

**CALCULATION OF REGISTRATION FEE**

<b>Title of Each Class of Securities to be Registered</b>	<b>Amount to be Registered</b>	<b>Proposed Maximum Offering Price Per Unit</b>	<b>Proposed Maximum Aggregate Offering Price</b>	<b>Amount of Registration Fee(1)</b>
Strategic Accelerated Redemption Securities® Linked to the S&P 500® Index, due February 1, 2011	6,000,000	\$10.00	\$60,000,000	\$2,358.00

(1) Calculated in accordance with Rule 457(r) of the Securities Act of 1933.

6,000,000 Units  
 Strategic Accelerated Redemption Securities®  
 Linked to the S&P 500® Index,  
 due February 1, 2011  
 \$10 principal amount per unit  
 Term Sheet No. 74

Pricing Date January 29, 2009  
 Settlement Date February 5, 2009  
 Maturity Date February 1, 2011  
 CUSIP No. 060900123



## Strategic Accelerated Redemption Securities®

- The notes will be called at an amount equal to the \$10 principal amount per unit plus the Call Premium of 18.35% per annum if the closing value of the S&P 500® Index on any observation date is equal to or greater than 100% of its starting value
- A maturity of approximately 2 years
- 1-to-1 downside loss if the notes are not called prior to maturity and the closing value of the S&P 500® Index decreases below a Threshold Value, with up to 90% of the principal amount at risk
- No periodic interest payments
- Application made to list on NYSE Arca under the symbol "SKC"
- 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 notes are being offered by Bank of America Corporation ("BAC"). The notes 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 notes involves a number of risks. See "Risk Factors" on page TS-6 of this term sheet and beginning on page S-10 of product supplement STR-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	\$60,000,000
Underwriting discount (1)	\$0.20	\$1,200,000
Proceeds, before expenses, to Bank of America Corporation	\$9.80	\$58,800,000

(1) The public offering price and underwriting discount for any purchase of 500,000 or more units in a single transaction by an individual investor will be \$9.95 per unit and \$0.15 per unit, respectively.

"Strategic Accelerated Redemption Securities<sup>®</sup>" is a registered service mark of our subsidiary, Merrill Lynch & Co., Inc.

"Standard & Poor's<sup>®</sup>", "Standard & Poor's 500<sup>®</sup>", "S&P 500<sup>®</sup>", and "S&P<sup>®</sup>" are trademarks of The McGraw-Hill Companies, Inc. and have been licensed for use in this offering by our subsidiary, MLPF&S. The notes are not sponsored, endorsed, sold, or promoted by Standard & Poor's<sup>®</sup> and Standard & Poor's<sup>®</sup> makes no representation regarding the advisability of investing in the notes.

## **Merrill Lynch & Co.**

January 29, 2009

Strategic Accelerated Redemption Securities<sup>®</sup>



Strategic Accelerated Redemption Securities®  
Linked to the S&P 500® Index, due February 1, 2011

STRUCTURED INVESTMENTS

PRINCIPAL PROTECTION  
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## Summary

The Strategic Accelerated Redemption Securities® Linked to the S&P 500® Index, due February 1, 2011 (the "notes"), are our senior unsecured debt securities and are not guaranteed or insured by the Federal Deposit Insurance Corporation ("FDIC") or secured by collateral. The notes will rank equally with all of our other unsecured and unsubordinated debt, and any payments due on the notes, including any repayment of principal, will be subject to the credit risk of BAC. The notes provide for an automatic call if the Observation Level of the S&P 500® Index (the "Index") on any Observation Date is equal to or greater than the Call Level. If the notes are called on any Observation Date, you will receive on the Call Settlement Date an amount per unit (the "Call Amount") equal to the \$10 Original Offering Price of the notes plus the applicable Call Premium. If your notes are not called, the amount you receive on the maturity date (the "Redemption Amount") will not be greater than the Original Offering Price per unit and will be based on the direction of and percentage change in the value of the Index from the Starting Value, as determined on January 29, 2009, the pricing date, to the Ending Value, as determined on the final Observation Date. Investors must be willing to forgo interest payments on the notes and be willing to accept a repayment that may be less, and potentially significantly less, than the Original Offering Price of the notes. Investors also must be prepared to have their notes called by us on any Observation Date.

