BEAR STEARNS COMPANIES INC
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PRICING SUPPLEMENT NO. 1
(To Prospectus Dated November 17, 2003 and
Prospectus Supplement Dated November 17, 2003)

Filed Pursuant to Rule 424(b)(5)
Registration No. 333-109793

$25,474,000

The Bear Stearns Companies Inc.

Medium-Term Notes, Series B

Strategic Upside Market Mitigating Index Term Securities, Linked to the Dow Jones Industrial Average[SM] Due May 5, 2010 ("SUMMITS")

The Notes are unsecured debt obligations of The Bear Stearns Companies Inc.

The Notes are linked to the price performance of the Dow Jones Industrial Average[SM] (the "Index") as described below.

The Notes are principal protected only under certain circumstances and only if held to maturity. The Notes will be principal protected if, and only if, the index closing level never equals or falls below the barrier index level (65% of the initial index level), or the final index level is equal to or greater than the initial index level.

The Notes will mature on May 5, 2010. We will not make any payments on the Notes prior to maturity.

The Notes will not be listed on any securities exchange.

If, at maturity, the final index level is greater than the initial index level, we will pay the principal amount of the Notes plus 115% of the proportional increase in the final index level over the initial index level.

If, at maturity, the final index level is less than or equal to the initial index level, the cash settlement value will depend upon whether the index closing level equaled or fell below the barrier index level. If the index closing level never equaled or fell below the barrier index level during the term of the Notes, at maturity, we will pay you the principal amount of the Notes. If the index closing level ever equaled or fell below the barrier index level during the term of the Notes, we will pay you an amount proportionally less than the initial offering price based upon the proportional decline in the Index. In this case, the principal amount of your investment is not protected and you may receive less, and possibly significantly less, than the original public offering price of $1,000 per each $1,000 aggregate principal amount of Notes.

The CUSIP number for the Notes is 073928H30.

INVESTMENT IN THE NOTES INVOLVES CERTAIN RISKS. THERE MAY NOT BE A SECONDARY MARKET IN THE NOTES, AND IF THERE WERE TO BE A SECONDARY MARKET, IT MAY NOT BE LIQUID. YOU SHOULD REFER TO "RISK FACTORS" BEGINNING ON PAGE PS-10 OF THIS PRICING SUPPLEMENT.

"Dow Jones^{SM}" and "Dow Jones Industrial Average^{SM}" are service marks of Dow Jones & Company, Inc. and have been licensed for use for certain purposes by The Bear Stearns Companies Inc. The Notes are not sponsored, endorsed, sold or promoted by Dow Jones, and Dow Jones makes no representation regarding the advisability of investing in the Notes.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the Notes or determined that this pricing supplement, or the accompanying prospectus supplement and prospectus, is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Note	Total
Initial public offering price	100.00%	$25,474,000
Agent's discount	3.00%	$764,220
Proceeds, before expenses, to us	97.00%	$24,709,780

We have granted Bear, Stearns & Co. Inc. a 30-day option from the date of this pricing supplement to purchase from us up to an additional $3,800,000 of Notes at the public offering price, less the agent's discount, to cover any over-allotments.

We expect that the Notes will be ready for delivery in book-entry form only through the book-entry facilities of The Depository Trust Company in New York, New York, on or about November 5, 2004, against payment in immediately available funds. The distribution of the Notes will conform to the requirements set forth in Rule 2720 of the National Association of Securities Dealers, Inc. Conduct Rules.

After this offering is complete, the Agent may use this pricing supplement, the accompanying prospectus supplement and prospectus in connection with market-making transactions at negotiated prices related to the prevailing market prices at the time of sale. The Agent may act as principal or agent in these transactions.

Bear, Stearns & Co. Inc.

October 29, 2004

SUMMARY

This summary highlights selected information from the accompanying prospectus, prospectus supplement and this pricing supplement to help you understand the Notes linked to the Dow Jones Industrial Average. You should carefully read this entire pricing supplement and the accompanying prospectus supplement and prospectus to fully understand the terms of the Notes, as well as the principal tax and other considerations that are important to you in making a decision about whether to invest in the Notes. You should, in particular, carefully review the section entitled "Risk Factors," which highlights a number of risks, to determine whether an investment in the Notes is appropriate for you. All of the information set forth below is qualified in its entirety by the more detailed explanation set forth elsewhere in this pricing supplement, prospectus supplement and the accompanying prospectus. If information in this pricing supplement is inconsistent with the prospectus or prospectus supplement, this pricing supplement will supercede those documents. In this pricing supplement, the terms "Company," "we," "us" and "our" refer only to The Bear Stearns Companies Inc. excluding its consolidated subsidiaries.

The Bear Stearns Companies Inc. Medium-Term Notes, Series B, Strategic Upside Market Mitigating Index Term Securities, Linked to the Dow Jones Industrial Average^{SM} Due May 5, 2010 ("SUMMITS") are Notes whose return is tied or "linked" to the performance of the Index. Unlike typical bonds, no periodic interest payments are made on these Notes prior to maturity. Under certain circumstances and only if the Notes are held to maturity, the Notes may be principal protected and may offer potential upside leverage of 115%. If the Index closing level equals or falls below the barrier index level and on the maturity date the final index level is less than the initial index level, the amount we will pay you per each $1,000 aggregate principal amount of Notes will equal the product of $1,000 and the ratio between the final index level and the initial index level. In such a case, the principal amount of your investment is not protected and you may receive less, and possibly significantly less, than the original public offering price of $1,000 per each $1,000 aggregate principal amount of Notes.

Selected Investment Considerations

Possible loss of principal protection The Notes are principal protected only under certain circumstances and only if held to maturity. The Notes will be principal protected if, and only if, the index closing level never equals or falls below the barrier index level (65% of the initial index level), or if the final index level is equal to or greater than the initial index level. If the index closing level ever equals or falls below the barrier index level and the final index level is less than the initial index level, there will be no principal protection on the Notes and the cash settlement value will be proportionally less than the initial offering price based upon the proportional decline in the Index. You may receive less, and possibly significantly less, than the original public offering price of $1,000 per each $1,000 aggregate principal amount of Notes.

No current income We will not pay any interest on the Notes. The yield on the Notes may be less than the overall return you would earn if you purchased a conventional debt security at the same time and with the same maturity.

Growth potential The return on the Notes will be based upon the index closing levels before maturity and the percentage change in the value of the Index at maturity, which may be positive or negative.

Potential upside leverage The Notes may be an attractive investment for investors who have a bullish view of the Index. If held to maturity, the Notes provide potential leverage of 115% of the positive price performance of the Index if the final index level is greater than the initial index level.

Long-term investment The Notes may be an attractive investment for investors who have a medium term and bullish view of the Index.

Diversification Since the Index is based on the stock prices of 30 blue-chip companies, the Notes may allow you to diversify an existing portfolio.

Taxes By purchasing a Note, you will agree to treat the Notes for all tax purposes as pre-paid cash settled forward contracts linked to the value of the Index. Under this treatment of the Notes, you should be required to recognize capital gain or loss to the extent that the cash you receive on the maturity date or upon a sale or exchange of the Notes prior to the maturity date differs from your tax basis on the Notes (which will generally be the amount you paid for the Notes).

Low minimum investment Notes can be purchased in increments of $1,000.

Selected Risk Considerations

An investment in the Notes involves significant risks. You will be subject to significant risks not associated with conventional fixed-rate or floating-rate debt securities. These risks include the possibility that the Index will fluctuate. We have no control over a number of matters, including economic, financial, and political events, that are important in determining the existence, magnitude, and longevity of these risks and their impact on the value of, or payments made on, the Notes. You should refer to "Risk Factors" in this pricing supplement and "Risk Factors" in the accompanying prospectus supplement.

Possible loss of principal protection The Notes are principal protected only under certain circumstances and only if the Notes are held to maturity. At maturity, the Notes will be principal protected if, and only if, the index closing level never equals or falls below the barrier index level or if the final index level is equal to or greater than the initial index level. If the index closing level ever equals or falls below the barrier index level and the final index level is less than the initial index level, there will be no principal protection on the Notes. In such a case, the cash settlement value you will receive will be proportionally less than the initial offering price based upon the proportional decline in the Index. You may receive less, and possibly significantly less, than the original public offering price of $1,000 per each $1,000 aggregate principal amount of Notes.

No interest or dividend payments You will not receive any periodic interest payments during the term of the Notes and you will not receive any dividend payments or other distributions on the stocks underlying the Index, nor will such payments be included in the calculation of the cash settlement value you will receive at maturity.

Not exchange listed The Notes will not be listed on any securities exchange and we do not expect a trading market to develop, which may affect the price that you receive for your Notes upon any sale prior to maturity.

Liquidity Since the Notes will not be listed on any securities exchange and we do not expect a trading market to develop, you should be aware that we cannot ensure that a secondary market in the Notes will develop and, if such market were to develop, it may not be liquid. If you sell your Notes prior to maturity, you may receive less than the amount you originally invested. Our subsidiary, Bear, Stearns & Co. Inc. ("Bear Stearns") has advised us that they intend under ordinary market conditions to indicate prices for the Notes on request. However, we cannot guarantee that bids for outstanding Notes will be made in the future, nor can we predict the price at which those bids will be made. In any event, Notes will cease trading as of the close of business on the maturity date.

KEY TERMS

Issuer: The Bear Stearns Companies Inc.

Index: Dow Jones Industrial Average, as published by Dow Jones & Company, Inc. The Dow Jones Industrial Average is maintained and reviewed by the editors of *The Wall Street Journal*.

Face amount: Each Note will be issued in minimum denomination of $1,000; $25,474,000 in the aggregate for all the Notes being offered.

Cash settlement value: At maturity, we will pay you the cash settlement value, an amount in cash depending on the relation of the final index level to the initial index level and whether the index closing level ever equals or falls below the barrier index level:

(i) If the index closing level: (A) never equals or never falls below the barrier index level, or (B) ever equals or ever falls below the barrier index level and on the maturity date the final index level is greater than or equals the initial index level, the cash settlement value per each $1,000 aggregate principal amount of Notes will equal:

(ii) If the index closing level ever equals or falls below the barrier index level and on the maturity date the final index level is less than the initial index level, the cash settlement value per each $1,000 aggregate principal amount of Notes will equal:

Index closing level: The closing value of the Index on each index business day.

Initial index level: Equals 10,027.47, the closing value of the Index on October 29, 2004, the date the Notes were priced for initial sale to the public.

Barrier index level: Equals 6,517.86, 65% of the initial index level.

Final index level: Will be determined by the calculation agent and will equal the closing value of the Index on April 29, 2010, the calculation date, or, if that day is not an index business day, on the next index business day.

Maturity date: The Notes will mature on May 5, 2010.

Interest: The Notes will not bear interest.

Exchange listing: The Notes will not be listed on any securities exchange.

Offers and sales of the Notes are subject to restrictions in certain jurisdictions. The distribution of this pricing supplement, the accompanying prospectus supplement and prospectus and the offer or sale of the Notes in certain other jurisdictions may be restricted by law. Persons who come into possession of this pricing supplement, the accompanying prospectus supplement and prospectus or any Notes must inform themselves about and observe any applicable restrictions on the distribution of this pricing supplement, the accompanying prospectus supplement and prospectus and the offer and sale of the Notes.

QUESTIONS AND ANSWERS

What are the Notes?

The Notes are a series of our senior debt securities whose value is linked to the performance of the Index. The Notes will not bear interest and no other payments will be made prior to maturity. See "Risk Factors" in this pricing supplement.

The Notes will be unsecured and will rank equally with all of our unsecured and unsubordinated debt. Because we are a holding company, the Notes will be effectively subordinated to the claims of creditors of our subsidiaries with respect to their assets. At August 31, 2004:

we had outstanding (on an unconsolidated basis) approximately $40.0 billion of debt and other obligations, including approximately $36.2 billion of unsecured senior debt and $3.4 billion of unsecured inter-company debt; and

our subsidiaries had outstanding (after elimination of inter-company items) approximately $192.6 billion of debt and other obligations (including $55.8 billion related to securities sold under repurchase agreements, $75.0 billion related to payables to customers, $28.0 billion related to financial instruments sold, but not yet purchased, and $33.8 billion of other liabilities, including $17.4 billion of debt).

The Notes will mature on May 5, 2010, unless postponed because a market disruption event occurs. The Notes do not provide for earlier maturity.

Are the Notes Equity or Debt Securities?

