


Subject to Completion
Preliminary Term Sheet dated January 29, 2009

<p>Units Accelerated Return NotesSM Linked to the PHLX Defense SectorSM Index, due April , 2010 \$10 principal amount per unit Term Sheet No.</p>	<p>Expected Pricing Date* March , 2009 Settlement Date* March , 2009 Maturity Date* April , 2010 CUSIP No.</p>
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Accelerated Return NotesSM

- 3-to-1 upside exposure, subject to a cap of 26.00% to 30.00%
- A maturity of approximately 14 months
- 1-to-1 downside exposure, with no downside limit
- Linked to the PHLX Defense SectorSM Index
- No periodic interest payments
- No listing on any securities exchange
- This debt is **not** guaranteed under the Federal Deposit Insurance Corporation's Temporary Liquidity Guarantee Program

STRUCTURED INVESTMENTS

PRINCIPAL PROTECTION
ENHANCED INCOME
MARKET PARTICIPATION
ENHANCED PARTICIPATION



The ARNs are being offered by Bank of America Corporation ("BAC"). The ARNs will have the terms specified in this term sheet as supplemented by the documents indicated herein under "Additional Terms" (together, the "Note Prospectus"). Investing in the ARNs involves a number of risks. See "Risk Factors" on page TS-5 of this term sheet and beginning on page S-9 of product supplement ARN-1.

Unless otherwise indicated or unless the context requires otherwise, all references in this document to "we," "us," "our," or similar references are to BAC. References to "MLPF&S" are to Merrill Lynch, Pierce, Fenner & Smith Incorporated.

In connection with this offering, each of MLPF&S and its broker-dealer affiliate First Republic Securities Company, LLC is acting in its capacity as a principal.

None of the Securities and Exchange Commission (the "SEC"), any state securities commission, or any other regulatory body has approved or disapproved of these securities or determined if this Note Prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Unit	Total
Public offering price ⁽¹⁾	\$10.00	\$
Underwriting discount ⁽¹⁾	\$0.20	\$
Proceeds, before expenses, to Bank of America Corporation	\$9.80	\$

(1) The public offering price and underwriting discount for any purchase of 500,000 units or more in a single transaction by an individual investor will be \$9.95 per unit and \$.15 per unit, respectively.

*Depending on the date the ARNs are priced for initial sale to the public (the "pricing date"), which may be in February or March 2009, the settlement date may occur in February or March 2009 and the maturity date may occur in April or May 2010. Any reference in this term sheet to the month in which the pricing date, settlement date, or maturity date will occur is subject to change as specified above.

"Accelerated Return NotesSM" is a service mark of our subsidiary, Merrill Lynch & Co., Inc.

"ARNsSM" is a registered service mark of Merrill Lynch & Co., Inc.

"Nasdaq[®]," "OMX[®]," "PHLX Defense SectorSM," and "DFXSM" are registered trademarks or service marks of The NASDAQ OMX Group, Inc. ("Nasdaq OMX") and have been licensed for use by our subsidiary, MLPF&S and its authorized affiliates, including BAC. The ARNs have not been passed on by NASDAQ OMX as to their legality or suitability and are not sponsored, endorsed, sold, or promoted by NASDAQ OMX or its affiliates. **NASDAQ OMX OR ITS AFFILIATES MAKES NO WARRANTIES AND BEARS NO LIABILITY WITH RESPECT TO THE ARNS AND MAKES NO REPRESENTATION REGARDING THE ADVISABILITY OF INVESTING IN THE ARNS.**

Merrill Lynch & Co.
March , 2009



Summary

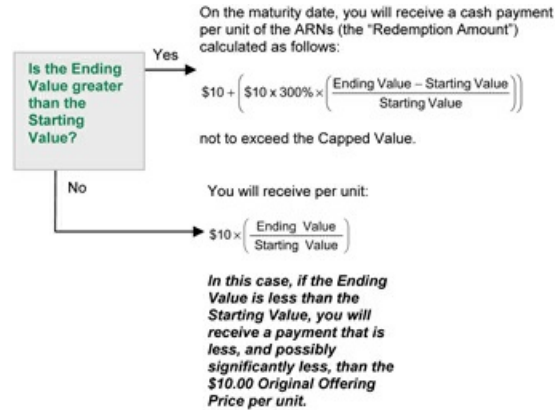
The Accelerated Return NotesSM Linked to the PHLX Defense SectorSM Index, due April , 2010 (the “ARNs”) are our senior unsecured debt securities and are not guaranteed or insured by the Federal Deposit Insurance Corporation (“FDIC”) or secured by collateral. The ARNs will rank equally with all of our other unsecured and unsubordinated debt, and any payments due on the ARNs, including any repayment of principal, will be subject to the credit risk of BAC. The ARNs provide a leveraged return for investors, subject to a cap, if the level of the PHLX Defense SectorSM Index (the “Index”) increases moderately from the Starting Value of the Index, determined on the pricing date, to the Ending Value of the Index, determined during the Maturity Valuation Period. Investors must be willing to forgo interest payments on the ARNs and be willing to accept a return that is capped or a repayment that is less, and potentially significantly less, than the Original Offering Price of the ARNs.

Capitalized terms used but not defined in this term sheet have the meanings set forth in product supplement ARN-1.