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

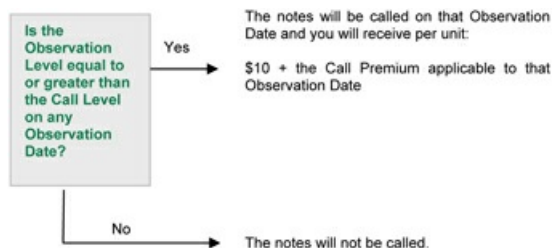
## Terms of the Notes

<b>Issuer:</b>	Bank of America Corporation ("BAC")
<b>Original Offering Price:</b>	\$10 per unit
<b>Term:</b>	Approximately two years
<b>Market Measure:</b>	S&P 500 <sup>®</sup> Index (Index Symbol: "SPX")
<b>Starting Value:</b>	845.14
<b>Ending Value:</b>	The Observation Level on the final Observation Date.
<b>Observation Level:</b>	The closing value of the Index on any Observation Date.
<b>Observation Dates:</b>	February 1, 2010, July 27, 2010, and January 25, 2011 (the final Observation Date).
<b>Call Level:</b>	845.14 (100% of the Starting Value).
<b>Call Amounts (per Unit):</b>	\$11.8350 if called on February 1, 2010; \$12.7525 if called on July 27, 2010; and \$13.6700 if called on January 25, 2011.
<b>Call Premium:</b>	18.35% of the Original Offering Price per annum.
<b>Call Settlement Date:</b>	The fifth Banking Business Day following an Observation Date, if the notes are called on such Observation Date, subject to postponement as described in product supplement STR-1, provided however, that the Call Settlement Date related to the final Observation Date shall be the maturity date.
<b>Threshold Value:</b>	760.63 (90% of the Starting Value, rounded to two decimal places).
<b>Leverage Factor:</b>	100%
<b>Calculation Agent:</b>	MLPF&S, a subsidiary of BAC.

## Determining Payment for the Notes

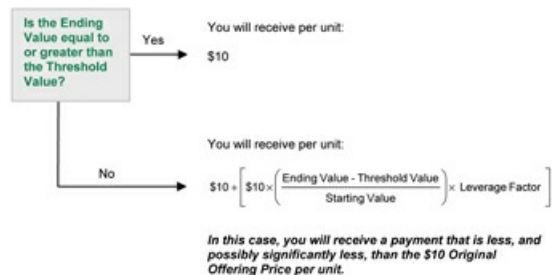
### Automatic Call Provision:

The notes will be automatically called on an Observation Date if the Observation Level on such Observation Date is equal to or greater than the applicable Call Level. If the notes are called, you will receive on the Call Settlement Date the Call Amount per unit applicable to such Observation Date, which is equal to the \$10 Original Offering Price per unit plus the Call Premium.



### Payment at Maturity:

If the notes are not called prior to the maturity date, the "Redemption Amount" per unit, denominated in U.S. dollars, will be determined by the calculation agent and will be based on the percentage change in the value of the Index from the Starting Value to the Ending Value:





## Hypothetical Payments

Set forth below are five **hypothetical** examples of payment calculations reflecting:

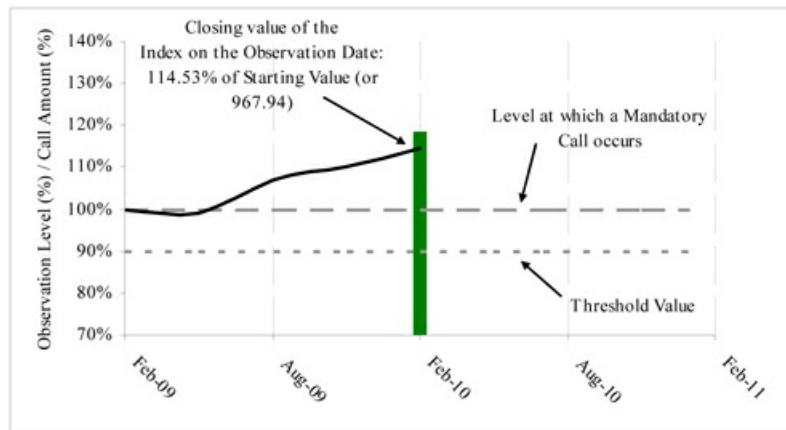
- 1) the Starting Value of 845.14;
- 2) the Threshold Value of 760.63, or 90% of the Starting Value, rounded to two decimal places;
- 3) the Call Level of 845.14, or 100% of the Starting Value;
- 4) the term of the notes from February 5, 2009 to February 1, 2011;
- 5) the Call Premium of 18.35% of the \$10.00 Original Offering Price per unit per annum; and
- 6) Observation Dates occurring on February 1, 2010, July 27, 2010, and January 25, 2011.