The Notes are our unsecured debt securities. However, the Notes differ from traditional debt securities in that under certain circumstances and only if the Notes are held to maturity, the Notes may be principal protected and may offer potential leverage of 115% of the positive price performance of the Index. At maturity, you will receive an amount of cash equivalent to the cash settlement value. The cash settlement value you will receive at maturity will be based upon the index closing levels and the percentage change in the value of the Index at maturity. We describe below how this amount is determined.

What will I Receive at Maturity of the Notes?

Your investment may result in a loss since the Notes are principal protected only under certain circumstances and only if the Notes are held to maturity. If the index closing level ever equals or falls below the barrier index level at any time before maturity, and on the maturity date the final index level is less than the initial index level, there will be no principal protection on the Notes. In such a case, the principal amount of your investment is not protected and you may receive less, and possibly significantly less, than the original public offering price of $1,000 per each $1,000 aggregate principal amount of Notes.

Upon maturity of the Notes, for each $1,000 aggregate principal amount of Notes you own, you will receive a payment equal to the "cash settlement value." The cash settlement value to which you will be entitled depends on the relation of the final index level to the initial index level and whether the index closing level ever equals or falls below the barrier index level:

(i) If the index closing level: (A) never equals or never falls below the barrier index level, or (B) ever equals or ever falls below the barrier index level and on the maturity date the final index level is greater than or equals the initial index level, the cash settlement value per each $1,000 aggregate principal amount of Notes will equal:

(ii) If the index closing level ever equals or falls below the barrier index level and on the maturity date the final index level is less than the initial index level, the cash settlement value per each $1,000 aggregate principal amount of Notes will equal:

For purposes of these formulas:

The "index closing level" equals the closing value of the Index on each index business day.

The "initial index level" equals 10,027.47, the closing value of the Index on October 29, 2004, the date the Notes were priced for initial sale to the public.

The "barrier index level" equals 6,517.86, 65% of the initial index level.

The "final index level" will be determined by the calculation agent and will equal the closing value of the Index on April 29, 2010, the "calculation date," or, if that day is not an index business day, on the next index business day.

The "maturity date" of the Notes is May 5, 2010.

An "index business day" will be a day, as determined by the calculation agent, on which the New York Stock Exchange (the "NYSE"), the American Stock Exchange (the "AMEX"), The Nasdaq Stock Market (the "Nasdaq"), the Chicago Mercantile Exchange (the "CME") and the Chicago Board Options Exchange (the "CBOE") are open for trading (or would have been open for trading, but for the occurrence of a market disruption event) and the Index or any successor index is calculated and published. The calculation agent may, in its sole discretion, add to or delete from the definition of "index business day" any major US exchange or market which commences or ceases to serve as a primary exchange or market upon which a stock underlying the Index trades, or as an exchange upon which a futures contract, an option contract, or an option on a futures contract relating to the Index trades. All determinations made by the calculation agent will be at the sole discretion of the calculation agent, and will be conclusive for all purposes and binding on us and the beneficial owners of the Notes, absent manifest error.

For more specific information about the cash settlement value and for illustrative examples, you should refer to "Description of the Notes" in this pricing supplement.

What Does "Possible Principal Protection" Mean?

"Possible Principal Protection" means that under certain circumstances and only if the Notes are held to maturity, your principal investment in the Notes may not be at risk due to a decline in the Index. If the index closing level is equal to or falls below the barrier index level and on the maturity date the final index level is less than the initial index level, the cash settlement value you will receive will be proportionally less than the initial offering price based upon the proportionate decline in the Index. There will be no principal protection on the Notes and your investment will result in a loss.

Will I Receive Interest on the Notes?

You will not receive any interest payments on the Notes, but will instead receive the cash settlement value upon maturity of the Notes. We have designed the Notes for investors who are willing to forgo periodic market payments on the Notes in exchange for the ability to participate in changes in the value of the Index over the term of the Notes.

What is the Index?

The Index is a price-weighted index published by Dow Jones & Company, Inc. ("Dow Jones"), which means a component stock's weight in the Index is based on its price per share rather than the total market capitalization of the issuer of that component stock. The Index is designed to provide an indication of the composite price performance of the common stock of 30 corporations representing a broad cross-section of US industry. The component stocks of the Index are selected by the editors of *The Wall Street Journal*. The corporations represented in the Index tend to be market leaders in their respective industries and their stocks are typically widely held by individuals and institutional investors. The corporations currently represented in the Index are incorporated in the US and its territories and their stocks are traded on the NYSE and the Nasdaq. As of October 29, 2004, the market capitalization of the stocks in the Index ranged from approximately $17.8 billion to $360 billion, with the average market capitalization being approximately $115 billion.

The value of the Index is the sum of the primary exchange prices of each of the 30 common stocks included in the Index, divided by a divisor that is designed to provide a meaningful continuity in the value of the Index. Because the Index is price-weighted, stock splits or changes in the component stocks could result in distortions in the Index value. In order to prevent these distortions related to extrinsic factors, the divisor may be changed in accordance with a mathematical formula that reflects adjusted proportions within the Index. The current divisor of the Index is published daily in *The Wall Street Journal* and other publications. In addition, other statistics based on the Index may be found in a variety of publicly available sources. See "Description of the Index" in this pricing supplement.

Please note that an investment in the Notes does not entitle you to any ownership interest in the stocks of the companies included in the Index.

How has the Index Performed Historically?

We have provided a table showing the monthly performance of the Index from January 1993 through October 2004. You can find these tables in the section "Description of the Index Historical Data on the Index" in this pricing supplement. We have provided this historical information to help you evaluate the behavior of the Index in various economic environments; however, past performance is not necessarily indicative of how the Index will perform in the future. You should refer to the section "Risk Factors The Historical Performance of the Index is not an Indication of the Future Performance of the Index" in this pricing supplement.

Will the Notes be Listed on a Securities Exchange?

The Notes will not be listed on any securities exchange and we do not expect a trading market to develop, which may affect the price that you receive for your Notes upon any sale prior to maturity. Bear Stearns has advised us that they intend under ordinary market conditions to indicate prices for the Notes on request. However, we cannot guarantee that bids for outstanding Notes will be made in the future, nor can we predict the price at which those bids will be made. In any event, Notes will cease trading as of the close of business on the maturity date. You should refer to the section "Risk Factors" in this pricing supplement.

What is the Role of Bear Stearns?

Bear Stearns will be our agent for the offering and sale of the Notes. After the initial offering, Bear Stearns intends to buy and sell the Notes to create a secondary market for holders of the Notes, and may stabilize or maintain the market price of the Notes during the initial distribution of the Notes. However, Bear Stearns will not be obligated to engage in any of these market activities or continue them once they are begun.

Bear Stearns also will be our calculation agent for purposes of calculating the cash settlement value. Under certain circumstances, these duties could result in a conflict of interest between Bear Stearns' status as our subsidiary, and its responsibilities as calculation agent. You should refer to "Risk Factors   The Calculation Agent is One of Our Affiliates, Which Could Result in a Conflict of Interest" in this pricing supplement.

Can You Tell Me more about The Bear Stearns Companies Inc.?

We are a holding company that, through our broker-dealer and international bank subsidiaries, principally Bear Stearns, Bear, Stearns Securities Corp., Bear, Stearns International Limited ("BSIL") and Bear Stearns Bank plc, is a leading investment banking, securities and derivatives trading, clearance and brokerage firm serving corporations, governments, institutional and individual investors worldwide. For more information about us, please refer to the section entitled "The Bear Stearns Companies Inc." in the accompanying prospectus. You should also read the other documents we have filed with the Securities and Exchange Commission, which you can find by referring to the section entitled "Where You Can Find More Information" in the accompanying prospectus.

Who Should Consider Purchasing the Notes?

Since the Notes are tied to the price performance of an underlying equity index, they may be appropriate for investors with specific investment horizons who seek to participate in the potential price appreciation of the underlying stocks comprising the Index. In particular, the Notes may be an attractive investment for investors who:

- have a bullish view of the Index;
- believe that the Index will not decrease by 35% or more and are willing to take the risk that the Index may decrease in value; and
- are willing to forgo dividend payments on the stocks underlying the Index in return for possible principal protection and potential upside leverage.

What are the U.S. Federal Income Tax Consequences of Investing in the Notes?

The U.S. federal income tax consequences of an investment in the Notes are complex and uncertain. By purchasing the Notes, you will agree to treat the Notes for all tax purposes as prepaid cash-settled forward contracts linked to the value of the Index. Under this treatment of the Notes, you should be required to recognize capital gain or loss to the extent that the cash you receive on the maturity date or upon a sale or exchange of the Notes prior to the maturity date differs from your tax basis on the Notes (which will generally be the amount you paid for the Notes). You should review the discussion under the section entitled "Certain U.S. Federal Income Tax Considerations" in this pricing supplement.

Does ERISA Impose any Limitations on Purchases of the Notes?

An employee benefit plan subject to the fiduciary responsibility provisions of the Employee Retirement Income Security Act of 1974 ("ERISA") or a plan that is subject to Section 4975 of the Internal Revenue Code, including individual retirement accounts, individual retirement annuities or Keogh plans, or any entity the assets of which are deemed to be "plan assets" under ERISA regulations, will be permitted to purchase, hold and dispose of the Notes only on the condition that such plan or entity makes the deemed representation that its purchase, holding and disposition of the Notes will not constitute a prohibited transaction under ERISA or Section 4975 of the Internal Revenue Code for which an exemption is not available. Government plans subject to any substantially similar law will also be subject to this condition.

Are there any Risks Associated with My Investment?

Yes. The Notes are subject to a number of risks. You should refer to "Risk Factors" in this pricing supplement and "Risk Factors" in the accompanying prospectus supplement.

RISK FACTORS

Your investment in the Notes involves a degree of risk similar to investing in the Index. You will be subject to significant risks not associated with conventional fixed-rate or floating-rate debt securities. Prospective purchasers of the Notes should recognize the possibility of a substantial loss with respect to their investment in the Notes. Prospective purchasers of the Notes should understand the risks of investing in the Notes and should reach an investment decision only after careful consideration, with their advisers, of the suitability of the Notes in light of their particular financial circumstances, the following risk factors and the other information set forth in this pricing supplement and the accompanying prospectus supplement and prospectus. These risks include the possibility that the Index will fluctuate, and the possibility that you will receive a substantially lower amount of principal. We have no control over a number of matters, including economic, financial, and political events, that are important in determining the existence, magnitude, and longevity of these risks and their impact on the value of, or the payment made on, the Notes.

Your Investment may Result in a Loss; There is No Guaranteed Return of Principal

The Notes are principal protected only under certain circumstances and only if the Notes are held to maturity. If the index closing level ever equals or falls below the barrier index level and on the maturity date the final index level is less than the initial index level, there will be no principal protection on the Notes. In such a case, the cash settlement value will be proportionally less than the initial offering price based upon the proportional decline in the Index. As a result, the principal amount of your investment is not protected and you may receive less, and possibly significantly less, than the original public offering of $1,000 per each $1,000 aggregate principal amount of Notes.

You will not Receive any Interest Payments on the Notes

You will not receive any periodic payments of interest or any other periodic payments on the Notes until maturity. On the stated maturity date, you will receive a payment per each $1,000 aggregate principal amount of Notes equal to the cash settlement value. However, the overall return you earn on your Notes may be less than you would have earned by investing in a non-indexed debt security of comparable maturity that bears interest at a prevailing market rate. For more specific information about the cash settlement value and for illustrative examples, you should refer to "Description of the Notes" in this pricing supplement.

Your Yield will not Reflect Dividends on the Underlying Stocks that Comprise the Index

The Index does not reflect the payment of dividends on the stocks underlying it. Therefore, the yield based on the Index to the maturity of the Notes will not produce the same yield as if you had purchased such underlying stocks and held them for a similar period. As of September 30, 2004, the yield on the payment of dividends on the stocks underlying the Index was approximately 210 basis points. You should refer to "Description of the Notes" in this pricing supplement.

Your Yield may be Below Market Interest Rates on the Calculation Date

You may receive a cash settlement value that is below what we would pay as interest as of the initial index level if we had issued non-callable senior debt securities with a similar maturity to that of the Notes. The possible return of principal at maturity and any payment of the cash settlement value may not reflect the full opportunity costs implied by inflation or other factors relating to the time value of money.

Because the Treatment of the Notes is Uncertain, the Material U.S. Federal Income Tax Consequences of an Investment in the Notes are Uncertain

Even though you agree to treat the Notes for all tax purposes as pre-paid cash settled forward contracts linked to the Index, there is no direct legal authority as to the proper tax treatment of the Notes, and therefore significant aspects of the tax treatment of the Notes are uncertain. In particular, it is possible that you will be required to recognize income for U.S. federal tax purposes with respect to the Notes prior to the sale, exchange or maturity of the Notes, and it is possible that any gain or income recognized with respect to the Notes will be treated as ordinary income rather than capital gain. Please read carefully the section entitled "Certain U.S. Federal Income Tax Considerations" in this pricing supplement.

