

**Subject to Completion**  
**Preliminary Term Sheet dated January 5, 2011**

<p>Units          Market Index Target-Term Securities®          Linked to a Global Equity Basket,          due January , 2017          \$1,000 principal amount per unit          Term Sheet No.</p>	<table border="0"> <tr> <td>Expected Pricing Date*</td> <td>January</td> <td>, 2011</td> </tr> <tr> <td>Settlement Date*</td> <td>January</td> <td>, 2011</td> </tr> <tr> <td>Maturity Date*</td> <td>January</td> <td>, 2017</td> </tr> <tr> <td>CUSIP No.</td> <td></td> <td></td> </tr> </table>	Expected Pricing Date*	January	, 2011	Settlement Date*	January	, 2011	Maturity Date*	January	, 2017	CUSIP No.		
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## Market Index Target-Term Securities®

- 100% participation in any increase in the value of the Basket at maturity if the value of an equally-weighted Basket comprised of the S&P 500® Index, the Dow Jones EURO STOXX 50® Index, and the Nikkei 225 Index increases
- 100% of investment amount protected at maturity against decreases in the level of the Basket
- A maturity of approximately six years
- Repayment of principal at maturity is subject to the credit risk of Bank of America Corporation
- No periodic interest payments
- No listing on any securities exchange

- Market Downside Protection**
- Enhanced Income**
- Market Access**
- Enhanced Return**



The MITTS are being offered by Bank of America Corporation ("BAC"). The MITTS 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 MITTS involves a number of risks. **There are important differences between the MITTS 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-13 of product supplement MITTS-4. MITTS:**

<b>Are Not FDIC Insured</b>	<b>Are Not Bank Guaranteed</b>	<b>May Lose Value</b>
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Sales of the MITTS will be made by Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S") and certain additional broker-dealers that are not affiliated with us.

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	\$1,000.00	\$
Underwriting discount	\$ 45.00	\$
Proceeds, before expenses, to Bank of America Corporation	\$ 955.00	\$

\*Depending on the date the MITTS are priced for initial sale to the public (the "pricing date"), which may be in January or February 2011, the settlement date may occur in January or February 2011, and the maturity date may occur in January or February 2017. Any reference in this term sheet to the month in which the pricing date, the settlement date, or the maturity date will occur is subject to change as specified above.

**BofA Merrill Lynch**

January , 2011



## Summary

The Market Index Target-Term Securities<sup>®</sup> Linked to a Global Equity Basket, due January , 2017 (the "MITTS") are our senior unsecured debt securities. The MITTS are not guaranteed or insured by the Federal Deposit Insurance Corporation or secured by collateral. **The MITTS will rank equally with all of our other unsecured and unsubordinated debt, and any payments due on the MITTS, including any repayment of principal, will be subject to the credit risk of BAC.** The MITTS provide investors with a 100% participation rate in increases from the Starting Value of the Basket, which will be set to 100.00 on the pricing date, to the Ending Value of the Basket, determined during the Maturity Valuation Period. Investors should be of the view that the value of the Basket will increase over the term of the MITTS, and be willing to forego interest payments on the MITTS.

The Basket is comprised of the S&P 500<sup>®</sup> Index, the Dow Jones EURO STOXX 50<sup>®</sup> Index, and the Nikkei 225 Index (each, a "Basket Component Index," and together, the "Basket Component Indices"). On the pricing date, the S&P 500<sup>®</sup> Index will be given an initial weight of 33.34%, and the Dow Jones Euro STOXX 50<sup>®</sup> Index and the Nikkei 225 Index will each be given an initial weight of 33.33%.

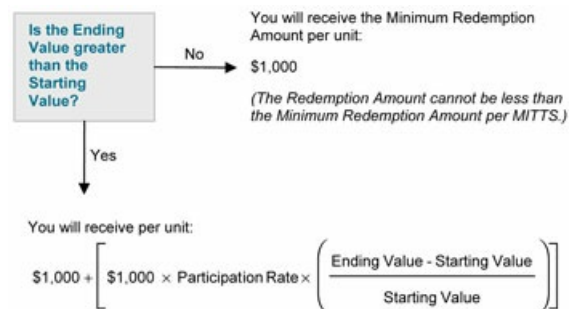
Capitalized terms used but not defined in this term sheet have the meanings set forth in product supplement MITTS-4. Unless otherwise indicated or unless the context requires otherwise, all references in this document to "we," "us," "our," or similar references are to BAC.

## Terms of the MITTS

<b>Issuer:</b>	Bank of America Corporation ("BAC")
<b>Original Offering Price:</b>	\$1,000 per unit
<b>Base Value:</b>	\$1,000 per unit
<b>Term:</b>	Approximately six years
<b>Market Measure:</b>	An equally-weighted Global Equity Basket comprised of the S&P 500 <sup>®</sup> Index (index symbol: "SPX"), the Dow Jones EURO STOXX 50 <sup>®</sup> Index (index symbol: "SX5E"), and the Nikkei 225 Index (index symbol: "NKY").
<b>Starting Value:</b>	The Starting Value will be set to 100.00 on the pricing date.
<b>Ending Value:</b>	The average of the closing levels of the Basket 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 beginning on page S-31 of product supplement MITTS-4.
<b>Maturity Valuation Period:</b>	Five scheduled calculation days shortly before the maturity date, determined on the pricing date and set forth in the final term sheet that will be made available in connection with sales of the MITTS.
<b>Participation Rate:</b>	100%
<b>Minimum Redemption Amount:</b>	\$1,000 per unit
<b>Calculation Agent:</b>	MLPF&S, a subsidiary of BAC

## Determining the Redemption Amount for the MITTS

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



## Hypothetical Payout Profile



This graph reflects the **hypothetical** returns on the MITTS at maturity, based upon the Participation Rate of 100%. The blue line reflects the **hypothetical** returns on the MITTS, while the dotted gray line reflects the **hypothetical** returns of a direct investment in the stocks included in the Basket Component Indices, 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 three examples of **hypothetical** Redemption Amount calculations (rounded to two decimal places) payable at maturity, based upon the Participation Rate of 100%, the Base Value of \$1,000 (per unit), the Starting Value of 100.00, and the Minimum Redemption Amount of \$1,000 (per unit).

**Example 1** — The **hypothetical** Ending Value is 90% of the Starting Value:

Starting Value: 100.00  
**Hypothetical** Ending Value: 90.00

**Hypothetical** Redemption Amount (per unit) = \$1,000.00 *(The Redemption Amount cannot be less than the \$1,000 Minimum Redemption Amount.)*

**Example 2** — The **hypothetical** Ending Value is 102.50% of the Starting Value:

Starting Value: 100.00  
**Hypothetical** Ending Value: 102.50

$$\text{Redemption Amount (per unit)} = \$1,000 + \left[ \$1,000 \times 100\% \times \left( \frac{102.50 - 100.00}{100.00} \right) \right] = \$1,025.00$$

**Hypothetical** Redemption Amount (per unit) = \$1,025.00

**Example 3** — The **hypothetical** Ending Value is 130% of the Starting Value:

Starting Value: 100.00  
**Hypothetical** Ending Value: 130.00

$$\text{Redemption Amount (per unit)} = \$1,000 + \left[ \$1,000 \times 100\% \times \left( \frac{130.00 - 100.00}{100.00} \right) \right] = \$1,300.00$$

**Hypothetical** Redemption Amount (per unit) = \$1,300.00

The following table illustrates, for the Starting Value of 100.00 and a range of **hypothetical** Ending Values of the Basket:

- the percentage change from the Starting Value to the **hypothetical** Ending Value;
- the **hypothetical** Redemption Amount per unit of the MITTS (rounded to two decimal places); and
- the **hypothetical** total rate of return to holders of the MITTS.