The Notes Are Called on One of the Observation Dates

The notes have not been previously called and the Observation Level on the relevant Observation Date is equal to or greater than the Call Level. Consequently, the notes will be called at the Call Amount per unit equal to \$10.0000 plus the applicable Call Premium.

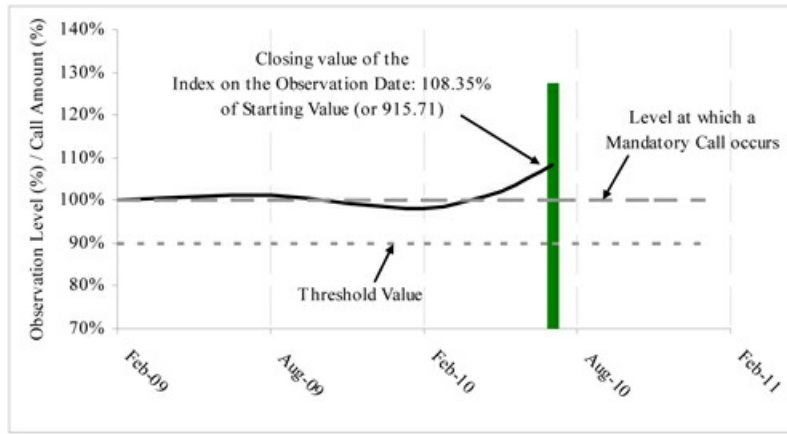
Example 1

If the call is related to the Observation Date that falls on February 1, 2010, the Call Amount per unit will be: \$10.0000 plus the Call Premium of \$1.8350 = \$11.8350 per unit.



Example 2

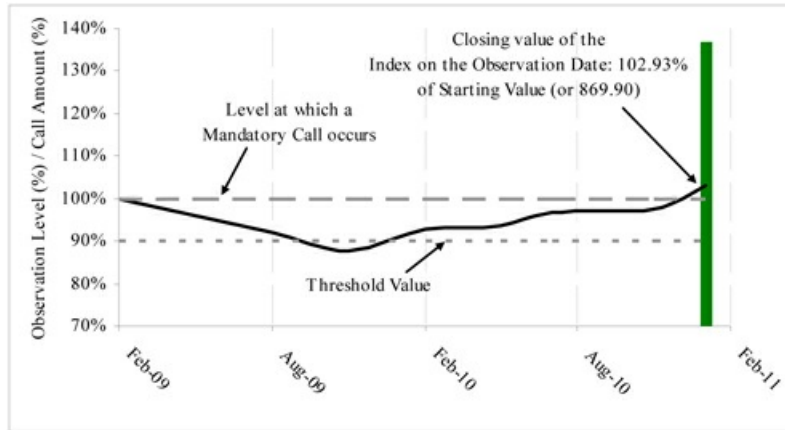
If the call is related to the Observation Date that falls on July 27, 2010, the Call Amount per unit will be:  
 $\$10.0000$  plus the Call Premium of  $\$2.7525 = \$12.7525$  per unit.





Example 3

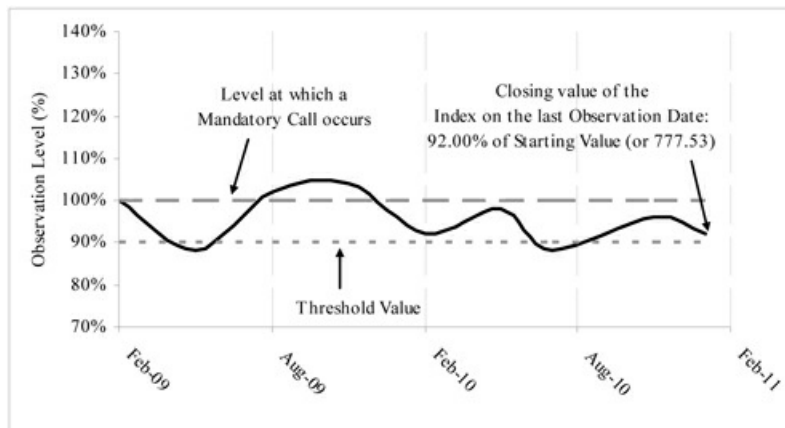
If the call is related to the Observation Date that falls on January 25, 2011, the Call Amount per unit will be:  
 $\$10.0000$  plus the Call Premium of  $\$3.6700 = \$13.6700$  per unit.



