

**Subject to Completion**  
**Preliminary Term Sheet dated December 29, 2011**

Units	Pricing Date*	January	, 2012
Market-Linked Step Up Notes	Settlement Date*	February	, 2012
Linked to the MSCI EAFE Index due	Maturity Date*	January	, 2014
January , 2014	CUSIP		
\$10 principal amount per unit			

## Market-Linked Step Up Notes

- The notes have a maturity of approximately two years
- The notes provide a Step Up Payment of between 16% and 22% over the Original Offering Price at maturity if the level of the MSCI EAFE Index (the "Index") is unchanged or increases from the Starting Value, but does not increase above the Step Up Value
- 100% participation in any increase in the level of the Index if it increases above the Step Up Value of between 116% and 122% of the Starting Value
- 1-to-1 downside exposure to decreases in the level of the Index below the Threshold Value, with up to 90% of the principal amount at risk
- 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



The notes are being offered by Bank of America Corporation ("BAC"). The notes will have the terms specified in this term sheet as supplemented by the documents indicated below under "Additional Terms" (together, the "Note Prospectus"). Investing in the notes involves a number of risks. **There are important differences between the notes 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-8 of product supplement SUN-1.** The notes:

<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, Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S") 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 <sup>(1)</sup>	\$ 10.00	\$
Underwriting discount <sup>(1)</sup>	\$ 0.20	\$
Proceeds, before expenses, to BAC	\$ 9.80	\$

<sup>(1)</sup> 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. The public offering price and underwriting discount for any purchase by certain fee-based trusts and fee-based discretionary accounts managed by U.S. Trust operating through Bank of America, N.A. will be \$9.80 per unit and \$0.00 per unit, respectively.

\*Depending on the date the notes are priced for initial sale to the public (the "pricing date"), any reference in this term sheet to the month in which the pricing date, settlement date, or maturity date will occur is subject to change.

**Merrill Lynch & Co.**

January , 2012



# Market-Linked Step Up Notes

Linked to the MSCI EAFE Index due January , 2014

## Summary

The Market-Linked Step Up Notes Linked to the MSCI EAFE Index due January , 2014 (the "notes") are our senior unsecured debt securities. The notes are not guaranteed or insured by the Federal Deposit Insurance Corporation or secured by collateral. **The notes will rank equally with all of our other unsecured and unsubordinated debt, and any payments due on the notes, including any repayment of principal, will be subject to the credit risk of BAC.**

The notes provide investors with a Step Up Payment if the level of the MSCI EAFE Index (the "Index") is unchanged or increases from the Starting Value to the Ending Value, but does not increase above the Step Up Value. If the level of the Index increases from the Starting Value to an Ending Value that is above the Step Up Value, investors will participate on a 1-for-1 basis in the increase above the Starting Value. Investors must be willing to forgo interest payments on the notes and be willing to accept a repayment that will be less, and potentially significantly less, than the Original Offering Price if the Ending Value is less than the Threshold Value.

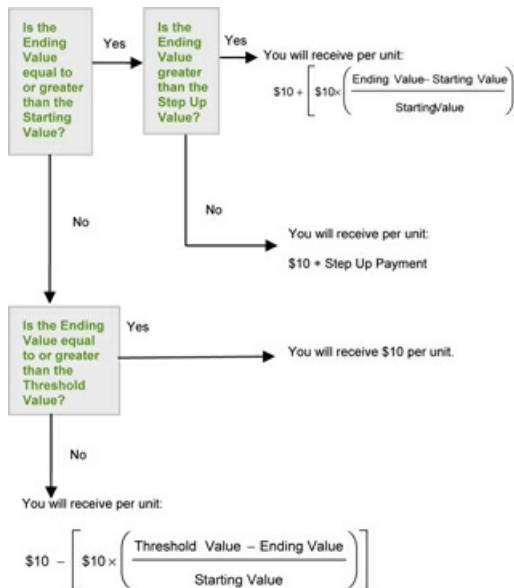
Capitalized terms used but not defined in this term sheet have the meanings set forth in product supplement SUN-1. Unless otherwise indicated or unless the context requires otherwise, all references in this document to "we," "us," "our," or similar references are to BAC.

