

**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>
Capped Leveraged Index Return Notes <sup>®</sup> Linked to the S&P BRIC 40 Index, due January 27, 2012	4,632,000	\$10.00	\$46,320,000	\$3,302.62

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

4,632,000 Units  
Capped Leveraged Index Return Notes®  
Linked to the S&P BRIC 40 Index,  
due January 27, 2012  
\$10 principal amount per unit  
Term Sheet No. 233

Pricing Date January 28, 2010  
Settlement Date February 4, 2010  
Maturity Date January 27, 2012  
CUSIP No. 06052E806



## Capped Leveraged Index Return Notes®

- 200% leveraged upside exposure to increases in the level of the S&P BRIC 40 Index (the "Index"), subject to a cap of 33.30%
- 1-to-1 downside exposure to decreases in the level of the Index in excess of a Threshold Value, with up to 90% of the principal amount at risk
- A maturity of approximately two years
- Payment of the Redemption Amount at maturity is subject to the credit risk of Bank of America Corporation
- 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

# Bank of America



The LIRNs are being offered by Bank of America Corporation ("BAC"). The LIRNs will have the terms specified in this term sheet as supplemented by the documents indicated below under "Additional Terms" (together the "Note Prospectus"). Investing in the LIRNs involves a number of risks. **There are important differences between the LIRNs and a conventional debt security, including different investment risks.** See "Risk Factors" on page TS-5 of this term sheet and beginning on page S-10 of product supplement LIRN-2. LIRNs:

<b>Are Not FDIC Insured</b>	<b>Are Not Bank Guaranteed</b>	<b>May Lose Value</b>
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In connection with this offering, each of Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S") and its broker-dealer affiliate First Republic Securities Company, LLC ("First Republic") is acting in its capacity as principal for your account.

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	\$ 46,320,000
Underwriting discount (1)	\$ 0.20	\$ 926,400
Proceeds, before expenses, to Bank of America Corporation	\$ 9.80	\$ 45,393,600

- (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 \$0.15 per unit, respectively.

**Merrill Lynch & Co.**

January 28, 2010



# Capped Leveraged Index Return Notes®

Linked to the S&P BRIC 40 Index, due January 27, 2012

STRUCTURED INVESTMENTS

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## Summary

The Capped Leveraged Index Return Notes® Linked to the S&P BRIC 40 Index, due January 27, 2012 (the "LIRNs") are our senior unsecured debt securities and are not guaranteed or insured by the Federal Deposit Insurance Corporation or secured by collateral. **The LIRNs will rank equally with all of our other unsecured and unsubordinated debt, and any payments due on the LIRNs, including any repayment of principal, will be subject to the credit risk of BAC.** The LIRNs provide a leveraged return for investors, subject to a cap, if the level of the S&P BRIC 40 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 LIRNs 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.

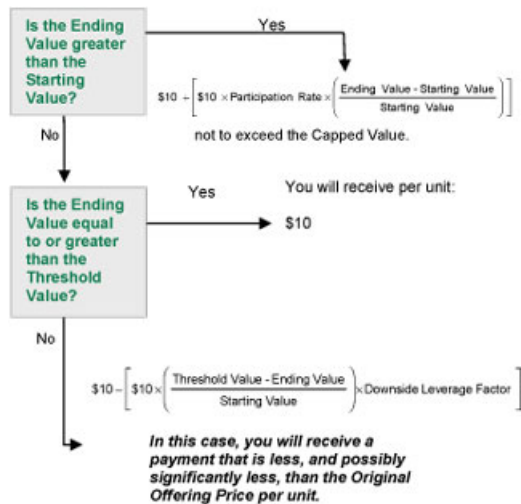
Capitalized terms used but not defined in this term sheet have the meanings set forth in product supplement LIRN-2. Unless otherwise indicated or unless the context requires otherwise, all references in this document to "we," "us," "our," or similar references are to BAC.

