BANK OF AMERICA CORP /DE/
Form 424B2
February 12, 2015
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CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Unit	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee[(1)]
8% Floored Participation Notes Linked to the Common Stock of Corning Incorporated, due February 17, 2016	3,247,000	$24.64	$80,006,080	$9,296.71

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

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Filed Pursuant to Rule 424(b)(2)

Registration Statement No. 333-180488

Pricing Supplement No. 1414

(To Prospectus dated March 30, 2012

and Series L Prospectus Supplement dated March 30, 2012)

February 10, 2015

$80,006,080

8% Floored Participation Notes Linked to the Common Stock of Corning Incorporated, due February 17, 2016

The notes are unsecured senior notes issued by Bank of America Corporation. All payments due on the notes, including any repayment of principal, will be subject to the credit risk of Bank of America Corporation.

The notes will be issued on February 18, 2015.

The notes do not guarantee the full return of principal at maturity. Instead, the return on the notes will be based on the performance of the common stock of Corning Incorporated (the **Underlying Stock**).

The notes pay a fixed monthly interest at the rate of 8% per annum over their term.

The payment at maturity may be made in either shares of the Underlying Stock, or at your option, the cash value of those shares. We describe in more detail below how the payment at maturity will be determined.

At maturity, investors in the notes will benefit from 65% participation in any percentage increase in the Ending Value in excess of 112.70% of the Starting Value of $24.64.

Investors in the notes will receive at least the principal amount at maturity if the Ending Value is at least 109.70% of the Starting Value.

Investors in the notes may lose a portion, which could be significant, of the principal amount if the Ending Value is less than the Starting Value, or is not greater than the Starting Value by at least 9.70%. However, the minimum payment for each note will be $17.97, which is 72.93% of the principal amount.

The notes will be issued in minimum denominations of $250,022.08 and increments of $24.64 in excess of $250,022.08. The principal amount of each unit of the notes is $24.64.

The notes will not be listed on any securities exchange.

The CUSIP number for the notes is 06053M880.

Our affiliate, Merrill Lynch, Pierce, Fenner & Smith Incorporated (**MLPF&S**), will act as our selling agent to offer the notes. MLPF&S will not receive an underwriting discount in connection with the offering of the notes.

The initial estimated value of the notes is less than the public offering price. As of February 10, 2015 (the pricing date), the initial estimated value of the notes is $980 per $1,000 in principal amount. See Summary on page PS-3 of this pricing supplement, Risk Factors beginning on page PS-10 of this pricing supplement and Structuring the Notes on page PS-31 of this pricing supplement for additional information. The actual value of your notes at any time will reflect many factors and cannot be predicted with accuracy.

The notes:

Are Not FDIC Insured	Are Not Bank Guaranteed	May Lose Value

The notes are unsecured and are not savings accounts, deposits, or other obligations of a bank. The notes are not guaranteed by Bank of America, N.A. or any other bank, are not insured by the Federal Deposit Insurance Corporation (the ***FDIC*** *) or any other governmental agency and involve investment risks. Potential purchasers of the notes should consider the information in Risk Factors beginning on page PS-10 of this pricing supplement, page S-5 of the accompanying Series L prospectus supplement, and page 8 of the accompanying prospectus.* ***You may lose a significant portion of your investment in the notes.***

None of the Securities and Exchange Commission (the ***SEC*** *), any state securities commission, or any other regulatory body has approved or disapproved of these securities or passed upon the adequacy or accuracy of this pricing supplement, the prospectus supplement, or the prospectus. Any representation to the contrary is a criminal offense.*

BofA Merrill Lynch

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SUMMARY

The information in this Summary section is qualified in its entirety by the more detailed explanation set forth elsewhere in this pricing supplement, the prospectus supplement, and the prospectus. Neither we nor MLPF&S have authorized any other person to provide you with any information different from the information set forth in these documents. If anyone provides you with different or inconsistent information about the notes, you should not rely on it.

The economic terms of the notes are based on our internal funding rate, which is the rate we would pay to borrow funds through the issuance of market-linked notes and the economic terms of certain related hedging arrangements we enter into. Our internal funding rate is typically lower than the rate we would pay when we issue conventional fixed or floating rate debt securities. This difference in funding rate, as well as the hedging related charges described below, reduced the economic terms of the notes to you and the initial estimated value of the notes. Due to these factors, the public offering price you pay to purchase the notes will be greater than the initial estimated value of the notes.