The Notes Are Not Called on Any of the Observation Dates

Example 4

The notes are not called on any of the Observation Dates and the **hypothetical** Ending Value of the Index on the final Observation Date is not less than 760.63, the Threshold Value. The amount received at maturity per unit will therefore be  $\$10.0000$ .



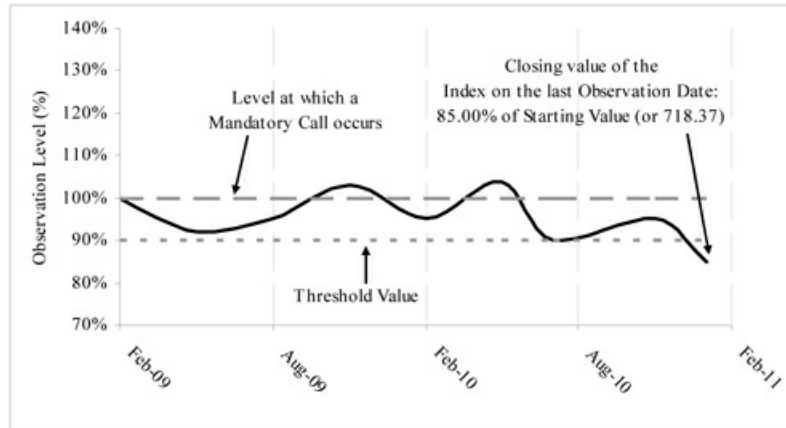




Example 5

The notes are not called on any of the Observation Dates and the **hypothetical** Ending Value of the Index on the final Observation Date is less than 760.63, the Threshold Value. The amount received at maturity will be less, and possibly significantly less, than the Original Offering Price of \$10 per unit.

If the Ending Value is 718.37, or 85% of the Starting Value, the payment at maturity will be:  
 $\$10 + [\$10 \times (718.37 - 760.63) / 845.14] = \$9.5000$  per unit



These examples have been prepared for purposes of illustration only. Your actual return will depend on the actual Observation Level on the applicable Observation Date, the Ending Value, if applicable, and the term of your investment.

Summary of the Hypothetical Examples

	Observation Date on February 1, 2010	Observation Date on July 27, 2010	Observation Date on January 25, 2011
<b>Notes Are Called on an Observation Date</b>			
Starting Value	845.14	845.14	845.14
Call Level	845.14	845.14	845.14
<b>Hypothetical</b> Observation Level on the Observation Date	967.94	915.71	869.90
Return of the Index (excluding any dividends)	14.5300%	8.3500%	2.9300%
Return of the Notes	18.3500%	27.5250%	36.7000%
Call Amount per Unit	\$11.8350	\$12.7525	\$13.6700
	<b>Hypothetical Ending Value is greater than the Threshold Value</b>	<b>Hypothetical Ending Value is less than the Threshold Value</b>	
<b>Notes Are Not Called on any Observation Date</b>			
Starting Value	845.14		845.14
<b>Hypothetical</b> Ending Value	777.53		718.37
Threshold Value	760.63		760.63
Is the <b>hypothetical</b> Ending Value less than the Threshold Value?	No		Yes
Return of the Index (excluding any dividends)	-8.0000%		-15.0000%
Return of the Notes	0.0000%		-5.0000%
Redemption Amount per Unit	\$10.0000		\$9.5000



## Risk Factors

An investment in the notes involves significant risks. The following is a list of certain of the risks involved in investing in the notes. You should carefully review the more detailed explanation of risks relating to the notes in the "Risk Factors" sections included in the product supplement STR-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 notes.