Terms of the ARNs

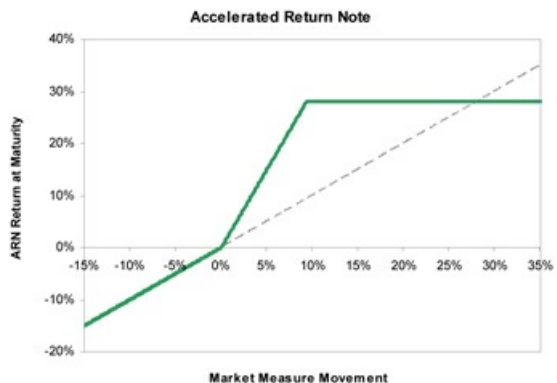
Determining the Redemption Amount for the ARNs

Issuer:	Bank of America Corporation (“BAC”)
Original Offering Price:	\$10 per unit
Term:	Approximately 14 months
Market Measure:	PHLX Defense Sector SM Index (Index symbol “DFX”)
Starting Value:	The closing level of the Index on the pricing date. The Starting Value will be determined on the pricing date and will be set forth in the final term sheet made available in connection with sales of the ARNs.
Ending Value:	The average of the closing levels of the Index on each scheduled calculation day during the Maturity Valuation Period. If it is determined that a scheduled calculation day is not a Market Measure Business Day, or if a Market Disruption Event occurs on a scheduled calculation day, the Ending Value will be determined as more fully described in product supplement ARN-1.
Capped Value:	\$12.60 to \$13.00 per unit of the ARNs, which represents a return of 26.00% to 30.00% over the \$10 Original Offering Price. The actual Capped Value of the ARNs will be determined on the pricing date and will be set forth in the final term sheet made available in connection with sales of the ARNs.
Maturity Valuation Period:	Five scheduled calculation days shortly before the maturity date, determined as of the pricing date and set forth in the final term sheet that will be made available in connection with sales of the ARNs.
Calculation Agent:	MLPF&S, a subsidiary of BAC.





Hypothetical Payout Profile



This graph reflects the **hypothetical** returns on the ARNs, and a **hypothetical** Capped Value of \$12.80 (a 28.00% return), the midpoint of the Capped Value range of \$12.60 to \$13.00. The green line reflects the **hypothetical** returns on the ARNs, while the dotted gray line reflects the **hypothetical** returns of a direct investment in the stocks included in the Index, excluding dividends.

This graph has been prepared for purposes of illustration only. Your actual return will depend on the actual Starting Value, Ending Value, Capped Value and the term of your investment.

Hypothetical Payments at Maturity

Examples

Set forth below are three examples of payment at maturity calculations (rounded to two decimal places), assuming a **hypothetical** Starting Value of 253.45, the closing level of the Index on January 15, 2009, and a **hypothetical** Capped Value of \$12.80 (per unit), the midpoint of the range of \$12.60 and \$13.00.

Example 1—The **hypothetical** Ending Value is 80% of the **hypothetical** Starting Value:

Hypothetical Starting Value: 253.45
 Hypothetical Ending Value: 202.76

$$\$10 \times \left(\frac{202.76}{253.45} \right) = \$8.00$$

Payment at maturity (per unit) = \$8.00

Example 2—The **hypothetical** Ending Value is 102% of the **hypothetical** Starting Value:

Hypothetical Starting Value: 253.45
 Hypothetical Ending Value: 258.52

$$\$10 + \left(\$10 \times 300\% \times \left(\frac{258.52 - 253.45}{253.45} \right) \right) = \$10.60$$

Payment at maturity (per unit) = \$10.60

Example 3—The **hypothetical** Ending Value is 150% of the **hypothetical** Starting Value:

Hypothetical Starting Value: 253.45
 Hypothetical Ending Value: 380.18

$$\$10 + \left(\$10 \times 300\% \times \left(\frac{380.18 - 253.45}{253.45} \right) \right) = \$25.00$$

Payment at maturity (per unit) = \$12.80 (Payment at maturity cannot be greater than the Capped Value)



The following table illustrates, for a **hypothetical** Starting Value of 253.45 (the closing level of the Index on January 15, 2009) and a range of **hypothetical** Ending Values of the Index:

- the percentage change from the **hypothetical** Starting Value to the **hypothetical** Ending Value;
- the Redemption Amount per unit (rounded to two decimal places);
- the total rate of return to holders of the ARNs;
- the pretax annualized rate of return to holders of the ARNs; and
- the pretax annualized rate of return of a hypothetical investment in the stocks included in the Index, which includes an assumed aggregate dividend yield of 2.16% per annum, as more fully described below.

The table below assumes a **hypothetical** Capped Value of \$12.80, the midpoint of the Capped Value range of \$12.60 and \$13.00.