The table below reflects the Participation Rate of 100% and the Minimum Redemption Amount of \$1,000 (per unit).

Hypothetical Ending Value <sup>(1)</sup>	Percentage Change from the Starting Value to the Hypothetical Ending Value	Hypothetical Redemption Amount per Unit	Hypothetical Total Rate of Return on the MITTS
50.00	-50.00%	\$1,000.00 <sup>(3)</sup>	0.00%
60.00	-40.00%	\$1,000.00	0.00%
70.00	-30.00%	\$1,000.00	0.00%
80.00	-20.00%	\$1,000.00	0.00%
90.00	-10.00%	\$1,000.00	0.00%
95.00	-5.00%	\$1,000.00	0.00%
97.50	-2.50%	\$1,000.00	0.00%
100.00 <sup>(2)</sup>	0.00%	\$1,000.00	0.00%
102.50	2.50%	\$1,025.00	2.50%
105.00	5.00%	\$1,050.00	5.00%
110.00	10.00%	\$1,100.00	10.00%
120.00	20.00%	\$1,200.00	20.00%
130.00	30.00%	\$1,300.00	30.00%
140.00	40.00%	\$1,400.00	40.00%
150.00	50.00%	\$1,500.00	50.00%
160.00	60.00%	\$1,600.00	60.00%
170.00	70.00%	\$1,700.00	70.00%
180.00	80.00%	\$1,800.00	80.00%
190.00	90.00%	\$1,900.00	90.00%
200.00	100.00%	\$2,000.00	100.00%

<sup>(1)</sup> Each Basket Component Index comprising the Basket is a price return index. Accordingly, the Ending Value will not include any income generated by dividends paid on the stocks included in the Basket Component Indices, which you would otherwise be entitled to receive if you invested in those stocks directly.

<sup>(2)</sup> The Starting Value will be set to 100.00 on the pricing date.

<sup>(3)</sup> The Redemption Amount will not be less than the Minimum Redemption Amount of \$1,000.00 per unit of the MITTS.

The above figures are for purposes of illustration only. The actual Redemption Amount and the resulting total rate of return will depend on the actual Ending Value and the term of your investment.

## Risk Factors

*There are important differences between the MITTS and a conventional debt security. An investment in the MITTS involves significant risks, including those listed below. You should carefully review the more detailed explanation of risks relating to the MITTS in the "Risk Factors" sections beginning on page S-13 of product supplement MITTS-4 and page S-4 of 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 MITTS.*

- You may not earn a return on your investment.
- Your yield may be less than the yield on a conventional debt security of comparable maturity.
- Your investment return, if any, may be less than a comparable investment directly in the Basket Component Indices or in the stocks included in the Basket Component Indices.
- You must rely on your own evaluation of the merits of an investment linked to the Basket.
- In seeking to provide you with what we believe to be commercially reasonable terms for the MITTS while providing MLPF&S with compensation for its services, we have considered the costs of developing, hedging, and distributing the MITTS.
- A trading market is not expected to develop for the MITTS. MLPF&S is not obligated to make a market for, or to repurchase, the MITTS.
- Changes in the levels of the Basket Component Indices may offset each other.
- The Redemption Amount will not be affected by all developments relating to the Basket Component Indices.
- Each Index Publisher (as defined below) may adjust its Basket Component Index in a way that affects their levels, and those publishers have no obligation to consider your interests.
- You will have no rights of a holder of the securities included in the Basket Component Indices, and you will not be entitled to receive securities or dividends or other distributions by the issuers of those securities.
- While we or our affiliates may from time to time own shares of companies included in the Basket Component Indices, except to the extent that our common stock is included in the S&P 500<sup>®</sup> Index, we do not control any company whose securities are included in each Basket Component Index, and are not responsible for any disclosure made by any other company.
- Your return on the MITTS may be affected by factors affecting the international securities markets.
- Exchange rate movements may impact the value of the MITTS.
- If you attempt to sell the MITTS 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 MITTS are subject to our credit risk, and changes in our credit ratings are expected to affect the value of the MITTS.
- Purchases and sales by us and our affiliates of shares of companies included in the Basket Component Indices 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 MITTS 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.
- You should consider the tax consequences of investing in the MITTS. See "Summary Tax Consequences" and "Certain U.S. Federal Income Taxation Considerations" below and "U.S. Federal Income Tax Summary" beginning on page S-56 of product supplement MITTS-4.

## Other Terms of the MITTS

### Market Measure Business Day

The following definition shall supersede and replace the definition of a "Market Measure Business Day" set forth on pages S-8 and S-32 of product supplement MITTS-4.

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

- (A) the New York Stock Exchange and the NASDAQ Stock Market (as to the S&P 500<sup>®</sup> Index), the Eurex (as to the Dow Jones EURO STOXX 50<sup>®</sup> Index), and the Tokyo Stock Exchange (as to the Nikkei 225 Index) (or any successor to the foregoing exchanges) are open for trading; and
- (B) the Basket Component Indices or any successors thereto are calculated and published.

## Investor Considerations

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

- You anticipate that the level of the Basket will increase from the Starting Value to the Ending Value.
- You accept that the return on the MITTS will be zero if the level of the Basket is unchanged or decreases from the Starting Value to the Ending Value.
- You are willing to forgo interest payments on the MITTS, such as fixed or floating rate interest paid on traditional interest bearing debt securities.
- You seek exposure to the Basket Component Indices with no expectation of dividends or other benefits of owning the stocks included in the Basket Component Indices.
- You are willing to accept that a trading market is not expected to develop for the MITTS. You understand that secondary market prices for the MITTS, 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 MITTS.

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

- You anticipate that the level of the Basket will decrease from the Starting Value to the Ending Value or that the level of the Basket will not increase sufficiently over the term of the MITTS to provide you with your desired return.
- You seek an investment that provides a guaranteed redemption amount above the principal.
- 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 Basket Component Indices.
- You seek assurances that there will be a liquid market if and when you want to sell the MITTS prior to maturity
- You are unwilling or are unable to assume the credit risk associated with us, as the issuer of the MITTS.

## Supplement to the Plan of Distribution

MLPF&S, a broker-dealer subsidiary of BAC, is a member of the Financial Industry Regulatory Authority, Inc. ("FINRA") and will participate as selling agent in the distribution of the MITTS. Accordingly, offerings of the MITTS will conform to the requirements of FINRA Rule 5121.

