BEAR STEARNS COMPANIES INC
Form 424B5
January 10, 2007

This preliminary pricing supplement relates to an effective registration statement under the Securities Act of 1933, but is not complete and may be changed. We may not sell these securities until we deliver a final pricing supplement. This preliminary pricing supplement and the accompanying prospectus supplement and prospectus are not an offer to sell these securities and are not soliciting an offer to buy these securities in any state where such an offer or sale would not be permitted.

Filed pursuant to Rule 424(b)(5)
Registration No. 333-136666
Subject to Completion, dated January 10, 2007
PRICING SUPPLEMENT
(To Prospectus dated August 16, 2006 and
Prospectus Supplement dated August 16, 2006)

The Bear Stearns Companies Inc.

3 Year Medium-Term Notes, Linked to the Outperformance of the ISE SINdex® Index Relative to the Standard and Poor's S&P 500®

Due January [l], 2010

- The Notes are linked to the outperformance of the ISE SINdex® Index (the "SINdex") relative to the return of the S&P 500® Index (the "S&P500", and along with the SINdex, each an "Index" and collectively the "Indices") during the term of the Notes. When we refer to Notes in this pricing supplement, we mean Notes with a principal amount of $1,000. On the Maturity Date, you will receive the Cash Settlement Value, an amount in cash that depends upon the performance of the Index Return of the SINdex relative to the Index Return of the S&P500.

- The Cash Settlement Value will be calculated as follows:

(i) If, at maturity, the Relative Return is equal to or greater than 0%, then, on the Maturity Date, you will receive an amount per $1,000 Note equal to the sum of: (i) $1,000, plus (ii) $1,000 multiplied by [150]% of the Relative Return.

(ii) If, at maturity, the Relative Return is negative, then, on the Maturity Date, you will receive an amount per $1,000 Note equal to the difference of: (i) $1,000, minus (ii) $1,000 times the absolute value of the Relative Return. In any event, the Cash Settlement Value is subject to a minimum of zero. In any event, the Cash Settlement Value is subject to a minimum of zero. ***If the Relative Return is negative at maturity, investors may lose up to 100% of the principal amount of their Notes.***

- With respect to each Index, the "Index Return" of such Index is the amount, expressed as a percentage, resulting from the quotient of: (i) the Final Index Level of such Index divided by (ii) its Initial Index Level.

- The "Relative Return" is an amount, expressed as a percentage, resulting from the difference of: (i) the Index Return of the SINdex minus (ii) the Index Return of the S&P500.

- The Notes are not principal protected and we will not pay interest during the term of the Notes.

- The Upside Participation Rate is equal to [150]%.

- The CUSIP number for the Notes is 073928T29. The Notes will not be listed on any securities exchange or quotation system.
- The Maturity Date for the Notes is January [l], 2010.
- The scheduled Calculation Date for the Notes is January [l], 2010. The Calculation Date is subject to adjustment as described herein.

INVESTMENT IN THE NOTES INVOLVES CERTAIN RISKS INCLUDING THE RISK THAT YOU MAY LOSE ALL OR SUBSTANTIALLY ALL OF YOUR INVESTMENT IN THE NOTES. THERE MAY NOT BE A SECONDARY MARKET IN THE NOTES, AND IF THERE WERE TO BE A SECONDARY MARKET, IT MAY NOT BE LIQUID. YOU SHOULD REFER TO "RISK FACTORS" BEGINNING ON PAGE PS-11.

"Standard & Poor's®," "S&P®" and "S&P 500®" Index are trademarks of Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("S&P") and have been licensed for use for certain purposes by The Bear Stearns Companies Inc. The Notes are not sponsored, endorsed, sold or promoted by S&P, and S&P makes no representation regarding the advisability of investing in the Notes. "International Securities Exchange®" and "SINdex®" are trademarks of the International Securities Exchange, Inc ("ISE" or along with S&P, each a "Sponsor") and have been licensed for use for certain purposes by The Bear Stearns Companies Inc. The Notes are not sponsored, endorsed, sold or promoted by ISE, and ISE makes no representation regarding the advisability of investing in the Notes.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the Notes or determined that this pricing supplement, or the accompanying prospectus supplement and prospectus, is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Note	**Total**
Initial public offering price[1]	[l]%[2]	$[l]
Agent's commission	[l]%	$[l]
Proceeds, before expenses, to us	[l]%	$[l]

[1] Investors who purchase an aggregate amount of at least $1,000,000 of Notes will be entitled to purchase such Notes for 99.00% of the principal amount.

