each of Merrill Lynch International, its affiliates, and the Issuer believes that the factors described below represent the principal risks inherent in investing in the Certificates, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Certificates may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Offering Memorandum and reach their own views prior to making any investment decision. Merrill Lynch International, its affiliates and the Trustee disclaim any responsibility to advise prospective investors of such risks as they exist as of the date of this Offering Memorandum or as they change from time to time. Prospective investors should understand the risks involved and should reach an investment decision after careful consideration with their tax, accounting and legal advisors of the suitability of the Certificates in light of their particular financial circumstances and financial objectives.

Holders of the Certificates will be exposed to inflation risk and the credit risk of Merrill Lynch & Co., Inc and General Electric Capital Corporation.

Limited Recourse; Certificates Payable Solely from the Trust Property

The Certificates will not be obligations or responsibilities of, and will not be guaranteed by, the Trustee, the Counterparty, the Distributor or any company in the same group of companies as, or any affiliate of, any of the foregoing. Distributions on the Certificates will be made solely from the Trust Property. Each Holder of Certificates, by its investment in the Certificates, will be deemed to agree that the obligations of the Trust will be payable solely from, and only to the extent of, the Trust Property, which includes the obligations of Merrill Lynch & Co, Inc. under the terms of the Swap Agreement.

Limited Liquidity; Resale Restrictions

The Certificates are a highly illiquid investment. There is currently no secondary market for the Certificates. The Distributor may, but is not obligated to, make a secondary market in the Certificates and there is no guarantee or assurance that a secondary market will develop, or that if a secondary market does develop that it will continue or will be sufficient to provide the Holders with needed liquidity. If the Distributor makes a secondary market in the Certificates, it may, in its sole discretion, discontinue any market-making activities at any time without notice. The Certificates are subject to significant restrictions on transfer which will also limit their liquidity. The Certificates may only be transferred to Eligible Investors.

If the Certificates are listed on the London Stock Exchange (as to which there can be no assurance), prices of the Certificates are not expected to be listed or reported by the London Stock Exchange, and no trading of the Certificates is expected to occur thereon. As a result, there can be no assurance as to the liquidity of markets, if any, that may develop for the Certificates, the ability of the Certificate Holders to sell the Certificates or the prices at which Holders would be able to sell their Certificates.

The purchase of Certificates is suitable only for, and should be made only by, investors who understand and can bear the risks of such an investment (including without limitation the substantial credit, financial and liquidity risks of such an investment) for a significant period of time.

See “The Certificates—Transfer Restrictions” herein.

Holders have NO put right

Holders have no right to put the Certificates to Merrill Lynch International at any price or at all, so there are no protections that would prevent Merrill Lynch International from not bidding for the notes or bidding below the price the Holders believe to be at market.

No assurance of future levels of the value of the UDI Index

Prevailing levels of the UDI Index should not be taken as an indication of the future levels of the UDI Index over the term of the Certificates. No assurance can be given that the value of the UDI Index will not depreciate and thereby reduce the amount of any payment on the Certificates. The rating of the Certificates does not address any risk related to inflation as measured by the UDI Index Level or any risks associated with changes of the USD/MXN exchange rate.

Risks Associated with the Trust Property

The Certificates will represent an indirect investment in the Underlying Collateral and the Swap Agreement. Accordingly, Holders should review the terms and risks of the Underlying Collateral and the Swap Agreement to the same extent as if they were making a direct investment in the Underlying Collateral and the Swap Agreement. The Underlying Collateral refers to the specific principal amount of USD10,419,000, 5.875% notes issued by General Electric Capital Corporation due January 14, 2038, CUSIP 36962G3P7, referenced in section *Overview of Principal Terms* herein. The principal amount of the Underlying Collateral will be increased on the date of any Upsize by an amount equivalent to the Upsize Amount in respect of such Upsize. The Underlying Collateral will have characteristics that demonstrate capacity to produce funds to service any payments due and payable on the Certificates. However, there can be no assurance that the Underlying Collateral will produce such funds. The Swap Agreement is an over-the-counter derivative transaction and involves the risk of adverse and unanticipated market developments, the risk of illiquidity and other risks including, without limitation, principal, interest rate, credit, political, liquidity and market risk and is not suitable for all investors. Changes in the value of the Swap Agreement will affect the value of the Certificates.

A Holder of the Certificates will have fewer rights than an unsecured holder of an obligation of GECC because, among other things, unlike a Holder of the Certificates, a holder of an obligation of GECC has voting rights under the relevant indenture and can sue the corresponding GECC directly.

An investment in the Certificates involves significant risks that are not generally associated with similar investments in traditional fixed rate debt securities.

The receipt by Holders of the distributions on their Certificates on the Maturity Date will be dependent on the Trust timely receipt of payment from, and therefore the credit of, the Counterparty.

Risks Associated with GECC

Since payments under the Swap Agreement will be linked to the credit of GECC, and payments under the Certificates rely on the Swap Agreement, Holders will be exposed to the credit risk of GECC to the full extent of the value of their Certificates.

Any actual or perceived increase in the credit risk of GECC, such as any real or anticipated changes in the credit ratings of GECC or the Issuer, will negatively affect the value of the Certificates. Any decrease in the value of the obligations of GECC will result in a decrease in the value of the Certificates.

The Holders of the Certificates will be indirectly exposed to the credit risk of GECC to the full extent of their investment in the Certificates. Specifically, if there is an Additional Collateral Event Termination, the Counterparty will terminate the Swap Agreement, the Trust will distribute the Underlying Collateral to the Holders (or, at the option of the holders the Trust Agent may cause the Underlying Collateral to be liquidated and the proceeds delivered to the Holders) and no further payments will be due by any of the parties.

The creditworthiness of GECC may be affected by a variety of factors that are inherently difficult to predict, such as business, financial, market and legal uncertainties, and domestic or international economic and political developments (including terrorist attacks, wars and other hostilities). If GECC becomes bankrupt or defaults on its obligations, a Holder would lose a significant portion of its investment.

Unless and until the Counterparty delivers the Underlying Collateral to the Trust after the occurrence of an Additional Collateral Event in respect of GECC the Holders will have no right to vote or exercise any other right or remedy with respect to GECC or its obligations and will have no legal or equitable interest therein.

You should consult independent sources as to the condition and creditworthiness of GECC and the risks associated with an investment in obligations issued by GECC to the same extent as if you were making a direct investment in any obligations of GECC.

None of the Merrill Lynch Affiliates or the Trustee is making any representation to investors concerning the condition or creditworthiness of GECC or the merits of an investment in the Certificates. Each investor will be deemed to have represented and warranted to the Trustee, the Counterparty, the Counterparty Guarantor, and the Distributor that it has made its own investigation of the creditworthiness of GECC and the conditions which may affect the value of the obligations issued by GECC and has determined that it can bear any loss associated with an investment in the Certificates as described herein. See "Notice to Investors; Investor Deemed Representations" herein.

GECC has not participated in, and is almost certainly unaware of, the issuance of the Certificates or the preparation of this Offering Memorandum.

Risks associated with restructuring of subordinated Obligations that result in an Additional Collateral Event

If as a result of the restructuring of a subordinated Obligation that results in the triggering of an Additional Collateral Event the Swap Agreement is terminated, Holders will receive (a) an amount in either MXN or USD resulting from the liquidation of the Underlying Collateral by the Trustee, or (b) the Underlying Collateral. Upon termination of the Swap in terms of the preceding sentence, Holders will no longer have inflation protection and there is no guarantee that the amounts, or notes, to be received by the Holders will be sufficient to cover their initial investment.

Interest Rate Risk

The Certificates pay interest at a fixed rate. The value of the Certificates will be adversely affected at any time that prevailing interest rates for a credit similar to the Certificates are higher than they were on the Trade Date. In addition, it is important to note that the trading value of the Certificates will be affected by factors that interrelate in complex ways. The effect of one factor may offset the increase in the trading value of the Certificates caused by another factor and that the effect of one factor may exacerbate the decrease in the trading value of the Certificates caused by another factor. For example, an interest rate increase may offset some or all of any increase in the trading value of the Certificates attributable to another factor, such as an improvement of performance of GECC.

Credit Ratings

The Certificates have been rated "AAA" by S&P. The rating assigned to the Certificates applies only as of and for the purposes of the Initial Closing Date and will not be subject to ongoing surveillance by S&P. The rating addresses the Counterparty's ability to make payments to the Trust in terms of the Transactions. The rating does not address any risks associated with any future Upsizes, any risks associated with inflation as measured by the UDI Index Level, or any risks associated with changes of the USD/MXN exchange rate.

Credit ratings of the Certificates represent a rating agency's opinion regarding their credit quality and are not a guarantee of quality. The rating does not guarantee the Holders return on their investment in the Certificates, as this is related to inflation, a market risk factor that is not addressed by the rating. Rating agencies attempt to evaluate the probability of payment of interest and repayment of principal from the sources of collateral securing the Certificates (including the Trust Property) but do not evaluate the risks of fluctuations in market value. Nor are all risks in respect of the Certificates susceptible of analysis under rating methodologies. Accordingly, credit ratings are not a recommendation to purchase, hold or sell the Certificates, do not provide assurance as to market price or suitability for a particular investor and may not fully reflect the true risks of an investment.

Inflation Risk

Payment of the Final Redemption Amount is linked to the UDI Index. However, the UDI Index may not be an accurate indicator of, or correlate with, actual inflation in Mexico, including without limitation the inflation rate a Holder actually experiences.

Risks Associated with an Additional Collateral Event Termination

Upon the occurrence of an Additional Collateral Event Termination, the Counterparty will terminate the Swap Agreement, the Trust will distribute the Underlying Collateral to the Holders (or, at the option of the holders the Trust Agent may cause the Underlying Collateral to be liquidated and the proceeds delivered to the Holders) and no further payments will be due by any of the parties.

Not all of the Additional Collateral Events represent an actual default on an obligation of GECC. Further, not all of the Additional Collateral Events are triggered by events which are easily ascertainable and disputes can arise as to whether a specific event with respect to an Additional Collateral Event did or did not constitute an Additional Collateral Event. Under the terms of the Confirmation, the Counterparty's sole determination that an Additional Collateral Event has or has not occurred will be binding on the Trustee and the Holders.

Potential Delay in Receiving Final Payment

If on or prior to the Scheduled Maturity Date MLCS cannot determine that no Additional Collateral Event has occurred with respect to GECC or any Obligation of GECC, MLCS will give a Potential Event Notice (as described herein) to the Trust. Under the terms of the Trust Agreement and the Swap Agreement, the Trustee will be required in such circumstances to retain the proceeds of the Underlying Collateral, subject to the lien of the Counterparty. If the Counterparty delivers such notice, the Holders will experience a delay in receiving payment on their Certificates and would be further exposed to the creditworthiness of the Counterparty during this period. Furthermore, no interest or other additional amounts will be paid in respect of such deferred payment.

Conflicts of Interest

You should assume that the Counterparty, the Distributor and their affiliates will or are willing to accept deposits from, make loans or otherwise extend credit to, and generally engage or seek to engage in commercial or investment banking or other business with GECC or one or more of their respective affiliates (or another person or entity having obligations relating to GECC) and are most likely to act with respect to such business as if the Certificates did not exist, regardless of whether any such action might have an adverse effect on GECC or on a purchaser of the Certificates (including, without limitation, any action which might constitute or give rise to an Additional Collateral Event). You should assume that the Merrill Lynch Affiliates will vote any interests they may have in obligations of GECC (or of any of their respective affiliates), and purchase or sell such obligations, provide bid and offer prices with respect thereto, affect the value thereof, and otherwise participate in the secondary market for such obligations as if the Certificates did not exist, regardless of whether any such action would have an adverse effect on, GECC or the Holders of the Certificates.

You should also assume that the Merrill Lynch Affiliates will, whether by virtue of the types of relationships described above or otherwise, at the date hereof or at any time hereafter, be in possession of information in relation to GECC or any of their respective obligations which is or may be material in the context of the Certificates and which is not or may not be known to the general public. No Merrill Lynch Affiliate has any obligation, and the offering of the Certificates and the execution of the Swap Agreement does not create any obligation on the part of any Merrill Lynch Affiliate, to disclose to the purchaser of the Certificates any such relationship or information (whether or not confidential) and you should assume that the Merrill Lynch Affiliates will not disclose such relationship or information to you.

Merrill Lynch International, as Calculation Agent, will make determinations and calculations relating to the Certificates, which may affect the amount, if any, that Holders of the Certificates will receive following an Early Redemption Event, if applicable.

No Reliance; Legal Investment

Neither the Distributor nor any of its affiliates give tax, accounting, legal or regulatory advice or, except to certain private clients of the Merrill Lynch Affiliates, financial advice.

The Issuer and/or its affiliates make no representation and have given you no advice concerning the appropriate accounting treatment or possible tax consequences of this indicative transaction. Prior to purchasing the security, you should discuss with your professional advisers how such purchase would or could affect you. Investors with any questions regarding the impact of an investment in the Certificates on their tax position should consult their tax adviser. Merrill Lynch does not give tax or legal advice.