Under our distribution agreement with MLPF&S, MLPF&S will purchase the MITTS 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. MLPF&S will sell the MITTS to other broker-dealers that will participate in the offering and that are not affiliated with us. Each of those broker-dealers may sell the MITTS to one or more additional broker-dealers.

We expect to deliver the MITTS on January , 2011.

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

The Basket is designed to allow investors to participate in the percentage changes in the levels of the Basket Component Indices from the Starting Value to the Ending Value of the Basket. The Basket Component Indices are described in the section "The Basket Component Indices" below. Each Basket Component Index will be assigned an initial weight on the pricing date, as set forth in the table below.

For more information on the calculation of the value of the Basket, please see the section entitled "Description of MITTS—Basket Market Measures" beginning on page S-51 of product supplement MITTS-4.

If January 4, 2011 were the pricing date, for each Basket Component Index, the Initial Component Weight, the closing level, the **hypothetical** Component Ratio and the initial contribution to the Basket value would be as follows:

Basket Component Index	Bloomberg Symbol	Initial Component Weight	Closing Level <sup>(1)(2)</sup>	Hypothetical Component Ratio <sup>(1)(3)</sup>	Initial Basket Value Contribution
The S&P 500® Index	SPX	33.34%	1,270.20	0.02676744	33.34
The Dow Jones EURO STOXX 50® Index	SX5E	33.33%	2,844.17	0.01160268	33.33
The Nikkei 225 Index	NKY	33.33%	10,398.10	0.00317366	33.33
				<b>Starting Value</b>	100.00

(1) The actual closing level of each Basket Component Index and the resulting actual Component Ratios will be determined on the pricing date, subject to adjustment as more fully described in the section entitled "Description of MITTS—Basket Market Measures—Determination of the Component Ratio for Each Basket Component—Equity-Based Basket Components" beginning on page S-51 of product supplement MITTS-4 if a Market Disruption Event occurs on the pricing date as to any Basket Component Index. The actual closing level and Component Ratio of each Basket Component Index will be set forth in the final term sheet that will be made available in connection with sales of the MITTS.

(2) These were the closing levels of the Basket Component Indices on January 4, 2011.

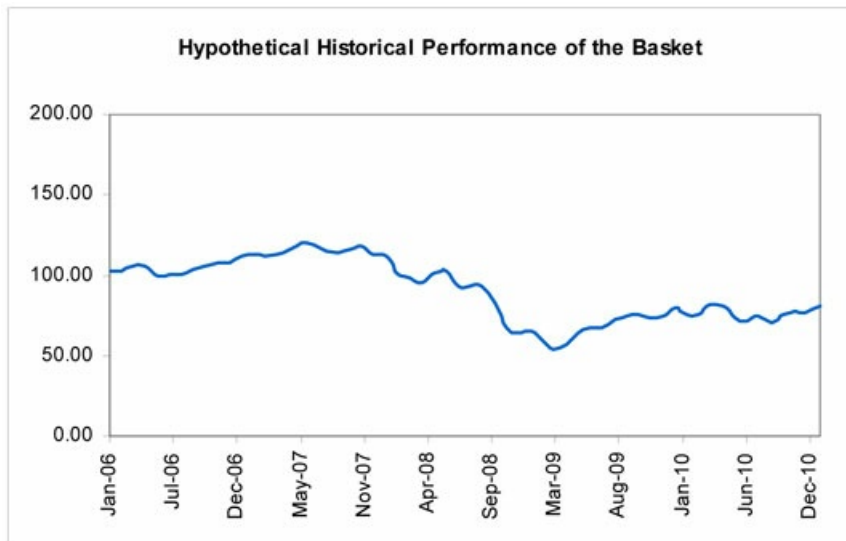
(3) Each **hypothetical** Component Ratio equals the Initial Component Weight of the relevant Basket Component Index (as a percentage) multiplied by 100, and then divided by the closing level of that Basket Component Index on January 4, 2011 and rounded to eight decimal places.

The calculation agent will calculate the value of the Basket by summing the products of the closing level for each Basket Component Index on each calculation day during the Maturity Valuation Period and the Component Ratio applicable to such Basket Component Index. If a Market Disruption Event occurs as to any Basket Component Index on any scheduled calculation day, the closing level of that Basket Component Index will be determined as more fully described beginning on page S-36 of product supplement MITTS-4 in the section "Description of MITTS—The Starting Value and the Ending Value—Ending Value—Equity-Based Basket Market Measures."





While actual historical information on the Basket will not exist before the pricing date, the following graph sets forth the hypothetical historical monthly performance of the Basket from January 2006 through December 2010. The graph is based upon actual month-end historical levels of the Basket Component Indices, hypothetical Component Ratios determined as of December 30, 2005, and a Basket Value of 100.00 as of that date. This hypothetical historical data on the Basket is not necessarily indicative of the future performance of the Basket or what the value of the MITTS may be. Any historical upward or downward trend in the value of the Basket during any period set forth below is not an indication that the value of the Basket is more or less likely to increase or decrease at any time over the term of the MITTS.



## The Basket Component Indices

All disclosures contained in this term sheet regarding the Basket Component Indices, including, without limitation, their make up, method of calculation, and changes in their components, have been derived from publicly available sources. The information reflects the policies of, and is subject to change by each of Standard & Poor's Financial Services ("S&P"), Deutsche Börse AG, Dow Jones, and SWX Swiss Exchange, and Nikkei Inc. and Nikkei Digital Media, Inc. (together, the "Index Publishers"). The Index Publishers have no obligation to continue to publish, and may discontinue publication of, the Basket Component Indices. The consequences of the Index Publishers discontinuing publication of the Basket Component Indices are discussed in the section of product supplement MITTS-4 entitled "Description of MITTS—Discontinuance of a Non-Exchange Traded Fund-Based Market Measure" on page S-49 of product supplement MITTS-4. None of us, the calculation agent, or the selling agent accepts any responsibility for the calculation, maintenance, or publication of any of the Basket Component Indices or any successor index.

### The S&P 500® Index

"Standard & Poor's®", "Standard & Poor's 500™", "S&P 500®", and "S&P®" are trademarks of S&P and have been licensed for use in this offering by our subsidiary, MLPF&S. The MITTS are not sponsored, endorsed, sold, or promoted by S&P, and S&P makes no representation regarding the advisability of investing in the MITTS.

The S&P 500® Index is intended to provide an indication of the pattern of common stock price movement. The calculation of the level 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, 2010, 401 companies included in the S&P 500® Index traded on the New York Stock Exchange, and 99 companies included in the S&P 500® Index traded on The NASDAQ Stock Market. On December 31, 2010, the average market capitalization of the companies included in the S&P 500® Index was \$22.86 billion. As of that date, the largest component of the S&P 500® Index had a market capitalization of \$368.71 billion, and the smallest component of the S&P 500® Index had a market capitalization of \$1.26 billion.