[2] Any additional reissuances will be offered at a price to be determined at the time of pricing of each offering of Notes, which price will be a function of the prevailing market conditions and the performance of the SINdex relative to the S&P500 at the time of the relevant sale.

We may grant Bear Stearns a 30-day option from the date of this pricing supplement to purchase from us up to an additional $[l] of Notes at the public offering price to cover any over-allotments.

We expect that the Notes will be ready for delivery in book-entry form only through the book-entry facilities of The Depository Trust Company in New York, New York, on or about January [l], 2007, against payment in immediately available funds. The distribution of the Notes will conform to the requirements set forth in Rule 2720 of the National Association of Securities Dealers, Inc. Conduct Rules.

Bear, Stearns & Co. Inc.
January [l], 2007

SUMMARY

This summary highlights selected information from the accompanying prospectus and prospectus supplement and this pricing supplement to help you understand the Notes linked to the Indices. You should carefully read this entire pricing supplement and the accompanying prospectus supplement and prospectus to fully understand the terms of the Notes, as well as certain tax and other considerations that are important to you in making a decision about whether to invest in the Notes. You should carefully review the section "Risk Factors" in this pricing supplement and "Risk Factors" in the accompanying prospectus supplement which highlight a number of significant risks, to determine whether an investment in the Notes is appropriate for you. All of the information set forth below is qualified in its entirety by the more detailed explanation set forth elsewhere in this pricing supplement and the accompanying prospectus supplement and prospectus. If information in this pricing supplement is inconsistent with the prospectus or prospectus supplement, this pricing supplement will supersede those documents. In this pricing supplement, the terms "Company," "we," "us" and "our" refer only to The Bear Stearns Companies Inc. excluding its consolidated subsidiaries. In addition, "Bear Stearns" refers to our agent, Bear, Stearns and Co. Inc.

The Bear Stearns Companies Inc. Medium-Term Notes, Series B due January [**l**], 2010 (the "Notes"), are Notes with a return tied or "linked" to the outperformance of the Index Return of the SINdex relative to the Index Return of the S&P500 over the term of the Notes. When we refer to Note or Notes in this pricing supplement, we mean $1,000 principal amount of Notes. On the Maturity Date, you will receive the Cash Settlement Value, an amount in cash that depends upon the Relative Return. The "Relative Return" is the amount, expressed as a percentage, resulting from the difference of: (i) the Index Return of the SINdex minus (ii) the Index Return of the S&P500. With respect to each Index, the "Index Return" of such Index is the amount, expressed as a percentage, resulting from the quotient of: (i) the Final Index Level of such Index divided by (ii) its Initial Index Level. If, at maturity, the Relative Return is equal to or greater than 0%, then, on the Maturity Date, you will receive an amount per $1,000 Note equal to the sum of: (i) $1,000, plus (ii) $1,000 multiplied by [150]% of the Relative Return. If, at maturity, the Relative Return is negative, then, on the Maturity Date, you will receive an amount per $1,000 Note equal to the difference of: (i) $1,000, minus (ii) $1,000 times the absolute value of the Relative Return. In any event, the Cash Settlement Value is subject to a minimum of zero. In any event, the Cash Settlement Value is subject to a minimum of zero. ***If the Relative Return is negative at maturity, investors may lose up to 100% of the principal amount of their Notes.*** We will not pay interest during the term of the Notes.

Selected Risk Considerations

· Possible loss of principal—***Your investment in the Notes is not principal protected and you may lose up to 100% of your initial investment***. If you sell your Notes prior to maturity you may receive less than the amount you originally invested. In addition, if the S&P 500 outperforms the SINdex, you will receive less than the amount you originally invested.

· No interest, dividend or other payments—You will not receive any interest, dividend payments or other distributions on the stocks underlying the Indices, nor will such payments be included in the calculation of the Cash Settlement Value you will receive at maturity.

· Not exchange-listed—The Notes will not be listed on any securities exchange or quotation system, and we do not expect a trading market to develop, which may affect the price that you receive for your Notes upon any sale prior to maturity.

· Liquidity—If a trading market were to develop in the Notes, it may not be liquid. Our subsidiary, Bear Stearns has advised us that they intend under ordinary market conditions to indicate prices for the Notes on request. However, we cannot guarantee that bids for outstanding Notes will be made; nor can we predict the price at which any such bids will be made. In any event, Notes will cease trading as of the close of business on the Maturity Date.