## Terms of the LIRNs

<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 BRIC 40 Index (Bloomberg symbol: "SBR").
<b>Starting Value:</b>	2,339.95
<b>Ending Value:</b>	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 LIRN-2.
<b>Threshold Value:</b>	2,105.96, which is 90% of the Starting Value, rounded to two decimal places.
<b>Capped Value:</b>	\$13.33 per unit of the LIRNs, which represents a return of 33.30% over the Original Offering Price.
<b>Participation Rate:</b>	200%
<b>Downside Leverage Factor:</b>	100%
<b>Maturity Valuation Period:</b>	January 13, 2012, January 17, 2012, January 18, 2012, January 19, 2012, and January 20, 2012
<b>Calculation Agent:</b>	MLPF&S, a subsidiary of BAC

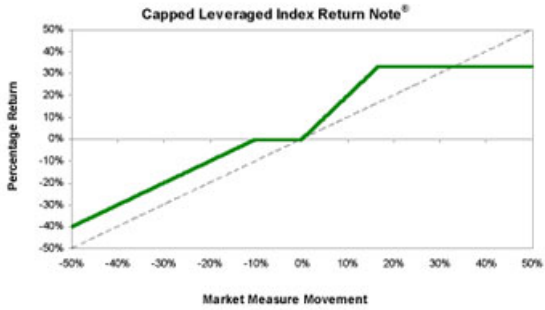
## Determining the Redemption Amount for the LIRNs

On the maturity date, you will receive a cash payment per unit (the "Redemption Amount") calculated as follows:





## Hypothetical Payout Profile



This graph reflects the **hypothetical** returns on the LIRNs at maturity, based upon the Participation Rate of 200%, the Threshold Value of 2,105.96, which is 90% of the Starting Value, and the Capped Value of \$13.33 (a 33.30% return). The green line reflects the **hypothetical** returns on the LIRNs, while the dotted grey line reflects the return of a **hypothetical** 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 Ending Value and the term of your investment.

## Hypothetical Redemption Amounts

### Examples

Set forth below are four examples of Redemption Amount calculations (rounded to two decimal places) payable at maturity, based upon the Participation Rate of 200%, the Downside Leverage Factor of 100%, the Starting Value of 2,339.95, the Threshold Value of 2,105.96, and the Capped Value of \$13.33 (per unit).

**Example 1**—The **hypothetical** Ending Value is 70% of the Starting Value and is less than the Threshold Value:

Starting Value: 2,339.95  
 Hypothetical Ending Value: 1,637.97  
 Threshold Value: 2,105.96

$$\$10.00 - \left[ \$10.00 \times \left( \frac{2,105.96 - 1,637.97}{2,339.95} \right) \times 100\% \right] = \$8.00$$

Redemption Amount (per unit) = \$8.00

**Example 2**—The **hypothetical** Ending Value is 95% of the Starting Value and is greater than the Threshold Value:

Starting Value: 2,339.95  
 Hypothetical Ending Value: 2,222.95  
 Threshold Value: 2,105.96

Redemption Amount (per unit) = \$10.00

If the Ending Value is less than or equal to the Starting Value but is greater than or equal to the Threshold Value, the Redemption Amount will equal the Original Offering Price.

**Example 3**—The **hypothetical** Ending Value is 104% of the Starting Value:

Starting Value: 2,339.95  
 Hypothetical Ending Value: 2,433.55

$$\$10.00 + \left[ \$10.00 \times 200\% \times \left( \frac{2,433.55 - 2,339.95}{2,339.95} \right) \right] = \$10.80$$

Redemption Amount (per unit) = \$10.80

**Example 4**—The **hypothetical** Ending Value is 150% of the Starting Value:

Starting Value: 2,339.95  
 Hypothetical Ending Value: 3,509.93

$$\$10.00 + \left[ \$10.00 \times 200\% \times \left( \frac{3,509.93 - 2,339.95}{2,339.95} \right) \right] = \$20.00$$

Redemption Amount (per unit) = \$13.33 (The Redemption Amount cannot be greater than the Capped Value.)



# Capped Leveraged Index Return Notes®

Linked to the S&P BRIC 40 Index, due January 27, 2012

STRUCTURED INVESTMENTS

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ENHANCED PARTICIPATION

The following table illustrates, for the Starting Value of 2,339.95, the Threshold Value of 2,105.96, which is 90% of the Starting Value, and a range of **hypothetical** Ending Values of the Index:

- the percentage change from the Starting Value to the **hypothetical** Ending Value;
- the **hypothetical** Redemption Amount per unit of the LIRNs (rounded to two decimal places);
- the total rate of return to holders of the LIRNs;
- the pretax annualized rate of return to holders of the LIRNs; and
- the pretax annualized rate of return of a **hypothetical** direct investment in the stocks included in the Index, which includes an assumed aggregate dividend yield of 1.32% per annum.