- If the notes are not called, your investment may result in a loss; there is no guaranteed return of principal.
- Your return, if any, is limited to the Call Premium.
- Your yield may be less than the yield on a conventional debt security of comparable maturity.
- 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 notes while providing MLPF&S with compensation for its services, we have considered the costs of developing, hedging, and distributing the notes.
- We cannot assure you that a trading market for your notes will ever develop or be maintained.
- The amount that you receive at maturity or upon a call will not be affected by all developments relating to the Index.
- Standard & Poor's ("S&P®") may adjust the Index in a way that affects its value, and S&P® has no obligation to consider your interests.
- You will have no rights as a securityholder 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.
- Except to the extent that our common stock is included in the Index, 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 notes 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 the notes are subject to our credit risk, and changes in our credit ratings are expected to affect the value of the notes.
- 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 your return at maturity and the market value of the notes.
- 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 the notes are uncertain, and may be adverse to a holder of the notes. See "Certain U.S. Federal Income Taxation Considerations" below.



## Investor Considerations

### You may wish to consider an investment in the notes if:

- You anticipate that the value of the Index will be equal to or higher than the Call Level on any Observation Date and you seek an early exit prior to maturity at a premium in such case.
- You are willing to receive a pre-determined return on your investment, capped at the Call Premium, in case the notes are called, regardless of the performance of the Index from the Starting Value to the date on which the notes are called.
- You are willing to accept that the notes may not be called prior to the maturity date, in which case your return on your investment will be equal to or less than the \$10 Original Offering Price per unit.
- You accept that your investment may result in a loss, which could be significant, if the value of the Index decreases below the Threshold Value from the Starting Value to the Ending Value on the final Observation Date.
- You are willing to forgo interest payments on the notes, 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 there is no assurance that the notes will be listed or remain listed on NYSE Arca. You understand that any listing does not ensure that a trading market will develop for the notes or that there will be liquidity in any trading market. You understand that secondary market prices for the notes, if any, will be affected by various factors, including our perceived creditworthiness.

### The notes may not be appropriate investments for you if:

- You want to hold your notes for the full term.
- You anticipate that the value of the Index will depreciate from the Starting Value to the Ending Value.
- You anticipate that the Observation Level will not be equal to or greater than the Call Level on any Observation Date.
- You seek a return on your investment that will not be capped at the Call Premium.
- You are seeking 100% principal protection or preservation of capital.
- You seek interest payments or other current income on your investment.
- You want to receive dividends 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 notes prior to maturity.

## Other Provisions

We will deliver the notes 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, purchasers who wish to trade notes 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 distribution of the notes. Accordingly, offerings of the notes will conform to the requirements of NASD Rule 2720. In the original offering of the notes, the notes 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 notes 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 S&P 500® Index

We have obtained all information regarding the S&P 500® Index contained in this term sheet, including its make up, method of calculation, and changes in its components, from publicly available information. That information reflects the policies of, and is subject to change by, S&P®, S&P®, which owns the copyright and all other rights to the S&P 500® Index, has no obligation to continue to publish, and may discontinue publication of, the S&P 500® Index. The consequences of S&P® discontinuing publication of the S&P 500® Index are discussed in the section of product supplement STR-1 entitled "Description of the Notes—Discontinuance of a Non-Exchange Traded Fund Market Measure." We do not assume any responsibility for the accuracy or completeness of any information relating to the S&P 500® Index.

The S&P 500® Index is intended to provide an indication of the pattern of common stock price movement. The calculation of the value of the S&P 500® Index 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. As of December 31, 2008, 412 companies or 83.2% of the market capitalization of the S&P 500® Index traded on the New York Stock Exchange; 88 companies or 16.8% of the market capitalization of the S&P 500® Index traded on The NASDAQ Stock Market; and no companies traded on the NYSE Alternext U.S. stock exchange (formerly known as the American Stock Exchange). As of December 31, 2008, the aggregate market value of the companies included in the S&P 500® Index represented approximately 76% of the aggregate market value of stocks included in the Standard & Poor's® Stock Guide Database of domestic common stocks traded in the U.S., excluding American depository receipts, limited partnerships and mutual funds.