## Terms of the Notes

<b>Issuer:</b>	Bank of America Corporation ("BAC")
<b>Original Offering Price:</b>	\$10.00 per unit
<b>Term:</b>	Approximately two years
<b>Market Measure:</b>	The MSCI EAFE Index (Bloomberg symbol: "MXEA")
<b>Starting Value:</b>	The closing level of the Market Measure on the pricing date.
<b>Ending Value:</b>	The closing level of the Market Measure on the scheduled calculation day. If it is determined that the scheduled calculation day is not a Market Measure Business Day, or if a Market Disruption Event occurs on the scheduled calculation day, the Ending Value will be determined as more fully described on page S-21 of product supplement SUN-1.
<b>Step Up Value:</b>	The Step Up Value will be between 116% and 122% of the Starting Value, rounded to two decimal places. The actual Step Up Value will be determined on the pricing date.
<b>Step Up Payment:</b>	The Step Up Payment will be between \$1.60 to \$2.20 per unit at maturity, which represents a return of 16% to 22% over the Original Offering Price. The actual Step Up Payment will be determined on the pricing date.
<b>Threshold Value:</b>	90% of the Starting Value, rounded to two decimal places.
<b>Calculation Day:</b>	The fifth scheduled Market Measure Business Day immediately preceding the maturity date, determined on the pricing date
<b>Calculation Agent:</b>	MLPF&S, a subsidiary of BAC
<b>Fees Charged:</b>	The public offering price of the notes includes the underwriting discount of \$0.20 per unit as listed on the cover page and an additional charge of \$0.075 per unit more fully described on page TS-6.

## Redemption Amount Determination

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



*In this case, you will receive a Redemption Amount that is less, and possibly significantly less, than the Original Offering Price per unit of the notes.*

# Market-Linked Step Up Notes

Linked to the MSCI EAFE Index due January , 2014

## Hypothetical Payout Profile

The below graph is based on **hypothetical** numbers and values.



This graph reflects the returns on the notes at maturity, based on a Step Up Payment of \$1.90 (the midpoint of the Step Up Payment range of \$1.60 to \$2.20), a Step Up Value of 119% of the Starting Value (the midpoint of the Step Up Value range of 116% to 122%) and the Threshold Value of 90% of the Starting Value. The green line reflects the returns on the notes, while the dotted gray line reflects the returns of a direct investment in the stocks included in the Index, excluding dividends.

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

## Hypothetical Redemption Amounts

The following table and examples are for purposes of illustration only. They are based on **hypothetical** values and show a **hypothetical** return on the notes. The actual amount you receive and the resulting total rate of return will depend on the **actual** Starting Value, Ending Value, Threshold Value, Step Up Value, Step Up Payment and the term of your investment.

The following table illustrates, for a Starting Value of 100 and a range of Ending Values:

- the percentage change from the Starting Value to the Ending Value;
- the Redemption Amount per unit of the notes; and
- the total rate of return to holders of the notes.

The Index is a price return index; accordingly, the Ending Value will not include any income generated by dividends paid on the stocks included in the Index, which you would otherwise be entitled to receive if you invested in those stocks directly.

The table and examples are based on a Step Up Payment of \$1.90 and a Step Up Value of 119% of the Starting Value.

<u>Ending Value</u>	<u>Percentage Change from the Starting Value to the Ending Value</u>	<u>Redemption Amount per Unit</u>	<u>Total Rate of Return on the Notes</u>
50.00	-50.00%	\$6.00	-40.00%
60.00	-40.00%	\$7.00	-30.00%
70.00	-30.00%	\$8.00	-20.00%
80.00	-20.00%	\$9.00	-10.00%
90.00 (1)	-10.00%	\$10.00	0.00%
95.00	-5.00%	\$10.00	0.00%
97.50	-2.50%	\$10.00	0.00%
100.00 (2)	0.00%	\$11.90 (3)	19.00%
102.50	2.50%	\$11.90	19.00%
105.00	5.00%	\$11.90	19.00%
110.00	10.00%	\$11.90	19.00%
119.00(4)	19.00%	\$11.90	19.00%
120.00	20.00%	\$12.00	20.00%
130.00	30.00%	\$13.00	30.00%
140.00	40.00%	\$14.00	40.00%
150.00	50.00%	\$15.00	50.00%

(1) This is the **hypothetical** Threshold Value.