The table below is based on the Participation Rate of 200%, the Downside Leverage Factor of 100%, and the Capped Value of \$13.33 (per unit).

Hypothetical Ending Value	Percentage Change from the Starting Value to the Hypothetical Ending Value	Hypothetical Redemption Amount per Unit	Total Rate of Return on the LIRNs	Pretax Annualized Rate of Return on the LIRNs (1)	Pretax Annualized Rate of Return of the Stocks Included in the Index (1)(2)
1,169.98	-50.00%	6.00	-40.00%	-24.20%	-30.79%
1,403.97	-40.00%	7.00	-30.00%	-17.22%	-22.88%
1,637.97	-30.00%	8.00	-20.00%	-10.96%	-15.90%
1,871.96	-20.00%	9.00	-10.00%	-5.25%	-9.64%
2,105.96 (3)	-10.00%	10.00	0.00%	0.00%	-3.93%
2,246.35	-4.00%	10.00	0.00%	0.00%	-0.73%
2,293.15	-2.00%	10.00	0.00%	0.00%	0.30%
2,339.95 (4)	0.00%	10.00	0.00%	0.00%	1.32%
2,386.75	2.00%	10.40	4.00%	1.99%	2.32%
2,433.55	4.00%	10.80	8.00%	3.92%	3.31%
2,573.95	10.00%	12.00	20.00%	9.42%	6.19%
2,807.94	20.00%	13.33 (5)	33.30%	15.05%	10.74%
3,041.94	30.00%	13.33	33.30%	15.05%	15.02%
3,275.93	40.00%	13.33	33.30%	15.05%	19.05%
3,509.93	50.00%	13.33	33.30%	15.05%	22.88%

- (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 February 4, 2010 to January 27, 2012, the term of the LIRNs.
- (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 Starting Value to the relevant **hypothetical** Ending Value;
  - (b) a constant dividend yield of 1.32% per annum, and that dividends are not reinvested; and
  - (c) no transaction fees or expenses.
- (3) This is the Threshold Value.
- (4) This is the Starting Value.
- (5) The Redemption Amount per unit of the LIRNs cannot exceed the Capped Value of \$13.33.

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 Ending Value and the term of your investment.



## Risk Factors

There are important differences between the LIRNs and a conventional debt security. An investment in the LIRNs involves significant risks, including those listed below. You should carefully review the more detailed explanation of risks relating to the LIRNs in the "Risk Factors" sections included in product supplement LIRN-2 and the MTN prospectus supplement identified below under "Additional Terms." We also urge you to consult your investment, legal, tax, accounting, and other advisors before you invest in the LIRNs.

- 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 investment return, if any, is limited to the return represented by the Capped Value.
- Your investment return, if any, 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 LIRNs while providing the selling agents with compensation for their services, we have considered the costs of developing, hedging, and distributing the LIRNs.
- A trading market for the LIRNs is not expected to develop.
- The Redemption Amount will not be affected by all developments relating to the Index.
- Standard & Poor's Financial Services LLC ("S&P") may adjust the Index in a way that affects its level, and S&P has no obligation to consider your interests.
- You will have no rights of a holder of the securities represented by the Index, and you will not be entitled to receive securities or dividends or other distributions of the issuers of those securities.
- Your return on the LIRNs may be affected by factors affecting the international securities markets.
- Exchange rate movements may impact the value of the LIRNs.
- While we or our affiliates may from time to time own shares of companies included in the Index, 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 the LIRNs 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 LIRNs are subject to our credit risk, and changes in our credit ratings are expected to affect the value of the LIRNs.
- Purchases and sales by us and our affiliates of shares of companies included in the Index may affect your return.
- Our trading and hedging activities may create conflicts of interest with you.
- Our hedging activities may affect your return on the LIRNs and their market value.
- 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 LIRNs are uncertain, and may be adverse to a holder of the LIRNs. See "Summary Tax Consequences" and "Certain U.S. Federal Income Taxation Considerations" below and "U.S. Federal Income Tax Summary" in product supplement LIRN-2.