Hypothetical Ending Value	Percentage Change from the Hypothetical Starting Value to the Hypothetical Ending Value	Redemption Amount per Unit	Total Rate of Return on the ARNs	Pretax Annualized Rate of Return on the ARNs (1)	Pretax Annualized Rate of Return of the Stocks Included in the Index (1)(2)
126.73	-50.00%	\$5.00	-50.00%	-51.40%	-48.83%
152.07	-40.00%	\$6.00	-40.00%	-39.32%	-36.89%
177.42	-30.00%	\$7.00	-30.00%	-28.35%	-26.01%
202.76	-20.00%	\$8.00	-20.00%	-18.24%	-15.98%
228.11	-10.00%	\$9.00	-10.00%	-8.83%	-6.62%
240.78	-5.00%	\$9.50	-5.00%	-4.35%	-2.16%
248.38	-2.00%	\$9.80	-2.00%	-1.72%	0.45%
253.45 (3)	0.00%	\$10.00	0.00%	0.00%	2.17%
258.52	2.00%	\$10.60	6.00%	5.06%	3.86%
263.59	4.00%	\$11.20	12.00%	9.95%	5.54%
268.66	6.00%	\$11.80	18.00%	14.70%	7.20%
273.73	8.00%	\$12.40	24.00%	19.31%	8.85%
278.80	10.00%	\$12.80 (4)	28.00%	22.32%	10.47%
304.14	20.00%	\$12.80	28.00%	22.32%	18.36%
329.49	30.00%	\$12.80	28.00%	22.32%	25.89%
354.83	40.00%	\$12.80	28.00%	22.32%	33.10%
380.18	50.00%	\$12.80	28.00%	22.32%	40.02%

- (1) The annualized rates of return specified in this column are calculated on a semi-annual bond equivalent basis and assume an investment term from January 16, 2009 to March 16, 2010, a term expected to be similar to that of the ARNs.
- (2) This rate of return assumes:
- (a) a percentage change in the aggregate price of the stocks included in the Index that equals the percentage change in the level of the Index from the **hypothetical** Starting Value to the relevant **hypothetical** Ending Value;
 - (b) a constant dividend yield of 2.16% per annum, paid quarterly from the date of initial delivery of the ARNs, applied to the level of the Index at the end of each quarter, assuming this value increases or decreases linearly from the **hypothetical** Starting Value to the relevant **hypothetical** Ending Value; and
 - (c) no transaction fees or expenses.
- (3) This is the **hypothetical** Starting Value, which is the closing level of the Index on January 15, 2009. The actual Starting Value will be determined on the pricing date and will be set forth in the final term sheet made available in connection with sales of the ARNs.
- (4) The Redemption Amount per unit of the ARNs cannot exceed the assumed Capped Value of \$12.80 (the midpoint of the range of \$12.60 and \$13.00). The actual Capped Value will be determined on the pricing date and will be set forth in the final term sheet made available in connection with sales of the ARNs.

The above figures are for purposes of illustration only. The actual amount you receive and the resulting total and pretax annualized rates of return will depend on the actual Starting Value, Ending Value, Capped Value, and the term of your investment.



Risk Factors

An investment in the ARNs involves significant risks. The following is a list of certain of the risks involved in investing in the ARNs. You should carefully review the more detailed explanation of risks relating to the ARNs in the "Risk Factors" sections included in the product supplement ARN-1 and MTN prospectus supplement identified below under "Additional Terms." We also urge you to consult your investment, legal, tax, accounting, and other advisers before you invest in the ARNs.

- Your investment may result in a loss; there is no guaranteed return of principal.
- Your yield may be less than the yield on a conventional debt security of comparable maturity.
- Your return, if any, is limited to the return represented by the Capped Value.
- Your investment return may be less than a comparable investment directly in the stocks included in the Index.
- You must rely on your own evaluation of the merits of an investment linked to the Index.
- In seeking to provide you with what we believe to be commercially reasonable terms for the ARNs while providing MLPF&S with compensation for its services, we have considered the costs of developing, hedging, and distributing the ARNs.
- We cannot assure you that a trading market for your ARNs will ever develop or be maintained.
- The Redemption Amount will not be affected by all developments relating to the Index.
- NASDAQ OMX may adjust the Index in a way that affects its level, and NASDAQ OMX has no obligation to consider your interests.
- You will have no rights as a holder of the securities represented by the Index, and you will not be entitled to receive any of those securities or dividends or other distributions by the issuers of those securities.
- We do not control any company included in the Index, and are not responsible for any disclosure made by any other company.
- If you attempt to sell ARNs prior to maturity, their market value, if any, will be affected by various factors that interrelate in complex ways, and their market value may be less than their Original Offering Price.
- Payments on ARNs are subject to our credit risk, and changes in our credit ratings are expected to affect the value of ARNs.
- Purchases and sales by us and our affiliates may affect your return.
- Our trading and hedging activities may create conflicts of interest with you.
- Our hedging activities may affect the Starting Value, the Ending Value, the Redemption Amount, and the market value of ARNs.
- Our business activities relating to the companies represented by the Index may create conflicts of interest with you.
- There may be potential conflicts of interest involving the calculation agent. We have the right to appoint and remove the calculation agent.
- The U.S. federal income tax consequences of ARNs are uncertain, and may be adverse to a holder of ARNs. See "Certain U.S. Federal Income Taxation Considerations" below.

Additional Risk Factors

The stocks included in the Index are concentrated in one industry.