· Yield—The yield on the Notes may be less than the overall return you would earn if you purchased a conventional debt security at the same time and with the same maturity.

· Return related to the relative return of the Indices—If the Index Return of the SINdex is less than the Index Return of the S&P500, you will suffer a loss (i.e. you will receive less than the amount you originally invested), even if the Index Return of the SINdex is positive.

Selected Investment Considerations

· Relative performance—The Notes will offer a positive return so long as the Index Return of the SINdex is greater than the Index Return of the S&P500 on a relative basis. Even if both Indices have declined in value at maturity, if the Index Return of the SINdex has declined by less than the Index Return of the S&P500 (on a percentage basis), the Notes will pay a positive return at maturity equal to [150]% of the difference.

· No current income—We will not pay interest during the term of the Notes.

· Growth potential—The Notes offer the possibility to participate in the potential outperformance of the Index Return of the SINdex relative to the Index Return of the S&P500. The Cash Settlement Value is based upon whether the Index Return of the SINdex is greater than the Index Return of the S&P500. In addition, because of the Upside Participation Rate, in the event that there is outperformance of the SINdex relative to the S&P500, investors will receive a [1.5]% return for every 1.0% increase in the Relative Return.

· Medium-term investment—The Notes may be an attractive investment for investors who have a bullish view of the relative performance of the SINdex compared to the S&P500 during the term of the Notes.

· Diversification—Because the SINdex is currently based on the equity prices of 20 constituent companies and the S&P500 is currently based on the equity prices of 500 constituent companies, the Notes may allow you to diversify an existing portfolio.

· Tax Considerations—We intend to treat each Note as a pre-paid cash-settled executory contract.

· Low minimum investment—Notes can be purchased in increments of $1,000.

KEY TERMS

Issuer: The Bear Stearns Companies Inc.

Indices: Standard & Poor's S&P 500® Index (ticker "SPX"), as published by Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("Standard & Poor's"), and ISE SINdex® Index (ticker "SIN"), as published by the International Securities Exchange Inc., ("ISE").

Face Amount: Each Note will be issued in minimum denominations of $1,000 and $1,000 multiples thereafter; provided, however, that the minimum purchase for any purchaser domiciled in a Member State of the European Economic Area shall be $100,000. The aggregate principal amount of the Notes being offered is $[**l**]. When we refer to Note or Notes in this pricing supplement, we mean Notes with a principal amount of $1,000.

Cash Settlement Value: If, at maturity, the Relative Return is equal to or greater than 0%, then, on the Maturity Date, you will receive an amount per $1,000 Note equal to the sum of: (i) $1,000, plus (ii) $1,000 multiplied by [150]% of the Relative Return.

If, at maturity, the Relative Return is negative, then, on the Maturity Date, you will receive an amount per $1,000 Note equal to the difference of: (i) $1,000, minus (ii) $1,000 times the absolute value of the Relative Return. In any event, the Cash Settlement Value is subject to a minimum of zero. ***If the Relative Return is negative at maturity, investors may lose up to 100% of the principal amount of their Notes.***

Upside Participation Rate: [150]%

Relative Return: The amount, expressed as a percentage, resulting from the difference of: (i) the Index Return of the SINdex minus (ii) the Index Return of the S&P500.

Index Return: With respect to each Index, the amount, expressed as a percentage, resulting from the quotient of: (i) the Final Index Level of such Index divided by (ii) its Initial Index Level.

Interest: The Notes will not bear interest.

Index Level: As of any date of determination, and with respect to each Index, the closing value of such Index, as determined by the related Sponsor, on each Index Business Day.

Initial Index Level: Equals [**l**], with respect to the SINdex, and [**l**] with respect to the S&P500, representing the closing value of each Index, as determined by the related Sponsor, on January [**l**], 2007.

Final Index Level: Will be determined by the Calculation Agent and will equal the closing value of each Index, as determined by the related Sponsor, on the Calculation Date.

Calculation Date: January [**l**], 2010. The Calculation Date is subject to adjustment as described under "Description of the Notes - Market Disruption Events".

Maturity Date: The date [three] Business Days following the Calculation Date.

Exchange listing: The Notes will not be listed on any securities exchange or quotation system.

Index Business Day:	Means, with respect to an Index, any day on which the Primary Exchange and each Related Exchange are scheduled to be open for trading.
Business Day:	Any day other than a Saturday or Sunday, on which banking institutions in the cities of New York, New York and London, England are not authorized or obligated by law or executive order to be closed.
Related Exchange	With respect to an Index each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to the applicable Index.