The Historical Performance of the Index is not an Indication of the Future Performance of the Index

The historical performance of the Index, which is included in this pricing supplement, should not be taken as an indication of the future performance of the Index. While the trading prices of the underlying common stocks of the Index will determine the value of the Index, it is impossible to predict whether the value of the Index will fall or rise. Trading prices of the underlying common stocks of the Index will be influenced by the complex and interrelated political, economic, financial and other factors that can affect the capital markets generally and the equity trading markets on which the underlying common stocks are traded, and by various circumstances that can influence the values of the underlying common stocks in a specific market segment or of a particular underlying stock.

The Price at which You will be able to Sell Your Notes Prior to Maturity will Depend on a Number of Factors, and may be Substantially Less than You had Originally Invested

If you wish to liquidate your investment in the Notes prior to maturity, your only alternative would be to sell them. At that time, there may be an illiquid market for Notes or no market at all. Even if you were able to sell your Notes, there are many factors outside of our control that may affect their market value. We believe that the value of your Notes will be affected by the value and volatility of the Index, whether or not the index closing level ever equals or falls below the barrier index level, whether or not the final index level is equal to or greater than the initial index level, changes in US interest rates, the supply of and demand for the Notes and a number of other factors. Some of these factors are interrelated in complex ways; as a result, the effect of any one factor may be offset or magnified by the effect of another factor. The price, if any, at which you will be able to sell your Notes prior to maturity may be substantially less than the amount you originally invested if, at such time, the value of the Index is less than, equal to or not sufficiently above the value of the Index when you purchased the Notes. The following paragraphs describe what we expect to be the impact on the market value of the Notes with a change in a specific factor, assuming all other conditions remain constant.

Barrier index level. The trading value of the Notes will be affected if the index closing level declines and if it ever equals or falls below the barrier index level. Such an occurrence will mean that the principal amount of your investment is not protected and you may receive less, and possibly significantly less, than the original public offering price of $1,000 per each $1,000 aggregate principal amount of Notes.

Value of the Index. We expect that the trading value of the Notes will depend substantially on the amount, if any, by which the index closing level at any given point in time exceeds the initial index closing level. If you decide to sell your Notes when the index closing level exceeds the initial index level, you may nonetheless receive substantially less than the amount that would be payable at stated maturity based on that index closing level because of expectations that the index closing level will continue to fluctuate until the calculation date. Political, economic and other developments that affect the common stocks in the Index may also affect the index closing level and, thus, the value of the Notes.

Volatility of the Index. Volatility is the term used to describe the size and frequency of market fluctuations. If the volatility of the Index increases or decreases, the trading value of the Notes may be adversely affected. This volatility may increase the risk that the index closing level will decline, which could negatively affect the market value of Notes. The effect of the volatility of the Index on the trading value of the Notes may not necessarily decrease over time during the term of the Notes.

Interest rates. We expect that the trading value of the Notes will be affected by changes in U.S. interest rates. The interest rate changes will have different effects on the trading value of the Notes depending on the term to maturity. During the first half of the term of the Notes, an upward parallel shift in the yield curve (meaning that short- and long-term rates increase by the same amount) may cause an increase in the trading value of the Notes and a downward parallel shift in the yield curve may cause a decrease in the value of the Notes. Conversely, during the remaining term of the Notes, an upward parallel shift in the yield curve may cause a decrease in the trading value of the Notes and a downward parallel shift in the yield curve may cause an increase in the value of the Notes.

Our credit ratings, financial condition and results of operations. Actual or anticipated changes in our current credit ratings, A1 by Moody's Investor Service, Inc. and A by Standard & Poor's Rating Services, as well as our financial condition or results of operations may significantly affect the trading value of the Notes. However, because the return on the Notes is dependent upon factors in addition to our ability to pay our obligations under the Notes, such as the Index, an improvement in our credit ratings, financial condition or results of operations will not reduce the other risks related to the Notes.

Time remaining to maturity. As the time remaining to maturity of the Notes decreases, the "time premium" associated with the Notes will decrease. A "time premium" results from expectations concerning the value of the Index during the period prior to the stated maturity of the Notes. As the time remaining to the stated maturity of the Notes decreases, this time premium will likely decrease, potentially adversely affecting the trading value of the Notes.

Dividend yield. The value of the Notes may also be affected by the dividend yields on the stocks in the Index. In general, higher dividend yields will likely reduce the value of the Notes and, conversely, lower dividend yields will likely increase the value of the Notes.

Events involving the companies comprising the Index. General economic conditions and earnings results of the companies whose stocks comprise the Index, and real or anticipated changes in those conditions or results, may affect the trading value of the Notes. In addition, if the dividend yields on those stocks increase, the value of the Notes may be adversely affected, because the Index does not incorporate the value of dividend payments. Conversely, if dividend yields on the stocks decrease, the value of the Notes may be favorably affected. In addition, some of the stocks included in the Index may be affected by mergers and acquisitions, which can contribute to volatility of the Index. As a result of a merger or acquisition, one or more stocks in the Index may be replaced with a surviving or acquiring entity's securities. The surviving or acquiring entity's securities may not have the same characteristics as the stock originally included in the Index.

Size and liquidity of the trading market. The Notes will not be listed on any securities exchange and we do not expect a trading market to develop. There may not be a secondary market in the Notes, which may affect the price that you receive for your Notes upon any sale prior to maturity. If a trading market does develop, there can be no assurance that there will be liquidity in the trading market. If the trading market for the Notes is limited, there may be a limited number of buyers for your Notes if you do not wish to hold your investment until maturity. This may affect the price you receive upon any sale of the Notes prior to maturity.

Bear Stearns has advised us that they intend under ordinary market conditions to indicate prices for the Notes on request. However, we cannot guarantee that bids for outstanding Notes will be made in the future, nor can we predict the price at which those bids will be made.

We want you to understand that the impact of one of the factors specified above, such as an increase in interest rates, may offset some or all of any change in the value of the Notes attributable to another factor, such as an increase in the value of the Index.

There may be No Secondary Market for the Notes

The Notes will not be listed on any securities exchange and we do not expect a trading market to develop, which may affect the price that you receive for your Notes upon any sale prior to maturity. Accordingly, the liquidity of the Notes may be limited and, under certain circumstances, nonexistent. However, Bear Stearns intends under ordinary market conditions to indicate prices in the Notes on request, although there can be no assurance at which price such a bid would be made. The price given, if any, will be affected by many factors including, but not limited to: the remaining term of the Notes, the general level of interest rates, the current level of the Index and the cost to us of unwinding any related hedging activity or any funding arrangement.

You have No Shareholder Rights or Rights to Receive any Stock

Investing in the Notes will not make you a holder of any of the stock underlying the Index. Neither you nor any other holder or owner of the Notes will have any voting rights, any right to receive dividends or other distributions or any other rights with respect to the underlying stocks. The Notes will be paid in cash, and you will have no right to receive delivery of any stocks underlying the Index.

State Law may Limit Interest Paid

New York State law governs the Indenture under which the Notes will be issued. New York has certain usury laws that limit the amount of interest that can be charged and paid on loans, which includes debt securities like the Notes. Under present New York law, the maximum rate of interest is 25% per annum, on a simple interest basis. This limit may not apply to debt securities in which $2,500,000 or more has been invested.

While we believe that New York law would be given effect by a state or federal court sitting outside of New York, many other states also have laws that regulate the amount of interest that may be charged to and paid by a borrower. We will promise, for your benefit as a holder of the Notes, to the extent permitted by law, not to voluntarily claim the benefits of any laws concerning usurious rates of interest.

The Calculation Agent is One of Our Affiliates, Which Could Result in a Conflict of Interest

Bear Stearns will act as the calculation agent. The calculation agent will make certain determinations and judgments in connection with calculating the Index level values, or deciding whether a market disruption event has occurred. You should refer to "Description of the Notes Discontinuance of the Index" and " Adjustments to the Index" and " Market Disruption Events" in this pricing supplement. Because Bear Stearns is our affiliate, conflicts of interest may arise in connection with Bear Stearns performing its role as calculation agent. Rules and regulations regarding broker-dealers (such as Bear Stearns) require Bear Stearns to maintain policies and procedures regarding the handling and use of confidential proprietary information, and such policies and procedures will be in effect throughout the term of the Notes. Bear Stearns is obligated to carry out its duties and functions as calculation agent in good faith, and using its reasonable judgment.

Bear Stearns and its affiliates may, at various times, engage in transactions involving the stocks underlying the Index for their proprietary accounts, and for other accounts under their management. These transactions may influence the value of such stocks, and therefore the value of the Index. BSIL, an affiliate of Bear Stearns, will also be the counterparty to the hedge of our obligations under the Notes. You should refer to "Use of Proceeds and Hedging" in this pricing supplement. Accordingly, under certain circumstances, conflicts of interest may arise between Bear Stearns' responsibilities as calculation agent with respect to the Notes and BSIL's obligations under our hedge.

We Cannot Control Actions by the Companies Whose Stocks are Included in the Index

Actions by any company whose stock is part of the Index may have an adverse effect on the price of its stock, the index closing level and the trading value of the Notes. These companies are not involved in this offering and have no obligations with respect to the Notes, including any obligation to take our or your interests into consideration for any reason. These companies will not receive any of the proceeds of this offering and are not responsible for, and have not participated in, the determination of the timing of, prices for, or quantities of, the Notes to be issued. These companies are not involved with the administration, marketing or trading of the Notes and have no obligations with respect to the amount to be paid to you on the stated maturity date.

We are not affiliated with any Index company and are not responsible for any disclosure by any such company. However, we may currently, or in the future, engage in business with such companies. Neither we nor any of our affiliates, including Bear Stearns, assumes any responsibility for the adequacy or accuracy of any publicly available information about the Index or any Index company. You should make your own investigation into the Index and the Index companies.

Changes that Affect the Index will Affect the Market Value of the Notes and the Amount You will Receive at Maturity

The policies of Dow Jones concerning the calculation of the Index will affect the value of the Index and, therefore, will affect the trading value of the Notes and the cash settlement value. If Dow Jones discontinues or suspends calculation or publication of the Index, it may become difficult to determine the trading value of the Notes or the cash settlement value. If this occurs, the calculation agent will determine the value of the Notes in its sole discretion. As a result, the calculation agent's determination of the value of the Notes will affect the cash settlement value you will receive at maturity. In addition, if Dow Jones discontinues or suspends calculation of the Index at any time prior to the maturity date and a successor index is not available or is not acceptable to the calculation agent in its sole discretion, then the calculation agent will determine the amount payable on the stated maturity date by reference to a group of stocks and a computation methodology that the calculation agent determines in its sole discretion will as closely as reasonably possible replicate the Index. The value of the Index is only one of the factors that will affect this determination and the value of the Notes prior to maturity. See "Description of the Notes   Discontinuance of the Index" and "Description of the Index."

Trading and Other Transactions by Us or Our Affiliates Could Affect the Prices of the Stocks Underlying the Index, the Level of the Index, the Market Value of the Notes or the Amount You May Receive at Maturity

We and our affiliates may from time to time buy or sell shares of the stocks underlying the Index or derivative instruments related to those stocks for our own accounts in connection with our normal business practices or in connection with hedging our obligations under the Notes. These trading activities may present a conflict of interest between your interest in the Notes and the interests we and our affiliates may have in our proprietary accounts, in facilitating transactions, including block trades, for our other customers and in accounts under our management. The transactions could affect the prices of those stocks or the level of the Index in a manner that would be adverse to your investment in the Notes. See "Use of Proceeds and Hedging."

Hedging activities we or our affiliates may engage in may affect the level of the Index and, accordingly, increase or decrease the trading value of the Notes prior to maturity and the cash settlement value you would receive at maturity. To the extent that we or any of our affiliates has a long hedge position in any of the stocks that comprise the Index, or derivative or synthetic instruments related to those stocks or the Index, we or any of our affiliates may liquidate a portion of such holdings at or about the time of the maturity of the Notes or at or about the time of a change in the stocks that underlie the Index. Depending on, among other things, future market conditions, the aggregate amount and the composition of the positions are likely to vary over time. Profits or losses from any of those positions cannot be ascertained until the position is closed out and any offsetting position or positions are taken into account. Although we have no reason to believe that any of those activities will have a material impact on the level of the Index, we cannot assure you that these activities will not affect such level and the market value of the Notes prior to maturity or the cash settlement value payable at maturity.