As of the pricing date, the initial estimated value of the notes is $980 per $1,000 in principal amount. For more information about the initial estimated value and the structuring of the notes, see Risk Factors beginning on page PS-10 and Structuring the Notes on page PS-31.

A number of key capitalized terms used in this pricing supplement are defined below. Certain capitalized terms used and not defined in this pricing supplement have the meanings ascribed to them in the prospectus supplement and prospectus. Unless otherwise indicated or unless the context requires otherwise, all references in this pricing supplement to we, us, our, or similar references are to Bank of America Corporation.

Key Terms:

General:	The notes are senior debt securities issued by Bank of America Corporation, and are not guaranteed or insured by the FDIC or secured by collateral. They rank equally with all of our other unsecured senior debt from time to time outstanding. **All payments due on the notes, including the payment at maturity, are subject to our credit risk.**
	The payment at maturity will be based on the performance of the Underlying Stock, and there is no guaranteed return of 100% of the principal at maturity. Therefore, you may lose a significant portion of your investment if the value of the Underlying Stock decreases from the Starting Value to the Ending Value, or does not increase by at least 9.70%.
	We cannot redeem the notes at any time prior to maturity, except under the limited circumstances set forth below. We will make periodic interest payments on the notes at a fixed rate specified below.
Pricing Date:	February 10, 2015
Issue Date:	February 18, 2015
Calculation Day:	February 9, 2016
Maturity Date:	February 17, 2016
Underlying Stock:	The common stock of Corning Incorporated (ticker: GLW).

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Minimum Denominations:	The notes will be issued in minimum denominations of $250,022.08 (10,147 units of the notes) and increments of $24.64 in excess of $250,022.08.
Principal Amount per Unit of the Note:	$24.64
Aggregate Principal Amount:	$80,006,80 (3,247,000 units of the notes). We may decide to sell additional notes after the pricing date at a price that differs from the public offering price set forth below.
Public Offering Price:	100% of the principal amount
Interest Rate:	8% per annum
Interest Payment Dates:	The 17th day of each month, beginning on March 17, 2015, and ending on the stated maturity date, with a short period for the first interest period. The interest payment dates are subject to postponement as described below.
Payment at Maturity:	On the maturity date, you will receive for each note that you then hold, in your discretion, either (a) a number of shares of the Underlying Stock equal to the product of (i) the Redemption Amount divided by the Ending Value and (ii) the Price Multiplier or (b) an amount in cash equal to the Redemption Amount (each as defined below). We will pay the Redemption Amount to you at maturity in cash, unless you deliver a written request to the calculation agent, at least seven trading days prior to the maturity date, to receive shares of the Underlying Stock. However, even if you request delivery of shares, if we determine that it is not commercially practicable to deliver shares to you, we reserve the right to make the payments on the notes in cash.
Redemption Amount:	The **Redemption Amount** per note will equal: if the Ending Value is greater than the Upside Participation Threshold (as defined below), (a) the principal amount per note plus (b) the Upside Participation Rate (as defined below) multiplied by the result of (a) the Ending Value minus (b) the Upside Participation Threshold; if the Ending Value is less than or equal to the Upside Participation Threshold but greater than or equal to the Principal Return Threshold (as defined below), the principal amount; or if the Ending Value is less than the Principal Return Threshold, the Downside Exchange Ratio (as defined below) multiplied by the Ending Value; provided, however, that the Redemption Amount will not be less than the Minimum Redemption Amount (as defined below). If the Ending Value is less than the Principal Return Threshold (which is equal to approximately 109.70% of the Starting Value), you will receive at maturity an amount of cash or a number of shares of the Underlying Stock with a value that is

less than the principal amount of the notes as of the calculation day. As a result, you will receive less than the principal amount of your notes at maturity if the Ending Value is not greater than the Starting Value by at least 9.70%.