Primary Exchange	With respect to an Index the primary exchange or market of trading of any security then included in the Index.
Sponsors	With respect to the S&P500, Standard & Poor's, a division of The McGraw-Hill Companies, Inc. With respect to the SINdex, the International Securities Exchange Inc.

Offers and sales of the Notes are subject to restrictions in certain jurisdictions. The distribution of this pricing supplement and the accompanying prospectus supplement and prospectus and the offer or sale of the Notes in certain other jurisdictions may be restricted by law. Persons who come into possession of this pricing supplement, and the accompanying prospectus supplement and prospectus or any Notes must inform themselves about and observe any applicable restrictions on the distribution of this pricing supplement, the accompanying prospectus supplement and prospectus and the offer and sale of the Notes. Notwithstanding the minimum denomination of $1,000, the minimum purchase for any purchaser domiciled in a Member State of the European Economic Area shall be $100,000.

QUESTIONS AND ANSWERS

What are the Notes?

The Notes are a series of our senior debt securities, the value of which is linked to the outperformance of the return of the SINdex relative to the return of the S&P500 during the term of the Notes. The Notes will not bear interest and no other payments will be made prior to maturity. See the section "Risk Factors."

The Notes will mature on January [**l**], 2010. The Notes do not provide for earlier redemption. When we refer to Notes in this pricing supplement, we mean Notes with a principal amount of $1,000. You should refer to the section "Description of Notes."

Are the Notes equity or debt securities?

The Notes are our unsecured debt securities. However, the Notes differ from traditional debt securities in that the Notes are not principal protected and offer the opportunity to participate in the outperformance of the SINdex relative to the S&P500, if any, during the term of the Notes. If, at maturity, the Relative Return is negative, you will suffer a loss and will receive less, and possibly up to 100% less, than the original public offering price of $1,000 per Note.

What will I receive at maturity of the Notes?

If, at maturity, the Relative Return is equal to or greater than 0%, then, on the Maturity Date, you will receive an amount per $1,000 Note equal to the sum of: (i) $1,000, plus (ii) $1,000 multiplied by [150]% of the Relative Return.

If, at maturity, the Relative Return is negative, on the Maturity Date, you will receive an amount equal to the original principal amount minus 1% of the original principal amount for each percentage point that the Relative Return is less than 0%. For example, if the Relative Return is -40%, you will suffer a 40% loss and, therefore, receive 60% of the original principal amount. In any event, the Cash Settlement Value is subject to a minimum of zero.

The "Relative Return" is an amount, expressed as a percentage, resulting from the difference of: (i) the Index Return of the SINdex minus (ii) the Index Return of the S&P500.

With respect to each Index, the "Index Return" of such Index is the amount, expressed as a percentage, resulting from the quotient of: (i) the Final Index Level of such Index divided by (ii) its Initial Index Level.

The Upside Participation Rate is equal to [150]%.

With respect to each Index, the "Index Level" of an Index equals the closing value of such Index, as determined by the related Sponsor, on each Index Business Day.

The “Initial Index Level” equals [l], with respect to the SINdex, and [l] with respect to the S&P500, representing the closing value of each Index, as determined by the related Sponsor, on January [l], 2007.

The "Final Index Level" will be determined by the Calculation Agent and will equal the closing value of each Index, as determined by the related Sponsor, on the Calculation Date.

The "Calculation Date" is January[l], 2010. The Calculation Date is subject to adjustment as described under "Description of the Notes - Market Disruption Events".

The "Maturity Date" of the Notes is the date [three] Business Days following the Calculation Date.

"Related Exchange" means with respect to an Index each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to the applicable Index.

"Primary Exchange" means with respect to an Index the primary exchange or market of trading of any security then included in the Index.

An "Index Business Day" means with respect to an Index any day on which the Primary Exchange and each Related Exchange are scheduled to be open for trading.

For more specific information about the Cash Settlement Value and for illustrative examples, you should refer to "Description of the Notes."

Are the Notes principal protected?

No. The Notes are not principal protected and 100% of your principal investment in the Notes is at risk of loss. The Notes are linked to the relative performance of the SINdex and the S&P500, and you will suffer a loss if the Index Return of the S&P500 is greater than the Index Return of the SINdex. In this case, the Cash Settlement Value you will receive will equal the original principal amount of your Notes, minus 1% of the original principal amount for each percentage point that the Index Return of the S&P500 is greater than the Index Return of the SINdex.