The appropriate characterization of the Certificates under various legal investment restrictions, and thus the ability of investors subject to those restrictions to purchase the Certificates, may be subject to significant interpretative uncertainties. No representation is made as to the proper characterization of the Certificates for legal investment purposes, or for risk-weighting, securities valuation, regulatory accounting or other financial institution regulatory regimes of any regulatory body. Investors should consult with their own legal advisors in determining whether, and to what extent, the Certificates will constitute legal investments for them and the consequences of such an investment.

No Deduction or Withholding Gross-Up will be Paid to Holders

If, in respect of any funds owed by the Counterparty to the Trust or by the Trust to the Holders, any deduction or withholding is required by any applicable law, as modified by the practice of any relevant governmental revenue authority, then neither of the Counterparty nor the Trust will be obligated to pay any gross up or other additional amounts in respect of such withholding or deduction.

Tax Considerations

Prospective investors in the Certificates should carefully consider the tax treatment of the Certificates as described herein and are urged to consult their tax advisers regarding the income and other tax consequences of the purchase, ownership and disposition of the Certificates. See “*Tax Considerations*” herein.

Counterparty Security Interest

The Trust’s obligations to the Counterparty under the Swap Agreement will be secured by a security interest in the Trust Property (as defined in the Trust Agreement). For such purpose, the Trustee will, if and as requested by the Counterparty, assist in the perfection and enforcement of such security interest.

Delays in Communicating with the Holders

The Certificates are evidenced by one Global Certificate, which has been deposited with the Common Depositary, acting as common depositary for Euroclear and Clearstream. The Global Certificate is in registered form in the name of the Common Depositary. The Holders’ interests are maintained in book-entry form through the Accountholders (as defined herein) (except as described below under “*Issuance of Physical Certificates to Holders in Certain Circumstances*”).

Accordingly, there may be a delay in communicating from the Trustee to the Holders (or from the Holders to the Trustee) through the Common Depositary, Euroclear and Clearstream and the relevant Accountholders. Such communication may relate to a vote to terminate the Swap Agreement in the case of a default by the Counterparty. See “*The Swap Agreement—Early Termination of Swap Agreement*.”

Limited Information

This Offering Memorandum does not provide detailed information concerning GECC or the Trust Agreement. Holders should do their own investigation of GECC to the same extent as if they were making a direct investment in obligations of GECC. Further, Holders should review for themselves the Trust Agreement setting forth the terms of

the Certificates and the rights and obligations of the Trustee under the Swap Agreement. A summary of the general terms and conditions of the Underlying Collateral is attached as Annex D hereto. A copy of the Swap Schedule and Confirmation forming part of the Swap Agreement is attached as Annex B hereto. Copies of the Trust Agreement, the Underlying Collateral, the ISDA Master Agreement and the ISDA Definitions forming part of the Swap Agreement are available upon request from the Distributor. To the extent any information in this Offering Memorandum summarizes or purports to summarize information contained in other documents or agreements, Holders will be bound by the provisions of such documents or agreements to the extent of any inconsistency with information contained herein.

THE CERTIFICATES

An index of defined terms used in this Offering Memorandum is set forth at Annex A hereto.

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|-------------------|--|
| Securities Issued | MXN 110,000,000 (equivalent to UDI 27,454,803) up to MXN10,000,000,000 Face Amount of Certificates (the “ Certificates ”) of the Trust. |
| The Trust | <p>UDIGE NOTES Series 2008-1 (the “Trust”), a newly organized trust to be established under the laws of the State of Delaware pursuant to the Trust Agreement. The Trust is being established primarily to (i) issue the Certificates, (ii) purchase the Underlying Collateral and (iii) enter into the Swap Agreement.</p> <p>A sole, first priority, security interest in the Trust Property is granted by the Trust to the Counterparty to secure the Trust’s obligations to the Counterparty under the Swap Agreement.</p> <p>After the Initial Closing Date, the Trust will not purchase or otherwise acquire any additional securities or financial instruments and will not dispose of or create any additional liens on the Trust Property, except at the Maturity Date or in connection with an Upsize as described herein.</p> |
| Trust Property | <p>The assets of the Trust (the “Trust Property”) will primarily consist of (i) the Underlying Collateral described herein, (ii) the Trust’s rights under the Swap Agreement described herein, (iii) any bank accounts in the Trust’s name and (iv) the proceeds of the foregoing.</p> <p>As of the Initial Closing Date: USD 10,419,000 face amount of 5.875% notes issued by General Electric Capital Corporation, maturing on January 14, 2038, CUSIP 36962G3P7 (the “Underlying Collateral”). The face amount of the Underlying Collateral will be increased on the date of any Upsize by an amount specified in the Upsize Notice.</p> <p>The Underlying Collateral will have characteristics that demonstrate capacity to produce funds to service any payments due and payable on the Certificates. However, there can be no assurance that the Underlying Collateral will produce such funds.</p> <p>The Swap Agreement will consist of the 1992 ISDA Master Agreement (Multicurrency-Cross Border) published by the International Swaps and Derivatives Association, Inc. (“ISDA”) (www.isda.org) and the schedule (the “Schedule”) and a confirmation (the “Confirmation”) to be executed thereunder, each dated as of the Initial Closing Date (together, the “Swap Agreement”). See “<i>The Swap Agreement</i>” herein.</p> <p>The Underlying Collateral will be held by the Collateral Agent.</p> |
| Trustee | HSBC Bank USA, National Association (the “ Trustee ”). |

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| Trust's Agent | Merrill Lynch International will act as agent for the Trust (the " Trust's Agent "). The Trust's Agent may select a substitute Trustee upon the resignation of the Trustee. |
| Paying Agent | HSBC Bank USA, National Association (" Paying Agent "). |
| Common Depository | HSBC Bank plc will act as the Common Depository for the Trust (" Common Depository ") and in such capacity will make distributions to the Holders and global certificate for Euroclear and Clearstream. |
| Collateral Agent | HSBC Bank USA, National Association (" Collateral Agent ") |
| Transfer Agent | HSBC Bank USA, National Association (" Transfer Agent ") |
| Initial Issue Date of Certificates | April 24, 2008 (the " Initial Closing Date "). |
| Scheduled Maturity Date | January 14, 2038 (" Scheduled Maturity Date "). |
| UDI Face Amount | As of any date, an amount equal to UDI 27,454,803, plus the aggregate of all Upsize Amounts in respect of any Upsize Notices delivered prior to such date. |
| Upsize Factor | As of any date, the UDI Face Amount in respect of such date, divided by UDI 27,454,803. |
| Maturity Date | <p>The earliest to occur of:</p> <p>(a) The date following the occurrence of an Additional Collateral Event Determination Date on which the Trust delivers to the Holders (i) the Underlying Collateral, or (ii) the proceeds that result from the liquidation of such Underlying Collateral by the Trust's Agent;</p> <p>(b) An Early Redemption Event;</p> <p>(c) the later of (i) the Scheduled Termination Date and (ii) the last date of the Additional Collateral Event Deferral Period,</p> <p>subject, in each case, to adjustment in accordance with the Modified Following Business Day Convention.</p> |
| Liquidation of Underlying Collateral | If the Swap is terminated as a result of an Additional Collateral Event Termination, the Holders may instruct the Trust Agent to liquidate the Underlying Collateral and deliver the proceeds of such liquidation to the Holders in terms of what is set forth in the Trust Agreement. |
| Payment at Maturity | Except in the case of an Additional Collateral Event Termination, on the Maturity Date, MLCS shall pay the Trust an amount equal to the product of (a) the UDI Face Amount as of the Maturity Date and (b) the UDI Index Level in respect of the Maturity Date, together with the Coupon Amount payable on the Final Coupon Payment Date (the " Final Redemption Amount "). Such amounts paid to the Trust shall be distributed by the Trust to the Holders on the Maturity Date. |

UDI Index Level

In respect of a relevant date (the “**Relevant Date**”), the “Unidad de Inversión” (“**UDI**”), expressed as the number of MXN per one UDI, determined by Banco de Mexico (Mexico’s central bank, “**Banco de Mexico**”) as applicable to the Relevant Date, as published in the “Diario Oficial de la Federación”.

If the method by which the UDI Index Level is calculated is modified or if the UDI Index Level is replaced or substituted by another unit by the Banco de Mexico, then references herein to UDI Index Level shall be revised accordingly, *provided that* such methodology or unit (a) is applicable to cash lending transactions payable under the same conditions as the UDI Index Level, (b) is determined by the Banco de Mexico, (c) is published in an official publication in respect of the relevant date, and (d) is used to calculate an amount equivalent to the UDI Adjustment in connection with any Mexican government bond that references inflation. In addition, if the Banco de Mexico is recalculating an amount equivalent to the UDI Adjustment in connection with any outstanding Mexican government bond that references inflation, then the Calculation Agent shall recalculate payments using the methodology so applied by the Banco de Mexico.

If, in respect of any Relevant Date, the UDI Index Level, or any unit or methodology replacing or substituting such UDI Index Level is not determined and published by the Banco de Mexico for any reason whatsoever in respect of the such date or is not used in respect of such date to calculate an amount equivalent to the UDI Adjustment in connection with any Mexican government bond that references inflation, then references herein to the UDI Index Level shall be calculated using whichever commercially reasonable methodology as determined in the sole discretion of the Calculation Agent is actually used by the government of Mexico to make payments on any government bond that references inflation or any other instrument issued into the Mexican market that references inflation. If no such methodology is used or available in the calculation of an amount equivalent to the UDI Adjustment in connection with any Mexican government bond that references inflation, then the Calculation Agent shall determine a comparable indexing figure, acting in good faith and in a commercially reasonable manner based on the methodology last used by the Banco de Mexico to calculate the UDI Index Level prior to its becoming unavailable; *provided that* the Calculation Agent shall not be obligated to incur unreasonable costs in calculating such methodology and would be entitled to alter such methodology to avoid excess expense.

No amount payable by the Counterparty hereunder shall be subject to adjustment in the event that the UDI Index Level used in calculation of such amount is modified after the payment by the Counterparty.

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| Upsize Amount | The amount specified in any Upsize Notice (as defined in the Trust Agreement). |
| Rating | The Certificates have been rated “AAA” by S&P on the Initial Closing Date. The rating assigned to the Certificates applies only as of and for the purposes of the Initial Closing Date and is not subject to ongoing surveillance by S&P. The rating does not address any risks associated with any Upsizes, any risks associated with inflation as measured by the UDI Index Level, or any risks associated with changes of the USD/MXN exchange rate. |
| Record Date | Three Business Days immediately preceding the Maturity Date or a Coupon Payment Date. |
| Business Day | A day on which commercial banks and foreign exchange markets settle payments and are open for business (including dealings in foreign exchange and foreign currency deposits) in Mexico City, Mexico, New York, New York and London, United Kingdom. |
| Coupon Payment Dates | Each date set forth in “— <i>Coupon Amounts</i> ” below, and the Maturity Date (if different), unless such date is not a Business Day, in which case such date shall fall on the next succeeding Business Day. |
| Coupon Amount | In respect of: (a) any Coupon Payment Date specified in the table below, an amount equal to the product of (i) amount stated for such date, and (ii) the UDI Index Level in respect of such Coupon Payment Date, and (b) in respect of the Maturity Date (if such date is not one of the dates listed therein), an amount equal to the product of (i) UDI 27,454,803, (ii) the Fixed Rate; (iii) the Fixed Rate Day Count Fraction and (iv) the UDI Index Level in respect of the Maturity Date, and, in the case of either (a) or (b), multiplied by the Upsize Factor. |

| Schedule of Coupon Payments | Date | Coupon Size (in UDI Amount) |
|-----------------------------|-----------------------------|--|
| | Monday, July 14, 2008 | 259,295.36 |
| | Wednesday, January 14, 2009 | 583,414.56 |
| | Tuesday, July 14, 2009 | 583,414.56 |
| | Thursday, January 14, 2010 | 583,414.56 |
| | Wednesday, July 14, 2010 | 583,414.56 |
| | Friday, January 14, 2011 | 583,414.56 |
| | Thursday, July 14, 2011 | 583,414.56 |
| | Tuesday, January 17, 2012 | 593,138.14 |
| | Monday, July 16, 2012 | 580,173.37 |
| | Monday, January 14, 2013 | 576,932.18 |
| | Monday, July 15, 2013 | 586,655.76 |
| | Tuesday, January 14, 2014 | 580,173.37 |
| | Monday, July 14, 2014 | 583,414.56 |
| | Wednesday, January 14, 2015 | 583,414.56 |
| | Tuesday, July 14, 2015 | 583,414.56 |
| | Thursday, January 14, 2016 | 583,414.56 |
| | Thursday, July 14, 2016 | 583,414.56 |
| | Tuesday, January 17, 2017 | 593,138.14 |