All of the stocks included in the Index are issued by companies in the aerospace and defense industry. As a result, the stocks that will determine the performance of the ARNs are concentrated in one industry. Although an investment in the ARNs will not give holders any ownership or other direct interests in the stocks underlying the Index, the return on an investment in the ARNs will be subject to certain risks associated with direct equity investments in the aerospace and defense industry. Accordingly, depending upon the performance of the Index, your investment in the ARNs may produce a lower return than an investment in a more diversified Market Measure.

The Index is not necessarily representative of the aerospace and defense industry.

While the stocks comprising the Index are common stocks of companies generally considered to be involved in various segments of the aerospace and defense industry, the stocks underlying the Index and the Index may not necessarily follow the price movements of the entire industry generally. If the stocks underlying the Index decline in value, the Index will decline in value even if common stock prices in the aerospace and defense industry generally increase in value.



Investor Considerations

You may wish to consider an investment in the ARNs if:

- You anticipate that the Index will appreciate moderately from the Starting Value to the Ending Value.
- You accept that your investment may result in a loss, which could be significant, if the level of the Index decreases from the Starting Value to the Ending Value.
- You accept that the return on the ARNs will not exceed the return represented by the Capped Value.
- You are willing to forgo interest payments on the ARNs, such as fixed or floating rate interest paid on traditional interest bearing debt securities.
- You want exposure to the Index with no expectation of dividends or other benefits of owning the stocks included in the Index.
- You are willing to accept that a trading market is not expected to develop for the ARNs. You understand that secondary market prices for the ARNs, if any, will be affected by various factors, including our perceived creditworthiness.

The ARNs may not be appropriate investments for you if:

- You anticipate that the level of the Index will decrease from the Starting Value to the Ending Value or that the Index will not appreciate sufficiently over the term of the ARNs to provide you with your desired return.
- You are seeking principal protection or preservation of capital.
- You seek a return on your investment that will not be capped at a percentage that will be between 26.00% and 30.00%.
- You seek interest payments or other current income on your investment.
- You want to receive dividends or other distributions paid on the stocks included in the Index.
- You want assurances that there will be a liquid market if and when you want to sell the ARNs prior to maturity.

Other Provisions

We may deliver the ARNs against payment therefor in New York, New York on a date that is in excess of three business days following the pricing date. Under Rule 15c6-1 of the Securities Exchange Act of 1934, trades in the secondary market generally are required to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, if the initial settlement of the ARNs occurs more than three business days from the pricing date, purchasers who wish to trade ARNs more than three business days prior to the original issue date will be required to specify alternative settlement arrangements to prevent a failed settlement.

If you place an order to purchase these offered securities, you are consenting to each of MLPF&S and its broker-dealer affiliate First Republic Securities Company, LLC acting as a principal in effecting the transaction for your account. MLPF&S is acting as an underwriter and/or selling agent for this offering and will receive underwriting compensation from BAC.

Supplement to the Plan of Distribution

MLPF&S and First Republic Securities Company, LLC, each a broker-dealer subsidiary of BAC, are members of the Financial Industry Regulatory Authority, Inc. (formerly the National Association of Securities Dealers, Inc. (the "NASD")) and will participate in the distribution of the ARNs. Accordingly, offerings of the ARNs will conform to the requirements of NASD Rule 2720. In the original offering of the ARNs, the ARNs will be sold in minimum investment amounts of 100 units.

MLPF&S and First Republic Securities Company, LLC may use this Note Prospectus for offers and sales in secondary market transactions and market-making transactions in the ARNs but are not obligated to engage in such secondary market transactions and/or market-making transactions. MLPF&S and First Republic Securities Company, LLC may act as principal or agent in these transactions, and any such sales will be made at prices related to prevailing market prices at the time of the sale.



The Index

The PHLX Defense SectorSM Index

We have obtained all information regarding the Index contained in this term sheet, including its make up, method of calculation, and changes in its components, from information prepared by NASDAQ OMX. That information reflects the policies of, and is subject to change by NASDAQ OMX. NASDAQ OMX, which owns the copyright and all other rights to the Index, has no obligation to continue to publish, and may discontinue publication of, the Index. The consequences of NASDAQ OMX discontinuing publication of the Index are discussed in the section of product supplement ARN-1 entitled "Description of the ARNs—Discontinuance of a Market Measure." None of us, the calculation agent, and MLPF&S accepts any responsibility for the calculation, maintenance or publication of the Index or any successor index.

The Index is designed to measure the performance of companies whose primary lines of business are development, support, or sale of the products or services relating to the aerospace and defense industries, and is currently composed of 17 members. See "—Composition of the Index." The Index is published by NASDAQ OMX. The Index began on July 20, 2001 at a base value of 150.00. Options on the Index commenced trading on November 19, 2001.

The Index is monitored or benchmarked against the value at which it was initially set. The Index will reflect the aerospace and defense industry only to the extent that the underlying issues are representative of the industry. NASDAQ OMX will adjust the composition of the Index due to mergers of component issuers, because issuers no longer reflect the particular Index group, or to improve the Index's correlation to the aerospace and defense industry, as described in more detail below.

Index Calculation

The Index is an equal dollar-weighted index, which assigns equivalent influence to each component stock by representing them in approximate equal dollar amounts. The value of the Index equals the aggregate value of the Index share weights, also known as the "Index Shares," of each of the securities included in the Index (the "Index Securities"), multiplied by each such Index Security's last sale price, and divided by the divisor of the Index. The divisor serves the purpose of scaling the aggregate Index value to a lower order of magnitude, which is more desirable for Index reporting purposes. If trading in an Index Security is halted while the applicable market is open, the last traded price for that security is used for all Index computations until trading resumes. If trading is halted before the market is open, the previous day's last sale price is used.