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 constitute 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, 2010 indicated in parentheses: Consumer Discretionary (10.63%); Consumer Staples (10.63%); Energy (12.03%); Financials (16.06%); Health Care (10.91%); Industrials (10.95%); Information Technology (18.65%); Materials (3.74%); Telecommunication Services (3.11%); and Utilities (3.30%). 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 MITTS 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 then outstanding shares of such component stock. In March 2005, S&P began shifting the S&P 500® Index halfway 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 with 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 S&P 500® 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 S&P 500® Index is then calculated by multiplying, for each stock in the S&P 500® Index, the IWF, the price, and total number of shares outstanding, adding together the resulting amounts, and then dividing that sum 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 level 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 level 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 level 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 level 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.

#### **S&P 500® 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.

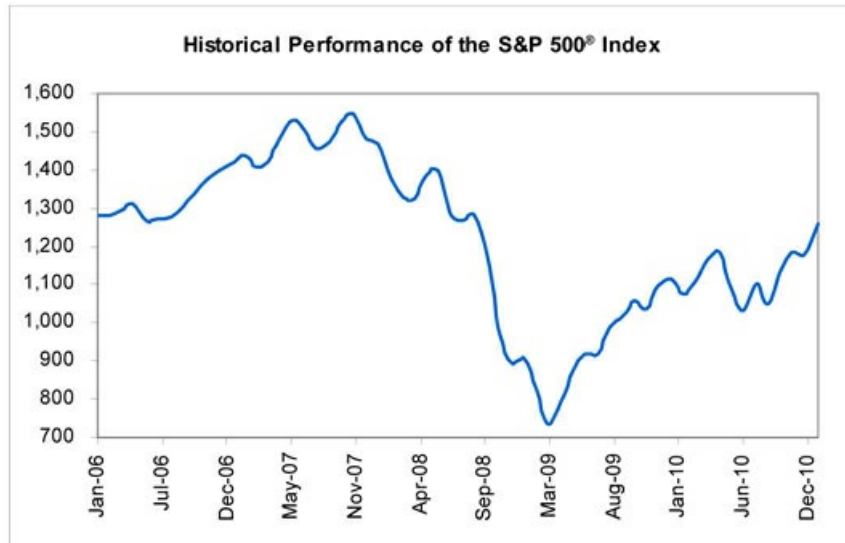
To prevent the level of the S&P 500® Index from changing due to corporate actions, corporate actions which affect the total market value of the S&P 500® Index require an index divisor adjustment. By adjusting the index divisor for the change in market value, the level of the S&P 500® Index remains constant 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 level.

Changes in a company's shares outstanding of 5% or more due to mergers, acquisitions, public offerings, tender offers, Dutch auctions, or exchange offers are made as soon as reasonably possible. All other changes of 5% or more (due to, for example, company stock repurchases, private placements, redemptions, exercise of options, warrants, conversion of preferred stock, notes, debt, equity participation units, at the market offerings, or other recapitalizations) are made weekly and are announced on Wednesdays for implementation after the close of trading on the following Wednesday. Changes of less than 5% due to a company's acquisition of another company in the S&P 500® Index are made as soon as reasonably possible. All other changes of less than 5% are accumulated and made quarterly on the third Friday of March, June, September, and December, and are usually announced two to five 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 when IWFs are reviewed.



The following graph sets forth the monthly historical performance of the S&P 500® Index in the period from January 2006 through December 2010. This historical data on the S&P 500® Index is not necessarily indicative of the future performance of the S&P 500® Index or what the value of the MITTS may be. Any historical upward or downward trend in the level of the S&P 500® Index during any period set forth below is not an indication that the level of the S&P 500® Index is more or less likely to increase or decrease at any time over the term of the MITTS. On January 4, 2011, the closing level of the S&P 500® Index was 1,270.20.



Before investing in the MITTS, you should consult publicly available sources for the levels 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 the S&P 500® 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 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 MITTS 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 S&P 500® Index in connection with this offering. The license agreement provides that the following language must be stated in this term sheet:

"The MITTS 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 MITTS or any member of the public regarding the advisability of investing in securities generally or in the MITTS particularly or the ability of the S&P 500® 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 S&P 500® Index which is determined, composed, and calculated by S&P without regard to MLPF&S, us, or the MITTS. S&P has no obligation to take the needs of MLPF&S, our needs or the needs of the holders of the MITTS into consideration in determining, composing, or calculating the S&P 500® Index. S&P is not responsible for and has not participated in the determination of the timing of the sale of the MITTS, prices at which the MITTS are to initially be sold, or quantities of the MITTS to be issued or in the determination or calculation of the equation by which the MITTS are to be converted into cash. S&P has no obligation or liability in connection with the administration, marketing, or trading of the MITTS."

**Dow Jones EURO STOXX 50® Index**

The Dow Jones EURO STOXX 50® Index was created by STOXX, a joint venture between Deutsche Börse AG, Dow Jones, and SWX Swiss Exchange. Publication of the Dow Jones EURO STOXX 50® Index began in February 1998, based on an initial Dow Jones EURO STOXX 50® Index level of 1,000 at December 31, 1991.

*Dow Jones EURO STOXX 50® Index Composition and Maintenance*

The Dow Jones EURO STOXX 50® Index is composed of 50 component stocks of market sector leaders from within the Dow Jones EURO STOXX Total Market Index, which includes stocks selected from the Eurozone. The component stocks have a high degree of liquidity and represent the largest companies across all of the market sectors defined by the Dow Jones Global Classification Standard. Set forth below are the country weightings and market sector weightings of the securities included in the Dow Jones EURO STOXX 50® Index as of November 30, 2010:

<u>Country Weightings</u>		<u>Industrial Sector Weightings</u>	
France	35.6%	Banks	17.1%
Germany	31.0%	Utilities	9.6%
Spain	12.9%	Oil & Gas	9.1%
Italy	9.1%	Telecommunications	9.0%
Netherlands	5.4%	Chemicals	8.4%
Belgium	2.1%	Insurance	8.1%
Finland	1.8%	Industrial Goods & Services	7.3%
Luxembourg	1.5%	Food & Beverage	6.2%
Ireland	0.7%	Personal & Household Goods	4.4%
		Automobiles & Parts	4.2%
		Technology	4.0%
		Health Care	3.5%
		Construction & Materials	2.9%
		Media	1.6%
		Basic Resources	1.5%
		Retail	1.4%
		Real Estate	0.8%
		Financial Services	0.6%

The composition of the Dow Jones EURO STOXX 50® Index is reviewed annually, based on the closing stock data on the last trading day in August. The component stocks are announced on the first trading day in September. Changes to the component stocks are implemented on the third Friday in September and are effective the following trading day. Changes in the composition of the Dow Jones EURO STOXX 50® Index are made to ensure that the Dow Jones EURO STOXX 50® Index includes the 50 market sector leaders from within the Dow Jones EURO STOXX Total Market Index.

The free float factors for each component stock used to calculate the Dow Jones EURO STOXX 50® Index, as described below, are reviewed, calculated, and implemented on a quarterly basis and are fixed until the next quarterly review.