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Minimum Redemption Amount:	$17.97 per note (72.93% of the principal amount)
Starting Value:	$24.64
Ending Value:	The Closing Market Price of the Underlying Stock on the calculation day multiplied by the Price Multiplier. If a Market Disruption Event (as defined below) occurs and is continuing on the calculation day, or if certain other events occur, the calculation agent will determine the Ending Value as set forth in the section Additional Terms of the Notes Market Disruption Events.
Upside Participation Threshold:	$27.77 (112.70% of the Starting Value)
Upside Participation Rate:	65%
Principal Return Threshold:	$27.03 (109.70% of the Starting Value)
Downside Exchange Ratio:	24.64/27.03 (the Starting Value *divided by* the Principal Return Threshold)
Price Multiplier:	The **Price Multiplier** for the Underlying Stock will be 1, and will be subject to adjustment for certain corporate events relating to the Underlying Stock, including any changes to ordinary cash dividend, as described below under Additional Terms of the Notes Anti-Dilution Adjustments.
Principal at Risk:	You may lose a significant portion of the principal amount of the notes. Further, if you sell your notes prior to maturity, you may find that the market value per note is less than the price that you paid for the notes and less than the Minimum Redemption Amount.
Calculation Agent:	The calculation agent will make all determinations associated with the notes. We will appoint our affiliate, MLPF&S, to act as calculation agent for the notes. See the section entitled Additional Terms of the Notes Role of the Calculation Agent.
Selling Agent:	MLPF&S will act as our selling agent in connection with the offering of the notes. MLPF&S is not your fiduciary or advisor solely as a result of the making of the offering of the notes, and you should not rely upon this pricing supplement, or the accompanying prospectus or prospectus supplement as investment advice or a recommendation to purchase the notes.
Listing:	The notes will not be listed on any securities exchange or quotation system.

The public offering price listed above relates to the notes we sell initially. We may decide to sell additional notes after the pricing date at a public offering price that differs from the price set forth above. The return (whether positive or negative) on your notes will depend in part on the applicable public offering price.

This pricing supplement relates only to the notes and does not relate to the Underlying Stock. You should read carefully the entire prospectus, prospectus supplement, and this

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pricing supplement to understand fully the terms of your notes, as well as the tax and other considerations important to you in making a decision about whether to invest in the notes. In particular, you should review carefully the section in this pricing supplement entitled Risk Factors, which highlights a number of risks of an investment in the notes, to determine whether an investment in the notes is appropriate for you. If information in this pricing supplement is inconsistent with the prospectus or prospectus supplement, this pricing supplement will supersede those documents.

Neither we nor the selling agent is making an offer to sell the notes in any jurisdiction where the offer or sale is not permitted.

You are urged to consult with your own attorneys and business and tax advisors before making a decision to purchase the notes.

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Hypothetical Examples

The following hypothetical table and graph assume that the notes are held to maturity and assume the following ***hypothetical*** terms:

Term:	One year
Interest Rate:	8% per annum
Principal amount per note:	$100, which is equal to the Starting Value.
Starting Value:	$100
Upside Participation Rate:	65%
Upside Participation Threshold:	$112.70 (112.70% of the Starting Value)
Principal Return Threshold:	$109.70 (109.70% of the Starting Value)
Downside Exchange Ratio:	$100/$109.70
Minimum Redemption Amount:	$72.93 (72.93% of the principal amount)

The following table and graph have been prepared for purposes of illustration only. They should not be taken as an indication or prediction of future investment results and are intended merely to illustrate the impact that various hypothetical Ending Values on the calculation day could have on the Redemption Amount and your return on the notes. The hypothetical Starting Value of $100 used in these examples has been chosen for illustrative purposes only. The actual Starting Value is $24.64. For recent actual prices of the Underlying Stock, see The Underlying Stock section below. Your actual return will depend on the actual Starting Value, Upside Participation Threshold, Principal Return Threshold, Minimum Redemption Amount, Ending Value, public offering price, the actual term of the notes and whether you hold the notes to maturity.

In the table below, the numbers in the left column represent hypothetical Ending Values, expressed as percentages of the Starting Value. The numbers in the middle column represent hypothetical Redemption Amounts based on the corresponding hypothetical Ending Values, and are expressed as percentages of the principal amount per note. The numbers in the right column represent hypothetical total returns on the notes reflecting the hypothetical interest payment paid over the term of the notes and the hypothetical Redemption Amount, and are expressed as percentages of the principal amount per notes. The numbers are rounded to the nearest one-hundredth of a percent.

The amounts in the table do not give effect to any taxes that you may owe with respect to the notes.