The Index is ordinarily calculated without regard to cash dividends on the Index Securities.

The Index is calculated during the trading day and is disseminated once per second from 9:30 a.m. to 5:16 p.m., east coast time. The closing value of the Index may change up until 5:15 p.m. east coast time due to corrections to the last sale price of the Index Securities.

Eligibility

Index eligibility is limited to specific types of securities. The security types eligible for the Index include domestic or foreign common stocks, ordinary shares, ADRs, shares of beneficial interest or limited partnership interests, and tracking stocks. Security types not included in the Index are closed-end funds, convertible debentures, exchange traded funds, preferred stocks, rights, warrants, units, and other derivative securities.

Initial Security Eligibility Criteria

To be included in the Index, a security must meet the following criteria:

- the security must be listed on the New York Stock Exchange, the Nasdaq Stock Market, or NYSE Alternext U.S.;
- the issuer of the security must be classified, as reasonably determined by NASDAQ OMX, as a company whose primary business is the defense and aerospace industry;
- only one class of security per issuer is allowed;
- the security must have a market capitalization of at least \$100 million;
- the security must have traded at least 1.5 million shares in each of the last six months;
- the security must have listed options on a recognized options market in the U.S. or be eligible for listed-options trading on a recognized options market in the U.S.;
- the security may not be issued by an issuer currently in bankruptcy proceedings;
- the issuer of the security may not have entered into a definitive agreement or other arrangement which would likely result in the security no longer being eligible for the Index;
- the issuer of the security may not have annual financial statements with an audit opinion that is currently withdrawn; and
- the issuer of the security must have "seasoned" on a recognized market for at least six months; in the case of spin-offs, the operating history of the spin-off will be considered.

For purposes of Index eligibility criteria, if the security is a depositary receipt representing a security of a non-U.S. issuer, then references to the "issuer" are references to the issuer of the underlying security.



Component Replacement Criteria

In the event that an Index Security no longer meets the continued security eligibility criteria described below, it will be replaced with a security that meets all of the initial security eligibility criteria and additional criteria which follows. Securities eligible for inclusion will be ranked descending by market value, current price, and greatest percentage price change over the previous six months. The security with the highest overall ranking will be added to the Index (if multiple securities have the same rank, the security with the largest market capitalization will rank higher), provided that the Index then meets the following criteria:

- no single Index Security is greater than 20% of the weight of the Index, and the top five Index Securities do not constitute more than 55% of the weight of the Index; and
- no more than 15% of the weight of the Index is composed of non-U.S. component securities that are not subject to comprehensive surveillance agreements.

In the event that the highest ranking security does not permit the Index to meet the above criteria, the next highest ranking security will be selected and the Index criteria will again be applied to determine eligibility. The process will continue until a qualifying replacement security is selected. The replacement security will assume the weight of the deleted security on the effective date. All changes will be reflected in the Index prior to market open on the effective date.

Continued Security Eligibility Criteria

To be eligible for continued inclusion in the Index, an Index Security must meet the following criteria:

- the security must be listed on the New York Stock Exchange, the Nasdaq Stock Market, or NYSE Alternext U.S.;
- the issuer of the security must be classified, as reasonably determined by NASDAQ OMX, as a company whose primary business is in the defense and aerospace sector (Index Securities as of October 31, 2008 will be grandfathered for index classification purposes unless there is a material changes in the applicable issuer's business line);
- the security must have a market capitalization of at least \$60 million;
- the security may not be issued by an issuer currently in bankruptcy proceedings; and
- the issuer of the security may not have annual financial statements with an audit opinion that is currently withdrawn.

Continued Index Eligibility Criteria

In addition to the security eligibility criteria, the Index as a whole must meet the following criteria on a continual basis unless otherwise noted:

- no single Index Security is greater than 25% of the weight of the Index, and the top five Index Securities do not constitute more than 60% of the weight of the Index (measured semi-annually on the first trading day in January and July);
- no more than 18% of the weight of the Index is composed of non-U.S. Index Securities that are not subject to comprehensive surveillance agreements;
- the total number of Index Securities has not increased or decreased by 33 ¹ / 3% of the Index and in no event will be less than nine;
- Index Securities representing at least 95% of the weight of the Index have a market capitalization of at least \$75 million;
- Index Securities representing at least 92% of the weight of the Index and at least 82% of the total number of Index Securities meet the security options eligibility rules of NASDAQ OMX PHLX, Inc.;
- Index Securities must have trading volume of at least 600,000 shares for each of the last six months, except that for each of the lowest weighted Index Securities that in the aggregate account for no more than 5% of the weight of the Index, trading volume must be at least 500,000 shares for each of the last six months; and
- the lesser of the five highest weighted Index Securities or the highest weighted Index Securities that in the aggregate represent at least 30% of the total number of Index Securities each have had an average monthly trading volume of at least 1,250,000 shares over the past six months.