| | |
|-----------------------------|------------|
| Friday, July 14, 2017 | 573,690.99 |
| Tuesday, January 16, 2018 | 589,896.95 |
| Monday, July 16, 2018 | 583,414.56 |
| Monday, January 14, 2019 | 576,932.18 |
| Monday, July 15, 2019 | 586,655.76 |
| Tuesday, January 14, 2020 | 580,173.37 |
| Tuesday, July 14, 2020 | 583,414.56 |
| Thursday, January 14, 2021 | 583,414.56 |
| Wednesday, July 14, 2021 | 583,414.56 |
| Friday, January 14, 2022 | 583,414.56 |
| Thursday, July 14, 2022 | 583,414.56 |
| Tuesday, January 17, 2023 | 593,138.14 |
| Friday, July 14, 2023 | 573,690.99 |
| Tuesday, January 16, 2024 | 589,896.95 |
| Monday, July 15, 2024 | 580,173.37 |
| Tuesday, January 14, 2025 | 580,173.37 |
| Monday, July 14, 2025 | 583,414.56 |
| Wednesday, January 14, 2026 | 583,414.56 |
| Tuesday, July 14, 2026 | 583,414.56 |
| Thursday, January 14, 2027 | 583,414.56 |
| Wednesday, July 14, 2027 | 583,414.56 |
| Friday, January 14, 2028 | 583,414.56 |
| Friday, July 14, 2028 | 583,414.56 |
| Tuesday, January 16, 2029 | 589,896.95 |
| Monday, July 16, 2029 | 583,414.56 |
| Monday, January 14, 2030 | 576,932.18 |
| Monday, July 15, 2030 | 586,655.76 |
| Tuesday, January 14, 2031 | 580,173.37 |
| Monday, July 14, 2031 | 583,414.56 |
| Wednesday, January 14, 2032 | 583,414.56 |
| Wednesday, July 14, 2032 | 583,414.56 |
| Friday, January 14, 2033 | 583,414.56 |
| Thursday, July 14, 2033 | 583,414.56 |
| Tuesday, January 17, 2034 | 593,138.14 |
| Friday, July 14, 2034 | 573,690.99 |
| Tuesday, January 16, 2035 | 589,896.95 |
| Monday, July 16, 2035 | 583,414.56 |
| Monday, January 14, 2036 | 576,932.18 |
| Monday, July 14, 2036 | 583,414.56 |
| Wednesday, January 14, 2037 | 583,414.56 |
| Tuesday, July 14, 2037 | 583,414.56 |
| Thursday, January 14, 2038 | 683,414.56 |

Early Redemption Event

If the Swap Agreement is terminated early for any reason other than an Additional Collateral Event Redemption, the Issuer will redeem the Certificates in full, and in complete satisfaction of the Certificates, the Trust shall pay to Holders the Final Redemption Amount.

Additional Collateral Event Termination

If there is an Additional Collateral Event with respect to GECC, and the Counterparty delivers to the Trustee an Additional Collateral Event Notice (as defined in the Confirmation), such event will constitute an “Additional Collateral Event Termination.” Upon the occurrence of an Additional Collateral Event Termination the Counterparty will terminate the Swap

Agreement, the Trust will distribute the Underlying Collateral to the Holders (or, at the option of the holders the Trust Agent may cause the Underlying Collateral to be liquidated and the proceeds delivered to the Holders) and no further payments will be due by any of the parties. See “*Terms Specific to the Confirmation*” herein.

Upsize

Merrill Lynch International may require the Trust to issue additional Certificates at any time. Such additional Certificates shall be issued on the same terms, and shall be fungible with, existing Certificates. Additional Certificates issued as the result of an Upsize will rank *pari passu* with respect to existing Certificates.

Expenses

The Distributor or an affiliate thereof will pay the costs of establishing the Trust and issuing the Certificates as well as the customary ongoing expenses of the Trust (including, for greater certainty, any costs, actions, claims, damages, expenses or demands to which the Trustee may incur in its capacity as Trustee) and the expenses of the Trust’s Agent (collectively, “**Ordinary Expenses**”).

Payment Currency

MXN.

Denomination(s)

The minimum denomination shall be MXN1,000,000 (equivalent to the Final UDI Redemption Amount, divided by the number of Certificates outstanding upon Maturity Date (including any Certificates that may have been issued under an Upsize), in the understanding that for the initial issuance this minimum denomination is equivalent to UDI 249,589.113 per bond) with integral multiples of MXN1,000,000 in excess thereof.

Tax Considerations

See “*Tax Considerations*” herein.

Book-Entry System

The Certificates shall initially be represented by one or more Temporary Global Certificates. Interests in each such Temporary Global Certificates shall be exchangeable on the 40th day after the commencement of the offering of such certificates for interests in the Permanent Global Certificates; provided each holder of such beneficial interest provides to the Common Depository a certification in the form provided in the Trust Agreement that it is not a U.S. Person. Permanent Global Certificates shall be represented by a Global Certificate (“**Global Certificate**”). The Global Certificate has been deposited with HSBC Bank plc, acting as common depository for Euroclear Bank S.A./N.V. (“**Euroclear**”) and Clearstream Banking, société anonyme (“**Clearstream**”) and together with Euroclear, the “**Clearing Systems**”) and registered in the name of HSBC Issuer Services Common Depository Nominee (UK) Limited (“**HSBC Issuer Services**” or “**Registered Holder**”), as nominee of Euroclear and Clearstream. No person who owns a Book Entry Interest will be entitled to receive a Certificate in definitive form (a “**Definitive Certificate**”) unless Definitive Certificates are issued in the limited circumstances described in the Trust Agreement. Definitive Certificates will be issued in

registered for only.

Holders of the Certificates may own beneficial interests in the Global Certificate through the facilities of Indeval, which is a participant in each of Clearstream, and Euroclear. Indeval is a privately owned securities depository that is authorized and acts as a clearinghouse, depository and central custodian for securities in Mexico. As such, Indeval provides settlement and transfer services and is the registration agent for Mexican securities transactions, eliminating the need for physical transfer of securities. In addition, holders who own beneficial interests in the Certificates through Indeval may be required to certify as to their residency in accordance with the procedures of Indeval.

The Trustee may treat the Common Depository as the sole and exclusive registered holder of the Certificates for the purpose of (i) payments with respect to the Certificates, (ii) giving any notice permitted or required to be given to the holders under the Trust Agreement, and (iii) registering the transfer of Certificates. Purchasers of the Certificates will not be considered Registered Holders of the Certificates except in the limited circumstances described herein. See *“Issuance of Physical Certificates to Holders in Certain Circumstances.”* Rather, Holders’ interests will be maintained in book-entry form through entities (“**Accountholders**”) that have accounts at Euroclear or Clearstream.

The Trustee will not have any obligation to any Accountholder, Holder or other person claiming a beneficial ownership interest in Certificates, or in the Global Certificates representing Certificates, who is not named in the registration books maintained by or on behalf of the Trustee.

Notices and other relevant communications received by the Common Depository will be forwarded to the relevant Accountholders by Euroclear or Clearstream, as applicable. The forwarding to Holders of notices and other communications received by Accountholders will be governed by arrangements between them subject to any statutory and regulatory requirements that may be in effect from time to time.

Payments

Where a payment is required to be made in respect of the Certificates, such payment will be made to the Common Depository, which will transfer such amounts to Euroclear or Clearstream, as the case may be, which will in turn credit such amounts to the Accountholders (as defined below) in accordance with their respective ownership interests in the Certificates. See *“Book-Entry System”* above.

Issuance of Physical Certificates to Holders in Certain Circumstances

The Trust will issue physical certificates in registered form in exchange for the Global Certificate as soon as practicable if (i) either Euroclear or Clearstream is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or in fact does so and the Trust is advised by the Common Depositary that no alternative clearing system satisfactory to the Accountholders is available, (ii) the Trust is notified by the Distributor that on the occasion of the next distribution in respect of the Certificates it would be required to make any deduction or withholding from any payment in respect of the Certificates that would not be required if the Certificates were represented by physical certificates issued to Accountholders or Holders or (iii) the Trust is notified by the Common Depositary that an Accountholder has determined that on the occasion of the next distribution in respect of the Certificates such Accountholder would be required to make any deduction or withholding from any payment in respect of the Certificates on its books which would not be required if such Certificates were represented by physical certificates issued to Accountholders or such Holders. Any such physical certificates issued by the Trust shall be issued in the name of the Accountholders or, at the direction of the relevant Accountholders, in the names of the Holders. The Trust Agreement will be amended in such manner as may be deemed appropriate to take account of the issuance of such physical certificates.

Transfer Restrictions

The Certificates will not be registered under the Securities Act. The Certificates may not be offered, sold, transferred or delivered, directly or indirectly, in the United States, its territories or possessions or to “U.S. Persons” (as defined in Regulation S and in the Code).

The Certificates may only be held by investors permitted in “*Notice to Investors; Investors Deemed Representations*” herein and may only be transferred to other investors who meet those qualifications. See also “*ERISA and Other Considerations*” and “*Offering*” herein.

The Certificates may be sold or transferred (including by any Holder) only in accordance with any applicable laws in each relevant jurisdiction.

The Certificates have not been registered in the Mexican National Securities Registry (*Registro Nacional de Valores*) and therefore they are not the subject of a public offer in Mexico. Any investor of Mexican nationality that purchases these Certificates, will do so under its own responsibility. Intermediation of the Certificates in Mexico is subject to the restrictions of the Mexican securities market law.

Accountholders may obtain such certifications from Holders as may be appropriate to verify that each such Holder holds such Certificate in compliance with the restrictions outlined above. The Trustee has no duty to monitor or enforce any restrictions on transfer of the Certificates or beneficial interests therein.

For every transfer of Certificates following their initial issuance, Holders may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto, as well as any commission or fee charged by the relevant Accountholder and any other securities broker or dealer involved. Neither Euroclear nor Clearstream has any duty to monitor or enforce any restrictions on transfer of the Certificates.

If the Distributor determines that a Certificate is being held by, or for the benefit of, a person who does not comply with the terms of "*Notice to Investors*" herein or if such holding is unlawful under the laws of a relevant jurisdiction, then the Distributor shall require such Holder to transfer such Certificate to an eligible investor or cause such Certificate to be held for the benefit of an eligible investor as the case may be within fourteen days failing which the Distributor may sell or otherwise dispose of the Certificate on behalf of such Holder at the then current value of the Certificate or otherwise in such manner as it may deem appropriate and pay over the proceeds of such sale or disposition to such Holder.

If a Holder is at any time in breach of its representations and agreements as described herein or transfers its Certificates to a person which is in breach of its representations and agreements as set forth herein, such Holder shall hold the Trustee and the Distributor and their respective affiliates harmless for their actions taken hereunder and shall indemnify the Trustee and the Distributor and their respective affiliates for any reasonable costs they may incur in finding and transferring the Certificates to an Eligible Investor capable of making such representations and agreements.

Governing Law

The Certificates are governed by Delaware law.

THE SWAP AGREEMENT

Prospective purchasers should review the Swap Agreement (including the Confirmation to be executed thereunder) in making their decision to purchase any Certificates. A copy of the form of the Schedule and the form of Confirmation to be executed by the Trust and the Counterparty, is attached as Annex B hereto. A copy of the form of the Guarantee to be delivered by the Counterparty Guarantor is attached as Annex C hereto. Copies of the 1998 Definitions and the Swap Definitions forming part of the Swap Agreement are available upon request from the Distributor. Terms used in this section and in the section below labeled “Terms Specific to the Confirmation,” if not defined here, will have the meaning specified in the Swap Agreement.

Swap Agreement

The Swap Agreement will consist of the 1992 ISDA Master Agreement (Multicurrency-Cross Border) published by the International Swaps and Derivatives Association, Inc. (“ISDA”) (www.isda.org.) and the schedule (the “Schedule”) and the confirmation (the “Confirmation”) and together with the 1992 ISDA Master Agreement and the Schedule, the “Swap Agreement”) to be executed by the Trust and the Counterparty, each dated as of the Initial Closing Date.

The Swap Agreement is governed by New York law.

Grant of Security Interest to Counterparty

On the Initial Closing Date, the Trust will, pursuant to the Swap Agreement, grant a sole, first priority, perfected security interest in the Trust Property to the Counterparty, ranking senior to any other security interest in the Trust Property, granted to secure the Trust’s obligations to the Counterparty under the Swap Agreement. Under the Swap Agreement, the Counterparty has agreed that it will authorize the Trust to release its lien on the Trust Property promptly upon termination of the Swap Agreement.

Counterparty

Merrill Lynch Capital Services, Inc. (“MLCS”), a wholly-owned indirect subsidiary of the Counterparty Guarantor. The Counterparty was incorporated under the laws of the State of Delaware.

Counterparty Guarantor

The payment obligations of the Counterparty under the Swap Agreement are unconditionally and irrevocably guaranteed by Merrill Lynch & Co., Inc. (in such capacity the “Counterparty Guarantor”). The Guarantee to be delivered by the Counterparty Guarantor is attached as Annex C hereto.

The Counterparty Guarantor is a holding company, formed in 1973. The obligations of the Counterparty and the Counterparty Guarantor are unsecured.