Hypothetical Ending Value (as a Percentage of the Starting Value)	**Hypothetical Redemption Amount (as a Percentage of the Principal Amount)**	**Hypothetical Total Return on the Notes (as a Percentage of the Principal Amount)**
150.00%	124.25%	132.25%
135.00%	114.50%	122.50%
120.00%	104.75%	112.75%
112.70%(1)	100.00%	108.00%
112.00%	100.00%	108.00%
110.00%	100.00%	108.00%
109.70%(2)	100.00%	108.00%
100.00%	91.16%	99.16%
90.00%	82.04%	90.04%
80.00%	72.93%(3)	80.93%
75.00%	72.93%	80.93%
50.00%	72.93%	80.93%
25.00%	72.93%	80.93%
0.00%	72.93%	80.93%

(1) This is the hypothetical Upside Participation Threshold. You will receive a positive return on the notes at maturity only if the Ending Value is greater than the Upside Participation Threshold.
(2) This is the hypothetical Principal Return Threshold. If the Ending Value is less than the Principal Return Threshold, you will lose some of the principal amount of the notes.
(3) This is the Minimum Redemption Amount. In no event will the Redemption Amount be less than the Minimum Redemption Amount.

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Example 1: The Ending Value is 120% of the Starting Value

Redemption Amount = 100% + 65% × (120% - 112.70%) = 104.75% of the principal amount

Example 2: The Ending Value is 112% of the Starting Value

Because the Ending Value is less than the Upside Participation Threshold but greater than the Principal Return Threshold, the Redemption Amount will be 100% of the principal amount.

Example 3: The Ending Value is 100% of the Starting Value

Redemption Amount = 100% × (100%/109.70%) = 91.16% of the principal amount

Example 4: The Ending Value is 50% of the Starting Value

Redemption Amount = 50% × (100%/109.70%) = 45.58% of the principal amount, however, the Redemption Amount will not be less than the Minimum Redemption Amount, which is 72.93% of the principal amount.

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The following chart reflects a graphical illustration of the hypothetical Redemption Amounts (expressed as percentages of the principal amount) that would determine the amount of cash or number of shares of the Underlying Stock that we would deliver to the holder of the notes at maturity, if the Ending Value (expressed as percentages of the Starting Value) were any of the hypothetical percentages shown on the horizontal axis. The chart illustrates that any hypothetical Ending Value of less than 109.70% of the Starting Value would result in a hypothetical Redemption Amount that is less than the principal amount.

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RISK FACTORS

Your investment in the notes is subject to investment risks, many of which differ from those of a conventional debt security. Your decision to purchase the notes should be made only after carefully considering the risks, including those discussed below, in light of your particular circumstances. The notes are not an appropriate investment for you if you are not knowledgeable about the material terms of the notes or investments in equity or equity-based securities in general.

General Risks Relating to the Notes

Your investment may result in a loss; there is no guaranteed return of 100% of your principal. There is no fixed principal repayment amount on the notes at maturity. The return on the notes will be based on the performance of the Underlying Stock. You may lose up to 27.07% of the principal amount if the Ending Value of the Underlying Stock is less than the Principal Return Threshold. In such a circumstance, the payment at maturity will reflect a percentage loss of the principal amount of your notes in excess of the percentage decrease in the Underlying Stock price below the Principal Return Threshold; provided, however, that the value of the shares as of the calculation day or cash that you receive will not be less than the Minimum Redemption Amount.

The payment at maturity may be made in either shares of the Underlying Stock, or at your option, the cash value of those shares. If you elect to receive shares of the Underlying Stock at maturity and we determine that it is commercially practicable to deliver shares to you and the value of the Underlying Stock is lower on the maturity date than on the calculation day, the value of any Underlying Stock you receive will be less than it would have been had you received it on the calculation day. However, if you elect to receive cash at maturity, the amount of cash will be determined based upon the value of the Underlying Stock on the calculation day. Accordingly, if the value of the Underlying Stock is higher on the maturity date than it was on the calculation day and you elect to receive cash at maturity, the amount of cash you receive will be less than the value of the applicable number of shares of the Underlying Stock on the maturity date.

The payment at maturity may be less than the principal amount of the notes even if the Underlying Stock appreciates during the term of the notes. If the Ending Value of the Underlying Stock is less than the Principal Return Threshold, the payment at maturity will be less than the principal amount of the notes. The Principal Return Threshold is greater than the Starting Value. Therefore, if the Ending Value of the Underlying Stock is greater than the Starting Value, but less than the Principal Return Threshold, the payment at maturity will be less than the principal amount of the notes, even though the Underlying Stock appreciated during the term of the notes.

The payment at maturity will not be greater than the principal amount of the notes unless the Ending Value of the Underlying Stock is greater than the Upside Participation Threshold on the calculation day. If the Ending Value of your notes is less than or equal to the Upside Participation Threshold on the calculation day, you will not receive cash or shares at maturity with a value that is greater than the principal amount of the notes. This will be the case even if the value of the Underlying Stock to which your notes are linked may be greater than the Upside Participation Threshold at certain points during the term of the notes.