In the event the Index does not meet the criteria, the Index composition will be adjusted to ensure that the Index meets the criteria. Index Securities that contribute to the Index not meeting the eligibility criteria may be removed. Index Securities may be added and/or replaced according to the component replacement rules to ensure compliance with these criteria.

Index Maintenance

Index Share changes generally are not made during the quarter. However, changes arising from stock splits and stock dividends are made to the Index on the evening prior to the effective date of the corporate action. In the event of spin-offs or rights issuances of Index Securities, the price of the security will be adjusted, and a corresponding adjustment will be made to the Index Shares of the security such that the weight of the Index Security will not change.

In the event of a special cash dividend, NASDAQ OMX will determine on an individual basis whether to make a change to the price of an Index Security in accordance with its Index dividend policy. If NASDAQ OMX determines that a change will be made, a corresponding adjustment will be made to the Index Shares of the security such that the weight of the Index Security will not change. Any such change will become effective on the ex-date.

In the event of a change in Index Shares, a change in an Index Security, or a change to the price of an Index Security due to spin-off, rights issuances, or special cash dividends, the divisor is adjusted to ensure that there is no discontinuity in the value of the Index, which might otherwise be caused by any such change.



Index Rebalancing

The Index employs an equal-dollar weighting methodology such that each security's Index market value is rebalanced quarterly to an equal-dollar value that corresponds to an equal percent weight of the aggregate Index market value. Index Shares are calculated by dividing this equal dollar value by the corresponding last sale price of each Index Security at the close of trading on the third Friday in each January, April, July, and October. Changes to the Index Shares will be made effective after the close of trading on that date, and an adjustment to the divisor will be made to ensure continuity of the Index.

Composition of the Index

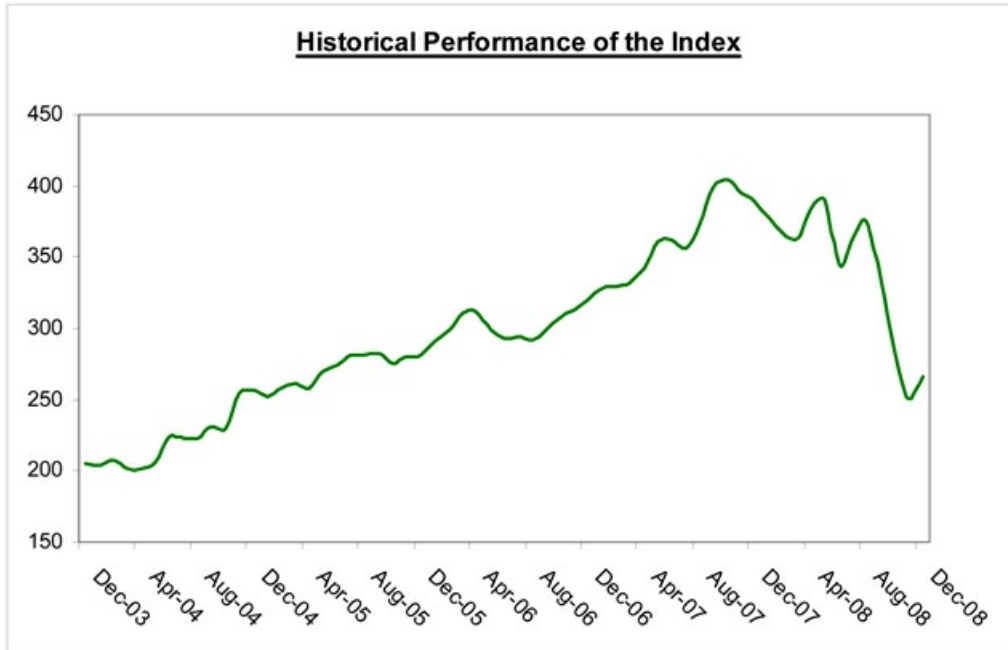
As of January 20, 2009, the Index was composed of the following seventeen stocks:

<u>Company Name</u>	<u>Symbol</u>	<u>Percentage Weight in the Index</u>
Alliant Techsystems Inc	ATK	5.97%
The Boeing Co	BA	5.85%
Embraer-Empresa Brasileira de Aeronautica S.A.	ERJ	5.87%
Esterline Technologies Corp	ESL	5.83%
FLIR Systems Inc	FLIR	6.00%
GenCorp Inc	GY	5.33%
General Dynamics Corp	GD	5.90%
General Electric Co	GE	5.72%
ITT Corp	ITT	5.80%
L-3 Communications Holdings Inc	LLL	6.00%
Lockheed Martin Corp	LMT	5.82%
Northrop Grumman Corp	NOC	5.96%
Precision Castparts Corp	PCP	6.28%
Raytheon Co	RTN	5.96%
Rockwell Collins Inc	COL	5.88%
Teledyne Technologies Inc	TDY	5.90%
United Technologies Corp	UTX	5.93%

TS-9



The following graph sets forth the monthly historical performance of the Index in the period from January 2004 through December 2008. This historical data on the Index is not necessarily indicative of the future performance of the Index or what the value of the ARNs may be. Any historical upward or downward trend in the level of the Index during any period set forth below is not an indication that the Index is more or less likely to increase or decrease at any time over the term of the ARNs. On January 15, 2009, the closing level of the Index was 253.45.