In addition, we or any of our affiliates may purchase or otherwise acquire a long or short position in the Notes. We or any of our affiliates may hold or resell the Notes. We or any of our affiliates may also take positions in other types of appropriate financial instruments that may become available in the future.

We or any of our affiliates may also issue, underwrite or assist unaffiliated entities in the issuance or underwriting of other securities or financial instruments with returns indexed to the Index. By introducing competing products into the marketplace in this manner, we or our affiliates could adversely affect the value of the Notes.

We and our affiliates, at present or in the future, may engage in business with the companies included in the Index, including making loans to, equity investments in, or providing investment banking, asset management or other advisory services to those companies and their competitors. In connection with these activities, we may receive information about those companies that we will not divulge to you or other third parties. One or more of our affiliates have published, and may in the future publish, research reports on one or more of the Index companies. This research is modified from time to time without notice and may express opinions or provide recommendations that are inconsistent with purchasing or holding the Notes. Any of these activities may affect the market value of the Notes.

The Cash Settlement Value You Receive on the Notes may be Delayed or Reduced Upon the Occurrence of a Market Disruption Event, or an Event of Default

If the calculation agent determines that, on the calculation date, a market disruption event has occurred or is continuing, the determination of the value of the Index by the calculation agent may be deferred. As a result, the maturity date for your Notes may also be delayed for up to four consecutive index business days. If this occurs, you may not receive the cash payment that we are obligated to deliver on the maturity date of the Notes until several days after the originally scheduled due date. You should refer to "Description of the Notes Market Disruption Events" in this pricing supplement.

If the calculation agent determines that an event of default (as defined below) has occurred, a holder of the Notes will only receive an amount equal to the market value of the Notes on the date of such event of default, adjusted by an amount equal to any losses, expenses and costs to us of unwinding any underlying hedging or funding arrangements, all as determined by the calculation agent in its sole and absolute discretion. You should refer to "Description of the Notes Event of Default and Acceleration" in this pricing supplement.

You should decide to purchase the Notes only after carefully considering the suitability of the Notes in light of your particular financial circumstances. You should also carefully consider the tax consequences of investing in the Notes. You should refer to "Certain U.S. Federal Income Tax Considerations" in this pricing supplement.

DESCRIPTION OF THE NOTES

The following description of the Notes (referred to in the accompanying prospectus supplement as the "Other Indexed Notes") supplements the description of the Notes in the accompanying prospectus supplement and prospectus. This is a summary, and is not complete. You should read the indenture, dated as of May 31, 1991, as amended (the "Indenture"), between us and JPMorgan Chase Bank (formerly, The Chase Manhattan Bank), as trustee (the "Trustee"). A copy of the Indenture is available as set forth under the section of the prospectus entitled "Where You Can Find More Information."

General

The Notes are part of a single series of debt securities under the Indenture described in the accompanying prospectus supplement and prospectus designated as Medium-Term Notes, Series B. The Notes are unsecured and will rank equally with all of our unsecured and unsubordinated debt, including the other debt securities issued under the Indenture. Because we are a holding company, the Notes will be effectively subordinated to the claims of creditors of our subsidiaries with respect to their assets. At August 31, 2004:

- we had outstanding (on an unconsolidated basis) approximately $40.0 billion of debt and other obligations, including approximately $36.2 billion of unsecured senior debt and $3.4 billion of unsecured inter-company debt; and

- our subsidiaries had outstanding (after elimination of inter-company items) approximately $192.6 billion of debt and other obligations (including $55.8 billion related to securities sold under repurchase agreements, $75.0 billion related to payables to customers, $28.0 billion related to financial instruments sold, but not yet purchased, and $33.8 billion of other liabilities, including $17.4 billion of debt).

The aggregate principal amount of the Notes will be $25,474,000. The Notes will mature on May 5, 2010. The Notes will be issued only in fully registered form, and in minimum denominations of $1,000. Initially, the Notes will be issued in the form of one or more global securities registered in the name of DTC or its nominee, as described in the accompanying prospectus supplement and prospectus.

You should refer to the section entitled "Certain U.S. Federal Income Tax Considerations" in this pricing supplement, for a discussion of certain federal income tax considerations to you as a holder of the Notes.

Interest

We will not make any periodic payments of interest on the Notes or any other payments on the Notes, until maturity.

Payment at Maturity

On the stated maturity date, you will receive a payment equal to the "cash settlement value," as provided below.

The cash settlement value to which you will be entitled depends on the relation of the final index level to the initial index level and whether the index closing level ever equals or falls below the barrier index level:

(i) If the index closing level: (A) never equals or never falls below the barrier index level, or (B) ever equals or ever falls below the barrier index level and on the maturity date the final index level is greater than or equals the initial index level, the cash settlement value per each $1,000 aggregate principal amount of Notes will equal:

(ii) If the index closing level ever equals or falls below the barrier index level and on the maturity date the final index level is less than the initial index level, the cash settlement value per each $1,000 aggregate principal amount of Notes will equal:

The "index closing level" equals the closing value of the Index on each index business day.

The "initial index level" equals 10,027.47, the closing value of the Index on October 29, 2004, the date the Notes were priced for initial sale to the public.

The "barrier index level" equals 6,517.86, 65% of the initial index level.

The "final index level" will be determined by the calculation agent and will equal the closing value of the Index on April 29, 2010, the "calculation date," or, if that day is not an index business day, on the next index business day.

The "maturity date" of the Notes is May 5, 2010.

Illustrative Examples:

The following are illustrative examples demonstrating the hypothetical cash settlement value of a Note based on the assumptions outlined below.

Assumptions:

Investor purchase the Notes at the initial offering price of $1,000 per each $1,000 aggregate principal amount of Notes.

Investor does not sell the Notes and holds each Note to maturity.

The initial index level is 10,027.47.

The barrier index level is 6,517.86.

All returns are based on a 5.5-year (66 month) term; pre-tax basis.

No market disruption events occur during the term of the Notes.

Example 1: The index closing level never equals or falls below the barrier index level and the final index level is greater than the initial index level.

In this example, the Index generally rises over the term of the Note and the index closing level never equals or falls below the barrier index level. On the calculation date, the final index level is 13,537.08, representing a 35% gain from the initial index level. In this example, using the formula below, the cash settlement value will equal $1,402.50.

Example 2: The index closing level never equals or falls below the barrier index level and the final index level is less than the initial index level.

In this example, the Index generally declines over the term of the Note and the index closing level never equals or falls below the barrier index level. On the calculation date, the final index level is 6,518.86, representing a 34.99% loss in the value of the Index from the initial index level. Although the Index lost 34.99%, the barrier index level was never reached. In this example, using the formula below, the Notes are principal protected and the cash settlement value will equal $1,000.

Example 3: The index closing level equals or falls below the barrier index level and the final index level is less than the initial index level.

In this example, the Index generally declines over the term of the Note and the index closing level equals or falls below the barrier index level. On the calculation date, the final index level is 6,518.86, representing a 34.99% loss in the value of the Index from the initial index level. Since the index closing level equaled or fell below the barrier index level, the Notes are not principal protected and the cash settlement value reflects the proportional decline in the Index. In this example, using the formula below, the Notes are not principal protected and the cash settlement value will equal $650.10.

Example 4: The index closing level equals or falls below the barrier index level and the final index level is greater than the initial index level.

In this example, the Index initially declines and the index closing level equals or falls below the barrier index level. Before maturity, the Index increases and on the calculation date, the final index level is 10,127.74, representing a 1.00% gain in the value of the Index from the initial index level. Notice that while the index closing level equaled or fell below the barrier index level, the final index level was greater than the initial index level. The cash settlement value, using the formula below, will equal $1,011.50.

Summary of Examples 1 Through 4
Reflecting the Cash Settlement Value

	Example 1	Example 2	Example 3	Example 4
Initial Index Level	10,027.47	10,027.47	10,027.47	10,027.47
Hypothetical Final Index Level	13,537.08	6,518.86	6,518.86	10,127.74
Index Closing Level Ever Equal or Fall below Barrier Index Level?	No	No	Yes	Yes
Value of Final Index Level Relative to the Initial Index Level	Higher	Lower	Lower	Higher
Principal Protected?	Yes	Yes	No	Yes
Cash Settlement Value Per Each $1,000 Aggregate Principal Amount of Notes	$1,402.50	$1,000.00	$650.10	$1,011.50

Discontinuance of the Index

If Dow Jones discontinues publication of the Index and Dow Jones or another entity publishes a successor or substitute index that the calculation agent determines, in its sole discretion, to be comparable to the discontinued Index (the new index being referred to as a "successor index"), then the index closing levels will be determined by reference to the successor index at the close of trading on the NYSE, the AMEX, the Nasdaq or the relevant exchange or market for the successor index on the date that the index closing level is to be determined.

Upon any selection by the calculation agent of a successor index, the calculation agent will notify us and the Trustee, who will provide notice of the selection of the successor index to the registered holders of the Notes.

If Dow Jones discontinues publication of the Index prior to, and such discontinuance is continuing on, the date that the index closing level is to be determined and the calculation agent determines that no successor index is available at such time, then, on such date, the calculation agent will notify us and the Trustee, and will calculate the appropriate closing levels. The index closing level will be computed by the calculation agent in accordance with the formula for and method of calculating the Index last in effect prior to such discontinuance, using the closing level (or, if trading in the relevant securities has been materially suspended or materially limited, its good faith estimate of the closing level that would have prevailed but for such suspension or limitation) at the close of the principal trading session on such date of each security most recently comprising the Index on the primary organized US exchange or trading system on which such securities trade. "Closing level" means, with respect to any security on any date, the last reported sales price regular way on such date or, in case no such reported sale takes place on such date, the average of the reported closing bid and asked price regular way on such date, in either case or the primary organized US exchange or trading system on which such security is then listed or admitted to trading.

If a successor index is selected, or the calculation agent calculates a value as a substitute for the Index as described above, that successor index or its closing level will be used as a substitute for the Index for all purposes, including for purposes of determining whether an index business day or market disruption event has occurred or exists. Notwithstanding these alternative arrangements, discontinuance of the publication of the Index may adversely affect the value of the Notes.

All determinations made by the calculation agent will be at the sole discretion of the calculation agent, and will be conclusive for all purposes and binding on us and the beneficial owners of the Notes, absent manifest error.

Adjustments to the Index

If at any time the method of calculating the Index or a successor index, or the index closing level thereof, is changed in a material respect, or if the Index or a successor index is in any other way modified so that such index does not, in the opinion of the calculation agent, fairly represent the level of the Index or such successor index had such changes or modifications not been made, then, from and after such time, the calculation agent will, at the close of business in New York City on the date that the index closing level is to be determined, make such calculations and adjustments as, in its good faith judgment, may be necessary in order to arrive at a level of a stock index comparable to the Index or such successor index, as the case may be, as if such changes or modifications had not been made. The calculation agent will calculate the index closing level with reference to the Index or such successor index, as adjusted. If the method of calculating the Index or a successor index is modified so that the level of such index is a fraction of what it would have been if it had not been modified (for example, due to a split in the index), then the calculation agent will adjust such index in order to arrive at a level of the Index or such successor index as if it had not been modified (for example, as if such split had not occurred).

Market Disruption Events

If there is a market disruption event on the calculation date, the calculation date will be the first succeeding index business day on which there is no market disruption event, unless there is a market disruption event on each of the four index business days following the original date that, but for the market disruption event, would have been the calculation date. In that case, the fourth index business day will be deemed to be the calculation date, notwithstanding the market disruption event and the calculation agent will determine the level of the Index on that fourth index business day in accordance with the formula for and method of calculating the Index in effect prior to the market disruption event using the exchange traded price of each security in the Index (or, if trading in any such security has been materially suspended or materially limited, the calculation agent's good faith estimate of the exchange traded price that would have prevailed but for such suspension or limitation) as of that fourth index business day.

An "index business day" will be a day, as determined by the calculation agent, on which the NYSE, the AMEX, the Nasdaq, the CME and the CBOE are open for trading (or would have been open for trading, but for the occurrence of a market disruption event) and the Index or any successor index is calculated and published. The calculation agent may, in its sole discretion, add to or delete from the definition of "index business day" any major US exchange or market which commences or ceases to serve as a primary exchange or market upon which a stock underlying the Index trades, or as an exchange upon which a futures contract, an option contract, or an option on a futures contract relating to the Index trades. All determinations made by the calculation agent will be at the sole discretion of the calculation agent, and will be conclusive for all purposes and binding on us and the beneficial owners of the Notes, absent manifest error.