S&P® chooses companies for inclusion in the S&P 500® Index with the aim of achieving a distribution by broad industry groupings that approximates the distribution of these groupings in the common stock population of its Stock Guide Database of over 10,000 companies, which S&P® uses as an assumed model for the composition of the total market. Relevant criteria employed by S&P® include the viability of the particular company, the extent to which that company represents the industry group to which it is assigned, the extent to which the market price of that company's common stock generally is responsive to changes in the affairs of the respective industry, and the market value and trading activity of the common stock of that company. Ten main groups of companies comprise the S&P 500® Index, with the approximate percentage of the market capitalization of the S&P 500® Index included in each group as of December 31, 2008 indicated in parentheses: Consumer Discretionary (8.4%); Consumer Staples (12.9%); Energy (13.3%); Financials (13.3%); Health Care (14.8%); Industrials (11.1%); Information Technology (15.3%); Materials (2.9%); Telecommunication Services (3.8%) and Utilities (4.2%). S&P® from time to time, in its sole discretion, may add companies to, or delete companies from, the S&P 500® Index to achieve the objectives stated above.

S&P® calculates the S&P 500® Index by reference to the prices of the constituent stocks of the S&P 500® Index without taking account of the value of dividends paid on those stocks. As a result, the return on the notes will not reflect the return you would realize if you actually owned the S&P 500® Index constituent stocks and received the dividends paid on those stocks.

### Computation of the S&P 500® Index

While S&P® currently employs the following methodology to calculate the S&P 500® Index, no assurance can be given that S&P® will not modify or change this methodology in a manner that may affect the Redemption Amount.

Historically, the market value of any component stock of the S&P 500® Index was calculated as the product of the market price per share and the number of the then outstanding shares of such component stock. In March 2005, S&P® began shifting the S&P 500® Index half way from a market capitalization weighted formula to a float-adjusted formula, before moving the S&P 500® Index to full float adjustment on September 16, 2005. S&P®'s criteria for selecting stocks for the S&P 500® Index did not change by the shift to float adjustment. However, the adjustment affects each company's weight in the S&P 500® Index.

Under float adjustment, the share counts used in calculating the S&P 500® Index reflect only those shares that are available to investors, not all of a company's outstanding shares. S&P® defines three groups of shareholders whose holdings are subject to float adjustment:

- holdings by other publicly traded corporations, venture capital firms, private equity firms, strategic partners, or leveraged buyout groups;
- holdings by government entities, including all levels of government in the U.S. or foreign countries; and
- holdings by current or former officers and directors of the company, founders of the company, or family trusts of officers, directors, or founders, as well as holdings of trusts, foundations, pension funds, employee stock ownership plans, or other investment vehicles associated with and controlled by the company.

However, treasury stock, stock options, restricted shares, equity participation units, warrants, preferred stock, convertible stock, and rights are not part of the float. In cases where holdings in a group exceed 10% of the outstanding shares of a company, the holdings of that group are excluded from the float-adjusted count of shares to be used in the index calculation. Mutual funds, investment advisory firms, pension funds, or foundations not associated with the company and investment funds in insurance companies, shares of a U.S. company traded in Canada as "exchangeable shares," shares that trust beneficiaries may buy or sell without difficulty or significant additional expense beyond typical brokerage fees, and, if a company has multiple classes of stock outstanding, shares in an unlisted or non-traded class if such shares are convertible by shareholders without undue delay and cost, are also part of the float.





For each stock, an investable weight factor ("IWF") is calculated by dividing the available float shares, defined as the total shares outstanding less shares held in one or more of the three groups listed above where the group holdings exceed 10% of the outstanding shares, by the total shares outstanding. The float-adjusted index is then calculated by dividing the sum of the IWF multiplied by both the price and the total shares outstanding for each stock by the index divisor. For companies with multiple classes of stock, S&P® calculates the weighted average IWF for each stock using the proportion of the total company market capitalization of each share class as weights.

The S&P 500® Index is calculated using a base-weighted aggregate methodology: the value of the S&P 500® Index reflects the total market value of all 500 component stocks relative to the base period of the years 1941 through 1943. An indexed number is used to represent the results of this calculation in order to make the value easier to work with and track over time. The actual total market value of the component stocks during the base period of the years 1941 through 1943 has been set to an indexed value of 10. This is often indicated by the notation 1941-43 = 10. In practice, the daily calculation of the S&P 500® Index is computed by dividing the total market value of the component stocks by the "index divisor." By itself, the index divisor is an arbitrary number. However, in the context of the calculation of the S&P 500® Index, it serves as a link to the original base period value of the S&P 500® Index. The index divisor keeps the S&P 500® Index comparable over time and is the manipulation point for all adjustments to the S&P 500® Index, which is index maintenance.