The Dow Jones EURO STOXX 50® Index is also reviewed on an ongoing basis. Corporate actions (including initial public offerings, mergers and takeovers, spin-offs, delistings, and bankruptcy) that affect the Dow Jones EURO STOXX 50® Index composition are immediately reviewed. Any changes are announced, implemented, and effective in line with the type of corporate action and the magnitude of the effect.

*Dow Jones EURO STOXX 50® Index Calculation*

The Dow Jones EURO STOXX 50® Index is calculated with the "Laspeyres formula," which measures the aggregate price changes in the component stocks against a fixed base quantity weight. The formula for calculating the Dow Jones EURO STOXX 50® Index value can be expressed as follows:

$$\text{Index} = \frac{\text{free float market capitalization of the index}}{\text{adjusted base date market capitalization of the index}} \times 1,000$$

The "free float market capitalization of the index" is equal to the sum of the products of the closing price, market capitalization, and free float factor for each component stock as of the time the Dow Jones EURO STOXX 50® Index is being calculated.

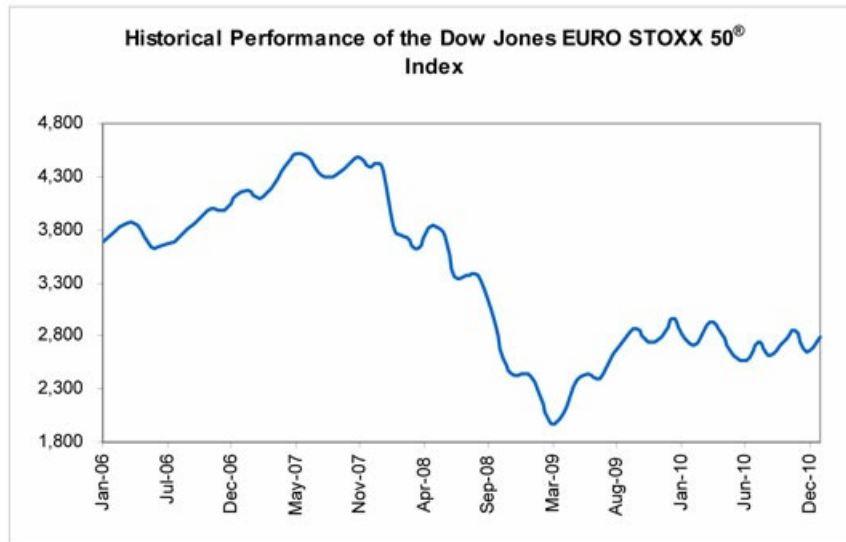


The Dow Jones EURO STOXX 50® Index is also subject to a divisor, which is adjusted to maintain the continuity of the Dow Jones EURO STOXX 50® Index values across changes due to corporate actions, such as the deletion and addition of stocks, the substitution of stocks, stock dividends, and stock splits.

Neither we nor any of our affiliates, including the selling agent, accepts any responsibility for the calculation, maintenance, or publication of, or for any error, omission, or disruption in, the Dow Jones EURO STOXX 50® Index or any successor to the Dow Jones EURO STOXX 50® Index. STOXX does not guarantee the accuracy or the completeness of the Dow Jones EURO STOXX 50® Index or any data included in the Dow Jones EURO STOXX 50® Index. STOXX assumes no liability for any errors, omissions, or disruption in the calculation and dissemination of the Dow Jones EURO STOXX 50® Index. STOXX disclaims all responsibility for any errors or omissions in the calculation and dissemination of the Dow Jones EURO STOXX 50® Index or the manner in which the Dow Jones EURO STOXX 50® Index is applied in determining the amount payable on the MITTS at maturity.

Since its inception, the Dow Jones EURO STOXX 50® Index has experienced significant fluctuations. Any historical upward or downward trend in the level of the Dow Jones EURO STOXX 50® Index during any period shown below is not an indication that the level of the Dow Jones EURO STOXX 50® Index is more or less likely to increase or decrease at any time during the term of the MITTS. The historical Dow Jones EURO STOXX 50® Index levels do not give an indication of future performance of the Dow Jones EURO STOXX 50® Index.

**The following graph sets forth the monthly historical performance of the Dow Jones EURO STOXX 50® Index in the period from January 2006 to December 2010. This historical data on the Dow Jones EURO STOXX 50® Index is not necessarily indicative of the future performance of the Dow Jones EURO STOXX 50® Index or what the value of the MITTS may be. Any historical upward or downward trend in the level of the Dow Jones EURO STOXX 50® Index during any period set forth below is not an indication that the Dow Jones EURO STOXX 50® Index is more or less likely to increase or decrease at any time over the term of the MITTS. On January 4, 2011, the closing level of the Dow Jones EURO STOXX 50® Index was 2,844.17.**



Before investing in the MITTS, you should consult publicly available sources for the levels and trading pattern of the Dow Jones EURO STOXX 50® Index. The generally unsettled international environment and related uncertainties, including the risk of terrorism, may result in the Dow Jones EURO STOXX 50® Index and the financial markets generally exhibiting greater volatility than in earlier periods.

**License Agreement**

We have entered into a non-exclusive license agreement with STOXX providing for the license to us and certain of our affiliated or subsidiary companies, in exchange for a fee, of the right to use indices owned and published by STOXX (including the Dow Jones EURO STOXX 50® Index) in connection with certain securities, including the MITTS.

The license agreement between us and STOXX requires that the following language be stated in this term sheet:

STOXX and Dow Jones have no relationship to us, other than the licensing of the Dow Jones EURO STOXX 50® Index and the related trademarks for use in connection with the MITTS. STOXX and Dow Jones do not:

- sponsor, endorse, sell, or promote the MITTS;
- recommend that any person invest in the MITTS or any other securities;

- have any responsibility or liability for or make any decisions about the timing, amount, or pricing of the MITTS;
- have any responsibility or liability for the administration, management, or marketing of the MITTS; or
- consider the needs of the MITTS or the holders of the MITTS in determining, composing, or calculating the Dow Jones EURO STOXX 50<sup>®</sup> Index, or have any obligation to do so.

**STOXX and Dow Jones will not have any liability in connection with the MITTS. Specifically:**

- **STOXX and Dow Jones do not make any warranty, express or implied, and disclaim any and all warranty concerning:**
  - the results to be obtained by the MITTS, the holders of the MITTS or any other person in connection with the use of the Dow Jones EURO STOXX 50<sup>®</sup> Index and the data included in the Dow Jones EURO STOXX 50<sup>®</sup> Index;
  - the accuracy or completeness of the Dow Jones EURO STOXX 50<sup>®</sup> Index and its data;
  - the merchantability and the fitness for a particular purpose or use of the Dow Jones EURO STOXX 50<sup>®</sup> Index and its data;
- **STOXX and Dow Jones will have no liability for any errors, omissions, or interruptions in the Dow Jones EURO STOXX 50<sup>®</sup> Index or its data; and**
- **Under no circumstances will STOXX or Dow Jones be liable for any lost profits or indirect, punitive, special, or consequential damages or losses, even if STOXX or Dow Jones knows that they might occur.**

The licensing agreement between us and STOXX is solely for their benefit and our benefit, and not for the benefit of the holders of the MITTS or any other third parties.