A "market disruption event" means either of the following events, as determined by the calculation agent, in its sole discretion:

- the suspension of or material limitation on trading for more than two hours of trading, or during the one-half hour period preceding the close of trading on the applicable exchange in 20% or more of the stocks which then comprise the Index, or any successor index (without taking into account any extended or after-hours trading session); or

- the suspension of or material limitation on trading, in each case, for more than two hours of trading, or during the one-half hour period preceding the close of trading, on the applicable exchange, whether by reason of movements in price otherwise exceeding levels permitted by the relevant exchange or otherwise, in option contracts or futures contracts related to the Index, or any successor index, which are traded on any major US exchange.

For the purpose of the above definition:

(a) a limitation on the hours in a trading day and/or number of days of trading will not constitute a market disruption event if it results from an announced change in the regular business hours of the relevant exchange, and

(b) for the purpose of clause (a) above, any limitations on trading during significant market fluctuations under NYSE Rule 80A, or any applicable rule or regulation enacted or promulgated by the NYSE or any other self regulatory organization or the SEC of similar scope as determined by the calculation agent, will be considered "material."

Based on the information currently available to us, on each of September 11, 12, 13 and 14, 2001, the NYSE suspended all trading for the entire day, and on October 27, 1997, the NYSE suspended all trading during the one-half hour period preceding the close of trading. If any such suspension of trading occurred during the term of the Notes, it would constitute a market disruption event. The existence or non-existence of these circumstances, however, is not necessarily indicative of the likelihood of these circumstances arising or not arising in the future.

Redemption; Defeasance

The Notes are not subject to redemption before maturity, and are not subject to the defeasance provisions described in the section entitled "Description of Debt Securities Defeasance" in the accompanying prospectus.

Events of Default and Acceleration

If an Event of Default (as defined in the accompanying prospectus) with respect to any Notes has occurred and is continuing, then the amount payable to you, as a beneficial owner of a Note, upon any acceleration permitted by the Notes will be equal to the cash settlement value as though the date of early repayment were the maturity date of the Notes, adjusted by an amount equal to any losses, expenses and costs to us of unwinding any underlying or related hedging or funding arrangements, all as determined by the calculation agent in its sole and absolute discretion. If a bankruptcy proceeding is commenced in respect of us, the claims of the holder of a Note may be limited under Title 11 of the United States Code.

Same-Day Settlement and Payment

Settlement for the Notes will be made by Bear Stearns in immediately available funds. Payments of the cash settlement value will be made by us in immediately available funds, so long as the Notes are maintained in book-entry form.

Calculation Agent

The calculation agent for the Notes will be Bear Stearns. All determinations made by the calculation agent will be at the sole discretion of the calculation agent and will, in the absence of manifest error, be conclusive for all purposes and binding on you and us. Because the calculation agent is an affiliate of ours, potential conflicts of interest may exist between you and the calculation agent, including with respect to certain determinations and judgments that the calculation agent must make in determining the cash settlement value. Bear Stearns is obligated to carry out its duties and functions as calculation agent in good faith and using its reasonable judgment.

DESCRIPTION OF THE INDEX

General

We obtained all information regarding the Index contained in this pricing supplement, including its make-up, method of calculation and changes in its components, from publicly available information. That information reflects the policies of, and is subject to change by, Dow Jones. Dow Jones has no obligation to continue to publish, and may discontinue publication of, the Index. The consequences of Dow Jones' discontinuing publication of the Index are described in the section entitled "Description of the Notes Discontinuance of the Index." We do not assume any responsibility for the accuracy or completeness of any information relating to the Index.

The Index is widely used as an indicator of the pattern of the price movement of United States equities. The calculation of the value of the Index, discussed below in further detail, is a price-weighted average of the stocks of 30 blue-chip companies that are generally the leaders in their industry. As of October 29, 2004, the component companies of the Index were as follows:

3M Company	Honeywell International Inc.
Alcoa Inc.	Intel Corporation
Altria Group, Inc.	International Business Machines Corporation
American Express Company	J.P. Morgan Chase & Co.
American International Group, Inc.	Johnson & Johnson
The Boeing Company	McDonald's Corporation
Caterpillar Inc.	Merck & Co., Inc.
Citigroup Inc.	Microsoft Corporation
The Coca-Cola Company	Pfizer Inc.
E.I. du Pont de Nemours and Company	The Proctor & Gamble Company
Exxon Mobil Corporation	SBC Communications Inc.
General Electric Company	United Technologies Corporation
General Motors Corporation	Verizon Communications Inc.
Hewlett-Packard Company	Wal-Mart Stores, Inc.
The Home Depot, Inc.	The Walt Disney Company

As of October 29, 2004, twenty-eight of the Index component companies are primarily traded on the NYSE, and the other two companies are traded on the Nasdaq. The composition of the Index is not limited to traditionally defined industrial stocks. Instead, the companies are chosen from sectors of the economy most representative of the country's economic health. The Index serves as a measure of the entire United States market, covering such diverse industries as financial services, technology, retail, entertainment and consumer goods. The editors of *The Wall Street Journal* maintain and review the Index and may from time to time, in their sole discretion, add companies to, or delete companies from, the Index to achieve the objectives stated above. Composition changes are rare, however, and generally occur only after events such as corporate acquisitions or other dramatic shifts in a component's core business. When such an event causes one component to be replaced, the entire Index is reviewed, and therefore, multiple component changes are often implemented simultaneously. A stock typically is added only if it has an excellent reputation, demonstrates sustained growth, is of interest to a large number of investors, and accurately represents the sector(s) covered by the Index.

The Index is price-weighted rather than market capitalization-weighted, which means that weightings are based only on changes in the stocks' prices, rather than by both price changes and changes in the number of shares outstanding. The divisor used to calculate the price-weighted average of the Index is not simply the number of component stocks; rather, the divisor is adjusted to smooth out the effects of stock splits and other corporate actions. While this methodology reflects current practice in calculating the Index, no assurance can be given that Dow Jones will not modify or change this methodology in a manner that may affect the amounts payable on the Notes at maturity. Neither us nor any of our affiliates accepts any responsibility for the calculation, maintenance, or publication of, or for any error, omission, or disruption in, the Index or any successor Index. Dow Jones does not guarantee the accuracy or the completeness of the Index or any data included in the Index. Dow Jones assumes no liability for any errors, omissions, or disruption in the calculation and dissemination of the Index. Dow Jones disclaims all responsibility for any errors or omissions in the calculation and dissemination of the Index as applied in determining the amount payable at maturity.

THE INDEX DOES NOT REFLECT THE PAYMENT OF DIVIDENDS ON THE STOCKS UNDERLYING IT AND THEREFORE THE RETURN ON THE NOTES WILL NOT PRODUCE THE SAME RETURN YOU WOULD RECEIVE IF YOU WERE TO PURCHASE SUCH UNDERLYING STOCKS AND HOLD THEM UNTIL THE MATURITY DATE.

Historical Data on the Index

Since its inception, the Index has experienced significant fluctuations. Any historical upward or downward trend in the value of the Index during any period shown in the following table is not an indication that the value of the Index is more or less likely to increase or decrease at any time during the term of the Notes. The historical Index during any period shown in the following table is not an indication of future performance of the Index.

The following table sets forth the high and low index closing levels, as well as end-of-month index closing levels, of the Index for each month from January 1993 through October 2004. We obtained the index closing levels listed below from Bloomberg Financial Markets and believe such information to be accurate. The results shown should not be considered as a representation of the income, yield or capital gain or loss that may be generated by the Index in the future. The actual price performance of the Index over the life of the notes may bear little relation to the historical terms shown below.

	High	Low	Closing Level at Month-End
1993			
January	3,310.03	3,241.95	3,310.03
February	3,442.14	3,302.19	3,370.81
March	3,478.34	3,355.41	3,435.11
April	3,478.61	3,370.81	3,427.55
May	3,554.83	3,437.19	3,527.43
June	3,553.45	3,466.81	3,516.08
July	3,567.70	3,449.93	3,539.47
August	3,652.09	3,548.97	3,651.25
September	3,645.10	3,537.24	3,555.12
October	3,687.86	3,577.76	3,680.59
November	3,710.77	3,624.98	3,683.95
December	3,794.33	3,697.08	3,754.09

1994			
January	3,978.36	3,756.60	3,978.36
February	3,975.54	3,832.02	3,832.02
March	3,895.65	3,626.75	3,635.96
April	3,705.78	3,593.35	3,681.69
May	3,766.35	3,629.04	3,758.37
June	3,814.83	3,624.96	3,624.96
July	3,764.50	3,646.65	3,764.50
August	3,917.30	3,747.02	3,913.42
September	3,953.88	3,831.75	3,843.19
October	3,936.04	3,775.56	3,908.12
November	3,863.37	3,674.63	3,739.23
December	3,861.69	3,685.73	3,834.44
1995			
January	3,932.34	3,832.08	3,843.86
February	4,011.74	3,847.56	4,011.05
March	4,172.56	3,962.63	4,157.69
April	4,321.27	4,168.41	4,321.27
May	4,465.14	4,316.08	4,465.14
June	4,589.64	4,423.99	4,556.10
July	4,736.29	4,585.15	4,708.47
August	4,701.42	4,580.62	4,610.56
September	4,801.80	4,647.54	4,789.08
October	4,802.45	4,703.82	4,755.48
November	5,105.56	4,766.68	5,074.49
December	5,216.47	5,059.32	5,117.12
1996			
January	5,395.30	5,032.94	5,395.30
February	5,630.49	5,373.99	5,485.62
March	5,683.60	5,470.45	5,587.14
April	5,689.74	5,485.98	5,569.08
May	5,778.00	5,420.95	5,643.18
June	5,719.27	5,624.71	5,654.63
July	5,729.98	5,346.55	5,528.91
August	5,733.47	5,594.75	5,616.21
September	5,894.74	5,606.96	5,882.17
October	6,094.23	5,904.90	6,029.38
November	6,547.79	6,021.93	6,521.70
December	6,560.91	6,268.35	6,448.27
1997			
January	6,883.90	6,442.49	6,813.09
February	7,067.46	6,746.90	6,877.74
March	7,085.16	6,583.48	6,583.48
April	7,008.99	6,391.69	7,008.99
May	7,383.41	6,976.48	7,331.04
June	7,796.51	7,269.66	7,672.79

July	8,254.89	7,722.33	8,222.61
August	8,259.31	7,622.42	7,622.42
September	7,996.83	7,660.98	7,945.26
October	8,178.31	7,161.15	7,442.08
November	7,881.07	7,401.32	7,823.13
December	8,149.13	7,660.13	7,908.25
1998			
January	7,978.99	7,580.42	7,906.50
February	8,545.72	8,107.78	8,545.72
March	8,906.43	8,444.33	8,799.81
April	9,184.94	8,868.32	9,063.37
May	9,211.84	8,899.95	8,899.95
June	9,069.60	8,627.93	8,952.02
July	9,337.97	8,883.29	8,883.29
August	8,786.74	7,539.07	7,539.07
September	8,154.41	7,615.54	7,842.62
October	8,592.10	7,632.53	8,592.10
November	9,374.27	8,706.15	9,116.55
December	9,320.98	8,695.60	9,181.43
1999			
January	9,643.32	9,120.67	9,358.83
February	9,552.68	9,133.03	9,306.58
March	10,006.78	9,275.88	9,786.16
April	10,878.38	9,832.51	10,789.04
May	11,107.19	10,466.93	10,559.74
June	10,970.80	10,490.51	10,970.80
July	11,209.84	10,655.15	10,655.15
August	11,326.04	10,645.96	10,829.28
September	11,079.40	10,213.48	10,336.95
October	10,729.86	10,019.71	10,729.86
November	11,089.52	10,581.84	10,877.81
December	11,497.12	10,998.39	11,497.12
2000			
January	11,722.98	10,738.87	10,940.53
February	11,041.05	9,862.12	10,128.31
March	11,119.86	9,796.03	10,921.92
April	11,287.08	10,305.77	10,733.91
May	10,934.57	10,299.24	10,522.33
June	10,815.30	10,376.12	10,447.89
July	10,843.87	10,481.47	10,521.98
August	11,252.84	10,606.95	11,215.10
September	11,310.64	10,628.36	10,650.92
October	10,971.14	9,975.02	10,971.14
November	10,977.21	10,399.32	10,414.49
December	10,898.72	10,318.93	10,786.85