#### Index Maintenance

S&P 500® Index maintenance includes monitoring and completing the adjustments for company additions and deletions, share changes, stock splits, stock dividends, and stock price adjustments due to company restructuring or spinoffs. Some corporate actions, such as stock splits and stock dividends, require changes in the common shares outstanding and the stock prices of the companies in the S&P 500® Index, and do not require index divisor adjustments.

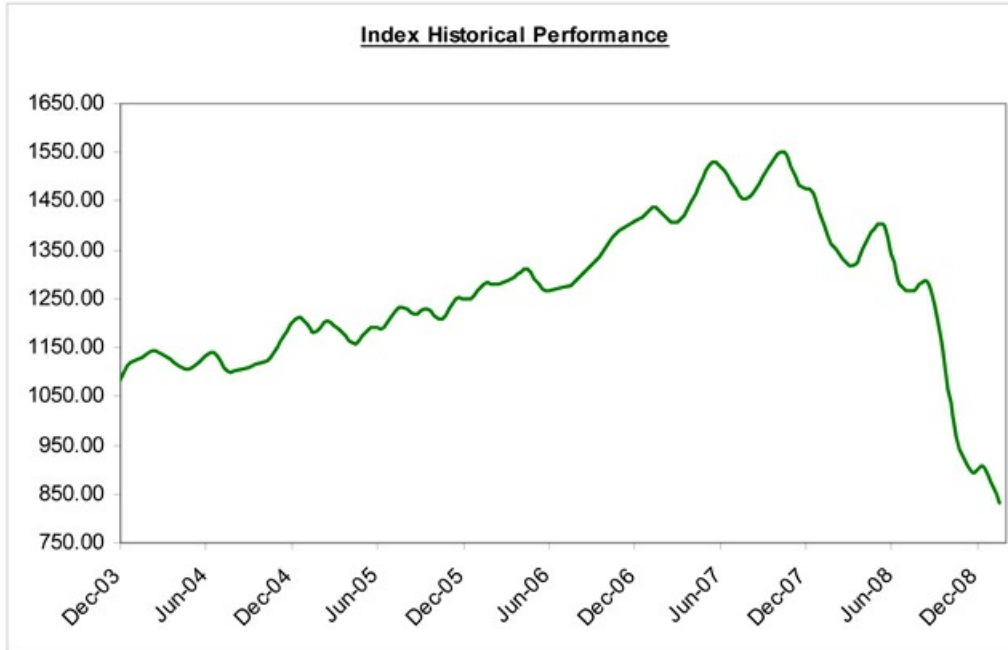
To prevent the value of the S&P 500® Index from changing due to corporate actions, corporate actions which affect the total market value of the S&P 500® Index require an index divisor adjustment. By adjusting the index divisor for the change in market value, the value of the S&P 500® Index remains constant and does not reflect the corporate actions of individual companies in the S&P 500® Index. Index divisor adjustments are made after the close of trading and after the calculation of the S&P 500® Index closing value.

Changes in a company's shares outstanding of 5.00% or more due to mergers, acquisitions, public offerings, private placements, tender offers, Dutch auctions, or exchange offers are made as soon as reasonably possible. All other changes of 5.00% or more (due to, for example, company stock repurchases, redemptions, exercise of options, warrants, subscription rights, conversion of preferred stock, notes, debt, equity participation units, or other recapitalizations) are made weekly and are announced on Tuesdays for implementation after the close of trading on Wednesday. Changes of less than 5.00% are accumulated and made quarterly on the third Friday of March, June, September, and December, and are usually announced two days prior.

Changes in IWFs of more than ten percentage points caused by corporate actions (such as merger and acquisition activity, restructurings, or spinoffs) will be made as soon as reasonably possible. Other changes in IWFs will be made annually, in September, when IWFs are reviewed.



The following graph sets forth the monthly historical performance of the Index in the period from January 2003 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 notes may be. Any historical upward or downward trend in the value 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 notes. On the pricing date, the closing value of the Index was 845.14.



Before investing in the notes, you should consult publicly available sources for the values and trading pattern of the S&P 500® Index. The generally unsettled international environment and related uncertainties, including the risk of terrorism, may result in financial markets generally and the S&P 500® Index exhibiting greater volatility than in earlier periods.