(2) The **hypothetical** Starting Value of 100 used in these examples has been chosen for illustrative purposes only, and does not represent a likely Starting Value for the Index. For recent actual levels of the Index, see "The Index" section below.

(3) This amount represents the sum of the Original Offering Price and the **hypothetical** Step Up Payment of \$1.90, which is the midpoint of the Step Up Payment range of \$1.60 to \$2.20.

(4) This is the **hypothetical** Step Up Value, the midpoint of the Step Up Value range of 116% to 122% of the **hypothetical** Starting Value.

# Market-Linked Step Up Notes

Linked to the MSCI EAFE Index due January , 2014

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

Starting Value: 100  
Ending Value: 80  
Threshold Value: 90

$$\$10 - \left[ \$10 \times \left( \frac{90 - 80}{100} \right) \right] = \$9.00$$

Redemption Amount (per unit) = \$9.00

## **Example 2: The Ending Value is 95% of the Starting Value :**

Starting Value: 100  
Ending Value: 95  
Threshold Value: 90

Redemption Amount (per unit) = \$10.00 *(If the Ending Value is less than 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 Ending Value is 110% of the Starting Value :**

Starting Value: 100  
Step Up Value: 119  
Ending Value: 110

$\$10 + \$1.90 = \$11.90$

Redemption Amount (per unit) = \$11.90 *(In this case, because the Ending Value is greater than or equal to the Starting Value but less than or equal to the Step Up Value, the Redemption Amount (per unit) will equal \$11.90, which is the sum of the Original Offering Price and the Step Up Payment of \$1.90.)*

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

Starting Value: 100  
Step Up Value: 119  
Ending Value: 150

$$\$10 + \left[ \$10 \times \left( \frac{150 - 100}{100} \right) \right] = \$15.00$$

Redemption Amount (per unit) = \$15.00

## Risk Factors

*There are important differences between the notes and a conventional debt security. An investment in the notes involves significant risks, including those listed below. You should carefully review the more detailed explanation of risks relating to the notes in the "Risk Factors" sections beginning on page S-8 of product supplement SUN-1 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 notes.*

- 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.
- 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 competitive terms for the notes while providing MLPF&S with compensation for its services, we have considered the costs of developing, hedging, and distributing the notes described on page TS-2. The price at which you may sell the notes in any secondary market may be lower than the public offering price due to, among other things, the inclusion of these costs.
- A trading market is not expected to develop for the notes. MLPF&S is not obligated to make a market for, or to repurchase, the notes.
- Payments on the notes are subject to our credit risk, and changes in our credit ratings are expected to affect the value of the notes.
- The Redemption Amount will not be affected by all developments relating to the Index.
- Exchange rate movements may impact the value of the notes.
- Your return may be affected by factors affecting international securities markets.
- The Index Sponsor, as defined below, may adjust the Index in a way that affects its level, and the Index Sponsor 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 by the issuers of those securities.
- 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 notes prior to maturity, their market value, if any, will be affected by various factors that interrelate in complex ways, and their market value may be less than their Original Offering Price.
- 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 notes 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 notes are uncertain, and may be adverse to a holder of the notes. See "Summary Tax Consequences" and "Material U.S. Federal Income Considerations" below and "U.S. Federal Income Tax Summary" beginning on page S-31 of product supplement SUN-1.

## Other Terms of the Notes

### Market Measure Business Day

The following definition shall supersede and replace the definition of a "Market Measure Business Day" set forth on pages S-6 and S-21 of product supplement SUN-1.

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

- (A) the London Stock Exchange, the Frankfurt Stock Exchange, the Paris Bourse, and the Tokyo 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.