The Counterparty Guarantor was incorporated under the laws of Delaware in 1973. Its principal executive office is located at 4 World Financial Center, New York, New York 10080; its telephone number is (212) 449-1000. Its registered office in Delaware is c/o The Corporation Trust Company, Corporation Center, and 1209 Orange Street, Wilmington, Delaware 19801.

The Counterparty Guarantor is subject to the informational requirements of the Securities Exchange Act of 1934 and in accordance therewith files reports and other information with the Securities and Exchange Commission. The Counterparty Guarantor will provide without charge to each person to whom this Offering Memorandum is delivered, on written request of such person, a copy (without exhibits other than exhibits specifically incorporated by reference) of any or all such documents so filed since January 1, 1999. Requests for such copies should be directed to Judy A. Witterschein, Corporate Secretary, Merrill Lynch & Co., Inc., 222 Broadway, 17th Floor, New York, N.Y. 10038, telephone (212) 670-0432.

Scheduled Termination Date

The Scheduled Maturity Date of the Certificates.

Early Termination of Swap Agreement

The Swap Agreement will be subject to termination prior to the Scheduled Maturity Date upon the occurrence of an Event of Default or a Termination Event (such event, a “**Swap Termination Event**”).

The “**Events of Default**” under the Swap Agreement (each, a “**Default**”) will be limited to: (i) the failure of the Trust or the Counterparty to make, when due, any payment or delivery required to be made under the Swap Agreement after giving effect to the applicable grace period, if any, (ii) the breach or repudiation of the Guarantee or other event that would result in the Guarantee being ineffective prior to what would otherwise be the Termination Date under the Swap Agreement, and (iii) the occurrence of certain events of insolvency or bankruptcy of the Trust or the Counterparty as described in the Confirmation.

The “**Termination Events**” under the Swap Agreement will consist of the following: (i) certain standard termination events under the ISDA Master Agreement including “**Illegality**,” “**Tax Event**,” and “**Tax Event Upon Merger**,” as described in Sections 5(b)(i), 5(b)(ii), and 5(b)(iii), respectively, of the ISDA Master Agreement, and (ii) the occurrence of a Securities Default (as defined below).

A “**Securities Default**” will occur if (i) the issuer of the Underlying Collateral fails to pay on the date due any scheduled interest then payable and such failure is not cured prior to the expiration of the later of three Business Days after such failure and any applicable grace period or deferral period or (ii) the occurrence of certain events of insolvency or bankruptcy of General Electric Capital Corporation, as set forth in the Swap Agreement

Designation of Early Termination Date

Upon the occurrence of any Event of Default under the Swap Agreement, the Trustee will have the right to designate an “**Early Termination Date**” (as defined in the Swap Agreement). With respect to Termination Events, an Early Termination Date may be designated by one of the parties (as specified in each case in the Swap Agreement) and will occur only upon notice and, in certain cases, only after any Affected

Party (as defined in the Swap Agreement) has used reasonable efforts to transfer its rights and obligations under the Swap Agreement to a related entity within a limited period after notice has been given of the Termination Event, all as set forth in the Swap Agreement.

A majority (by face amount of Certificates held) of the Holders of the Certificates may direct the time, method and place of conducting any proceeding for any remedy available to the Trust under the Swap Agreement, including, if so directed by the Holders of the Certificates, terminating the Swap Agreement. Holders will have no right directly to enforce any rights of the Trust in the Swap Agreement or directly to receive any payments thereunder. The Trustee is not obligated to pursue any action on behalf of the Trust or the Holders unless the Trustee is satisfied that it has received adequate indemnification for such action and the expenses related thereto.

Payment on an Early Termination

In the event of an early termination of the Swap Agreement in connection with an Event of Default or Termination Event, the Counterparty shall pay the Final Redemption Amount to the Trust, the Trust shall cause the Trust's Agent to liquidate the Underlying Collateral and will pay the liquidation proceeds thereof to the Counterparty. No other payments or deliveries shall be required to be made by the parties.

Manner of Payment

Cash payments under the Swap Agreement will be made in immediately available funds by wire transfer to any account designated by the Trustee or the Counterparty as applicable.

Payment Currency

MXN.

No Gross Up

If a tax is required to be paid in respect of payments under the Swap Agreement, neither the Trust nor the Counterparty will in any circumstances be required to pay additional amounts in respect thereof or be under any obligation to pay to the other party any amount in respect of any liability of the other party for or on account of such tax.

Transfer of Swap Agreement

The Swap Agreement may, without the consent of any Holder or the Trustee, be transferred by the Counterparty to the Counterparty Guarantor or any affiliate of the Counterparty Guarantor; provided that if the Swap Agreement is transferred to an affiliate of the Counterparty Guarantor, such transfer shall not be effective until the Counterparty Guarantor provides a guarantee of the obligations of the transferee in respect of the Swap Agreement in the same form as the guarantee it is delivering to the Trust on the Initial Closing Date.

Risk Factors

Since payments due in respect of the Certificates depend on the payments received under the Swap Agreement, Holders will be exposed to the credit risk of the Counterparty Guarantor and the terms of the Swap Agreement to the full extent of their investment in the Certificates. Holders should review the terms of the Swap Agreement as well as information concerning the Counterparty and the Counterparty Guarantor in the same

manner as if they were directly entering into the Swap Agreement.

Credit Support

In the event of an S&P Collateralization Event or an S&P Ratings Event, as such terms are defined in the Swap Agreement, the Counterparty, or the Guarantor will be forced to either: (1) obtain a substitute Counterparty that is a bank or other financial institution that has the Required Ratings, as such term is defined in the Swap Agreement, from S&P (2) obtain a guaranty of or a contingent agreement of another person that has the Required Ratings from S&P to honor MLCS's obligations thereunder, (3) post collateral under the Credit Support Annex agreed upon with S&P, or (4) restore its long-term credit rating to at least the Required Ratings from S&P.

TERMS SPECIFIC TO THE CONFIRMATION

This is not, nor is it meant to be, a complete description of the Confirmation. Holders should review the copy of the Confirmation attached as part of Annex B hereto to understand all of the terms of the Confirmation. Terms used in this section, if not defined here, will have the meaning specified in the Swap Agreement.

| Definitions | The Confirmation will incorporate certain terms from the 1998 ISDA FX and Currency Option Definitions (the “ FX Definitions ”), as published by ISDA and the Emerging Markets Traders Association and the Foreign Exchange Committee (the “ 1998 Definitions ”), as supplemented by the 2006 ISDA Definitions. All references herein to the Confirmation include any definitions and Supplements incorporated therein. A copy of the FX Definitions, the 1998 Definitions and the Swap Definitions and any Supplements incorporated in the Confirmation are available from the Distributor or the Trustee or directly from ISDA. | | | | | | | | | | | | | | | | | | | | |
|------------------------------------|---|-------------|--|-----------------------|------------|-----------------------------|------------|------------------------|------------|----------------------------|------------|--------------------------|------------|--------------------------|------------|-------------------------|------------|---------------------------|------------|-----------------------|------------|
| Termination Date | The earliest to occur of: (a) The Additional Collateral Event Determination Date; (b) An Early Redemption Event; and (c) the later of (i) the Scheduled Termination Date and (ii) the last date of the Additional Collateral Event Deferral Period, subject, in each case, to adjustment in accordance with the Modified Following Business Day Convention. | | | | | | | | | | | | | | | | | | | | |
| Periodic Payments from the Trust | Under the Confirmation, on each date that it receives any payment in respect of the Underlying Collateral, the Trust will pay to the Counterparty an amount equal to the aggregate payments so received. | | | | | | | | | | | | | | | | | | | | |
| Fixed Payments by the Counterparty | In respect of: (a) any Fixed Payment Date specified in the table below, an amount equal to the product of (i) amount stated for such date, and (ii) the UDI Index Level in respect to each Final Payment Date, and (b) in respect of the Termination Date (if such date is not one of the dates listed therein), an amount equal to the product of (i) UDI 27,454,803, (ii) the Fixed Rate; (iii) the Fixed Rate Day Count Fraction and (iv) the UDI Index Level in respect of the Termination Date, and, in the case of either (a) or (b), multiplied by the Upsize Factor. | | | | | | | | | | | | | | | | | | | | |
| Schedule of Coupon Payments | <table><thead><tr><th>Date</th><th>Coupon Size (in UDI Amount)</th></tr></thead><tbody><tr><td>Monday, July 14, 2008</td><td>259,295.36</td></tr><tr><td>Wednesday, January 14, 2009</td><td>583,414.56</td></tr><tr><td>Tuesday, July 14, 2009</td><td>583,414.56</td></tr><tr><td>Thursday, January 14, 2010</td><td>583,414.56</td></tr><tr><td>Wednesday, July 14, 2010</td><td>583,414.56</td></tr><tr><td>Friday, January 14, 2011</td><td>583,414.56</td></tr><tr><td>Thursday, July 14, 2011</td><td>583,414.56</td></tr><tr><td>Tuesday, January 17, 2012</td><td>593,138.14</td></tr><tr><td>Monday, July 16, 2012</td><td>580,173.37</td></tr></tbody></table> | Date | Coupon Size (in UDI Amount) | Monday, July 14, 2008 | 259,295.36 | Wednesday, January 14, 2009 | 583,414.56 | Tuesday, July 14, 2009 | 583,414.56 | Thursday, January 14, 2010 | 583,414.56 | Wednesday, July 14, 2010 | 583,414.56 | Friday, January 14, 2011 | 583,414.56 | Thursday, July 14, 2011 | 583,414.56 | Tuesday, January 17, 2012 | 593,138.14 | Monday, July 16, 2012 | 580,173.37 |
| Date | Coupon Size (in UDI Amount) | | | | | | | | | | | | | | | | | | | | |
| Monday, July 14, 2008 | 259,295.36 | | | | | | | | | | | | | | | | | | | | |
| Wednesday, January 14, 2009 | 583,414.56 | | | | | | | | | | | | | | | | | | | | |
| Tuesday, July 14, 2009 | 583,414.56 | | | | | | | | | | | | | | | | | | | | |
| Thursday, January 14, 2010 | 583,414.56 | | | | | | | | | | | | | | | | | | | | |
| Wednesday, July 14, 2010 | 583,414.56 | | | | | | | | | | | | | | | | | | | | |
| Friday, January 14, 2011 | 583,414.56 | | | | | | | | | | | | | | | | | | | | |
| Thursday, July 14, 2011 | 583,414.56 | | | | | | | | | | | | | | | | | | | | |
| Tuesday, January 17, 2012 | 593,138.14 | | | | | | | | | | | | | | | | | | | | |
| Monday, July 16, 2012 | 580,173.37 | | | | | | | | | | | | | | | | | | | | |

| | |
|-----------------------------|------------|
| Monday, January 14, 2013 | 576,932.18 |
| Monday, July 15, 2013 | 586,655.76 |
| Tuesday, January 14, 2014 | 580,173.37 |
| Monday, July 14, 2014 | 583,414.56 |
| Wednesday, January 14, 2015 | 583,414.56 |
| Tuesday, July 14, 2015 | 583,414.56 |
| Thursday, January 14, 2016 | 583,414.56 |
| Thursday, July 14, 2016 | 583,414.56 |
| Tuesday, January 17, 2017 | 593,138.14 |
| Friday, July 14, 2017 | 573,690.99 |
| Tuesday, January 16, 2018 | 589,896.95 |
| Monday, July 16, 2018 | 583,414.56 |
| Monday, January 14, 2019 | 576,932.18 |
| Monday, July 15, 2019 | 586,655.76 |
| Tuesday, January 14, 2020 | 580,173.37 |
| Tuesday, July 14, 2020 | 583,414.56 |
| Thursday, January 14, 2021 | 583,414.56 |
| Wednesday, July 14, 2021 | 583,414.56 |
| Friday, January 14, 2022 | 583,414.56 |
| Thursday, July 14, 2022 | 583,414.56 |
| Tuesday, January 17, 2023 | 593,138.14 |
| Friday, July 14, 2023 | 573,690.99 |
| Tuesday, January 16, 2024 | 589,896.95 |
| Monday, July 15, 2024 | 580,173.37 |
| Tuesday, January 14, 2025 | 580,173.37 |
| Monday, July 14, 2025 | 583,414.56 |
| Wednesday, January 14, 2026 | 583,414.56 |
| Tuesday, July 14, 2026 | 583,414.56 |
| Thursday, January 14, 2027 | 583,414.56 |
| Wednesday, July 14, 2027 | 583,414.56 |
| Friday, January 14, 2028 | 583,414.56 |
| Friday, July 14, 2028 | 583,414.56 |
| Tuesday, January 16, 2029 | 589,896.95 |
| Monday, July 16, 2029 | 583,414.56 |
| Monday, January 14, 2030 | 576,932.18 |
| Monday, July 15, 2030 | 586,655.76 |
| Tuesday, January 14, 2031 | 580,173.37 |
| Monday, July 14, 2031 | 583,414.56 |
| Wednesday, January 14, 2032 | 583,414.56 |
| Wednesday, July 14, 2032 | 583,414.56 |
| Friday, January 14, 2033 | 583,414.56 |
| Thursday, July 14, 2033 | 583,414.56 |
| Tuesday, January 17, 2034 | 593,138.14 |
| Friday, July 14, 2034 | 573,690.99 |
| Tuesday, January 16, 2035 | 589,896.95 |
| Monday, July 16, 2035 | 583,414.56 |
| Monday, January 14, 2036 | 576,932.18 |
| Monday, July 14, 2036 | 583,414.56 |
| Wednesday, January 14, 2037 | 583,414.56 |
| Tuesday, July 14, 2037 | 583,414.56 |
| Thursday, January 14, 2038 | 683,414.56 |

Fixed Rate

4.25% per annum.