## Nikkei 225 Index

The Nikkei 225 Index is a stock index calculated, published, and disseminated by Nikkei Inc. that measures the composite price performance of selected Japanese stocks. The Nikkei 225 Index is currently based on 225 stocks (each, a "Nikkei Index Stock") trading on the Tokyo Stock Exchange ("TSE") and represents a broad cross-section of Japanese industry. All 225 of the Nikkei Index Stocks that are components of the Nikkei 225 Index are stocks listed in the First Section of the TSE. Nikkei Index Stocks listed in the First Section are among the most actively traded stocks on the TSE. Futures and options contracts on the Nikkei 225 Index are traded on the Singapore International Monetary Exchange, the Osaka Securities Exchange, and the Chicago Mercantile Exchange.

The Nikkei 225 Index is a modified, price-weighted index. Each Nikkei Index Stock's weight in the Nikkei 225 Index is based on its price per share rather than the total market capitalization of the issuer. Nikkei Inc. calculates the Nikkei 225 Index by multiplying the per share price of each Index Stock by the corresponding weighting factor for that Index Stock (a "Weight Factor"), calculating the sum of all these products and dividing that sum by a divisor. The divisor, initially set on May 16, 1949 at 225, was set at 24.869 on October 1, 2010, and is subject to periodic adjustments as set forth below. Each Weight Factor is computed by dividing ¥50 by the par value of the relevant Index Stock, so that the share price of each Index Stock when multiplied by its Weight Factor corresponds to a share price based on a uniform par value of ¥50. Each Weight Factor represents the number of shares of the related Index Stock which are included in one trading unit of the Nikkei 225 Index. The stock prices used in the calculation of the Nikkei 225 Index are those reported by a primary market for the Nikkei Index Stocks, currently the TSE. The level of the Nikkei 225 Index is calculated once per minute during TSE trading hours.

In order to maintain continuity in the level of the Nikkei 225 Index in the event of certain changes due to non-market factors affecting the Nikkei Index Stocks, such as the addition or deletion of stocks, substitution of stocks, stock dividends, stock splits, or distributions of assets to stockholders, the divisor used in calculating the Nikkei 225 Index is adjusted in a manner designed to prevent any instantaneous change or discontinuity in the level of the Nikkei 225 Index. The divisor remains at the new value until a further adjustment is necessary as the result of another change. In the event of a change affecting any Index Stock, the divisor is adjusted in such a way that the sum of all share prices immediately after the change multiplied by the applicable Weight Factor and divided by the new divisor, i.e., the level of the Nikkei 225 Index immediately after the change, will equal the level of the Nikkei 225 Index immediately prior to the change.

Stocks may be deleted from or added to the Nikkei 225 Index by Nikkei Inc. However, to maintain continuity in the Nikkei 225 Index, the general policy of Nikkei Inc. is not to alter the composition of the Index Stocks except when an Index Stock is deleted in accordance with certain criteria. Any stock becoming ineligible for listing in the First Section of the TSE due to any of the following reasons will be deleted from the Index Stocks: bankruptcy of the issuer; merger of the issuer into, or acquisition of the issuer by, another company; delisting of the stock or transfer of the stock to the "Seiri Post" because of excess debt of the issuer or because of any other reason; or transfer of the stock to the Second Section of the TSE. Upon deletion of a stock from the Nikkei 225 Index, Nikkei Inc. will select, in accordance with certain criteria established by it, a replacement for the deleted Index Stock. In an exceptional case, a newly listed stock in the First Section of the TSE that is recognized by Nikkei Inc. to be representative of a market may be added to the Index Stocks. As a result, an existing Nikkei Index Stock with low trading volume and not representative of a market will be deleted.

Nikkei Inc. is under no obligation to continue the calculation and dissemination of the Nikkei 225 Index. The MITTS are not sponsored, endorsed, sold, or promoted by Nikkei Inc. No inference should be drawn from the information contained in this term sheet that Nikkei Inc. makes any representation or warranty, implied or express, to us, any holder of the MITTS, or any member of the public regarding the advisability of investing in securities generally or in the MITTS in particular or the ability of the Nikkei 225 Index to track general stock market performance. Nikkei Inc. has no obligation to take our needs or the needs of any holder of the MITTS into consideration in determining, composing, or calculating the Nikkei 225 Index. Nikkei Inc. is not responsible for, and has not participated in the determination of the timing of, prices for, or quantities of, the MITTS to be issued, or in the determination or calculation of the equation by which the MITTS are to be settled in cash. Nikkei Inc. has no obligation or liability in connection with the administration or marketing of the MITTS.

Neither we nor any of our affiliates, including the calculation agent, accept any responsibility for the calculation, maintenance, or publication of the Nikkei 225 Index or any Successor Index. Nikkei Inc. disclaims all responsibility for any errors or omissions in the calculation and dissemination of the Nikkei 225 Index or the manner in which the Nikkei 225 Index is applied in determining the Basket Level or the amount payable on the MITTS at maturity.

### *The Tokyo Stock Exchange*

The TSE is one of the world's largest securities exchanges in terms of market capitalization. Trading hours for most products listed on the TSE are currently from 9:00 A.M. to 11:00 A.M. and from 12:30 P.M. to 3:00 P.M., Tokyo time, Monday through Friday.

Due to the time zone difference, on any normal trading day the TSE will close prior to the opening of business in New York City on the same calendar day. Therefore, the closing level of the Nikkei 225 Index on a trading day will generally be available in the U.S. by the opening of business on the same calendar day.

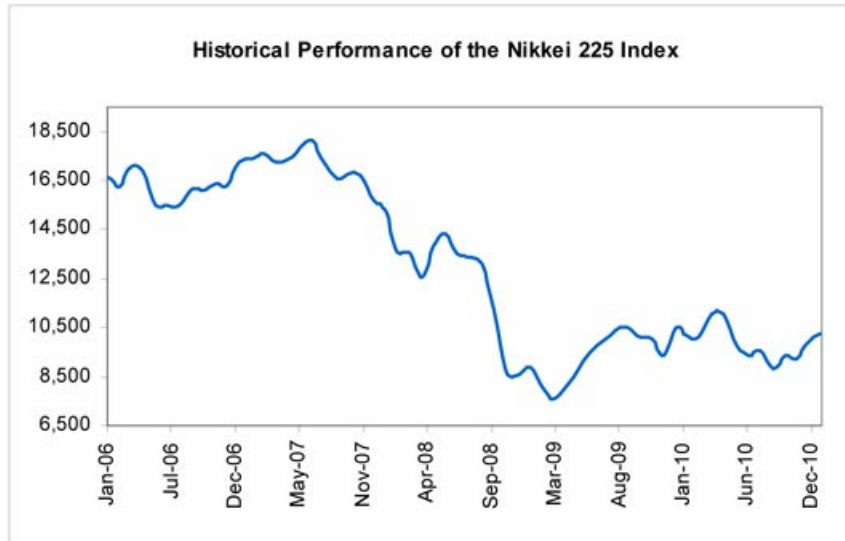
The TSE has adopted certain measures, including daily price floors and ceilings on individual stocks, intended to prevent any extreme short-term price fluctuations resulting from order imbalances. In general, any stock listed on the TSE cannot be traded at a price lower than the applicable price floor or higher than the applicable price ceiling. These price floors and ceilings are expressed in absolute Japanese yen, rather than percentage limits based on the closing price of the stock on the previous trading day. In addition, when there is a major order imbalance in a listed stock, the TSE posts a "special bid quote" or a "special asked quote" for that stock at a specified higher or lower price level than the stock's last sale price in order to solicit counter-orders and balance supply and demand for the stock.