## Investor Considerations

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

- You anticipate that the level of the Index will increase 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 are willing to forgo interest payments on the notes, such as fixed or floating rate interest paid on traditional interest bearing debt securities.
- You seek exposure to the Index with no expectation of the benefits of owning the stocks included in the Index, including the right to receive dividends.
- You are willing to accept that a trading market is not expected to develop for the notes. You understand that secondary market prices for the notes, 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 notes.

### The notes 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.
- You seek 100% principal protection or preservation of capital.
- You seek interest payments or other current income on your investment.
- You seek an investment that provides you with the benefits of owning the stocks included in the Index, including the right to receive dividends.
- You seek assurances that there will be a liquid market if and when you want to sell the notes prior to maturity.
- You are unwilling or are unable to assume the credit risk associated with us, as the issuer of the notes.

## Supplement to the Plan of Distribution; Role of MLPF&S and Conflicts of Interest

We may deliver the notes 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, if the initial settlement of the notes occurs more than three business days from the pricing date, purchasers who wish to trade the notes more than three business days prior to the original issue date will be required to specify alternative settlement arrangements to prevent a failed settlement.

The notes will not be listed on any securities exchange. In the original offering of the notes, the notes will be sold in minimum investment amounts of 100 units.

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 notes. Accordingly, offerings of the notes will conform to the requirements of Rule 5121 applicable to FINRA members. MLPF&S may not make sales in this offering to any of its discretionary accounts without the prior written approval of the account holder.

Under our distribution agreement with MLPF&S, MLPF&S will purchase the notes from us as principal at the public offering price indicated on the cover of this term sheet, less the indicated underwriting discount. The public offering price includes, in addition to the underwriting discount, a charge of approximately \$0.075 per unit. This charge reflects an estimated profit earned by MLPF&S from transactions through which the notes are structured and resulting obligations hedged. The fees charged reduce the economic terms of the notes. Actual profits or losses from these hedging transactions may be more or less than this amount. In entering into the hedging arrangements for the notes, we seek competitive terms and may enter into hedging transactions with a division of MLPF&S or one of our subsidiaries or affiliates. For further information regarding these charges, our trading and hedging activities and conflicts of interest, see "Risk Factors – General Risks Relating to the Notes" beginning on page S-8 of product supplement SUN-1 and "Use of Proceeds" beginning on page S-18 of product supplement SUN-1.

MLPF&S will not receive an underwriting discount for notes sold to certain fee-based trusts and fee-based discretionary accounts managed by U.S. Trust operating through Bank of America, N.A.

If you place an order to purchase the notes, you are consenting to MLPF&S acting as a principal in effecting the transaction for your account.

MLPF&S may repurchase and resell the notes, with repurchases and resales being made at prices related to then-prevailing market prices or at negotiated prices. MLPF&S may act as principal or agent in these market-making transactions; however it is not obligated to engage in any such transactions.

## The Index

All disclosures contained in this term sheet regarding the Index, including, without limitation, its makeup, 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 MSCI (the "Index Sponsor"). MSCI, 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 MSCI discontinuing publication of the Index are discussed in the section entitled "Description of the Notes — Discontinuance of a Market Measure" beginning on page S-25 of product supplement SUN-1. None of us, the calculation agent, or the selling agent accepts any responsibility for the calculation, maintenance, or publication of the Index or any successor index.

The Index is intended to measure equity market performance in developed market countries, excluding the U.S. and Canada. The Index is a free float-adjusted market capitalization equity index with a base date of December 31, 1969 and an initial value of 100. The Index is calculated daily in U.S. dollars and published in real time every 60 seconds during market trading hours. As of December 19, 2011, the Index consisted of companies from the following 22 developed countries: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, and the United Kingdom. As of December 19, 2011, the five largest country weights were United Kingdom (23.3%), Japan (21.5%), France (9.0%), Switzerland (8.6%), and Germany (8.0%) and the five largest sector weights were Financials (21.6%), Industrials (12.4%), Consumer Staples (11.5%), Materials (10.1%), and Consumer Discretionary (10.0%).