2001			
January	10,945.75	10,525.38	10,887.36
February	10,983.63	10,441.90	10,495.28
March	10,858.25	9,389.48	9,878.78
April	10,810.05	9,485.71	10,734.97
May	11,337.92	10,796.65	10,911.94
June	11,175.84	10,434.84	10,502.40
July	10,610.00	10,175.64	10,522.81
August	10,551.18	9,919.58	9,949.75
September	10,033.27	8,235.81	8,847.56
October	9,545.17	8,836.83	9,075.14
November	9,982.75	9,263.90	9,851.56
December	10,136.99	9,763.96	10,021.50
2002			
January	10,259.74	9,618.24	9,920.00
February	10,145.71	9,625.44	10,106.13
March	10,635.25	10,281.67	10,403.94
April	10,381.73	9,819.87	9,946.22
May	10,353.08	9,808.04	9,925.25
June	9,796.80	9,120.11	9,243.26
July	9,379.50	7,702.34	8,736.59
August	9,053.64	8,043.63	8,663.50
September	8,602.61	7,591.93	7,591.93
October	8,538.24	7,286.27	8,397.03
November	8,931.68	8,358.95	8,896.09
December	8,862.57	8,303.78	8,341.63
2003			
January	8,842.62	7,945.13	8,053.81
February	8,109.82	7,749.87	7,891.08
March	8,521.97	7,524.06	7,992.13
April	8,515.66	8,069.86	8,480.09
May	8,850.26	8,454.25	8,850.26
June	9,323.02	8,897.81	8,985.44
July	9,284.57	9,036.04	9,233.80
August	9,428.90	9,036.32	9,415.82
September	9,659.13	9,275.06	9,275.06
October	9,812.98	9,469.20	9,801.12
November	9,858.46	9,619.42	9,782.46
December	10,453.92	9,853.64	10,453.92
2004			
January	10,702.51	10,409.85	10,488.07
February	10,737.70	10,470.74	10,583.92
March	10,678.14	10,048.23	10,357.70
April	10,570.81	10,225.57	10,225.57
May	10,317.20	9,906.91	10,188.45
June	10,479.57	10,195.91	10,435.48
July	10,334.16	9,961.92	10,139.71
August	10,195.01	9,814.59	10,173.92
September	10,342.79	9,988.54	10,080.27
October	10,239.92	9,749.99	10,027.47

License Agreement

We have entered into a non-exclusive license agreement with Dow Jones providing for the license to us and certain of our affiliated or subsidiary companies, in exchange for a fee, of the right to use the Index, which is owned and published by Dow Jones, in connection with certain securities, including the Notes.

The license agreement between Dow Jones and us provides that the following language must be set forth in this pricing supplement.

"The Notes are not sponsored, endorsed, sold or promoted by Dow Jones. Dow Jones makes no representation or warranty, express or implied, to the owners of the Notes or any member of the public regarding the advisability of investing in securities generally or in the Notes particularly. Dow Jones' only relationship to us is the licensing of certain trademarks, trade names and service marks of Dow Jones and of the Dow Jones Industrial Average, which is determined, composed and calculated by Dow Jones without regard to us or the Notes. Dow Jones has no obligation to take our needs or the needs of holders of the Notes into consideration in determining, composing, or calculating the Dow Jones Industrial Average. Dow Jones is not responsible for and has not participated in the determination of the timing of, prices at, or quantities of the Notes to be issued or in the determination or calculation of the alternative redemption amount. Dow Jones has no obligation or liability in connection with the administration, marketing, or trading of the Notes.

Dow Jones does not guarantee the accuracy and/or the completeness of the Dow Jones Industrial Average or any data included therein and Dow Jones shall have no liability for any errors, omissions, or interruptions therein. Dow Jones makes no warranty, express or implied, as to results to be obtained by us, owners of the Notes, or any other person or entity from the use of the Dow Jones Industrial Average or any data included therein. Dow Jones makes no express or implied warranties, and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to the Dow Jones Industrial Average or any data included therein. Without limiting any of the foregoing, in no event shall Dow Jones have any liability for any lost profits or indirect, punitive, special, or consequential damages or losses, even if notified of the possibility thereof. There are no third party beneficiaries or any agreements or arrangements between Dow Jones and us."

"Dow Jones℠" and "Dow Jones Industrial Average℠" are service marks of Dow Jones. Dow Jones has no relationship to us other than the licensing of the Index and its service marks for use in connection with the Notes.

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following discussion summarizes certain of the U.S. federal income tax consequences of the purchase, ownership and disposition of Notes. Except as provided below under "Federal Income Tax Consequences to Non-U.S. Holders," this summary deals only with an owner of a Note that is:

- a citizen or resident of the United States,
- a corporation (or other entity that is treated as a corporation for U.S. federal tax purposes) created or organized in or under the laws of the United States or any State thereof (including the District of Columbia),
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source, or
- a trust, if a court within the United States is able to exercise primary supervision over its administration, and one or more United States persons have the authority to control all of its substantial decisions (each, a "U.S. holder").

If a partnership (including any entity that is treated as a partnership for U.S. federal tax purposes) is a beneficial owner of a Note, the treatment of a partner in the partnership will generally depend upon the status of the partner and upon the activities of the partnership. A beneficial owner of a Note that is a partnership, and partners in such a partnership, should consult their tax advisors about the U.S. federal income tax consequences of holding and disposing of a Note.

An individual may, subject to certain exceptions, be deemed to be a resident of the United States by reason of being present in the United States for at least 31 days in the calendar year and for an aggregate of at least 183 days during a three-year period ending in the current calendar year (counting for such purposes all of the days present in the current year, one-third of the days present in the immediately preceding year, and one-sixth of the days present in the second preceding year).

This summary is based on interpretations of the Internal Revenue Code of 1986, as amended (the "Code"), regulations issued thereunder, and rulings and decisions currently in effect (or in some cases proposed), all of which are subject to change. Any such change may be applied retroactively and may adversely affect the federal income tax consequences described herein. This summary addresses only U.S. holders that purchase Notes at initial issuance, and own Notes as capital assets and not as part of a "straddle" or a "conversion transaction" for federal income tax purposes or as part of some other integrated investment. This summary does not discuss all of the tax consequences that may be relevant to particular investors or to investors subject to special treatment under the federal income tax laws (such as S corporations, banks, thrifts, other financial institutions, insurance companies, mutual funds, small business investment companies, tax-exempt organizations, retirement plans, real estate investment trusts, regulated investment companies, securities dealers or brokers, expatriates, former citizens of the United States, or investors whose functional currency is not the U.S. dollar). Persons considering the purchase of Notes should consult their own tax advisors concerning the application of U.S. federal income tax laws to their particular situations as well as any consequences of the purchase, beneficial ownership and disposition of Notes arising under the laws of any other taxing jurisdiction.

General. There are no statutory provisions, regulations, published rulings or judicial decisions addressing or involving the treatment, for U.S. federal income tax purposes, of the Notes or securities with terms substantially the same as the Notes. Accordingly, the proper U.S. federal income tax treatment of the Notes is uncertain.

Characterization of the Notes. Pursuant to the terms of the Notes, the Company and each U.S. Holder agree (in the absence of an administrative determination or judicial ruling to the contrary) to treat the Notes for all tax purposes as pre-paid cash-settled forward contracts linked to the value of the Index.

Payment on the Maturity Date. Assuming the Notes are treated as pre-paid cash-settled forward contracts, upon the receipt of cash on the maturity date of the Notes, a U.S. Holder will recognize gain or loss. The amount of such gain or loss will be the extent to which the amount of cash received differs from the U.S. Holder's tax basis in the Notes (which, in general, will be the amount the U.S. Holder paid for its Notes). It is uncertain whether any such gain or loss would be treated as ordinary income or loss or capital gain or loss. Absent a future clarification in current law (by an administrative determination or judicial ruling), where required, we intend to report any such gain or loss to the IRS in a manner consistent with the treatment of such gain or loss as capital gain or loss. If such gain or loss is treated as capital gain or loss, then any such gain or loss will generally be long-term capital gain or loss, as the case may be, if the U.S. Holder held the Notes for more than one year on the maturity date. The deductibility of capital losses is subject to certain limitations.

Sale or Exchange of the Notes. Assuming the Notes are treated as pre-paid cash-settled forward contracts, upon a sale or exchange of a Note prior to the maturity date, a U.S. Holder should generally recognize capital gain or loss equal to the difference between the amount realized on such sale or exchange and such U.S. Holder's tax basis in the Notes sold or exchanged. Capital gain or loss will generally be long-term capital gain or loss if the U.S. Holder held the Notes for more than one year at the time of the sale or exchange. As discussed above, the deductibility of capital losses is subject to certain limitations.

The treatment of the Notes described above is not binding on the IRS or the courts. No statutory, judicial or administrative authority directly addresses the treatment of the Notes or instruments similar to the Notes for U.S. federal income tax purposes, and no ruling is being requested from the IRS with respect to the Notes.

Possible Alternative Tax Treatments of an Investment in the Notes.

Because there are no regulations, published rulings, or judicial decisions addressing the treatment for federal income tax purposes of securities with terms that are substantially the same as those of the Notes, other treatments are possible. For example, it is possible that each Notes could be treated as consisting of a cash-settled forward contract with respect to the Index and a deposit with the Company of cash in an amount equal to the principal amount of a Note to secure the U.S. Holder's obligation to settle the forward contract, in which case a U.S. Holder would be required to accrue interest income or original issue discount on a current basis in respect of the deposit.

Alternatively, it is possible that the Notes could be treated as "contingent payment debt instruments" for federal income tax purposes. If the IRS were successful in asserting that the Notes are contingent payment debt instruments, the timing and character of income thereon would be significantly affected.

For example, a U.S. Holder would be required to include in income in each year an amount equal to the "comparable yield" of the Notes, which is generally equal to the yield at which the Company would issue a noncontingent debt instrument with terms and conditions similar to the Notes. In addition, a "projected payment schedule" would be computed as of the closing date that would produce the comparable yield. Furthermore, any gain realized on the maturity date or upon an earlier sale or exchange of the Notes would generally be treated as ordinary income, and any loss realized on the maturity date or upon a sale or other disposition of the Notes would be treated as ordinary loss to the extent of interest included as income in the current or previous taxable years by the U.S. Holder in respect of the Notes, and capital loss thereafter.

Finally, certain proposed Treasury regulations require the accrual of income on a current basis for contingent payments made under certain "notional principal contracts." The preamble to the proposed regulations states that the "wait and see" method of accounting does not properly reflect the economic accrual of income on those contracts, and requires current accrual of income for some contracts already in existence. While the proposed regulations do not apply to prepaid forward contracts, the preamble to the proposed regulations expresses the view that similar timing issues exist in the case of prepaid forward contracts. If the IRS or the U.S. Treasury Department publishes future guidance requiring current economic accrual for contingent payments on prepaid forward contracts, it is possible that a U.S. Holder could be required to accrue income over the term of the Notes.

Even if the Notes are not treated as contingent payment debt instruments or cash-settled forward contracts and deposits, other alternative U.S. federal income tax characterizations or treatments of the Notes are possible, and if applied could also affect the timing and the character of the income or loss with respect to the Notes. Prospective purchasers are urged to consult their tax advisors regarding the U.S. federal income tax consequences of an investment in the Notes.

Federal Income Tax Consequences to Non-U.S. Holders.

As used in this discussion, the term "Non-U.S. Holder" means a beneficial owner of a Note that is, for U.S. federal income tax purposes:

- a nonresident alien individual,
- a foreign corporation,
- a foreign partnership,
- an estate whose income is not subject to U.S. federal income tax on a net income basis, or
- a trust if no court within the United States is able to exercise primary jurisdiction over its administration or if no United States persons have the authority to control all of its substantial decisions.

Assuming a Note is treated as a pre-paid cash-settled forward contract, in the case of a Non-U.S. Holder, a payment made with respect to a Note on the maturity date will not be subject to U.S. withholding tax, provided that such Non-U.S. Holder complies with applicable certification requirements and that such payments are not effectively connected with a U.S. trade or business of such Non-U.S. Holder. Any capital gain realized upon the sale or other disposition of a Note by a Non-U.S. Holder will generally not be subject to U.S. federal income tax if (i) such gain is not effectively connected with a U.S. trade or business of such Non-U.S. Holder and (ii) in the case of an individual Non-U.S. Holder, such individual is not present in the United States for 183 days or more in the taxable year of the sale or other disposition, or the gain is not attributable to a fixed place of business maintained by such individual in the United States and such individual does not have a "tax home" (as defined for U.S. federal income tax purposes) in the United States.

As discussed above, alternative characterizations of the Notes for U.S. federal income tax purposes are possible. Should an alternative characterization of the Notes, by reason of a change or clarification of the law, by regulation or otherwise, cause payments with respect to the Notes to become subject to withholding tax, the Company will withhold tax at the applicable statutory rate and will not pay "additional amounts" or otherwise "gross-up" the Non-U.S. Holders. Prospective Non-U.S.

Holders of the Notes should consult their own tax advisors in this regard.