License Agreement

NASDAQ OMX and MLPF&S have entered into a non-exclusive license agreement providing for the license to MLPF&S, in exchange for a fee, of the right to use the Index, which is owned and published by NASDAQ OMX in connection with the ARNs, and we are an authorized affiliate of MLPF&S. The license agreement provides that the following language must be stated in this term sheet:

The ARNs are not sponsored, endorsed, sold, or promoted by NASDAQ OMX or its affiliates. NASDAQ OMX or its affiliates have not passed on the legality or suitability of, or the accuracy or adequacy of descriptions and disclosures relating to the ARNs. NASDAQ OMX or its affiliates makes no representation or warranty, express or implied, to the holders of the ARNs or any member of the public regarding the advisability of investing in securities generally or in the ARNs particularly, or the ability of the PHLX Defense SectorSM Index to track general stock market performance. NASDAQ OMX or its affiliates' only relationship to MLPF&S and to us is the licensing of the Nasdaq[®], OMX[®], PHLX Defense SectorSM, and DFXSM registered trademarks, service marks, and certain trade names of NASDAQ OMX and the use of the PHLX Defense SectorSM Index, which is determined, composed, and calculated by NASDAQ OMX or its affiliates without regard to MLPF&S, us, or the ARNs. NASDAQ OMX or its affiliates has no obligation to take the needs of MLPF&S, our needs, or the needs of the holders of the ARNs into consideration in determining, composing, or calculating the PHLX Defense SectorSM Index. NASDAQ OMX or its affiliates is not responsible for and has not participated in the determination of the timing of, prices at, or quantities of the ARNs to be issued or in the determination or calculation of the equation by which the ARNs is to be converted into cash. NASDAQ OMX or its affiliates has no obligation or liability in connection with the administration, purchase, sale, marketing, promotion, or trading of the ARNs.

NASDAQ OMX OR ITS AFFILIATES DOES NOT GUARANTEE THE ACCURACY AND/OR UNINTERRUPTED CALCULATION OF THE PHLX DEFENSE SECTORSM INDEX OR ANY DATA INCLUDED THEREIN. NASDAQ OMX OR ITS AFFILIATES MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY LICENSEE, HOLDERS OF THE ARNS, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE PHLX DEFENSE SECTORSM INDEX OR ANY DATA INCLUDED THEREIN. NASDAQ OMX OR ITS AFFILIATES MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE PHLX DEFENSE SECTORSM INDEX OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL NASDAQ OMX OR ITS AFFILIATES HAVE ANY LIABILITY FOR ANY LOST PROFITS OR SPECIAL, INCIDENTAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES, EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.



Summary Tax Consequences

You should consider the U.S. federal income tax consequences of an investment in the ARNs, including the following:

- You agree with us (in the absence of an administrative determination, or judicial ruling to the contrary) to characterize and treat the ARNs for all tax purposes as a single financial contract with respect to the Index that requires you to pay us at inception an amount equal to the purchase price of the ARNs and that entitles you to receive at maturity an amount in cash based upon the performance of the Index.
- Under this characterization and tax treatment of the ARNs, upon receipt of a cash payment at maturity or upon a sale or exchange of the ARNs prior to maturity, you generally will recognize capital gain or loss. This capital gain or loss generally will be long-term capital gain or loss if you held the ARNs for more than one year.

Certain U.S. Federal Income Taxation Considerations

Set forth below is a summary of certain U.S. federal income tax considerations relating to an investment in the ARNs. The following summary is not complete and is qualified in its entirety by the discussion under the section entitled "U.S. Federal Income Tax Summary" in product supplement ARN-1, which you should carefully review prior to investing in the ARNs.

General. Although there is no statutory, judicial, or administrative authority directly addressing the characterization of the ARNs, we intend to treat the ARNs for all tax purposes as a single financial contract with respect to the Index that requires the investor to pay us at inception an amount equal to the purchase price of the ARNs and that entitles the investor to receive at maturity an amount in cash based upon the performance of the Index. Under the terms of the ARNs, we and every investor in the ARNs agree, in the absence of an administrative determination or judicial ruling to the contrary, to treat the ARNs as described in the preceding sentence. This discussion assumes that the ARNs constitute a single financial contract with respect to the Index for U.S. federal income tax purposes. If the ARNs did not constitute a single financial contract, the tax consequences described below would be materially different.

This characterization of the ARNs is not binding on the Internal Revenue Service ("IRS") or the courts. No statutory, judicial, or administrative authority directly addresses the characterization of the ARNs or any similar instruments for U.S. federal income tax purposes, and no ruling is being requested from the IRS with respect to their proper characterization and treatment. Due to the absence of authorities on point, significant aspects of the U.S. federal income tax consequences of an investment in the ARNs are not certain, and no assurance can be given that the IRS or any court will agree with the characterization and tax treatment described in product supplement ARN-1. Accordingly, you are urged to consult your tax advisor regarding all aspects of the U.S. federal income tax consequences of an investment in the ARNs, including possible alternative characterizations.