Prospective investors should also be aware that the TSE may suspend the trading of individual stocks in certain limited and extraordinary circumstances, including, for example, unusual trading activity in that stock. As a result, changes in the Nikkei 225 Index may be limited by price limitations or special quotes, or by suspension of trading, on individual stocks that make up the Nikkei 225 Index, and these limitations, in turn, may adversely affect the market value of the MITTS.

Since its inception, the Nikkei 225 Index has experienced significant fluctuations. Any historical upward or downward trend in the level of the Nikkei 225 Index during any period shown below is not an indication that the level of the Nikkei 225 Index is more or less likely to increase or decrease at any time during the term of the MITTS. The historical Nikkei 225 Index levels do not give an indication of future performance of the Nikkei 225 Index.

*The following graph sets forth the monthly historical performance of the Nikkei 225 Index in the period from January 2006 to December 2010. This historical data on the Nikkei 225 Index is not necessarily indicative of the future performance of the Nikkei 225 Index or what the value of the MITTS may be. Any historical upward or downward trend in the level of the Nikkei 225 Index during any period set forth below is not an indication that the Nikkei 225 Index is more or less likely to increase or decrease at any time over the term of the MITTS. On January 4, 2011, the closing level of the Nikkei 225 Index was 10398.10.*



Before investing in the MITTS, you should consult publicly available sources for the levels and trading pattern of the Nikkei 225 Index. The generally unsettled international environment and related uncertainties, including the risk of terrorism, may result in the Nikkei 225 Index and financial markets generally exhibiting greater volatility than in earlier periods.

#### License Agreement

We have entered into an agreement with Nikkei Inc. providing us and any of our affiliated or subsidiary companies identified in that agreement with a non-exclusive license and, in exchange for a fee, with the right to use the Nikkei 225 Index, which is owned by Nikkei Inc. Nikkei Digital Media, Inc., a wholly owned subsidiary of Nikkei Inc., calculates and disseminates the Nikkei 225 Index under an exclusive agreement with Nikkei Inc. Nikkei Inc. and Nikkei Digital Media, Inc. are collectively referred to as the "Nikkei Index Sponsor."

The license agreement requires that the following language be stated in this term sheet:

The MITTS are not in any way sponsored, endorsed, or promoted by the Nikkei Index Sponsor. The Nikkei Index Sponsor does not make any warranty or representation whatsoever, express or implied, either as to the results to be obtained as to the use of the Nikkei 225 Index or the figure as to which the Nikkei 225 Index stands on any particular day or otherwise. The Nikkei 225 Index is compiled and calculated solely by the Nikkei Index Sponsor. However, the Nikkei Index Sponsor shall not be liable to any person for any error in the Nikkei 225 Index and the Nikkei Index Sponsor shall not be under any obligation to advise any person, including you or us, of any error therein.

In addition, the Nikkei Index Sponsor gives no assurance regarding any modification or change in any methodology used in calculating the Nikkei 225 Index and is under no obligation to continue the calculation, publication, and dissemination of the Nikkei 225 Index.

## Summary Tax Consequences

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

- Although there are no statutory provisions, regulations, published rulings, or judicial decisions addressing the characterization, for U.S. federal income tax purposes, of the MITTS, we intend to treat the MITTS as debt instruments for U.S. federal income tax purposes and, where required, intend to file information returns with the IRS in accordance with such treatment.
- A U.S. Holder will be required to report original issue discount ("OID") or interest income based on a "comparable yield" with respect to a MITTS without regard to cash, if any, received on the MITTS.
- Upon a sale, exchange, or retirement of a MITTS prior to maturity, a U.S. Holder generally will recognize taxable gain or loss equal to the difference between the amount realized on the sale, exchange, or retirement and the holder's tax basis in the MITTS. A U.S. Holder generally will treat any gain as ordinary interest income, and any loss as ordinary up to the amount of previously accrued OID and then as capital loss. At maturity, (i) if the actual Redemption Amount exceeds the projected Redemption Amount, a U.S. Holder must include such excess as interest income, or (ii) if the projected Redemption Amount exceeds the actual Redemption Amount, a U.S. Holder will generally treat such excess first as an offset to previously accrued OID for the taxable year, then as an ordinary loss to the extent of all prior OID inclusions, and thereafter as a capital loss.

## 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 MITTS. 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" beginning on page S-56 of product supplement MITTS-4, which you should carefully review prior to investing in the MITTS. Capitalized terms used and not defined herein have the meanings ascribed to them in product supplement MITTS-4.

*General.* There are no statutory provisions, regulations, published rulings, or judicial decisions addressing the characterization, for U.S. federal income tax purposes, of MITTS or other instruments with terms substantially the same as the MITTS. However, although the matter is not free from doubt, under current law, each MITTS should be treated as a debt instrument for U.S. federal income tax purposes. We currently intend to treat the MITTS as debt instruments for U.S. federal income tax purposes and, where required, intend to file information returns with the IRS in accordance with such treatment, in the absence of any change or clarification in the law, by regulation or otherwise, requiring a different characterization of the MITTS. You should be aware, however, that the IRS is not bound by our characterization of the MITTS as indebtedness and the IRS could possibly take a different position as to the proper characterization of the MITTS for U.S. federal income tax purposes. If the MITTS are not in fact treated as debt instruments for U.S. federal income tax purposes, then the U.S. federal income tax treatment of the purchase, ownership, and disposition of the MITTS could differ materially from the treatment discussed below, with the result that the timing and character of income, gain, or loss recognized in respect of a MITTS could differ materially from the timing and character of income, gain, or loss recognized in respect of a MITTS had the MITTS in fact been treated as debt instruments for U.S. federal income tax purposes. Accordingly, prospective purchasers are urged to consult their own tax advisors regarding the tax consequences of investing in the MITTS. The following summary assumes that the MITTS will be treated as debt instruments of BAC for U.S. federal income tax purposes.