Backup Withholding and Information Reporting.

A beneficial owner of a Note may be subject to information reporting and to backup withholding at the applicable statutory rate of U.S. federal income tax on certain amounts paid to the beneficial owner unless such beneficial owner provides proof of an applicable exemption or a correct taxpayer identification number, and otherwise complies with applicable requirements of the backup withholding rules.

Any amounts withheld under the backup withholding rules from a payment to a beneficial owner would be allowed as a refund or a credit against such beneficial owner's U.S. federal income tax provided the required information is furnished to the IRS.

THE PRECEDING DISCUSSION IS ONLY A SUMMARY OF CERTAIN OF THE TAX IMPLICATIONS OF AN INVESTMENT IN NOTES. PROSPECTIVE PURCHASERS ARE URGED TO CONSULT WITH THEIR OWN TAX ADVISORS PRIOR TO INVESTING TO DETERMINE THE TAX IMPLICATIONS OF SUCH INVESTMENT IN LIGHT OF EACH SUCH INVESTOR'S PARTICULAR CIRCUMSTANCES.

CERTAIN ERISA CONSIDERATIONS

Section 4975 of the Internal Revenue Code of 1986, as amended (the "Code"), prohibits the borrowing of money, the sale of property and certain other transactions involving the assets of plans that are qualified under the Code ("Qualified Plans") or individual retirement accounts ("IRAs") and persons who have certain specified relationships to them. Section 406 of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), prohibits similar transactions involving employee benefit plans that are subject to ERISA ("ERISA Plans"). Qualified Plans, IRAs and ERISA Plans are referred to as "Plans."

Persons who have such specified relationships are referred to as "parties in interest" under ERISA and as "disqualified persons" under the Code. "Parties in interest" and "disqualified persons" encompass a wide range of persons, including any fiduciary (for example, investment manager, trustee or custodian), any person providing services (for example, a broker), the Plan sponsor, an employee organization any of whose members are covered by the Plan, and certain persons related to or affiliated with any of the foregoing.

The purchase and/or holding of the Notes by a Plan with respect to which the Company and/or Bear Stearns is a fiduciary and/or a service provider (or otherwise is a "party in interest" or "disqualified person") would constitute or result in a prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, unless such Notes are acquired or held pursuant to and in accordance with an applicable statutory or administrative exemption. The Company and several of its subsidiaries, such as Bear Stearns, are each considered a "disqualified person" under the Code or "party in interest" under ERISA with respect to many Plans, although the Company is not a "disqualified person" with respect to an IRA simply because the IRA is established with Bear Stearns or because Bear Stearns provides brokerage to the IRA, and neither the Company nor Bear Stearns can be a "party in interest" to any IRA other than certain employer-sponsored IRAs as only employer-sponsored IRAs are covered by ERISA.

Applicable exemptions may include certain prohibited transaction class exemptions (for example, Prohibited Transaction Class Exemption ("PTCE") 84-14 relating to qualified professional asset managers, PTCE 96-23 relating to certain in-house asset managers, PTCE 91-38 relating to bank collective investment funds, PTCE 90-1 relating to insurance company separate accounts and PTCE 95-60 relating to insurance company general accounts. A fiduciary of a Plan purchasing the Notes, or in the case of certain IRAs, the grantor or other person directing the purchase of the Notes for the IRA, shall be deemed to represent that its purchase, holding, and disposition of the Notes will not constitute a prohibited transaction under ERISA or Section 4975 of the Code for which an exemption is not available.

A fiduciary who causes an ERISA Plan to engage in a non-exempt prohibited transaction may be subject to a penalty under ERISA. Code Section 4975 generally imposes an excise tax on disqualified persons who engage, directly or indirectly, in similar types of transactions with the assets of Plans subject to such Section.

In accordance with ERISA's general fiduciary requirement, a fiduciary with respect to any ERISA Plan who is considering the purchase of the Notes on behalf of such plan should determine whether such purchase is permitted under the governing plan document and is prudent and appropriate for the ERISA Plan in view of its overall investment policy and the composition and diversification of its portfolio. Plans established with, or for which services are provided by, the Company and/or Bear Stearns should consult with counsel prior to making any such acquisition.

Certain employee benefit plans, such as governmental plans (as defined in Section 3(32) of ERISA), and, if no election has been made under Section 410(d) of the Code, church plans (as defined in Section 3(33) of ERISA), are not subject to Section 406 of ERISA or Section 4975 of the Code.

However, such plans may be subject to the provisions of applicable federal, state or local law ("Similar Law") materially similar to the foregoing provisions of ERISA or the Code. Fiduciaries of such plans should consider applicable Similar Law when investing in the notes. Each fiduciary of such a plan will be deemed to represent that the plan's acquisition and holding of the notes will not result in a non-exempt violation of applicable Similar Law.

USE OF PROCEEDS AND HEDGING

At closing we will transfer the net proceeds from the sale of the Notes to BSIL, for their general corporate purposes. In addition, BSIL, on or before the date of this pricing supplement, will also hedge our anticipated exposure in connection with the Notes by the purchase and sale of exchange-traded and over-the-counter options on, or other derivative or synthetic instruments related to, the Index, individual stocks included in the Index, futures contracts on the Index and/or options on such futures contracts. At various times after the initial offering and before the maturity of the Notes, depending on market conditions (including the value of the Index), in connection with hedging with respect to the Notes, we expect that BSIL will increase or decrease our initial hedging positions using dynamic hedging techniques and may take long or short positions in the Index, individual stocks included in the Index, listed or over-the-counter options contracts in, or other derivative or synthetic instruments related to, the Index and such individual stocks. In addition, BSIL may periodically purchase or otherwise acquire a long or short position in the Notes and may, in our or their discretion, hold or resell such Notes. BSIL may also take positions in other types of appropriate financial instruments that may become available in the future. If BSIL has a long hedge position in the Index, individual stocks included in the Index or options contracts in, or other derivative or synthetic instruments related to, the Index and such underlying stocks, then BSIL may liquidate a portion of its holdings at or about the time of the maturity of the Notes. Depending on, among other things, future market conditions, the total amount and the composition of such positions are likely to vary over time. BSIL will not be able to ascertain our profits or losses from any hedging position until such position is closed out and any offsetting position or positions is taken into account. Although we have no reason to believe that such hedging activity will have a material impact on the price of such options, stocks, futures contracts and such options on futures contracts or on the value of the Index, we cannot guarantee that BSIL will not affect such prices or value as a result of their hedging activities. You should also refer to "Use of Proceeds" in the accompanying prospectus.

SUPPLEMENTAL PLAN OF DISTRIBUTION

Subject to the terms and conditions set forth in the Distribution Agreement dated as of June 19, 2003, as amended, we have agreed to sell to Bear Stearns, as principal, and Bear Stearns has agreed to purchase from us, the aggregate principal amount of Notes set forth opposite its name below.

Agent	Principal Amount of Notes
Bear, Stearns & Co. Inc.	$ 25,474,000
Total	$ 25,474,000

We have granted Bear Stearns an option, exercisable for 30 days from the date of this pricing supplement, to purchase from us up to an additional $3,800,000 of Notes at the public offering price set forth on the cover page of this pricing supplement, less the agent's discount, to cover any over-allotments. If this option is exercised, in whole or in part, subject to certain conditions, Bear Stearns will become obligated to purchase from us and we will be obligated to sell to Bear Stearns an amount of the Notes equal to the amount of the over-allotment exercised.

Bear Stearns intends to initially offer $25,474,000 of the Notes to the public at the offering price set forth on the cover page of this pricing supplement, and to subsequently resell the remaining face amount of the Notes at prices related to the prevailing market prices at the time of resale. In the future, Bear Stearns may repurchase and resell the Notes in market-making transactions, with resales being made at prices related to prevailing market prices at the time of resale or at negotiated prices. We will offer the Notes to Bear Stearns at a discount of 3.00% of the price at which the Notes are offered to the public. Bear Stearns may reallow a discount to other agents not in excess of 3.00% of the public offering price.

Payment of the purchase price shall be made in funds that are immediately available in New York City.

The agents may be deemed to be "underwriters" within the meaning of the Securities Act. We have agreed to indemnify the agents against or to make contributions relating to certain civil liabilities, including liabilities under the Securities Act. We have agreed to reimburse the agents for certain expenses.

The Notes are a new issue of securities with no established trading market. The Notes will not be listed on any securities exchange and we do not expect a trading market to develop. Bear Stearns has advised us that, following completion of the offering of the Notes, they intend under ordinary market conditions to indicate prices for the Notes on request, although they are under no obligation to do so and may discontinue any market-making activities at any time without notice. Accordingly, no guarantees can be given as to whether an active trading market for the Notes will develop or, if such a trading market develops, as to the liquidity of such trading market. We cannot guarantee that bids for outstanding Notes will be made in the future, nor can we predict the price at which those bids will be made. The Notes will cease trading as of the close of business on the maturity date.

In order to facilitate the offering of the Notes, Bear Stearns may over-allot or effect transactions which stabilize or maintain the market price of the Notes at a level higher than that which might otherwise prevail in the open market. Specifically, Bear Stearns may over-allot or otherwise create a short position in the Notes for its own account by selling more Notes than have been sold to us. Bear Stearns may elect to cover any such short position by purchasing Notes in the open market. In addition, Bear Stearns may stabilize or maintain the price of the Notes by bidding for or purchasing Notes in the open market and may impose penalty bids, under which selling concessions allowed to syndicate members or other broker-dealers participating in the offering are reclaimed if Notes previously distributed in the offering are repurchased in connection with stabilization transactions or otherwise. The effect of these transactions may be to stabilize or maintain the market price of the Notes at a level above that which might otherwise prevail in the open market. The imposition of a penalty bid may also affect the price of the Notes to the extent that it discourages resales of Notes. No representation is made as to the magnitude or effect of any such stabilization or other transactions. Such stabilizing, if commenced, may be discontinued at any time and in any event shall be discontinued within a limited period. No other party may engage in stabilization.

Because Bear Stearns is our wholly-owned subsidiary, each distribution of the Notes will conform to the requirements set forth in Rule 2720 of the NASD Conduct Rules.

LEGAL MATTERS

The validity of the Notes will be passed upon for us by Cadwalader, Wickersham & Taft LLP, New York, New York.

Filed Pursuant to Rule 424(b)(5)
Registration No. 333-109793

PROSPECTUS SUPPLEMENT
(To Prospectus Dated November 17, 2003)

$10,668,950,162

The Bear Stearns Companies Inc.

Medium-Term Notes, Series B

Set forth below is a summary of the terms of the notes offered by this prospectus supplement and the accompanying prospectus. For more detail, see "Description of Notes."

- **Interest**

The notes have a fixed or floating interest rate. The floating interest rate formula will be based on:

- Commercial Paper Rate;
- LIBOR;
- Federal Funds Rate;
- Treasury Rate;
- Prime Rate;
- CMT Rate; or
- Another interest rate formula.

- **Maturity**

The notes will mature in 9 months or more.

- **Ranking**

The notes will be our unsecured senior debt and will rank equally with all of our other unsecured and unsubordinated debt.

- **Sinking Fund**

The notes may be subject to a sinking fund.

- **Interest Payment Dates**

Interest on fixed rate notes will be paid semi-annually or otherwise on the dates set forth in the applicable pricing supplement. Interest on floating rate notes will be paid monthly, quarterly, semiannually, annually or as otherwise set forth in the applicable pricing supplement.

- **Redemption and Repurchase**

The notes may be subject to:

- redemption, at our option; and
- repayment, at your option.

- **Book-Entry Notes**

The notes will be issued in book-entry form unless otherwise set forth in the applicable pricing supplement.

- **Denominations**

The notes will be issued in minimum denominations of $25,000 (or the specified currency equivalent), increased in multiples of $1,000 (or the specified currency equivalent), unless otherwise set forth in the applicable pricing supplement.

INVESTMENT IN THE NOTES INVOLVES CERTAIN RISKS. SEE "RISK FACTORS" BEGINNING ON PAGE S-3 OF THIS PROSPECTUS SUPPLEMENT.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

	Per Note		Total(4)	
Initial public offering price(1)	100%		$10,668,950,162	
Agents' discounts and commission(2)	0.125%	0.750%	$13,336,188	80,017,126
Our proceeds, before expenses(3)	99.250%	99.875%	$10,588,933,036	10,655,613,974

(1) We will issue the notes at 100% of their principal amount, unless otherwise set forth in the applicable pricing supplement.