Final UDI Redemption Amount

An amount equal to the product of (i) the UDI Face Amount of the Certificates then outstanding, and (ii) the UDI Index Level in respect of the Termination Date.

UDI Index Level

In respect of a relevant date (the “**Relevant Date**”), the “Unidad de Inversión” (“**UDI**”), expressed as the number of MXN per one UDI, determined by Banco de Mexico as applicable to the Relevant Date, as published in the “*Diario Oficial de la Federación*”.

If the method by which the UDI Index Level is calculated is modified or if the UDI Index Level is replaced or substituted by another unit by the Banco de Mexico, then references herein to UDI Index Level shall be revised accordingly, *provided that* such methodology or unit (a) is applicable to cash lending transactions payable under the same conditions as the UDI Index Level, (b) is determined by the Banco de Mexico, (c) is published in an official publication in respect of the relevant date, and (d) is used to calculate an amount equivalent to the UDI Adjustment in connection with any Mexican government bond that references inflation. In addition, if the Banco de Mexico is recalculating an amount equivalent to the UDI Adjustment in connection with any outstanding Mexican government bond that references inflation, then the Calculation Agent shall recalculate payments using the methodology so applied by the Banco de Mexico.

If, in respect of any Relevant Date, the UDI Index Level, or any unit or methodology replacing or substituting such UDI Index Level is not determined and published by the Banco de Mexico for any reason whatsoever in respect of the such date or is not used in respect of such date to calculate an amount equivalent to the UDI Adjustment in connection with any Mexican government bond that references inflation, then references herein to the UDI Index Level shall be calculated using whichever commercially reasonable methodology as determined in the sole discretion of the Calculation Agent is actually used by the government of Mexico to make payments on any government bond that references inflation or any other instrument issued into the Mexican market that references inflation. If no such methodology is used or available in the calculation of an amount equivalent to the UDI Adjustment in connection with any Mexican government bond that references inflation, then the Calculation Agent shall determine a comparable indexing figure, acting in good faith and in a commercially reasonable manner based on the methodology last used by the Banco de Mexico to calculate the UDI Index Level prior to its becoming unavailable; *provided that* the Calculation Agent shall not be obligated to incur unreasonable costs in calculating such methodology and would be entitled to alter such methodology to avoid excess expense.

No amount payable by the Counterparty hereunder shall be subject to adjustment in the event that the UDI Index Level used in calculation of such amount is modified after the payment by the Counterparty.

Upsize Amount

In respect of any Upsize Notice (as defined in the Trust Agreement), the amount specified in such Upsize Notice.

Final Exchanges

Except in the case of an Additional Collateral Event Termination, on the Termination Date, the Collateral Agent shall deliver the Underlying Collateral to the Counterparty and the Counterparty shall pay to the Trust an amount equal to the Final UDI Redemption Amount as of the Termination Date.

The Final UDI Redemption Amount shall be paid by the Counterparty in MXN.

Calculation Agent

Merrill Lynch International

Additional Collateral Event:

The earliest to occur, upon the sole discretion of MLCS, in respect of General Electric Capital Corporation and the Underlying Collateral of:

(i) After the expiration of the applicable Grace Period, the failure by General Electric Capital Corporation to make when and where due any payments in an aggregate amount not less than USD 1,000,000 under one or more Obligations, in accordance with the terms of such Obligation at the time of failure.

(ii) In the event General Electric Capital Corporation (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (b) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due; (c) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (d) institutes or has instituted against it a proceeding seeking a judgment or insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding up or liquidation, and, in the case of any such proceeding or petition instituted against it, such proceeding (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (ii) is not dismissed, discharged, stayed or restrained in each case within thirty calendar days of the institution or presentation thereof; (e) has a resolution passed for its winding-up, official management, or liquidation (other than pursuant to a consolidation, amalgamation or merger); (f) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all of its assets; (g) has a secured party take possession of all or substantially all its assets or has a

distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all of its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 calendar days thereafter; or (h) causes or is subject to any event with respect to it which under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in subparagraphs (a) to (g) (inclusive).

(iii) If with respect to one or more Obligations and in respect to an aggregate amount of not less than USD 10,000,000, any one or more of the following events occur in a form that binds all holders of such Obligation, is agreed between General Electric Capital Corporation and a sufficient number of holders of such Obligation or is announced (or otherwise decreed) by General Electric Capital Corporation in a form that binds all holders of such obligation, and such event is not expressly provided for under the terms of such Obligation in effect as of the later of the Trade Date and the date on which such Obligation is issued or incurred: (a) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals; (b) a reduction in the amount of principal or premium payable or at scheduled redemption dates; (c) a postponement or other deferral of a date or dates for either (1) the payment or accrual of interest or (2) the payment of principal or premium; (d) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation, or (e) any change in the currency or composition of any payment of interest or principal to any currency which is not a Permitted Currency.

Notwithstanding the provisions of the paragraph above, the following events will not be considered an Additional Collateral Event: (a) the payment in euros of interest or principal in relation to an obligation denominated in a currency of a Member State of the European Union that adopts or has adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union; (b) the occurrence of, an agreement to or announcement of any of the events described in the preceding paragraph due to an administrative adjustment, accounting adjustment, tax adjustment or other technical adjustment occurring in the ordinary course of business; and (c) the occurrence of, agreement to or announcement of any of the events described in the preceding paragraph in circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of General Electric Capital Corporation.

(iv) Any other Event of Default of the Underlying Collateral, as such is defined in the documents pursuant to which the Underlying Collateral was issued, including, but not limited to (i) the Amended and Restated Indenture, between General Electric Capital Corporation and JPMorgan Chase

Bank, N.A. (formerly known as The Chase Manhattan Bank), dated as of February 27, 1997, as supplemented by a Supplemental Indenture dated as of May 3, 1999, a Second Supplemental Indenture dated as of July 2, 2001 and a Third Supplemental Indenture dated November 22, 2002; and (ii) the Amended and Restated Indenture, between General Electric Capital Corporation and JPMorgan Chase Bank, N.A., dated as of February 28, 1997, as supplemented by a First Supplemental Indenture dated as of July 2, 2001.

As used herein:

“**Additional Collateral Event Determination Date**” means the date on which the Additional Collateral Event Notice is delivered.

“**Affiliate**” means an entity, at the date of the event giving rise to an Additional Collateral Event which is the subject of an Additional Collateral Event Notice whose outstanding voting shares are more than 50% owned directly or indirectly by General Electric Capital Corporation.

“**Additional Collateral Event Notice**” means an irrevocable notice from one party (which may be by telephone) to the other party that described an Additional Collateral Event that occurred at or after 12:01 a.m. Greenwich Meridian Time, on the Effective Date and at or prior to 11:59 p.m. Greenwich Meridian Time, on the latest of:

(i) the Scheduled Termination Date;

(ii) the Grace Period Extension Date if: (a) the Additional Collateral Event that is the subject of the Additional Collateral Event Notice occurs after the Scheduled Termination Date; (b) the Potential Failure to Pay with respect to such Additional Collateral Event occurs at or prior to 11:59 p.m. Greenwich Meridian Time on the Scheduled Termination Date.

An Additional Collateral Event Notice must contain a description in reasonable detail of the facts relevant to the determination that an Additional Collateral Event has occurred. The Additional Collateral Event that is subject to the Additional Collateral Event Notice need not be continuing on the date that the Additional Collateral Event Notice is effective.

“**Grace Period**” means, (i) subject to the following Subparagraphs (ii) and (iii), the applicable grace period with respect to payments under an Obligation under the terms of such Obligation in effect as of the later of the Trade Date and the date as of which such Obligation is issued or incurred; (ii) if a Potential Failure to Pay has occurred on or prior to the Scheduled Termination Date and the applicable grace period cannot, by its terms, expire on or prior to the Scheduled Termination Date, the Grace Period shall be deemed to be the lesser of such grace period and thirty calendar days; and (iii) if at the later of the Trade Date and the date on which an

Obligation is issued or incurred, no grace period with respect to payments or a grace period with respect to payments of less than three Grace Period Business Days is applicable under the terms of such Obligation, a Grace Period of three Grace Period Business Days shall be deemed to apply to that Obligation.

“Grace Period Business Days” means a day on which commercial banks and foreign exchange markets are generally open to settle payments in the place or places and on the dates specified for that purpose in the relevant Obligation and if a place or places are not specified, in the jurisdiction where the currency in which the Obligation is denominated is legal tender.

“Grace Period Extension Date” means, if a Potential Failure to Pay occurs on or prior to the Scheduled Termination Date, the date that is the number of days in the Grace Period after the date of such Potential Failure to pay.

“Obligation” means any obligation of General Electric Capital Corporation (either directly or as a provider of a Qualifying Affiliate Guarantee), excluding an obligation under a revolving credit arrangement for which there are no outstanding, unpaid drawings in respect of principal, for the payment or repayment of borrowed money (which term shall include, without limitation, deposits and reimbursement obligations arising pursuant to letters of credit).

“Permitted Currency” means (i) the legal tender of any Group of 7 country (or any country that becomes a member of the Group of 7, should such group expand its membership); or (ii) the legal tender of any country which is a member of the Organization for Economic Cooperation and Development and has a local currency long-term debt rating of either AAA or higher assigned to it by Standard and Poor’s, a division of the McGraw Hill Companies, Inc. or any successor to the rating business thereof, or Aaa or higher assigned to it by Moody’s Investor Service, Inc. or any successor to the rating business thereof or AAA or higher assigned to it by Fitch Ratings or any successor to the rating business thereof.

“Potential Failure to Pay” shall mean the failure by General Electric Capital Corporation to make, when and where due, any payments in aggregate amount of not less than USD 1,000,000 under one or more Obligations, without regard to any Grace Period or any conditions precedent to the commencement of any grace period applicable to such Obligations, in accordance with the terms of such Obligations at the time of such failure.

“Potential Failure to Pay Notice” means a notice to the Trust that a Potential Failure to Pay has occurred on or prior to the Scheduled Termination Date and that the Grace Period has not expired as of the Scheduled Final Distribution Date.

“Qualifying Affiliate Guarantee” means a Qualifying Guarantee provided by General Electric Capital Corporation in respect to an Underlying Obligation of an Affiliate of General Electric Capital Corporation.

“Qualifying Guarantee” means an arrangement evidenced by a written instrument pursuant to which General Electric Capital Corporation irrevocably agrees (by guarantee of payment or equivalent legal arrangement) to pay all amounts due under an obligation (the **“Underlying Obligation”**) for which another party is the obligor (the **“Underlying Obligor”**) and that is not, at the time of the Additional Collateral Event, Subordinated to any unsubordinated Borrowed Money obligation of the Underlying Obligor. Qualifying Guarantees shall exclude any arrangement (i) structured as a surety bond, financial guarantee insurance policy, letter of credit or equivalent legal arrangement; or (ii) pursuant to the terms of which the payment obligations of General Electric Capital Corporation can be discharged, reduced, assigned or otherwise altered as a result of the occurrence or non-occurrence of an event or circumstance (other than payment).

“Subordination” means, with respect to an obligation (the **“Subordinated Obligation”**) and another obligation to which such obligation is being compared (the **“Senior Obligation”**), a contractual, trust or similar arrangement providing that (i) upon the liquidation, dissolution, reorganization or winding-up of the obligor claims of the holder of the Senior Obligation will be satisfied prior to the claims of the holders of the Subordinated Obligation, or (ii) holders of the Subordinated Obligation will not be entitled to receive or retain payments in respect of their claims against the obligor at any time the obligor is in payment arrears or is otherwise in default under the Senior Obligation. For purposes of determining whether Subordination exists or whether an obligation is Subordinated with respect to another obligation to which it is being compared, the existence of preferred creditors arising by operation of law or of collateral, credit support or other credit enhancement arrangements shall not be taken into account.

The Trust agrees that MLCS’s sole determination that an Additional Collateral Event has or has not occurred will be binding on the Trust.

Settlement Method:

Physical

Additional Collateral Event Deferral Period:

If during the period beginning 15 Business Days prior to the Scheduled Termination Date,

(i) MLCS determines that an Additional Collateral Event has occurred but settlement has not taken place,

(ii) MLCS has been unable to confirm in good faith that an Additional Collateral Event or a Potential Failure to Pay has not occurred with respect to General Electric Capital Corporation, or

(iii) MLCS determines that a Potential Failure to Pay has occurred on or prior to the Scheduled Termination Date but the Grace Period has not yet expired,

then, in any such case, the Counterparty may deliver a notice (a “**Potential Event Notice**”) of such event to the Trustee.