**License Agreement**

Standard & Poor's® ("S&P®") does not guarantee the accuracy and/or the completeness of the S&P 500® Index or any data included in the S&P 500® Index. S&P® shall have no liability for any errors, omissions, or interruptions in the S&P 500® Index. S&P® makes no warranty, express or implied, as to results to be obtained by MLPF&S, us, holders of the notes or any other person or entity from the use of the S&P 500® Index or any data included in the S&P 500® Index in connection with the rights licensed under the license agreement described in this term sheet or for any other use. S&P® makes no express or implied warranties, and hereby expressly disclaims all warranties of merchantability or fitness for a particular purpose with respect to the S&P 500® Index or any data included in the S&P 500® Index. Without limiting any of the above information, in no event shall S&P® have any liability for any special, punitive, indirect, or consequential damages, including lost profits, even if notified of the possibility of these damages.

S&P® 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 in connection with this offering. The license agreement provides that the following language must be stated in this term sheet:

"The notes are not sponsored, endorsed, sold, or promoted by S&P<sup>®</sup>. S&P<sup>®</sup> makes no representation or warranty, express or implied, to the holders of the notes or any member of the public regarding the advisability of investing in securities generally or in the notes particularly or the ability of the S&P 500<sup>®</sup> Index to track general stock market performance. S&P's<sup>®</sup> only relationship to MLPF&S and to us (other than transactions entered into in the ordinary course of business) is the licensing of certain trademarks and trade names of S&P<sup>®</sup> and of the S&P 500<sup>®</sup> Index which is determined, composed, and calculated by S&P<sup>®</sup> without regard to us or the notes. S&P<sup>®</sup> has no obligation to take the needs of MLPF&S, our needs or the needs of the holders of the notes into consideration in determining, composing, or calculating the S&P 500<sup>®</sup> Index. S&P is not responsible for and has not participated in the determination of the timing of the sale of the notes, prices at which the notes are to initially be sold, or quantities of the notes to be issued or in the determination or calculation of the equation by which the notes are to be converted into cash. S&P<sup>®</sup> has no obligation or liability in connection with the administration, marketing, or trading of the notes."





## Summary Tax Consequences

You should consider the U.S. federal income tax consequences of an investment in the notes, 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 notes for all tax purposes as a callable single financial contract linked to the Index that requires you to pay us at inception an amount equal to the purchase price of the notes and that entitles you to receive at maturity or upon earlier redemption an amount in cash linked to the value of the Index.
- Under this characterization and tax treatment of the notes, upon receipt of a cash payment at maturity or upon a sale, exchange, or redemption of the notes 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 hold the notes 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 notes. 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 the accompanying product supplement STR-1, which you should carefully review prior to investing in the notes.

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

This characterization of the notes is not binding on the Internal Revenue Service ("IRS") or the courts. No statutory, judicial, or administrative authority directly addresses the characterization of the notes 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 notes 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 the accompanying product supplement STR-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 notes, including possible alternative characterizations. The discussion in this section and in the section entitled "U.S. Federal Income Tax Summary" in the accompanying product supplement STR-1 assume that there is a significant possibility of a significant loss of principal on an investment in the notes.

*Settlement at Maturity or Sale, Exchange, or Redemption Prior to Maturity.* Assuming that the notes are properly characterized and treated as callable single financial contracts linked to the Index for U.S. federal income tax purposes, upon receipt of a cash payment at maturity or upon a sale, exchange, or redemption of the notes prior to maturity, a U.S. Holder (as defined in the accompanying product supplement STR-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 notes. This capital gain or loss generally will be long-term capital gain or loss if the U.S. Holder holds the notes 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 notes. According to the Notice, the IRS and Treasury are considering whether a holder of an instrument such as the notes 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 notes, 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 notes 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 notes, 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 the accompanying product supplement STR-1.**



## Additional Terms

You should read this term sheet, together with the documents listed below, which together contain the terms of the notes 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 notes 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 notes.

You may access the following documents on the SEC Website at [www.sec.gov](http://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 STR-1 dated January 2, 2009:  
<http://www.sec.gov/Archives/edgar/data/70858/000119312509000237/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, a 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](http://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 notes, 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.