Will I receive interest on the Notes?

We will not make any periodic payments of interest or any other periodic payments during the term of the Notes.

What are the Indices?

Unless otherwise stated, all information with respect to the Indices that is provided in this pricing supplement is derived from the related Sponsor or other publicly available sources. The Indices are published by the Sponsors and are intended to track the price movements of the stocks comprising the Indices.

S&P publishes the S&P500. The S&P500 is a capitalization weighted index and is intended to provide an indication of the pattern of common stock price movement. The calculation of the level of the S&P500, discussed below in further detail, is based on the relative value of the aggregate market value of the common stocks of 500 companies as of a particular time compared to the aggregate average market value of the common stocks of 500 similar companies during the base period of the years 1941 through 1943.

The SINdex is calculated and maintained by S&P based on a methodology developed by ISE in consultation with S&P. ISE's indices are designed to track the performance of the most highly capitalized publicly traded companies in specific industry sectors. The SINdex is comprised of stocks issued by the owners and operators of casinos and gaming facilities, producers of beer and malt liquors, distillers, vintners and producers of other alcoholic beverages, and manufacturers of cigarettes and other tobacco products.

For more information, see the section "Description of the Indices."

How has the Index performed historically?

We have provided a table showing the quarterly high and low intraday Index Levels, as well as end-of-quarter final Index Levels of each Index from January 2002 through December 2006. You can find these tables in the section “Description of the Indices - Historical Data on the Indices”. We have provided this historical information to help you evaluate the behavior of the Indices in various economic environments; however, past performance is not indicative of how the Indices will perform in the future. You should refer to the section “Risk Factors - The historical performance of the Indices is not an indication of the future performance of the Indices.”

Will the Notes be listed on a securities exchange or quotation system?

The Notes will not be listed on any securities exchange or quotation system, and we do not expect a trading market to develop, which may affect the price that you receive for your Notes upon any sale prior to maturity. Bear Stearns has advised us that they intend under ordinary market conditions to indicate prices for the Notes on request. However, we cannot guarantee that bids for outstanding Notes will be made; nor can we predict the price at which any such bids will be made. In any event, the Notes will cease trading as of the close of business on the Maturity Date. You should refer to the section “Risk Factors.”

What is the role of Bear Stearns?

Bear Stearns will be our agent for the offering and sale of the Notes. After the initial offering, Bear Stearns intends, under ordinary market conditions, to buy and sell the Notes to create a secondary market for holders of the Notes, and may stabilize or maintain the market price of the Notes during the initial distribution of the Notes. However, Bear Stearns will not be obligated to engage in any of these market activities or to continue them if they are begun.

Bear Stearns also will be our Calculation Agent for purposes of calculating the Cash Settlement Value. Under certain circumstances, these duties could result in a conflict of interest between Bear Stearns’ status as our subsidiary and its responsibilities as Calculation Agent. Bear Stearns is obligated to carry out its duties and functions as Calculation Agent in good faith, and using its reasonable judgment. Manifest error by the Calculation Agent, or any failure by it to act in good faith, in making a determination adversely affecting the payment of the Cash Settlement Value or interest on principal to the Holders of the Notes would entitle the Holders, or the Trustee acting on behalf of the Holders, to exercise rights and remedies available under the Indenture. If the Calculation Agent uses its discretion to make a determination, the Calculation Agent will notify the Company and the Trustee, who will provide notice to the Holders. You should refer to “Risk Factors - The Calculation Agent is one of our affiliates, which could result in a conflict of interest.”

Can you tell me more about The Bear Stearns Companies Inc.?

We are a holding company that, through our broker-dealer and international bank subsidiaries, principally Bear Stearns, Bear, Stearns Securities Corp., Bear, Stearns International Limited (“BSIL”) and Bear Stearns Bank plc, is a leading investment banking, securities and derivatives trading, clearance and brokerage firm serving corporations, governments, institutional and individual investors worldwide. For more information about us, please refer to the section “The Bear Stearns Companies Inc.” in the accompanying prospectus. You should also read the other documents we have filed with the Securities and Exchange Commission, which you can find by referring to the section “Where You Can Find More Information” in the accompanying prospectus.

Who should consider purchasing the Notes?