The Index is part of the MSCI Regional Equity Indices series and is an MSCI Global Investable Market Index, which is a family within the MSCI International Equity Indices.

### General - MSCI Indices

MSCI provides global equity indices intended to measure equity performance in international markets and the MSCI International Equity Indices are designed to serve as global equity performance benchmarks. In constructing these indices, MSCI applies its index construction and maintenance methodology across developed, emerging, and frontier markets.

MSCI enhanced the methodology used in its MSCI International Equity Indices. The MSCI Standard and MSCI Small Cap Indices, along with the other MSCI equity indices based on them, transitioned to the global investable market indices methodology described below. The transition was completed at the end of May 2008. The Enhanced MSCI Standard Indices are composed of the MSCI Large Cap and Mid Cap Indices. The MSCI Global Small Cap Index transitioned to the MSCI Small Cap Index resulting from the Global Investable Market Indices methodology and contains no overlap with constituents of the transitioned MSCI Standard Indices. Together, the relevant MSCI Large Cap, Mid Cap, and Small Cap Indices will make up the MSCI investable market index for each country, composite, sector, and style index that MSCI offers.

*Constructing the MSCI Global Investable Market Indices.* MSCI undertakes an index construction process, which involves:

- defining the equity universe;
- determining the market investable equity universe for each market;
- determining market capitalization size segments for each market;
- applying index continuity rules for the MSCI Standard Index;
- creating style segments within each size segment within each market; and
- classifying securities under the Global Industry Classification Standard (the "GICS").

*Defining the Equity Universe.* The equity universe is defined by:

- Identifying Eligible Equity Securities: the equity universe initially looks at securities listed in any of the countries in the MSCI Global Index Series, which will be classified as either Developed Markets ("DM") or Emerging Markets ("EM"). All listed equity securities, or listed securities that exhibit characteristics of equity securities, except mutual funds, ETFs, equity derivatives, limited partnerships, and most investment trusts, are eligible for inclusion in the equity universe. Real Estate Investment Trusts ("REITs") in some countries and certain income trusts in Canada are also eligible for inclusion.

# Market-Linked Step Up Notes

Linked to the MSCI EAFE Index due January , 2014

- Classifying Eligible Securities into the Appropriate Country: each company and its securities (i.e., share classes) are classified in only one country.

*Determining the Market Investable Equity Universes.* A market investable equity universe for a market is derived by applying investability screens to individual companies and securities in the equity universe that are classified in that market. A market is equivalent to a single country, except in DM Europe, where all DM countries in Europe are aggregated into a single market for index construction purposes. Subsequently, individual DM Europe country indices within the MSCI Europe Index are derived from the constituents of the MSCI Europe Index under the global investable market indices methodology. The investability screens used to determine the investable equity universe in each market are as follows:

- *Equity Universe Minimum Size Requirement:* this investability screen is applied at the company level. In order to be included in a market investable equity universe, a company must have the required minimum full market capitalization.
- *Equity Universe Minimum Free Float-Adjusted Market Capitalization Requirement:* this investability screen is applied at the individual security level. To be eligible for inclusion in a market investable equity universe, a security must have a free float-adjusted market capitalization equal to or higher than 50% of the equity universe minimum size requirement.
- *DM Minimum Liquidity Requirement:* this investability screen is applied at the individual security level. To be eligible for inclusion in a market investable equity universe, a security must have adequate liquidity. The twelve-month and three-month Annual Traded Value Ratio ("ATVR"), a measure that screens out extreme daily trading volumes and takes into account the free float-adjusted market capitalization size of securities, together with the three-month frequency of trading are used to measure liquidity. In the calculation of the ATVR, the trading volumes in depository receipts associated with that security, such as ADRs or GDRs, are also considered. A minimum liquidity level of 20% of three- and twelve-month ATVR and 90% of three-month frequency of trading over the last four consecutive quarters are required for inclusion of a security in a market investable equity universe of a DM.
- *Global Minimum Foreign Inclusion Factor Requirement:* this investability screen is applied at the individual security level. To be eligible for inclusion in a market investable equity universe, a security's Foreign Inclusion Factor ("FIF") must reach a certain threshold. The FIF of a security is defined as the proportion of shares outstanding that is available for purchase in the public equity markets by international investors. This proportion accounts for the available free float of and/or the foreign ownership limits applicable to a specific security (or company). In general, a security must have an FIF equal to or larger than 0.15 to be eligible for inclusion in a market investable equity universe.
- *Minimum Length of Trading Requirement:* this investability screen is applied at the individual security level. For an initial public offering ("IPO") to be eligible for inclusion in a market investable equity universe, the new issue must have started trading at least four months before the implementation of the initial construction of the index or at least three months before the implementation of a semi-annual index review (as described below). This requirement is applicable to small new issues in all markets. Large IPOs are not subject to the minimum length of trading requirement and may be included in a market investable equity universe and the Standard Index outside of a Quarterly or Semi-Annual Index Review.