## Investor Considerations

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

- You anticipate that the level of the Index will increase moderately from the Starting Value to the Ending Value.
- You accept that your investment will result in a loss, which could be significant, if the level of the Index decreases from the Starting Value to an Ending Value that is less than the Threshold Value.
- You accept that the return on the LIRNs will not exceed the return represented by the Capped Value.
- You are willing to forgo interest payments on the LIRNs, such as fixed or floating rate interest paid on traditional interest bearing debt securities.
- You seek 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 LIRNs. You understand that secondary market prices for the LIRNs, if any, will be affected by various factors, including our actual and perceived creditworthiness.
- You are willing to make an investment, the payments on which depend on our creditworthiness, as the issuer of the LIRNs.

### The LIRNs may not be an appropriate investment for you if:

- You anticipate that the level of the Index will decrease from the Starting Value to the Ending Value or that the level of the Index will not increase sufficiently over the term of the LIRNs to provide you with your desired return.
- You seek 100% principal protection or preservation of capital.
- You seek a return on your investment that will not be capped at 33.30% over the Original Offering Price.
- 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 seek assurances that there will be a liquid market if and when you want to sell the LIRNs prior to maturity.
- You are unwilling or are unable to assume the credit risk associated with us, as the issuer of the LIRNs.



## Other Terms of the LIRNs

### Market Measure Business Day

The following definition shall supersede and replace the definition of a "Market Measure Business Day" set forth in product supplement LIRN-2.

A "Market Measure Business Day" means a day on which:

- (A) the New York Stock Exchange, the NASDAQ Stock Market, the London Stock Exchange and the Hong Kong Stock Exchange (or any successor to the foregoing exchanges) are open for trading; and
- (B) the Index or any successor thereto is calculated and published.

## Other Provisions

We will deliver the LIRNs against payment therefor in New York, New York on a date that is greater than 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 the LIRNs 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 the LIRNs, you are consenting to each of MLPF&S and its broker-dealer affiliate First Republic acting as a principal in effecting the transaction for your account.

## Supplement to the Plan of Distribution

MLPF&S and First Republic, 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 as selling agents in the distribution of the LIRNs. Accordingly, offerings of the LIRNs will conform to the requirements of NASD Rule 2720. Under our distribution agreement with the selling agents, MLPF&S will purchase the LIRNs from us on the issue date as principal at the purchase price indicated on the cover of this term sheet, less the indicated underwriting discount. In the original offering of the LIRNs, the LIRNs will be sold in minimum investment amounts of 100 units.

MLPF&S and First Republic may use this Note Prospectus for offers and sales in secondary market transactions and market-making transactions in the LIRNs but are not obligated to engage in such secondary market transactions and/or market-making transactions. MLPF&S and First Republic 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

All disclosures contained in this term sheet regarding the Index, including, without limitation, its make up, method of calculation, and changes in its components, have been derived from publicly available sources. The 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 Index, has no obligation to continue to publish, and may discontinue publication of, the Index. The consequences of S&P discontinuing publication of the Index are discussed in the section of product supplement LIRNs-2 entitled "Description of LIRNs—Discontinuance of a Market Measure." None of us, the calculation agent, or any selling agent accepts any responsibility for the calculation, maintenance or publication of the Index or any successor index.

"Standard & Poor's®" and "S&P®" are trademarks of S&P and have been licensed for use in this offering by our subsidiary, MLPF&S. The LIRNs are not sponsored, endorsed, sold, or promoted by S&P, and S&P makes no representation regarding the advisability of investing in the LIRNs.

### General

S&P launched the Index on June 20, 2006. The Index consists of 40 leading securities representing the largest and most liquid publicly-traded companies in Brazil, Russia, India, and China ("BRIC"). All constituent companies are members of the S&P/IFC Investable Index series and meet minimum market capitalization and liquidity requirements. In addition, stocks of the constituent companies trade in developed market exchanges, such as the Hong Kong Stock Exchange, the London Stock Exchange, NASDAQ, and the NYSE.

The Index is calculated between the hours of 02:00 GMT and 21:00 GMT. These times coincide with the opening of the Hong Kong Stock Exchange and the close of the NYSE, respectively. The price of each stock used in the daily computation of the Index is the closing price from its respective exchange. If a stock trades on more than one developed market exchange, the closing price from the market with the most liquidity is used. The Index is calculated in both U.S. dollars and Euros. After the close of trading in New York, local market prices are converted using the Reuters/WMM London fix closing exchange rates to determine the daily closing levels of the Index.