Your return on the notes may be less than the yield on a conventional fixed or floating rate debt security of comparable maturity. Any return that you receive on the notes, which could be negative, may be less than the return you would earn if you purchased a conventional debt security with the same maturity date. As a result, your investment in the notes may not reflect the full opportunity cost to you when you consider factors, such as inflation, that affect the time value of money.

Your investment return, if any, is limited to the return represented by the periodic interest payments over the term of the notes and the payment at maturity, and may be less than a comparable investment directly in the Underlying Stock. Your return on the notes is based on the periodic interest payments over the term of the notes and on the performance of the Underlying Stock from the Starting Value to the Ending Value. However, your return on the notes will never exceed the sum of (i) the periodic interest payments over the term of the notes and (ii) the payment at maturity, which is limited by the Upside Participation Rate. In contrast, a direct investment in the Underlying Stock would allow you to receive the full benefit of any appreciation in the value of the Underlying Stock.

In addition, the Ending Value will not reflect the value of dividends paid, or distributions made on the Underlying Stock, or any other rights associated with the Underlying Stock. Your return on the notes will not reflect the return you would realize if you actually owned shares of the Underlying Stock.

Payments on the notes are subject to our credit risk, and actual or perceived changes in our creditworthiness are expected to affect the value of the notes. The notes are our senior unsecured debt securities. As a result, your receipt of the interest payments on the notes and the payment at maturity is dependent upon our ability to repay our obligations on the payment dates, regardless of whether the Underlying Stock increases from its Starting Value to its Ending Value. No assurance can be given as to what our financial condition will be on any payment date. If we become unable to meet our financial obligations as they become due, you may not receive the amounts payable under the terms of the notes.

In addition, our credit ratings are an assessment by ratings agencies of our ability to pay our obligations. Consequently, our perceived creditworthiness and actual or anticipated decreases in our credit ratings or increases in the spread between the yield on our securities and the yield on U.S. Treasury securities (the **credit spread**) prior to the maturity date may adversely affect the market value of the notes. However, because your return on the notes depends upon factors in addition to our ability to pay our obligations, such as the value of the Underlying Stock, an improvement in our credit ratings will not reduce the other investment risks related to the notes.

The public offering price you pay for the notes exceeds their initial estimated value. The initial estimated value of the notes that is provided in this pricing supplement is an estimate only, determined as of the pricing date by reference to our and our affiliates pricing models. These pricing models consider certain assumptions and variables, including our credit spreads, our internal funding rate, mid-market terms on hedging transactions, expectations on interest rates, dividends and volatility, price-sensitivity analysis, and the expected term of the notes. These pricing models rely in part on certain forecasts about future events, which may prove to be incorrect.

The initial estimated value does not represent a minimum or maximum price at which we, MLPF&S or any of our affiliates would be willing to purchase your notes in any secondary market (if any exists) at any time. The value of your notes at any time after the date of this pricing supplement will vary based on many factors that cannot be predicted with accuracy, including our creditworthiness and changes in market conditions.

The quoted price of any of our affiliates for the notes could be higher or lower than the price that you paid for them.

If you attempt to sell the notes prior to maturity, their market value may be lower than the price you paid for them and lower than their initial estimated value. This is due to, among other things, changes in the level of market interest rates, the internal funding rate, and the inclusion in the public offering price of the hedging related charges, all as further described in Structuring the Notes on page PS-31. These factors, together with various credit, market and economic factors over the term of the notes, are expected to reduce the price at which you may be able to sell the notes in any secondary market and will affect the value of the notes in complex and unpredictable ways.

We cannot assure you that there will be a trading market for your notes. The notes will not be listed on any securities exchange. Even if a secondary market exists, we cannot predict how the notes will trade, or whether that market will be liquid or illiquid. The development of a trading market for the notes will depend on various factors, including our financial performance and changes in the value of the Underlying Stock. The number of potential buyers of your notes in any secondary market may be limited. There is no assurance that any party will be willing to purchase your notes at any price in any secondary market.