*Interest Accruals.* The amount payable on the MITTS at maturity will depend on the performance of the Index. Accordingly, we intend to take the position that the MITTS will be treated as "contingent payment debt instruments" for U.S. federal income tax purposes, subject to taxation under the "noncontingent bond method," and the balance of this discussion assumes that this characterization is proper and will be respected. Under this characterization, the MITTS generally will be subject to the Treasury regulations governing contingent payment debt instruments. Under those regulations, a U.S. Holder will be required to report OID or interest income based on a "comparable yield" and a "projected payment schedule," established by us for determining interest accruals and adjustments with respect to a MITTS. A U.S. Holder who does not use the "comparable yield" and follow the "projected payment schedule" to calculate its OID and interest income on a MITTS must timely disclose and justify the use of other estimates to the IRS.

*Sale, Exchange, or Retirement of the MITTS.* Upon a sale, exchange, or retirement of a MITTS prior to maturity, a U.S. Holder generally will recognize taxable gain or loss equal to the difference between the amount realized on the sale, exchange, or retirement and the holder's tax basis in the MITTS. A U.S. Holder's tax basis in a MITTS generally will equal the cost of that MITTS, increased by the amount of OID previously accrued by the holder for that MITTS (without regard to any positive or negative adjustments under the contingent payment debt regulations). A U.S. Holder generally will treat any gain as interest income, and will treat any loss as ordinary loss to the extent of the excess of previous interest inclusions over the total negative adjustments previously taken into account as ordinary losses, and the balance as long-term or short-term capital loss depending upon the U.S. Holder's holding period for the MITTS. At maturity, (i) if the actual Redemption Amount exceeds the projected Redemption Amount, a U.S. Holder must include such excess as interest income, or (ii) if the projected Redemption Amount exceeds the actual Redemption Amount, a U.S. Holder will generally treat such excess first as an offset to previously accrued OID for the taxable year, then as an ordinary loss to the extent of all prior OID inclusions, and thereafter as a capital loss. The deductibility of capital losses by a U.S. Holder is subject to limitations.

*Hypothetical Tax Accrual Table.* The following table is based upon a hypothetical projected payment schedule (including a hypothetical Redemption Amount) and a hypothetical comparable yield equal to 4.61% per annum (compounded semi-annually), which is our current estimate of the comparable yield, based upon market conditions as of the date of this term sheet as determined by us for purposes of illustrating the application of the Code and the Treasury regulations to the MITTS as if the MITTS had been issued on January 15, 2011 and were scheduled to mature on January 15, 2017. This tax accrual table is based upon a hypothetical projected payment schedule per \$1,000 principal amount of the MITTS, which would consist of a single payment of \$1,314.51 at maturity. The following table is for illustrative purposes only, and we make no representations or predictions as to what the actual Redemption Amount will be. The actual "projected payment schedule" will be completed on the pricing date, and included in the final term sheet.

Accrual Period	Interest Deemed to Accrue on the MITTS During Accrual Period (per Unit of the MITTS)	Total Interest Deemed to Have Accrued on the MITTS as of End of Accrual Period (per Unit of the MITTS)
January 15, 2011 to December 31, 2011	\$44.80	\$44.80
January 1, 2012 to December 31, 2012	\$48.72	\$93.52
January 1, 2013 to December 31, 2013	\$51.00	\$144.52
January 1, 2014 to December 31, 2014	\$53.37	\$197.89
January 1, 2015 to December 31, 2015	\$55.86	\$253.75
January 1, 2016 to December 31, 2016	\$58.47	\$312.22
January 1, 2017 to January 15, 2017	\$2.29	\$314.51

Hypothetical Projected Redemption Amount = \$1,314.51 per unit of the MITTS.

*Additional Medicare Tax on Unearned Income.* With respect to taxable years beginning after December 31, 2012, certain U.S. Holders, including individuals and estates and trusts, will be subject to an additional 3.8% Medicare tax on unearned income. For individual U.S. Holders, the additional Medicare tax applies to the lesser of (i) "net investment income," or (ii) the excess of "modified adjusted gross income" over \$200,000 (\$250,000 if married and filing jointly or \$125,000 if married and filing separately). "Net investment income" generally equals the taxpayer's gross investment income reduced by the deductions that are allocable to such income. Investment income generally includes passive income such as interest, dividends, annuities, royalties, rents, and capital gains. U.S. Holders are urged to consult their own tax advisors regarding the implications of the additional Medicare tax resulting from an investment in the MITTS.

**You should consult your own tax advisor concerning the U.S. federal income tax consequences to you of acquiring, owning, and disposing of the MITTS, 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" beginning on page S-56 of product supplement MITTS-4.**

## Additional Terms

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

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 MITTS-4 dated September 24, 2009:  
<http://www.sec.gov/Archives/edgar/data/70858/000119312509197085/d424b5.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/q18667b5e424b5.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.**

## Market-Linked Investments Classification

Market-Linked Investments come in four basic categories, each designed to meet a different set of investor risk profiles, time horizons, income requirements and market views (bullish, bearish, moderate outlook, etc.). *The following descriptions of these categories are meant solely for informational purposes and are not intended to represent any particular Market-Linked Investment or guarantee performance. Certain Market-Linked Investments may have overlapping characteristics.*

**Market Downside Protection:** Market Downside Protection Market-Linked Investments combine some of the capital preservation features of traditional bonds with the growth potential of equities and other asset classes. They offer full or partial market downside protection at maturity, while offering market exposure that may provide better returns than comparable fixed income securities. It is important to note that the market downside protection feature provides investors with protection only at maturity, subject to issuer credit risk. In addition, in exchange for full or partial protection, you forfeit dividends and full exposure to the linked asset's upside. In some circumstances, this could result in a lower return than with a direct investment in the asset.

**Enhanced Income:** These short- to medium-term market-linked notes offer you a way to enhance your income stream, either through variable or fixed-interest coupons, an added payout at maturity based on the performance of the linked asset, or both. In exchange for receiving current income, you will generally forfeit upside potential on the linked asset. Even so, the prospect of higher interest payments and/or an additional payout may equate to a higher return potential than you may be able to find through other fixed-income securities. Enhanced Income Market-Linked Investments generally do not include market downside protection. The degree to which your principal is repaid at maturity is generally determined by the performance of the linked asset. Although enhanced income streams may help offset potential declines in the asset, you can still lose part or all of your original investment.

**Market Access:** Market Access notes may offer exposure to certain market sectors, asset classes and/or strategies that may not even be available through the other three categories of Market-Linked Investments. Subject to certain fees, the returns on Market Access Market-Linked Investments will generally correspond on a one-to-one basis with any increases or decreases in the value of the linked asset, similar to a direct investment. In some instances, they may also provide interim coupon payments. These investments do not include the market downside protection feature and, therefore, your principal remains at risk.

**Enhanced Return:** These short- to medium-term investments offer you a way to enhance exposure to a particular market view without taking on a similarly enhanced level of market-downside risk. They can be especially effective in a flat to moderately positive market (or, in the case of bearish investments, a flat to moderately negative market). In exchange for the potential to receive better-than market returns on the linked asset, you must generally accept a degree of market downside risk and capped upside potential. As these investments are not market downside protected, and do not assure full repayment of principal at maturity, you need to be prepared for the possibility that you may lose all or part of your investment.

"MITTS®" and "Market Index Target-Term Securities®" are our registered service marks.