If a Potential Event Notice is delivered by MLCS to the Trust and MLCS does not deliver either an Additional Collateral Event Notice or a Potential Failure to Pay Notice (as defined herein) during the period from the Scheduled Termination Date to (and including) the 14th calendar day after the Scheduled Termination Date (the “**Additional Collateral Event Deferral Period**”), then MLCS shall, no later than the 15th Business Day after the Scheduled Termination Date, authorize the Trust to release its lien on the Trust Fund.

If a Potential Failure to Pay Notice is delivered by MLCS to the Trust during the Additional Collateral Event Deferral Period and MLCS does not deliver an Additional Collateral Event Notice to the Trust on or prior to the 14th calendar day after the Grace Period, then MLCS shall authorize the Trust to release its lien on the Trust Fund.

ISSUER OF THE UNDERLYING COLLATERAL

GECC was incorporated in 1943 in the State of New York under the provisions of the New York Banking Law relating to investment companies, as successor to General Electric Contracts Corporation, which was formed in 1932. Until November 1987, its name was General Electric Credit Corporation. On July 2, 2001, it changed its state of incorporation to Delaware. All of its outstanding common stock is owned by General Electric Capital Services, Inc., formerly General Electric Financial Services, Inc., the common stock of which is in turn wholly owned directly or indirectly by General Electric Company (“GE Company”). Financing and services offered by GECC are diversified, a significant change from the original business of GECC which was financing the distribution and sale of consumer and other GE Company products. Currently, GE Company manufactures few of the products financed by GECC.

GECC operates in four of GE Company’s operating segments: GE Commercial Finance, GE Consumer Finance, GE Industrial and GE Infrastructure. GECC’s services are offered primarily in North America, Europe and Asia.

GECC’s principal executive offices are at 260 Long Ridge Road, Stamford, Connecticut 06927-1600 (telephone number (203) 357-4000).

This Offering Memorandum does not provide detailed information with respect to GECC. No investigation has been made of the financial condition or creditworthiness of GECC or of the ratings, if any, on their relevant debt obligations in connection with the issuance of the Certificates. An investor in the Certificates should obtain and evaluate the same information concerning GECC as it would if it were investing directly in an obligation of any of GECC.

Neither the Counterparty nor the Distributor or the Trustee or any of their affiliates make any representations to investors concerning the condition or creditworthiness of GECC or the merits of an investment in the Certificates which is linked to the credit of GECC.

GECC has not participated in, and are almost certainly unaware of, the issuance of the Certificates or the preparation of the Offering Memorandum. See “*Risk Factors—Risks Associated with GECC*” herein.

Since the Swap Agreement is linked to the credit of GECC, investors will be exposed to the credit risk of GECC to the full extent of the face amount of their Certificates. Upon the occurrence of an Additional Collateral Event, there is a risk of the loss of a substantial portion of the face amount of the investor’s Certificates.

Securities issued by GECC are admitted to trading on the Luxembourg Stock Exchange’s Regulated Market. For information regarding past and further information about GECC, Holders may consult the website of the Securities and Exchange Commission at www.sec.gov.

THE TRUST

The Trust has been established as a statutory trust under the laws of the State of Delaware and is governed by the Trust Agreement. The Trust has been established as a special purpose entity for the purpose of issuing asset backed securities. It has been established solely to issue the Certificates representing direct payment obligations of the Trust, to purchase and hold the Trust Property (except as set forth in the next sentence) and to enter into a Swap Agreement with the Counterparty. The Trust will be administered by the Trustee pursuant to the terms of the Trust Agreement. The Underlying Collateral will be held by the Collateral Agent.

After the Initial Closing Date, the Trust will not purchase or otherwise acquire any additional securities, and will not dispose of or create any lien on the Underlying Collateral except as described in this Offering Memorandum and the Trust Agreement. The Trust may issue additional Certificates after the Initial Closing Date as described in this Offering Memorandum and the Trust Agreement.

By purchasing Certificates, each Holder appoints the Trustee to act on its behalf pursuant to the terms of the Trust Agreement.

The Trustee

Pursuant to the Trust Agreement, the Trustee will administer the Trust and will hold an ownership interest valid against third parties in the Underlying Collateral and the Swap Agreement on behalf of the Trust. Trust Property held by the Trustee will be held in a separately identified and segregated account. The Trust Agreement provides for indemnification of the Trustee by the Trust and exculpates the Trustee for acts of or omissions in respect of the Trust except for its own willful misconduct or negligence. The Trustee is not obligated to pursue any action on behalf of the Trust unless it is satisfied that it has adequate indemnification for such action and any related expenses. The Trustee may from time to time delegate certain of its responsibilities to third parties in accordance with the terms of the Trust Agreement. The Trustee will also maintain the register for Certificates. For its services, the Trustee will be paid a fee by the Distributor and will also be reimbursed for its out-of-pocket expenses. See “The Certificates—Expenses.”

The Trustee’s liability in connection with the issuance and sale of the Certificates is limited solely to the express obligations of the Trustee set forth in the Trust Agreement. Neither the Certificates, the Swap Agreement nor the Underlying Collateral will represent an interest in or obligation of, or be guaranteed or insured by, the Trustee. Payments by the Counterparty pursuant to the Swap Agreement will be the sole sources of payment on the Certificates, and there will be no recourse to the Trustee or any other entity in the event that such proceeds and payments are insufficient or otherwise unavailable to make all payments provided for under the Certificates.

The following persons, all of whom are full time employees of the Trustee, hold the offices indicated in the following table as of the date hereof:

| Name | Office |
|------------------|--|
| Fernando Acebedo | Vice President Corporate Trust Officer of HSBC Trust Company (Delaware), National Association |
| Frank J. Godino | Vice President Corporate Trust Officer of HSBC Trust Company (Delaware), National Association |
| Thomas G. Mackay | Vice President Corporate Trust Officer of HSBC Trust Company (Delaware), National Association |

The business address of each of the executive officers of the trustee is 452 Fifth Avenue, New York, NY, 10018, USA. Telephone: + 1 212 525 1316.

The Trust's Agent

The Trust will on the Initial Closing Date enter into an agreement (the “**Agency Agreement**”) with Merrill Lynch International, which will serve as an agent of the Trust (the “**Trust's Agent**”). The Trust's Agent will determine any tax or governmental charges that may be due in connection with any transfer or exchange of Certificates. The Trust's Agent may also select a substitute Trustee upon the resignation or removal of the Trustee. The Trust's Agent will also endeavor to arrange for the delivery, if requested, of other information as available with respect to the Trust in connection with transfers of Certificates. The Trust's Agent may be removed by the Trustee upon 30 days prior written notice and may resign upon 60 days prior written notice to the Trustee. The Trust provides for indemnification and reimbursement of all the Trust's Agent expenses, losses, damages and liabilities incurred under the Agency Agreement, subject all to compliance with the applicable standard of care, as provided therein, and limited to the extent of Trust Property.

Rights of Holders

The terms and conditions of the Trust Agreement shall inure to the benefit of, and be binding on, each Holder as if each Holder had been a party to and had executed the Trust Agreement, and as if each Holder had covenanted to observe and be bound by all the provisions of the Trust Agreement and had thereby authorized the Trust and the Trustee to do all such acts and things as the Trust Agreement may or shall require the Trust and the Trustee to do or which the Trust and the Trustee shall do in accordance with the provisions thereof.

No Holder will have the contractual right to act directly with respect to the Underlying Collateral (in connection with their conversion, redemption, tender for purchase or otherwise) or the Swap Agreement or to proceed directly against the issuer of the Underlying Collateral or the Counterparty. Such rights are reserved to the Trustee. In addition, no Holder will have any right to bring an action in the right of the Trust except in accordance with applicable law and unless Holders owning more than 50% in interest in the Trust join in bringing such action.

If there is an Event of Default (as defined in the Swap Agreement) with respect to which the Counterparty is the defaulting party under the Swap Agreement, or any other event occurs thereunder which pursuant to the terms of the Swap Agreement would give the Trust the right to terminate the Swap Agreement in its entirety, the Trustee shall so notify the Counterparty and the Holders, and shall thereafter, at the direction of Holders whose Certificates represent more than 50% of the face amount of all Certificates for which such Swap Agreement constitutes a part of the Trust Property (the “**Majority Holders**”), exercise the rights and remedies of the Trust under the Swap Agreement, including if so directed by the Majority Holders, terminating the Swap Agreement. Notwithstanding the above, if the Event of Default is the result of the bankruptcy of the Swap Counterparty or the Swap Guarantor or of a Securities Default, the Trustee shall immediately seek to terminate all transactions under the Swap Agreement, without the need for a previous instruction from any of the Holders.

Termination of the Trust

The Trust will be terminated upon the Trustee's receipt and distribution of all amounts owed to the Trust in respect of all Trust Property held by the Trust following the final Periodic Distribution Date or, if earlier, following a Early Redemption Event as described in this Offering Memorandum.

Upon a termination of the Trust, the Collateral Agent will deliver the Underlying Collateral to the Counterparty, along with any amounts due the Counterparty under the Swap Agreement, and the Trust will receive the amounts paid to the Trust by the Counterparty under the Swap Agreement. The Trust will then distribute the remaining proceeds to each Holder in accordance with its proportionate interest in the Trust.

Resignation, Removal and Replacement of the Trustee

The Trustee may resign upon 60 days' written notice to the Trust's Agent and the Holders. The Distributor may remove the Trustee at any time for cause by giving at least 30 days' prior written notice to the Holders and the

Trustee. Such resignation or removal shall not take effect until a successor trustee is appointed by the Trust's Agent (or otherwise) and has assumed the duties of trustee as set forth in the Trust Agreement. Holders may not remove the Trustee.

A resigning or removed Trustee shall continue, following appointment of any successor, to have the benefit of all indemnities, powers and privileges and rights of recourse against the property of the Trust conferred upon it pursuant to the Trust Agreement or applicable law in respect of the period during which it acted as Trustee.

Modification of the Trust Agreement and other Trust Documents

The Trustee may, without the approval of the Holders, amend the Trust Agreement or other agreements to which the Trust is a party in such manner and to such extent as appropriate to cure any ambiguity or to address any question arising under the Agreement, which amendment may not be materially inconsistent with other provisions, or to add or change any provision or modify the rights of Holders, provided that any such amendment may not materially adversely affect the interests of the Holders. Without the approval of the Holders, the Trustee may, upon Opinion of Counsel (as defined in the Trust Agreement), amend the restrictions on resales and transfers of Certificates as provided in the Trust Agreement.

Governing Law

The Certificates and the Trust Agreement are governed by the laws of the State of Delaware.

TRUST PROPERTY

The assets of the Trust (the “**Trust Property**”) will primarily consist of (i) the Underlying Collateral, (ii) the Trust’s rights under the Swap Agreement described in this Offering Memorandum and attached hereto as Annex B, (iii) any bank accounts in the Trust’s name, and (iv) the proceeds of the foregoing. The Trust Property will provide the sole source of funds for distributions on the Certificates.

This Offering Memorandum does not provide detailed information concerning the Underlying Collateral or the issuer thereof but merely identifies the Underlying Collateral. Any information concerning the Underlying Collateral or the issuer thereof that is set forth in this Offering Memorandum will, unless otherwise specified, be based upon publicly available sources, will not have been independently checked or verified by the Distributor, the Counterparty, the Trustee or anyone else, and will not purport to be complete or to include information which will be material to a prospective investor in the Certificates.

Unless otherwise indicated in this Offering Memorandum, the Swap Agreement will consist of the 1992 ISDA Master Agreement (Multicurrency-Cross Border) published by the International Swaps and Derivatives Association, Inc. (“**ISDA**”) (www.isda.org), the schedule thereto and the credit swap confirmation (the “**Credit Confirmation**”) executed thereunder. The Swap Agreement is appended to this Offering Memorandum and should be reviewed carefully by any prospective purchaser of the Certificates.

Upon the occurrence of any Event of Default under the Swap Agreement, the non-defaulting party will have the right to designate an “Early Termination Date” (as defined in the Swap Agreement). With respect to Termination Events, an Early Termination Date may be designated by one of the parties (as specified in each case in the Swap Agreement) and will occur only upon notice and, in certain cases, after any Affected Party (as defined in the Swap Agreement) has used reasonable efforts to transfer its rights and obligations under the Swap Agreement to a related entity within a limited period after notice has been given of the Termination Event, all as set forth in the Swap Agreement. The Majority Holders may direct the time, method and place of conducting any proceeding for any remedy available to the Trust under the Swap Agreement, including, if so directed by the Majority Holders, terminating the Swap Agreement. Holders will have no right directly to enforce any rights of the Trust in the Swap Agreement or directly to receive any payments thereunder. The Trustee is not obligated to pursue any action on behalf of the Trust or the Holders unless the Trustee is satisfied that it has received adequate indemnification for such action and the expenses related thereto.