The Index is calculated daily, throughout the calendar year. The only days on which the Index is not calculated are on days when all relevant exchanges are officially closed or if Reuters/WMM exchange rate services are not published. In the event an exchange must close due to unforeseen events, S&P will calculate the closing prices of the relevant components of the Index based on the closing price published by the exchange, or if no closing price is available, the last regular trade reported for each relevant stock before the exchange is closed. In all cases, the price will be from the exchange listing included in the Index. If an exchange does not open due to unforeseen circumstances, the Index will use the prior day's closing prices. If all exchanges fail to open, S&P may determine not to publish the Index for that day.

As of January 28, 2010, 42.40% of the Index weight consisted of Chinese stocks, 26.13% consisted of Brazilian stocks, 24.06% consisted of Russian stocks, and 7.40% consisted of Indian stocks. The largest sectors of the Index were energy (37.20% of the Index weight), financials (31.35% of the Index weight), telecommunication services (12.62% of the Index weight), materials (9.48% of the Index weight), information technology (6.88% of the Index weight), consumer staples (1.83% of the Index weight), and utilities (0.64% of the Index weight).

### Index Construction

All constituents of the S&P/IFCI Index for Brazil, Russia, India, and China comprise the initial starting universe of companies that may be included in the Index. All companies that do not have a developed market listing are removed from this list. Only securities with a float-adjusted market capitalization of at least US\$1 billion and a minimum US\$5 million average three-month daily value traded prior to the selection date may be included in the Index. If a stock has multiple share classes, the share class with the lower liquidity will not be included in the Index. The remaining securities are then sorted in decreasing order of their float-adjusted market capitalization, and the top 40 are selected to become Index components. In the rare event that fewer than 40 stocks qualify for inclusion, S&P may modify the criteria to include multiple share classes or reduce the market capitalization limit.

### Index Maintenance

The Index is rebalanced annually after the close of trading on the third Friday in December using the relevant companies' market capitalization from the middle of the preceding November. In addition, the Index may be subject to a semi-annual review, which may result in a mid-year rebalancing. A mid-year rebalancing will only occur if three of the largest 30 stocks from the eligible universe are not in the Index at the time of the review. Otherwise, there will not be a semi-annual rebalancing. The cut-off date for the data used in the semi-annual review will be mid-May, with a mid-year rebalancing being made, if necessary, after the market close on the third Friday of June. No companies are added between rebalancings. Between rebalancings, a company can be removed from the Index due to corporate events such as mergers, acquisitions, or delistings. Information regarding rebalancing results, new Index constituents, and Index weights will be made available two weeks prior to any implementation.

The Index is maintained by the S&P Global Equity Index Committee (the "Index Committee"). The Index Committee members are all full-time professional members of S&P's staff. The Index Committee meets as needed. At each meeting, the Index Committee reviews pending corporate actions that may affect Index constituents, statistics comparing the composition of the Index to the markets generally, and any significant market events.

### Computation of the Index

The Index employs a modified market capitalization weighting methodology, using a divisor methodology found in all of S&P's principal equity indices. At rebalancing, the starting weight of each stock is proportional to its available market capitalization. If necessary, modifications are made to this weight to ensure that no stock has a weight of more than 10% in the Index. In addition, at rebalancing, the Index must meet specified liquidity standards established by S&P.

The Index value is derived by dividing the Index market value by the Index divisor. The Index market value is computed using the sum of each Index constituent's market capitalization. A constituent's market capitalization is the product of: (i) the number of outstanding shares, (ii) the price per share, and (iii) the free float.

To provide a continuous measure of market valuation, the Index divisor is only adjusted in the event of certain corporate actions, such as the





# Capped Leveraged Index Return Notes®

Linked to the S&P BRIC 40 Index, due January 27, 2012

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ENHANCED PARTICIPATION

payment of special dividends by the Index constituent, delisting, or a merger or acquisition if the surviving company does not belong to one of the BRIC countries or does not maintain listing on a developed market exchange.

The Index is based on an initial value of 874.48 that was set on February 2, 2004.



# Capped Leveraged Index Return Notes®

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The following graph sets forth the monthly historical performance of the Index in the period from January 2005 through December 2009. This historical data on the Index is not necessarily indicative of the future performance of the Index or what the value of the LIRNs 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 level of the Index is more or less likely to increase or decrease at any time over the term of the LIRNs. On the pricing date, the closing level of the Index was 2,339.95.