Because the Notes are tied to the relative performance of the two underlying equity indices, they may be appropriate for investors with specific investment horizons who seek to participate in the potential price appreciation of the SINdex relative to the S&P500. In particular, the Notes may be an attractive investment for investors who:

- believe that the SINdex will outperform the S&P500 over the term of the Notes;
- want potential upside exposure to stocks underlying the SINdex relative to stocks underlying the S&P500;

- are willing to risk the possible loss of up to 100% of their investment in exchange for the opportunity to positively participate in the outperformance, if any, of the SINdex relative to the S&P500;
- are willing to forgo interest payments or dividend payments on the stocks underlying the Indices; and
- wish to gain leveraged exposure to the outperformance, if any, of the Index Return of the SINdex relative to the Index Return of the S&P500 during the term of the Notes.

The Notes may not be a suitable investment for you if you:

- seek principal protection;
- seek current income or dividend payments from your investment;
- seek an investment with an active secondary market;
- are unable or unwilling to hold the Notes until maturity; or
- do not believe the SINdex will outperform the S&P500 over the term of the Notes.

What are the U.S. federal income tax consequences of investing in the Notes?

The U.S. federal income tax consequences of an investment in the Notes are complex and uncertain. We intend to treat the Notes for all tax purposes as pre-paid cash-settled executory contracts linked to the value of the Indices and, where required, to file information returns with the Internal Revenue Service (the "IRS") in accordance with such treatment. Prospective investors are urged to consult their tax advisors regarding the U.S. federal income tax consequences of an investment in the Notes. Assuming the Notes are treated as pre-paid cash-settled executory contracts, you should be required to recognize capital gain or loss to the extent that the cash you receive on the Maturity Date or upon a sale or exchange of the Notes prior to the Maturity Date differs from your tax basis on the Notes (which will generally be the amount you paid for the Notes). You should review the discussion under the section "Certain U.S. Federal Income Tax Considerations."

Does ERISA impose any limitations on purchases of the Notes?

An employee benefit plan subject to the fiduciary responsibility provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), a plan that is subject to Section 4975 of the Internal Revenue Code of 1986, as amended (the "Code"), including individual retirement accounts, individual retirement annuities or Keogh plans, a governmental or other plan subject to any materially similar law or any entity the assets of which are deemed to be "plan assets" under ERISA, Section 4975 of the Code and any applicable regulations, will be permitted to purchase, hold and dispose of the Notes, subject to certain conditions. Such investors should carefully review the discussion under "Certain ERISA Considerations" herein.

Are there any risks associated with my investment?

Yes. The Notes are subject to a number of risks. You should refer to "Risk Factors" in this pricing supplement and "Risk Factors" in the accompanying prospectus supplement.

RISK FACTORS

Your investment in the Notes will be subject to risks not associated with conventional fixed-rate or floating-rate debt securities. Prospective purchasers should recognize the possibility of a loss with respect to their investment in the Notes. Prospective purchasers of the Notes should understand the risks of investing in the Notes and should reach an investment decision only after careful consideration, with their advisers, of the suitability of the Notes in light of their particular financial circumstances, the following risk factors and the other information set forth in this pricing supplement and the accompanying prospectus supplement and prospectus. These risks include the possibility that the Indices will fluctuate. We have no control over a number of matters, including economic, financial, regulatory, geographic, judicial and political events, that are important in determining the existence, magnitude, and longevity of these risks and their influence on the value of, or the payment made on, the Notes.

The Notes are not principal protected. At maturity, the Notes may pay less than the principal amount.

The Notes are not principal protected and 100% of your principal investment in the Notes is at risk of loss. If the Relative Return is less than 0%, you will lose some and possibly all of your original investment of $1,000 per Note. In this case, you will lose 1% of the original principal amount for each percentage point that the Relative Return is below 0%. Accordingly, you may lose up to 100% of your original investment in the Notes. In addition, if you sell your Notes prior to maturity, you may receive less than the amount you originally invested.

The formula for determining the Cash Settlement Value does not take into account changes in the Index Levels prior to the Calculation Date.

Changes in the Index Levels during the term of the Notes before the Calculation Date will not be reflected in the calculation of the Cash Settlement Value. The Calculation Agent will calculate the Cash Settlement Value based upon the Index Levels as of the Calculation Date. As a result, you may receive the amount of your investment in the Notes, or lose up to 100% of your original investment in the Notes, even if the Index Level of the SINdex has outperformed the Index Level of the S&P500 at various times during the term of the Note, if, on the Calculation Date, the Index Return of the SINdex is less than the Index Return of the S&P500.