The obligations of the Trust to the Counterparty under the Swap Agreement will be secured by a security interest in the Trust Property (as defined in the Trust Agreement) granted by the Trust in favor of the Counterparty. For such purpose, the Trustee will, if and as requested by the Counterparty, assist in the perfection of such security interest.

TAX CONSIDERATIONS

CIRCULAR 230 NOTICE: THE FOLLOWING NOTICE IS BASED ON U.S. TREASURY REGULATIONS GOVERNING PRACTICE BEFORE THE INTERNAL REVENUE SERVICE: (1) ANY U.S. FEDERAL TAX ADVICE CONTAINED HEREIN, IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING U.S. FEDERAL TAX PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER; (2) ANY SUCH ADVICE IS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS DESCRIBED HEREIN; AND (3) EACH TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

In General

The following general summary describes certain U.S. federal income tax with respect to the purchase, ownership and disposition of the Certificates for beneficial owners of Certificates that are not "U.S. persons" (within the meaning of section 7701(a)(30) of the Internal Revenue Code of 1986, as amended (the "Code")) ("**Non U.S. Holders**"). This summary addresses only the U.S. federal income tax considerations of Non-U.S. Holders that purchase the Certificates in the initial offering pursuant to this Offering Memorandum and does not address the indirect effects on the holders of equity interests in a holder of the Certificates. This summary does not purport to be a comprehensive description of all tax considerations that may be relevant to a decision to purchase the Certificates or with respect to tax considerations applicable to Non-U.S. Holders that are subject to special tax rules. In addition, this summary does not describe any tax consequences arising under the laws of any state, locality or taxing jurisdiction other than the U.S. federal government.

This summary is based on United States tax laws, regulations, rulings and decisions in effect or available on the date of this Offering Memorandum. All of the foregoing are subject to change, which change may apply retroactively and could affect the continued validity of this summary. This summary is included herein for general information only and there can be no assurance that the United States Internal Revenue Service (the "IRS") or the Courts will take a similar view of the U.S. federal income tax consequences of an investment in Certificates as described herein.

U.S. PERSONS ARE NOT PERMITTED, DIRECTLY OR INDIRECTLY, TO OWN CERTIFICATES (OR ANY BENEFICIAL INTEREST THEREIN) AT ANY TIME.

PROSPECTIVE PURCHASERS OF THE CERTIFICATES SHOULD CONSULT THEIR TAX ADVISORS AS TO THE U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE CERTIFICATES, AND THE POSSIBLE APPLICATION OF STATE, LOCAL, NON-U.S. OR OTHER TAX LAWS.

Certain U.S. Federal Tax Considerations

The Trust, and each holder by acquiring a Certificate, will agree to treat the Trust as a grantor trust and not as an association or publicly traded partnership taxable as a corporation for U.S. federal income tax purposes. As such, the Trust will not be subject to U.S. federal income tax. For U.S. federal income tax purposes, each Holder of a Certificate will be required to take into account its pro rata share of the income from the Trust Property, as determined under the U.S. federal income tax rules applicable to the assets comprising the Trust Property.

Prospective investors should be aware that no rulings have been sought from the Internal Revenue Service (the "IRS"), and that legal opinions are not binding on the IRS or the courts. Accordingly, there can be no absolute assurance that the IRS will agree that the Trust should be treated as a grantor trust and not as an association or publicly traded partnership taxable as a corporation. If the Trust were not properly classified as a grantor trust, it would be treated as a partnership under its default classification for U.S. federal income tax purposes and, assuming that it was not a publicly traded partnership, it would be subject to the partnership tax provisions under the Code. In this regard, the Trust Agreement will provide for a protective election under Section 761 of the Code to exclude the

Trust from the partnership tax provisions of the Code, although the eligibility of the Trust for such an election is uncertain. If the Trust were subject to the partnership tax provisions, the consequences to U.S. Holders could potentially vary from those described below. If the Trust were classified as a publicly traded partnership taxable as a corporation, amounts payable to the Holders would constitute nondeductible dividends, the Trust would be subject to tax on its income at corporate tax rates, and distributions to the Holders would be materially impaired.

The Counterparty, the Trust and each holder will agree to treat the Swap Agreement as a notional principal contract for U.S. federal income tax purposes.

Subject to the discussion of backup withholding below, a Non-U.S. Holder generally will not be subject to income or withholding tax on amounts received with respect to the Underlying Collateral to the extent such amounts are treated as “interest” for U.S. federal income tax purposes, assuming that (i) the recipient is not actually or constructively a “10 percent shareholder” of the issuer of the Underlying Collateral or a “controlled foreign corporation” with respect to which the issuer is a “related person” within the meaning of the Code, (ii) the recipient is not a bank with respect to which the purchase of the Certificates represents an extension of credit made pursuant to a loan agreement entered into in the ordinary course of its trade or business, (iii) such payments are not effectively connected with a trade or business within the United States by the Non-U.S. Holder, and (iv) the Non-U.S. Holder provides appropriate certification that such Non-US Holder is a foreign person (typically, on an IRS Form W-8BEN, W-8EXP or W-8IMY) including any applicable attachments and signed under penalties of perjury, and providing the Non-U.S. Holder’s name and address). If the conditions set forth in the preceding sentence are not satisfied, a withholding agent for U.S. federal tax purposes will be required to withhold U.S. tax on payments beneficially owned by such Non-U.S. Holder (including payments that represent accrued original issue discount) at a rate of 30%, unless (x) such withholding is reduced or eliminated by an applicable income tax treaty and the Non-U.S. Holder that is the beneficial owner of such Certificates provides a IRS Form W-8BEN claiming the benefits of such treaty, or (y) such withholding is not required because the Non-U.S. Holder provides the withholding agent with a completed and duly executed IRS Form W-8ECI certifying that the payments received by the Non-U.S. Holder (including payments that represent accrued original issue discount) are effectively connected with the conduct of a trade or business within the United States by the Non-U.S. Holder.

Generally, a Non-U.S. Holder that provides appropriate certification that such Non-U.S. Holder is a foreign person (on an IRS Form W-8BEN, W-8EXP or W-8IMY, as described in the preceding paragraph) will not be subject to U.S. federal income or withholding taxes with respect to any payments under the Swap Agreement that are attributable to deemed periodic payments under a notional principal contract for U.S. federal income tax purposes (unless such income is effectively connected with a trade or business within the United States by a Non-U.S. Holder).

Subject to the discussion of backup withholding below, generally, a Non-U.S. Holder will not be subject to U.S. federal income or withholding tax on any gain or income (other than any gain attributable to accrued interest or original issue discount, which is taxable in the manner described above) realized upon the sale, exchange, retirement or other disposition of the Underlying Collateral, the Swap Agreement or the Certificates unless (i) the gain or income is effectively connected with a trade or business within the United States or (ii) in the case of a Non-U.S. Holder that is an individual, such Non-U.S. Holder is present in the United States for 183 days or more during the taxable year of such sale, exchange, retirement or other disposition and certain other conditions are met.

Information Reporting and Backup Withholding

Under certain circumstances, the Code requires “information reporting” annually to the IRS and to each Holder, and “backup withholding” with respect to certain payments made on or with respect to the Certificates. These requirements generally do not apply with respect to certain Holders, including corporations, tax-exempt organizations, qualified pension and profit sharing trusts, and individual retirement accounts.

A Non-U.S. Holder that provides the withholding agent with an applicable IRS Form W-8BEN, IRS Form W-8IMY or other applicable form, together with all appropriate attachments, signed under penalties of perjury, identifying the Non-U.S. Holder and stating that the Non-U.S. Holder is not a U.S. person will not be subject to IRS information reporting requirements or backup withholding.

Backup withholding is not an additional tax and may be refunded (or credited against the Holder's U.S. federal income tax liability, if any), provided that certain required information is furnished. The information reporting requirements may apply regardless of whether withholding is required. Copies of the information returns reporting such withholding also may be made available to the tax authorities in the country in which a Non-U.S. Holder holding Certificates is a resident under the provisions of an applicable income tax treaty or agreement.

Prospective investors should consult their own tax advisors regarding the application of the information reporting and backup withholding rules to their particular circumstances.

In the event that any withholding tax or any other tax is or becomes applicable to distributions in respect of the Certificates, no additional amount will be payable by the Trustee to compensate for any such tax.

PROSPECTIVE INVESTORS SHOULD CONSULT THEIR TAX ADVISORS AS TO THE U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE CERTIFICATES, AND THE POSSIBLE APPLICATION OF STATE, LOCAL, NON-U.S. OR OTHER TAX LAWS.

CERTAIN ERISA CONSIDERATIONS AND OTHER CONSIDERATIONS

The Certificates may not be not purchased or held by (i) employee benefit plans as defined by Section 3(3) of U.S. Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”) which is subject to Title I of ERISA, (ii) plans as defined in Section 4975(e)(1) of the U.S. Internal Revenue Code of 1986, as amended (“**the Code**”) ((i) and (ii) shall collectively be referred to as “Plans”), or (iii) any entity or other person whose assets constitute (or are deemed for purposes of ERISA or the Code to constitute) the assets of any Plan (such entities collectively with Plans shall be referred to as “Benefit Plan Investors”).

Section 406 of ERISA and/or Section 4975 of the Code prohibits Plans from engaging in certain transactions with persons that are “parties in interest” under ERISA or “disqualified persons” under the Code with respect to Plans (collectively, “Parties in Interest”), unless certain exemptions apply. Certain Parties in Interest that participate in a non-exempt prohibited transaction may be subject to an excise tax under ERISA or the Code. In addition, the persons involved in the prohibited transaction may have to rescind the transaction and pay an amount to the Plan for any losses or profits the plan realized by such persons and certain other liabilities could result that have a significant adverse effect on such persons. Certain employee benefit plans, including governmental plans (as defined in Section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA), and non-U.S. plans (as described in Section 4(b)(4) of ERISA) are not subject to the prohibited transaction rules of ERISA or the Code but may be subject to similar rules under other applicable laws or documents. Accordingly, assets of such plans may be invested in the Certificates without regard to the prohibited transaction considerations under ERISA and the Code, but they may be subject to the provisions of other applicable federal, state or non-U.S. law (“**Similar Law**”). Fiduciaries of such plans should consult with their consult before purchase any of the Certificates or any interest therein.

Each purchaser and subsequent transferee of any Certificate will be deemed by such purchase or acquisition of any Certificate to have represented and warranted, on each day from the date on which the purchaser or transferee acquires the Certificate through and including the date on which the purchaser or transferee disposes of such Certificate, that (i) it is not a Benefit Plan Investor, is not using the assets of a Benefit Plan Investor to acquire the Certificate, and shall not at any time hold such Certificate for or on behalf of a Benefit Plan Investor and (ii) it is not a governmental, church or non-U.S. plan which is not subject to ERISA but is subject to Similar Law unless its acquisition and holding of the Certificate does not constitute a non-exempt prohibited transaction under any Similar Law.

Certain UK Tax Considerations

The following applies only to persons who are the beneficial owners of the Certificates and is a summary of the Trust’s understanding of current law and practice in the United Kingdom relating to certain aspects of United Kingdom taxation. Some aspects do not apply to certain classes of person (such as dealers) to whom special rules may apply. Prospective Holders who are in any doubt as to their tax position or who may be subject to tax in a jurisdiction other than the United Kingdom should seek their own professional advice.

Payment of interest on the Certificates

Payments of interest on the Certificates may be made without withholding on account of United Kingdom income tax.

However, Holders may wish to note that, in certain circumstances, HM Revenue and Customs (HMRC) has power to obtain information (including the name and address of the beneficial owner of the interest) from any person in the United Kingdom who either pays or credits interest to or receives interest for the benefit of a Holder. Information so obtained may, in certain circumstances, be exchanged by HMRC with the tax authorities of the jurisdiction in which the Holder is resident for tax purposes.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

DESCRIPTION OF MERRILL LYNCH & CO., INC.

Merrill Lynch & Co., Inc. (“ML”) is the Counterparty Guarantor.

ML is a holding company that, through its subsidiaries and affiliates, provides investment, financing, insurance and related services to individuals and institutions on a global basis through its broker dealer, insurance and other financial services subsidiaries. Its principal subsidiaries include Merrill Lynch, Pierce, Fenner & Smith Incorporated, Merrill Lynch International, Merrill Lynch Government Securities, Inc., Merrill Lynch Capital Services, Inc., Merrill Lynch Bank USA, Merrill Lynch Bank & Trust Co., FSB, Merrill Lynch International Bank Limited, Merrill Lynch Mortgage Capital Inc., Merrill Lynch Japan Securities Co., Ltd., Merrill Lynch Life Insurance Company, Merrill Lynch Life Insurance Company of New York, Merrill Lynch Derivative Products AG and Merrill Lynch IBK Positions, Inc. The services which ML and its principal subsidiaries provide include:

- Securities brokerage, trading, and underwriting;
- Investment banking, strategic advisory services (including mergers and acquisitions) and other corporate finance activities;
- Wealth management products and services, including financial, retirement and generational planning;
- Investment management and advisory and related record keeping services;
- Origination, brokerage, dealer and related activities in swaps, options, forwards, exchange-traded futures, other derivatives, commodities and foreign exchange products;
- Securities clearance, settlement financing services and prime brokerage;
- Private equity and other principal investing activities;
- Proprietary trading of securities, derivatives and loans;
- Banking, trust and lending services, including deposit taking, consumer and commercial lending, including mortgage loans, and related services;
- Insurance and annuities sales; and
- Research across the following disciplines: global fundamental equity research, global fixed income and equity-linked research, global economics and foreign exchange research and global investment strategy.