*Defining Market Capitalization Size Segments for Each Market.* Once a market investable equity universe is defined, it is segmented into the following size-based indices:

- Investable Market Index (Large + Mid + Small);
- Standard Index (Large + Mid);
- Large Cap Index;
- Mid Cap Index; or
- Small Cap Index.

Creating the size segment indices in each market involves the following steps:

- defining the market coverage target range for each size segment;
- determining the global minimum size range for each size segment;
- determining the market size-segment cutoffs and associated segment number of companies;



# Market-Linked Step Up Notes

Linked to the MSCI EAFE Index due January , 2014

- assigning companies to the size segments; and
- applying final size-segment investability requirements.

*Index Continuity Rules for the Standard Indices.* In order to achieve index continuity, as well as to provide some basic level of diversification within a market index, and notwithstanding the effect of other index construction rules described in this section, a minimum number of five constituents will be maintained for a DM Standard Index and a minimum number of three constituents will be maintained for an EM Standard Index.

*Creating Style Indices within Each Size Segment.* All securities in the investable equity universe are classified into value or growth segments using the MSCI Global Value and Growth methodology.

*Classifying Securities under the Global Industry Classification Standard.* All securities in the global investable equity universe are assigned to the industry that best describes their business activities. To this end, MSCI has designed, in conjunction with Standard & Poor's®, the GICS. Under the GICS, each company is assigned to one sub-industry according to its principal business activity. Therefore, a company can belong to only one industry grouping at each of the four levels of the GICS.

## Index Maintenance

The MSCI global investable market indices are maintained with the objective of reflecting the evolution of the underlying equity markets and segments on a timely basis, while seeking to achieve index continuity, continuous investability of constituents and replicability of the indices, index stability, and low index turnover. In particular, index maintenance involves:

(i) Semi-Annual Index Reviews ("SAIRs") in May and November of the Size Segment and Global Value and Growth Indices which include:

- updating the indices on the basis of a fully refreshed equity universe;
- taking buffer rules into consideration for migration of securities across size and style segments; and
- updating FIFs and Number of Shares ("NOS").

(ii) Quarterly Index Reviews ("QIRs") in February and August of the Size Segment Indices aimed at:

- including significant new eligible securities (such as IPOs that were not eligible for earlier inclusion) in the index;
- allowing for significant moves of companies within the Size Segment Indices, using wider buffers than in the SAIR; and
- reflecting the impact of significant market events on FIFs and updating NOS.

(iii) Ongoing Event-Related Changes: changes of this type are generally implemented in the indices as they occur. Significantly large IPOs are included in the indices after the close of the company's tenth day of trading.

None of us, the calculation agent, the selling agent, or our respective affiliates accepts any responsibility for the calculation, maintenance, or publication of, or for any error, omission, or disruption in, the Index or any successor to the Index.

# Market-Linked Step Up Notes

Linked to the MSCI EAFE Index due January , 2014

The following graph sets forth the monthly historical performance of the Index in the period from January 2006 through November 2011. This historical data on the Index is not necessarily indicative of the future performance of the Index or what the value of the notes may be. Any historical upward or downward trend in the 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 notes. On December 19, 2011, the closing level of the Index was 1,360.97.