(2) We will pay a commission to each agent, in the form of a discount, ranging from .125% to .750% of the price to the public of any note, depending on maturity, when that agent places such note. Any agent may agree with us, in respect of the sale of a note, to accept a commission other than one based on maturity, in which case the commission shall range from .025% to .750%. We may sell notes to any agent as principal either at a discount or at 100% of their principal amount, for resale at negotiated prices to be determined by that agent at the time of resale. See "Supplemental Plan of Distribution." We have agreed to indemnify each agent against certain liabilities, including liabilities under the Securities Act of 1933, as amended.

(3) Before deduction of expenses payable by us, estimated at $676,500.

(4) In US dollars or their equivalent in one or more foreign or composite currencies.

Bear, Stearns & Co. Inc.

November 17, 2003

We are offering the notes on a continuing basis through Bear, Stearns & Co. Inc., and any other agent we may designate. Each agent has agreed to use its reasonable best efforts to solicit purchases of the notes. We have reserved the right to sell notes directly on our own behalf. We will not list the notes on any securities exchange, and we cannot assure you that the notes offered by this prospectus supplement will be sold or that there will be a secondary market for them. We reserve the right to withdraw, cancel or modify the offer made by this prospectus supplement without giving notice. We may reject any offer in whole or in part.

Each agent may use this prospectus supplement in connection with offers and sales associated with market-making transactions in the notes. Each agent may act as principal or agent in the market-making transactions. The offers and sales will be made at prices that relate to prevailing prices at the time.

You must read this prospectus supplement and the accompanying prospectus together with all the documents which are deemed to be incorporated in this prospectus supplement and the accompanying prospectus by reference (see "Where You Can Find More Information" in the accompanying prospectus). This prospectus supplement and the accompanying prospectus must be read and construed on the basis that the incorporated documents are so incorporated and form part of this document, except as specified in this document.

We have not authorized any person to give any information or represent anything not contained in this prospectus supplement and the accompanying prospectus. You must not rely on any unauthorized information.

RISK FACTORS

Changes in Exchange Rates and Exchange Controls Could Result in a Substantial Loss to You.

An investment in notes that are denominated in a specified currency other than US dollars, or the principal, premium and/or any interest of which are determined by reference to a currency or currency index or indices, entails significant risks that are not associated with a similar investment in a security denominated in US dollars. Risks include, without limitation, the possibility of significant changes in rates of exchange between the US dollar and the various foreign currencies or composite currencies and the possibility of the imposition or modification of foreign exchange controls by either the United States or foreign governments. These risks generally depend on factors over which we have no control, such as economic and political events or the supply of and demand for the relevant currencies. In recent years, rates of exchange between the US dollar and certain foreign currencies have been highly volatile and such volatility may be expected in the future. Fluctuations in any particular exchange rate that have occurred in the past are not necessarily indicative, however, of fluctuations in the rate that may occur during the term of any note. Depreciation of a specified currency other than US dollars against the US dollar could result in a decrease in the effective yield of the note below its coupon rate, and in certain circumstances could result in a loss to the investor on a US dollar basis.

Governments have imposed, and may in the future impose, exchange controls that could affect exchange rates as well as the availability of a specified foreign currency for making payments with respect to a note. There can be no assurance that exchange controls will not restrict or prohibit payments in any such currency or currency unit. Even if there are no actual exchange controls, it is possible that the specified currency for any particular note would not be available to make payments when due. In that event, we will repay such note in US dollars on the basis of the most recently available exchange rate. See "Description of Notes Payment of Principal and Interest."

The Unavailability of Currencies Could Result in a Substantial Loss to You.

Currently, there are limited facilities in the United States for currency conversion between US dollars and foreign currencies. In addition, banks do not offer non-US dollar denominated checking or savings account facilities in the United States. Accordingly, payments on notes made in a specified currency other than US dollars will be made from an account with a bank located in the country issuing the specified currency. As a result, you may have difficulty or be unable to convert such specified currencies into US dollars on a timely basis or at all. See "Description of Notes Payment of Principal and Interest." Unless otherwise specified in the applicable pricing supplement, notes denominated in a specified currency other than US dollars will not be sold in, or to residents of, the country issuing the specified currency in which particular notes are denominated.

Judgments in a Foreign Currency Could Result in a Substantial Loss to You.

The notes will be governed by and construed in accordance with the laws of the State of New York. If an action based on the notes were commenced in a court in the United States, it is likely that such court would grant judgment relating to the notes only in US dollars. It is not clear, however, whether in granting such judgment, the rate of conversion into US dollars would be determined with reference to the date of default, the date judgment is rendered or some other date. New York statutory law provides, however, that a court shall render a judgment or decree in the foreign currency of the underlying obligation and that the judgment or decree shall be converted into US dollars at the exchange rate prevailing on the date of entry of the judgment. Therefore, the exchange rate on the date of the judgment could be more favorable than the exchange rate on the date that the judgment is paid.

Changes in the Value of Underlying Assets of Indexed Notes Could Result in a Substantial Loss to You.

An investment in currency indexed notes or other indexed notes entails significant risks not associated with similar investments in a conventional debt security. If the interest rate on a currency indexed note or an other indexed note is so indexed, it may result in payment of interest at a rate that is less than that payable on a conventional fixed rate debt security issued at the same time, including the possibility that no interest will be payable. If the principal amount is so indexed, the principal amount payable at maturity may be less than the original purchase price of the note (if permitted pursuant to the terms of the note), including the possibility that no principal will be paid.

The market prices for these notes will be affected by a number of factors independent of our creditworthiness and the value of the applicable currency, security, basket of securities, commodity or index, including:

- the volatility of the indexed currency, security, basket of securities, commodity or index;
- the time remaining until the maturity of the notes;
- the outstanding principal amount of the notes; and
- prevailing market interest rates.

The value of the indexed currency, security, basket of securities, commodity or index will depend on a number of interrelated factors, including economic, financial and political events, over which we have no control.

Additionally, if the formula used to determine the principal amount, premium, if any, or rate of interest, if any, payable with respect to these notes contains a multiple or leverage factor, the effect of any change in the indexed currency, security, basket of securities, commodity or index may be increased. The historical experience of the relevant currencies, securities, baskets of securities, commodities or indices should not be taken as an indication of future performance of such currencies, securities, baskets of securities, commodities or indices during the term of any note.

Please note, this prospectus supplement and the attached prospectus and pricing supplement do not describe all the risks of an investment in notes denominated in a specified currency other than US dollars, or the principal of or the premium and/or any interest on which are determined by reference to a currency or currency index or indices. You should consult your own financial and legal advisors as to the risks entailed by an investment in notes denominated in a specified currency other than US dollars, or as to which the principal, premium and/or any interest is determined by reference to a currency or currency index or indices. These notes are not an appropriate investment for investors who are unsophisticated with respect to foreign currency transactions.

Except as set forth under "Certain US Federal Income Tax Considerations," the information set forth in this prospectus supplement is directed to prospective purchasers who are US residents, and we disclaim any responsibility to advise prospective purchasers who are residents of countries other than the United States with respect to any matters that may affect the purchase, holding or receipt of payments of principal (and premium, if any) and any interest with respect to the notes. These persons should consult their own financial and legal advisors with regard to such matters.

There may not be any Trading Market for Your Notes; Many Factors Affect the Trading Market and Value of Your Notes.

We cannot assure you a trading market for your notes will ever develop or be maintained. In addition to our own creditworthiness, many other factors may affect the trading market value of, and trading market for, your notes. These factors include:

- the complexity and volatility of the index or formula applicable to your notes;
- the method of calculating the principal, premium and interest in respect of your notes;
- the time remaining to the maturity of your notes;
- the outstanding amount of your notes;
- any redemption features of your notes;
- the amount of other securities linked to the index or formula applicable to your notes; and
- the level, direction and volatility of market interest rates generally.

In addition, notes that are designed for specific investment objectives or strategies often experience a more limited trading market and more price volatility. There may be a limited number of buyers when you decide to sell your notes. This may affect the price you receive for your notes or your ability to sell your notes at all. You should not purchase notes unless you understand and know you can bear all of the investment risks related to your notes.

PRICING SUPPLEMENT

The pricing supplement for each offering of notes will contain the specific information and terms for that offering. The pricing supplement may also add, update or change information contained in this prospectus supplement and the prospectus. If any information in the pricing supplement, including any changes in the method of calculating interest on any note, is inconsistent with this prospectus supplement, you should rely on the information in the pricing supplement. It is important that you consider all of the information in the pricing supplement, this prospectus supplement and the prospectus when making your investment decision.

DESCRIPTION OF NOTES

General

The following terms apply to each note unless otherwise specified in the applicable pricing supplement and the note. The applicable pricing supplement will describe the terms for the notes, including:

- interest rate;
- remarketing provisions;
- our right to redeem notes;
- your right to tender notes you have purchased; and
- any other provisions.

We will issue notes under an indenture, dated as of May 31, 1991, as amended, between us and JPMorgan Chase Bank (formerly, The Chase Manhattan Bank), as Trustee, that is more fully described in the accompanying prospectus. The notes are part of a single series of our debt securities that are issuable under the indenture. For a description of the rights attaching to the debt securities under the indenture, see "Description of Debt Securities" in the accompanying prospectus. This description and the description under "Description of Debt Securities" in the accompanying prospectus are summaries and do not restate the indenture. We urge you to read the indenture and its supplements which we have filed with the SEC because they, and not this description or the one in the accompanying prospectus, define your rights as a holder of notes. See "Where You Can Find More Information" in the accompanying prospectus on how to locate the indenture and its supplements.

The notes are limited in amount as described on the cover page of this prospectus supplement, less an amount equal to the aggregate initial public offering price of any other securities we may issue in the future, including any other series of medium-term notes. We may increase this limit if we wish to sell additional notes in the future. Under the indenture, we may issue debt securities over the amount authorized on the date of this prospectus supplement without obtaining your consent or the consent of holders of other debt securities. Each series of notes or other debt securities may differ as to their terms. For current information on our outstanding debt, see our most recent Forms 10-K and 10-Q. See "Where You Can Find More Information" in the accompanying prospectus.

We will offer the notes on a continuous basis at various times. The notes will mature at face value nine months or more from the date they are issued and before maturity may be subject to redemption at our option or repayment at your option, as specified in the applicable pricing supplement. Each note will be denominated in either US dollars or in another currency that will be specified both on the face of the note and in the applicable pricing supplement.

You will be required to pay for any notes you purchase by delivery of the requisite amount of the specified currency to an agent, unless other arrangements have been made. Payments should be made in the specified currency in the country issuing the specified currency, provided that, at your election and, in certain circumstances, at our option, payments on notes denominated in other than US dollars may be made in US dollars. See "Risk Factors The Unavailability of Currencies Could Result in a Substantial Loss to You" and "Payment of Principal and Interest."

US dollar-denominated notes will be issued in minimum denominations of $25,000, increased in multiples of $1,000. Non-US dollar-denominated notes will be issued in the amount of the specified currency equal to US $25,000 or any integral multiple of the equivalent of US $1,000, as determined by reference to the noon buying rate in New York City for cable transfers in that specified currency as certified for customs purposes by the Federal Reserve Bank of New York for that specified currency on the Business Day before the date of issuance or, if that exchange rate is not available, then on the basis of the most recently available exchange rate for the specified currency. We may specify other authorized denominations in the applicable pricing supplement.

The notes are unsecured and will rank equally with all of our unsecured and unsubordinated debt, including the other debt securities issued under the indenture. Because we are a holding company, the notes will be effectively subordinated to the claims of creditors of our subsidiaries with respect to their assets. At August 31, 2003:

- we had outstanding (on an unconsolidated basis) approximately $35.2 billion of debt and other obligations, including approximately $32.1 billion of unsecured senior debt and $2.8 billion of unsecured inter-company debt; and

- our subsidiaries had outstanding (after elimination of inter-company items) approximately $170.4 billion of debt and other obligations (including $46.7 billion related to securities sold under repurchase agreements, $65.6 billion related to payables to customers, $28.9 billion related to financial instruments sold, but not yet purchased, and $29.2 billion of other liabilities, including $16.7 billion of debt).

The notes will not have a sinking fund unless otherwise specified in the pricing supplement.

Unless otherwise set forth in the applicable pricing supplement, each note will be issued in "book-entry" form represented by a permanent global security registered in the name of The Depository Trust Company or its nominee. As long as DTC or its nominee is the registered owner of a global security, DTC or its nominee will be considered the sole owner or holder of the book-entry note(s) represented by that global security under the indenture. See "Book-Entry Notes Registration, Transfer and Payments."

We may issue the notes as exchangeable notes that are exchangeable at your option for:

- the securities, or cash representing the value of securities, of an entity unaffiliated with us;

- a basket of these securities;

- an index or indices of these securities; or