ML’s accounting year for 2006 ended on 29th December, 2006.

ML was incorporated under the laws of the State of Delaware, U.S.A., on 27th March, 1973 with file number 0790151. The principal executive office of ML is located at 4 World Financial Center, New York, New York 10080, United States of America, with telephone number +1 212 449 1000. ML’s registered office in the State of Delaware is c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, United States of America.

The common stock of ML is listed on the New York Stock Exchange, Chicago Stock Exchange, London Stock Exchange and Tokyo Stock Exchange and the Counterparty Guarantor is subject to the information and reporting requirements of the U.S. Securities Exchange Act of 1934, as amended, and is required to file annual, quarterly and special reports and other information with the U.S. Securities and Exchange Commission (“SEC”). Required filings include: annual reports on Form 10-K; quarterly reports on Form 10-Q and current reports on Form 8-K. All filings are made in English. The filings of ML with the SEC can be assessed on the SEC’s website at <http://www.sec.gov>.

ML has securities admitted to trading on the following regulated markets: the Market, Eurolist by NYSE Euronext and the Official List of the Luxembourg Stock Exchange.

DESCRIPTION OF MERRILL LYNCH CAPITAL SERVICES, INC.

Merrill Lynch Capital Services, Inc. (“**MLCS**”) is the Swap Counterparty. MLSC is a wholly-owned indirect subsidiary of Merrill Lynch and was incorporated under the laws of Delaware on 1st August, 1984.

MLCS is one of Merrill Lynch’s primary interest rate and currency derivative product dealers. MLCS primarily acts as a counterparty for certain derivative financial products, including interest rate and currency swaps, caps and floors and options. MLCS maintains positions in interest-bearing securities, financial futures and forward contracts to hedge its interest rate and currency risk related to derivative exposures. In the normal course of its business, MLCS enters into repurchase and resale agreements with certain affiliated companies. MLCS’s subsidiaries, Merrill Lynch Commodities, Inc., Merrill Lynch Commodities (Europe) Trading Limited trade as principal in physically and financially settled contracts in energy, weather and a broad range of other commodities. These subsidiaries also provide asset optimisation and other energy management and risk management services for third parties.

The office is MLCS is Merrill Lynch World Headquarters, 4 World Financial Center, 18th Floor, New York, New York 10080.

OFFERING

Merrill Lynch International (“**Merrill Lynch**” or the “**Distributor**”) has been appointed as the sole distributor of the Trust for the offering of the Certificates pursuant to a Distribution Agreement (as amended or supplemented from time to time, and together with any replacement agreement, the “**Distribution Agreement**”) dated April 24, 2008 between the Trust and Merrill Lynch (the “**Offering**”). Certificates are being offered by Merrill Lynch, subject to prior sale, when, as and if issued, approval of certain legal matters by counsel for Merrill Lynch and certain other conditions. Merrill Lynch reserves the right to offer Certificates at a price different from the initial offering price at any time.

The Certificates may not be directly or indirectly offered, sold or delivered in any jurisdiction except in compliance with applicable law.

No dealer, salesperson or other person has been authorized to give any information or to make any representation other than those contained in this Offering Memorandum in connection with the offer contained herein, and, if given or made, such information or representation must not be relied upon as having been authorized by the Trustee or the Distributor. This Offering Memorandum does not constitute an offer to sell, or a solicitation of an offer to buy, any Certificate in any jurisdiction where, or to any person to whom, it is not lawful to make any such offer or solicitation. Neither the delivery of this Offering Memorandum nor any sale made hereunder shall, under any circumstance, create an implication that there has been no change in the affairs of the Trust since the date hereof or that the information herein or therein is correct as of any time subsequent to its date. Although no assurance can be given that a secondary market will develop in the Certificates, the Distributor intends to make or cause an affiliate to make a market in the Certificates but is not obligated to do so.

By acquiring a Certificate, each Holder appoints the Trustee to act on its behalf pursuant to the terms of the Trust Agreement and agrees to be bound by the terms and conditions of the Trust Agreement to the same extent as if such Holder were a signatory thereto. The Certificates and related documentation (including, without limitation, the Trust Agreement and the Distribution Agreement) may be amended or supplemented from time to time, without the consent of but upon notice to the holders of Certificates sent to their registered addresses, on the terms and conditions set forth herein and in the Trust Agreement.

The Certificates may only be held by “**Eligible Investors**” (as defined in the Trust Agreement and in the “*Notice to Investors; Investors Deemed Representations*” herein) and may only be transferred to an Eligible Investor. **Each prospective purchaser of the Certificates should carefully review the “*Notice to Investors, Investor Deemed Representations*” as set forth herein and “*The Certificates—Transfer Restrictions*.”**

United States

The Certificates will not be registered under the Securities Act and the Trust will not be registered under the 1940 Act. The Certificates may not be offered, sold, transferred or delivered, directly or indirectly, in the United States, its territories or possessions or to “U.S. Persons” (as defined in Regulation S under the Securities Act and in the Code).

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), the Distributor has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Certificates to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of Certificates to the public in that Relevant Member State:

- (a) in (or in Germany, where the offer starts within) the period beginning on the date of publication of a prospectus in relation to those Certificates which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to

the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive and ending on the date which is 12 months after the date of such publication;

- (b) at any time to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;
- (c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than EUR 43,000,000 and (3) an annual net turnover of more than EUR 50,000,000, as shown in its last annual or consolidated accounts; or
- (d) at any time in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of Certificates to the public” in relation to any Certificates in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Certificates to be offered so as to enable an investor to decide to purchase or subscribe the Certificates, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

Mexico:

THE INFORMATION CONTAINED IN THIS OFFERING MEMORANDUM IS THE EXCLUSIVE RESPONSIBILITY OF THE TRUST AND HAS NOT BEEN REVIEWED BY THE NATIONAL BANKING AND SECURITIES COMMISSION OF MEXICO (*COMISIÓN NACIONAL BANCARIA Y DE VALORES*).

THE CERTIFICATES HAVE NOT BEEN REGISTERED IN THE MEXICAN NATIONAL SECURITIES REGISTRY (*REGISTRO NACIONAL DE VALORES*) AND THEREFORE THEY ARE NOT THE SUBJECT OF A PUBLIC OFFER IN MEXICO. ANY INVESTOR OF MEXICAN NATIONALITY THAT PURCHASES THESE CERTIFICATES, WILL DO SO UNDER ITS OWN RESPONSIBILITY. INTERMEDIATION OF THE CERTIFICATES IN MEXICO IS SUBJECT TO THE RESTRICTIONS OF THE MEXICAN SECURITIES MARKET LAW.

GENERAL INFORMATION

1. An application is being made to list the Certificates on the Official List of the UK Listing Authority and the London Stock Exchange's Regulated Market. Prior to official listing and admission to trading, however, dealings will be permitted by the London Stock Exchange in accordance with its rules..

An application will also be made to list the Certificates at the *Bolsa Mexicana de Valores, S.A. de C.V.* under the *Sistema Internacional de Cotizaciones*.

2. The Issuer is not and has not been involved in any governmental, legal or arbitration proceedings (including any proceedings which are pending or threatened of which the Issuer is aware) since the date of its formation which may have, or have in such period had, a significant effect on the financial position or profitability of the Issuer.
3. There has been no material adverse change in the financial position or prospects of the Issuer since its formation.
4. Copies of the Trust Agreement may be inspected at the offices of Allen & Overy LLP, One Bishops Square, London, E1 6AO, during usual business hours on any weekday (Saturdays and public holidays excepted) for 14 days from the date of this document.
5. The total expenses related to the admission to trading of the Certificates on the London Stock Exchange's Regulated Market are estimated to be GBP 2,725.
6. The Issuer does not intend to provide any post-issuance transaction information regarding the Certificates to be admitted to trading on the Regulated Market of the London Stock exchange or the Underlying Collateral.
7. Interests of Holders of the Certificates to receive redemption amounts rank senior to other creditors of the Issuer up to the amount of the redemption amount.
8. The Trust Property has characteristics that demonstrate capacity to produce funds to service any payments due and payable on the Certificates.
9. The net proceeds of the issue of the Certificates, which amount to USD 10,419,000 were used by the Issuer to acquire the Underlying Collateral on the Closing Date.
10. The Trust will have a fiscal year consisting of each successive twelve-month period commencing on the Closing Date. It is not anticipated that audited financial statements will be prepared. No financial statements have been made up as of the date of this Offering Memorandum. Other than the issuance of the Certificates and purchase of the Trust Property, as described in this Offering Memorandum, the Trust has not commenced operations.
11. The above pricing gives a yield of 4.25% per annum. The yield is calculated as of the date of this Offering Memorandum and may fluctuate in the future. It is not an indication of future yield.

LEGAL MATTERS

Certain New York law matters in connection with the offering of the Certificates by the Distributor have been opined upon by Allen & Overy LLP, New York, New York.

Certain Delaware law matters in connection with the Certificates have been opined upon by Richards, Layton & Finger P.A., Wilmington, Delaware.

- **THE ISSUER**

- UDIGE NOTES SERIES 2008-1
c/o HSBC Bank USA, National Association
- Corporate Trust and Loan Agency
 - 452 Fifth Avenue
New York, NY 10018

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- **THE TRUSTEE AND PAYING AGENT**

- HSBC Bank USA, National Association
Corporate Trust and Loan Agency
 - 452 Fifth Avenue
New York, NY 10018

- **THE SWAP COUNTERPARTY**

- Merrill Lynch Capital Services, Inc.
Merrill Lynch World Headquarters
4 World Financial Center, 18th Floor
New York, New York 10080

- **THE ISSUER OF THE NOTES AND
THE SWAP COUNTERPARTY
GUARANTOR**

- Merrill Lynch & Co., Inc.
Merrill Lynch World Headquarters
4 World Financial Center, 18th Floor
New York, New York 10080

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- **DISTRIBUTOR AND TRUST'S
AGENT**

- Merrill Lynch International
2 World Financial Center
New York, NY 10080

- **CALCULATION AGENT**

- Merrill Lynch International
2 World Financial Center
New York, NY 10080

- **LEGAL ADVISERS TO THE DISTRIBUTOR AND THE SWAP COUNTERPARTY**

- Allen & Overy LLP
1221 Avenue of the Americas
New York, NY 10020
United States of America

ANNEX A

INDEX OF DEFINED TERMS

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ANNEX B-1
FORM OF SWAP SCHEDULE

ANNEX B-2
FORM OF CONFIRMATION

ANNEX C

FORM OF GUARANTEE OF COUNTERPARTY OBLIGATIONS

ANNEX D

ADDITIONAL INFORMATION ON THE INITIAL COLLATERAL

On the Initial Closing Date, the Trust will purchase USD 10,419,000.00 face amount of 5.875% senior unsecured bonds due January 14, 2038, issued by general Electric Capital Corporation (the “**Company**”) on January 22, 2007 (the “**Notes**”). A summary of the terms and conditions of the Notes appears below.

The following summary describes the terms and conditions of the **Notes** in general terms only. The **Notes** are described in full in a Prospectus Supplement (the “**Supplement**”) which supplements a Base Prospectus, both dated March 29, 2006 issued by the Company. These documents can all be accessed on the website of the U.S. Securities and Exchange Commission at www.sec.gov.

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|------------------------------------|--|
| Issuer of the Notes | The Company |
| Securities Offered | Senior Unsecured 5.875% Notes due January 14, 2038 |
| Maturity Date | January 14, 2038 |
| Public Offering Price | 98.599%. The Notes were issued in denominations of \$1,000 and integral multiples of \$1,000 in excess thereof. |
| Ranking | The Notes will rank equally with all other unsecured and unsubordinated indebtedness of the Company. |
| Interest Rate | 5.875% per annum |
| Interest Payment Dates | January 14 and July 14 of each year. The first payment under the Notes will be July 14, 2008. |
| Redemption at the Company’s Option | The Notes are not redeemable at the Company’s option or repayable at the option of the holders prior to their stated maturity. The Notes are not subject to any sinking fund. |
| Book Entry Form | The Notes are issued in book-entry only form. GECC issued global Notes in registered form. Each global Note is held through DTC and registered in the name of Cede & Co., as nominee of DTC. Accordingly, Cede & Co. is the holder of record of the Notes. Each Note represented by a global Note evidences a beneficial interest in that global Note. |
| Listing | N/A |
| Governing Law | New York |
| CUSIP | 36962G3P7 |

The Issuer does not intend to provide any post-issuance information in relation to the Certificates or the Notes.