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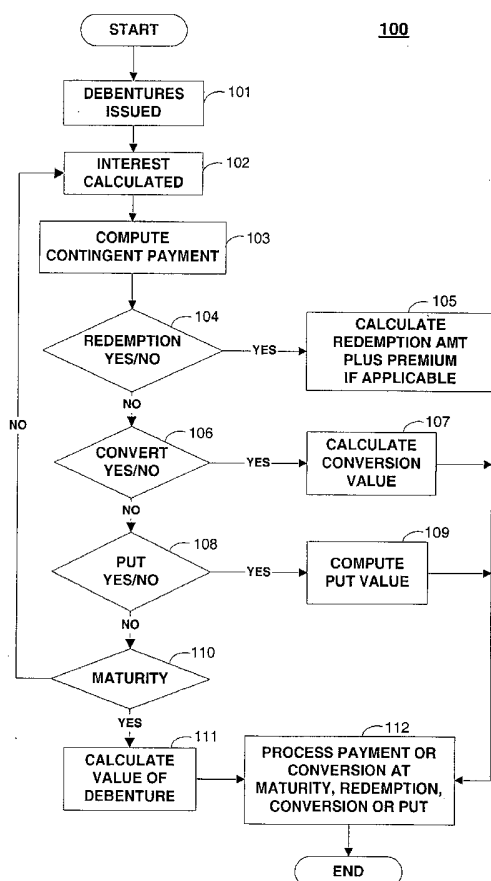
(71) Applicant (for all designated States except US): **MERRILL LYNCH & CO, INC.** [US/US]; 222 Broadway, New York, NY 10038 (US).

(72) Inventors; and

(75) Inventors/Applicants (for US only): **BIRLE, James, R., Jr.** [US/US]; 37 Sweetbriar Rd, Summit, NJ 07901 (US). **DOLAN, David, K.** [US/US]; 6535 Renwood Ln, Annandale, VA 22003 (US). **EDWARDS, Jeffrey, N.** [US/US]; 55 Meeker Rd, Basking Ridge, NJ 07920 (US). **EPELBAUM, Yonathan** [US/US]; 500 Chambers St #4G, New York, NY 10282 (US). **FIDDLE, Frederick, J.** [US/US]; 450 Knollwood Rd, Ridgewood, NJ 07450 (US). **JONES, Emerson, P.** [US/US]; 72 Rockwood Ln, Greenwich, CT 06830 (US). **KAPERST, Stuart, C.** [US/US]; 180 E 79th St #10F, New York, NY 10021 (US). **KAPLAN, Todd, K.** [US/US]; 254 Scott Ave, Winnetka, IL 60093 (US). **KERSTEIN, Daniel, Y.** [US/US]; 1010 Southend, Woodmere, NY 11598 (US). **KOLEV, Dragomir, K.** [BG/US]; 330 E 33rd St #4G, New York, NY 10016 (US). **LUCIANO, Richard, P.** [US/US]; 1 Three Gables Rd, Morristown, NJ 07690 (US). **PATRICK, Thomas, H., Jr.** [US/US]; 1365 York Ave #8K, New York, NY 10021

[Continued on next page]

(54) Title: CONVERTIBLE FINANCIAL INSTRUMENTS WITH CONTINGENT PAYMENTS



(57) Abstract: A convertible financial instrument (101) provides incentives to holders to keep the instruments outstanding so that issuers maintain flexibility and control over the maturity date of the instrument and the manner in which it is settled (see Fig. 1). The instrument may provide issuers with the ability to deduct an amount for tax purposes that approximates the true economic cost of the financial instrument. The instrument may also provide a provision for contingent payments to the holder based on formula calculations which may occur when the market value of the convertible instrument exceeds a pre-determined value.

WO 2003/014885 A3



(US). **PEPE, Paul, A.** [US/US]; 23 E 10th St #109, New York, NY 10003 (US). **STEIFMAN, Eric** [US/US]; 310 West End Ave #10B, New York, NY 10023 (US). **STEIN, Russell, L.** [US/US]; 10 Karens Ln, Englewood Cliffs, NJ 07632 (US). **WARBLE, Brennan, J.** [US/US]; 3 Sherman Ave, Bronxville, NY 10708 (US). **GREEN, Richard, J.** [US/US]; 10 Castle Ct, Woodbury, NY 11797 (US). **RUDNICK, Robert, A.** [US/US]; 1128 Cheston Lane, Queenstown, MD 21658 (US). **STRONG, Frank, R.** [US/US]; 1705 Chesterbrook Vale Court, McLean, VA 22101 (US).

(74) **Agent: OPPEDAHN, Carl;** Oppedahl & Larson LLP, P.O. Box 5068, Dillon, CO 80435-5068 (US).

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B. FIELDS SEARCHED

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Documentation searched other than minimum documentation to the extent that such documents are included in the fields searched

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C. DOCUMENTS CONSIDERED TO BE RELEVANT

Category*	Citation of document, with indication, where appropriate, of the relevant passages	Relevant to claim No.
Y	US 4,648,038 A (ROBERTS et. al.) 03 MARCH 1987, Abstract, entire document	1-95
Y	US 5,704,045 A (KING et. al.) 30 DECEMBER, 1997, Abstract, entire document	1-95

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"A" document defining the general state of the art which is not considered to be of particular relevance	"X" document of particular relevance; the claimed invention cannot be considered novel or cannot be considered to involve an inventive step when the document is taken alone
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Name and mailing address of the ISA/US
Commissioner of Patents and Trademarks
Box PCT
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Facsimile No. (703) 305-3230

Authorized officer

GEOFFREY AKERS

Telephone No. (703) -306-5844