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

### License Agreement

S&P does not guarantee the accuracy and/or the completeness of the Index or any data included in the Index. S&P shall have no liability for any errors, omissions, or interruptions in the Index. S&P makes no warranty, express or implied, as to results to be obtained by MLPF&S, us, holders of the LIRNs or any other person or entity from the use of the Index or any data included in the 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 Index or any data included in the 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 LIRNs are not sponsored, endorsed, sold, or promoted by S&P. S&P makes no representation or warranty, express or implied, to the holders of the LIRNs or any member of the public regarding the advisability of investing in securities generally or in the LIRNs particularly or the ability of the Index to track general stock market performance. S&P's 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 and of the Index which is determined, composed, and calculated by S&P without regard to MLPF&S, us, or the LIRNs. S&P has no obligation to take the needs of MLPF&S, our needs, or the needs of the holders of the LIRNs into consideration in determining, composing, or calculating the Index. S&P is not responsible for and has not participated in the determination of the timing of the sale of the LIRNs, prices at which the LIRNs are to initially be sold, or quantities of the LIRNs to be issued or in the determination or calculation of the equation by which the LIRNs are to be converted into cash. S&P has no obligation or liability in connection with the administration, marketing, or trading of the LIRNs.



## Summary Tax Consequences

You should consider the U.S. federal income tax consequences of an investment in the LIRNs, 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 LIRNs 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 LIRNs 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 LIRNs, upon receipt of a cash payment at maturity or upon a sale or exchange of the LIRNs 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 LIRNs 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 LIRNs. 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 LIRN-2, which you should carefully review prior to investing in the LIRNs.

**General.** Although there is no statutory, judicial, or administrative authority directly addressing the characterization of the LIRNs, we intend to treat the LIRNs 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 LIRNs 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 LIRNs, we and every investor in the LIRNs agree, in the absence of an administrative determination or judicial ruling to the contrary, to treat the LIRNs as described in the preceding sentence. This discussion assumes that the LIRNs constitute a single financial contract with respect to the Index for U.S. federal income tax purposes. If the LIRNs did not constitute a single financial contract, the tax consequences described below would be materially different. The discussion in this section also assumes that there is a significant possibility of a significant loss of principal on an investment in the LIRNs.

This characterization of the LIRNs is not binding on the Internal Revenue Service ("IRS") or the courts. No statutory, judicial, or administrative authority directly addresses the characterization of the LIRNs 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 LIRNs 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 LIRN-2. 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 LIRNs, including possible alternative characterizations.

**Settlement At Maturity or Sale or Exchange Prior to Maturity.** Assuming that the LIRNs 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 LIRNs prior to maturity, a U.S. Holder (as defined in product supplement LIRN-2) generally will recognize capital gain or loss equal to the difference between the amount realized and the U.S. Holder's basis in the LIRNs. This capital gain or loss generally will be long-term capital gain or loss if the U.S. Holder held the LIRNs for more than one year. The deductibility of capital losses is subject to limitations.

**Possible Future Tax Law Changes.** From time to time, there may be legislative proposals or interpretive guidance addressing the tax treatment of financial instruments such as the LIRNs. We cannot predict the likelihood of any such legislation or guidance being adopted, or the ultimate impact on the LIRNs. For example, 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 LIRNs. According to the Notice, the IRS and Treasury are considering whether a holder of an instrument such as the LIRNs 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 LIRNs, 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 LIRNs 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 LIRNs, 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 LIRN-2.



## Additional Terms

You should read this term sheet, together with the documents listed below, which together contain the terms of the LIRNs 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 LIRNs involve risks not associated with conventional debt securities. We urge you to consult your investment, legal, tax, accounting, and other advisors before you invest in the LIRNs.

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 LIRN-2 dated April 21, 2009:  
<http://www.sec.gov/Archives/edgar/data/70858/000095014409003415/g18702p2e424b5.htm>
- Series L MTN prospectus supplement dated April 21, 2009 and prospectus dated April 20, 2009:  
<http://www.sec.gov/Archives/edgar/data/70858/000095014409003387/g18667b5e424b5.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 at 1-866-500-5408.**

## Structured Investments Classification

MLPF&S classifies certain structured investments (the "Structured Investments"), including the LIRNs, 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 against decreases in the value of the underlying market measure (or increases in the value of an underlying market measure for bearish Structured Investments), 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 generally do not 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 generally do not 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.

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