Settlement At Maturity or Sale or Exchange Prior to Maturity. Assuming that the ARNs are properly characterized and treated as single financial contracts with respect to the Index for U.S. federal income tax purposes, upon receipt of a cash payment at maturity or upon a sale or exchange of the ARNs prior to maturity, a U.S. Holder (as defined in product supplement ARN-1) generally will recognize capital gain or loss equal to the difference between the amount realized and the U.S. Holder's basis in the ARNs. This capital gain or loss generally will be long-term capital gain or loss if the U.S. Holder held the ARNs for more than one year. The deductibility of capital losses is subject to limitations.

Possible Future Tax Law Changes. On December 7, 2007, the IRS released Notice 2008-2 ("Notice") seeking comments from the public on the taxation of financial instruments currently taxed as "prepaid forward contracts." This Notice addresses instruments such as the ARNs. According to the Notice, the IRS and Treasury are considering whether a holder of an instrument such as the ARNs should be required to accrue ordinary income on a current basis, regardless of whether any payments are made prior to maturity. It is not possible to determine what guidance the IRS and Treasury will ultimately issue, if any. Any such future guidance may affect the amount, timing, and character of income, gain, or loss in respect of the ARNs, possibly with retroactive effect. The IRS and Treasury are also considering additional issues, including whether additional gain or loss from such instruments should be treated as ordinary or capital, whether foreign holders of such instruments should be subject to withholding tax on any deemed income accruals, whether Section 1260 of the Internal Revenue Code of 1986, as amended, concerning certain "constructive ownership transactions," generally applies or should generally apply to such instruments, and whether any of these determinations depend on the nature of the underlying asset. We urge you to consult your own tax advisors concerning the impact and the significance of the above considerations. We intend to continue treating the ARNs for U.S. federal income tax purposes in the manner described herein unless and until such time as we determine, or the IRS or Treasury determines, that some other treatment is more appropriate.

You should consult your own tax advisor concerning the U.S. federal income tax consequences to you of acquiring, owning, and disposing of the ARNs, as well as any tax consequences arising under the laws of any state, local, foreign, or other tax jurisdiction and the possible effects of changes in U.S. federal or other tax laws. See the discussion under the section entitled "U.S. Federal Income Tax Summary" in product supplement ARN-1.



Additional Terms

You should read this term sheet, together with the documents listed below, which together contain the terms of the ARNs and supersede all prior or contemporaneous oral statements as well as any other written materials. You should carefully consider, among other things, the matters set forth under "Risk Factors" in the sections indicated on the cover of this term sheet. The ARNs involve risks not associated with conventional debt securities. We urge you to consult your investment, legal, tax, accounting, and other advisers before you invest in the ARNs.

You may access the following documents on the SEC Website at www.sec.gov as follows (or if such address has changed, by reviewing our filings for the relevant date on the SEC Website):

- Product supplement ARN-1 dated January 2, 2009:
<http://www.sec.gov/Archives/edgar/data/70858/000119312509000312/d424b5.htm>
- Series L MTN prospectus supplement dated April 10, 2008 and prospectus dated May 5, 2006:
<http://www.sec.gov/Archives/edgar/data/70858/000119312508079745/d424b5.htm>

Our Central Index Key, or CIK, on the SEC Website is 70858.

We have filed a registration statement (including a product supplement, prospectus supplement, and a prospectus) with the SEC for the offering to which this term sheet relates. Before you invest, you should read the product supplement, the prospectus supplement, and the prospectus in that registration statement, and the other documents relating to this offering that we have filed with the SEC for more complete information about us and this offering. You may get these documents without cost by visiting EDGAR on the SEC Website at www.sec.gov. Alternatively, we, any agent or any dealer participating in this offering, will arrange to send you the Note Prospectus if you so request by calling MLPF&S toll-free 1-866-500-5408.

Structured Investments Classification

MLPF&S classifies certain structured investments (the "Structured Investments"), including the ARNs, into four categories, each with different investment characteristics. The description below is intended to briefly describe the four categories of Structured Investments offered: Principal Protection, Enhanced Income, Market Participation, and Enhanced Participation. A Structured Investment may, however, combine characteristics that are relevant to one or more of the other categories. As such, a category should not be relied upon as a description of any particular Structured Investment.

Principal Protection: Principal Protected Structured Investments offer full or partial principal protection at maturity, while offering market exposure and the opportunity for a better return than may be available from comparable fixed income securities. Principal protection may not be achieved if the investment is sold prior to maturity.

Enhanced Income: Structured Investments offering enhanced income may offer an enhanced income stream through interim fixed or variable coupon payments. However, in exchange for receiving current income, investors may forfeit upside potential on the underlying asset. These investments generally do not include the principal protection feature.

Market Participation: Market Participation Structured Investments can offer investors exposure to specific market sectors, asset classes, and/or strategies that may not be readily available through traditional investment alternatives. Returns obtained from these investments are tied to the performance of the underlying asset. As such, subject to certain fees, the returns will generally reflect any increases or decreases in the value of such assets. These investments are not structured to include the principal protection feature.

Enhanced Participation: Enhanced Participation Structured Investments may offer investors the potential to receive better than market returns on the performance of the underlying asset. Some structures may offer leverage in exchange for a capped or limited upside potential and also in exchange for downside risk. These investments are not structured to include the principal protection feature.

The classification of Structured Investments is meant solely for informational purposes and is not intended to fully describe any particular Structured Investment nor guarantee any particular performance.