Historical Performance of the Index



Before investing in the notes, 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

Our right to use the Index in connection with the notes is subject to a license agreement between MLPF&S and MSCI. In connection with that license, please note the following:

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## Summary Tax Consequences

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

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

## Material U.S. Federal Income Tax Considerations

Set forth below is a summary of the material U.S. federal income tax considerations relating to an investment in the notes. The following summary is not complete and is qualified in its entirety by the discussion under the section entitled "U.S. Federal Income Tax Summary" beginning on page S-31 of product supplement SUN-1, which you should carefully review prior to investing in the notes.

**General.** Although there is no statutory, judicial, or administrative authority directly addressing the characterization of the notes, we intend to treat the notes for all tax purposes as single financial contracts linked to the Index that requires the investor to pay us at inception an amount equal to the purchase price of the notes and that entitles the investor to receive at maturity an amount in cash linked to the performance of the Index. Under the terms of the notes, we and every investor in the notes agree, in the absence of an administrative determination or judicial ruling to the contrary, to treat the notes as described in the preceding sentence. This discussion assumes that the notes constitute single financial contracts linked to the Index for U.S. federal income tax purposes. If the notes do not constitute single financial contracts, 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 notes.

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

**Settlement at Maturity or Sale or Exchange Prior to Maturity.** Assuming that the notes are properly characterized and treated as single financial contracts linked to the Index for U.S. federal income tax purposes, upon receipt of a cash payment at maturity or upon a sale or exchange of the notes prior to maturity, a U.S. Holder (as defined on page S-32 in product supplement SUN-1) generally will recognize capital gain or loss equal to the difference between the amount realized and the U.S. Holder's basis in the notes. This capital gain or loss generally will be long-term capital gain or loss if the U.S. Holder held the notes 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 notes. We cannot predict the likelihood of any such legislation or guidance being adopted, or the ultimate impact on the notes. 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 notes. According to the Notice, the IRS and Treasury are considering whether a holder of an instrument such as the notes should be required to accrue ordinary income on a current basis, regardless of whether any payments are made prior to maturity. It is not possible to determine what guidance the IRS and Treasury will ultimately issue, if any. Any such future guidance may affect the amount, timing, and character of income, gain, or loss in respect of the notes, possibly with retroactive effect. The IRS and Treasury are also considering additional issues, including whether additional gain or loss from such instruments should be treated as ordinary or capital, whether foreign holders of such instruments should be subject to withholding tax on any deemed income accruals, whether Section 1260 of the Internal Revenue Code of 1986, as amended, concerning certain "constructive ownership transactions," generally applies or should generally apply to such instruments, and whether any of these determinations depend on the nature of the underlying asset. We intend to continue treating the notes for U.S. federal income tax purposes in the manner described herein unless and until such time as we determine, or the IRS or Treasury determines, that some other treatment is more appropriate. We urge you to consult your own tax advisors concerning the impact and the significance of the above considerations.

**Additional Medicare Tax on Unearned Income.** With respect to taxable years beginning after December 31, 2012, certain U.S. Holders, including individuals, 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

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urged to consult their own tax advisors regarding the implications of the additional Medicare tax resulting from an investment in the notes.

**You should consult your own tax advisor concerning the U.S. federal income tax consequences to you of acquiring, owning, and disposing of the notes, as well as any tax consequences arising under the laws of any state, local, foreign, or other tax jurisdiction and the possible effects of changes in U.S. federal or other tax laws. See the discussion under the section entitled "U.S. Federal Income Tax Summary" beginning on page S-31 of product supplement SUN-1.**

## Additional Terms

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

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

- Product supplement SUN-1 dated September 22, 2009:  
<http://sec.gov/Archives/edgar/data/70858/000119312509195916/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/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.**



## Enhanced Return

*MLPF&S classifies certain market-linked investments (the "Market-Linked Investments") into categories, each with different investment characteristics. The following description is meant solely for informational purposes and is not intended to represent any particular Enhanced Return Market-Linked Investment or guarantee any performance.*

Enhanced Return Market-Linked Investments are short- to medium-term investments that 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.