We anticipate that MLPF&S will act as a market-maker for the notes, but it is not required to do so and may cease to do so at any time. Any price at which MLPF&S may bid for, offer, purchase, or sell the notes may be higher or lower than the public offering price, and that price may differ from the values determined by pricing models that it may use, whether as a result of dealer discounts, mark-ups, or other transaction costs. These bids, offers, or transactions may affect the prices, if any, at which the notes might otherwise trade in the market. In addition, if at any time the selling agent were to cease acting as a market-maker for the notes, it is likely that there would be significantly less liquidity in that secondary market. In such a case, the price at which the notes could be sold likely would be lower than if an active market existed.

We may sell additional notes at a different price. At our sole option, we may decide to sell an additional aggregate principal amount of the notes subsequent to the pricing date. The public offering price of the notes in the subsequent sale may differ substantially (higher or lower) from the price you paid.

If the public offering price for your notes represents a premium to the principal amount, the return on your notes will be lower than the return on notes for which the public offering price is equal to the principal amount or represents a discount to the principal amount.

The Redemption Amount will not be adjusted based on the public offering price. If the public offering price for your notes differs from the principal amount, the return on your notes held to the maturity date will differ from, and may be substantially less than, the return on notes for which the public offering price is equal to the principal amount. If the public offering price for your notes represents a premium to the principal amount and you hold them to the maturity date, the return on your notes will be lower than the return on notes for which the public offering price is equal to the principal amount or represents a discount to the principal amount.

The payment at maturity will not reflect changes in the value of the Underlying Stock other than on the calculation day. Changes in the value of the Underlying Stock during the term of the notes other than on the calculation day will not be reflected in the calculation of the payment at maturity. To calculate the payment at maturity, the calculation agent will compare only the Ending Value to the Starting Value, taking into account the Principal Return Threshold, the Upside Participation Threshold, the Upside Participation Rate, the Downside Exchange Ratio, and the Minimum Redemption Amount, as applicable. No other values of the Underlying Stock will be taken into account. As a result, even if the value of the Underlying Stock has increased at certain times during the term of the notes, you will receive a

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payment at maturity that is less than the principal amount if the Ending Value is less than the Principal Return Threshold.

If you attempt to sell the notes prior to maturity, their market value, if any, will be affected by various factors that interrelate in complex ways, and their market value may be less than the principal amount. The limited protection against the risk of losses provided by the Principal Return Threshold and the Minimum Redemption Amount, will only apply if you hold the notes to maturity. You have no right to have your notes redeemed prior to maturity. If you wish to liquidate your investment in the notes prior to maturity, your only option would be to sell them. At that time, there may be an illiquid market for the notes or no market at all. Even if you were able to sell the notes, there are many factors outside of our control that may affect their market value, some of which, but not all, are stated below. The impact of any one factor may be offset or magnified by the effect of another factor. The following paragraphs describe a specific factor s expected impact on the market value of the notes, assuming all other conditions remain constant.

Value of the Underlying Stock. We anticipate that the market value of the notes prior to maturity generally will depend to a significant extent on the value of the Underlying Stock. In general, it is expected that the market value of the notes will decrease as the value of the Underlying Stock decreases, and increase as the value of the Underlying Stock increases. However, as the value of the Underlying Stock increases or decreases, the market value of the notes is not expected to increase or decrease at the same rate. If you sell your notes when the value of the Underlying Stock is less than, or not sufficiently above, the Starting Value, then you may receive less than the principal amount of your notes.

Volatility of the Underlying Stock. Volatility is the term used to describe the size and frequency of market fluctuations. Increases or decreases in the volatility of the Underlying Stock may have an adverse impact on the market value of the notes. Even if the value of the Underlying Stock increases after the pricing date, if you are able to sell your notes before their maturity date, you may receive substantially less than the amount that would be payable at maturity based on that value because of the anticipation that the value of the Underlying Stock will continue to fluctuate until the Ending Value is determined.

Economic and Other Conditions Generally. The general economic conditions of the capital markets in the United States, as well as geopolitical conditions and other financial, political, regulatory, and judicial events and related uncertainties that affect stock markets generally, may negatively affect the value of the Underlying Stock and the market value of the notes.

Interest Rates. We expect that changes in interest rates will affect the market value of the notes. In general, if U.S. interest rates increase, we expect that the market value of the notes will decrease, and conversely, if U.S. interest rates decrease, we expect that the market value of the notes will increase. In general, we expect that the longer the amount of time that remains until maturity, the more significant the impact of these changes will be on the value of the notes. The level of interest rates also may affect the U.S. economy and, in turn, the value of the Underlying Stock, and, thus, the market value of the notes may be adversely affected.

Dividend Yield. In general, if the cumulative dividend yield of the Underlying Stock increases, we anticipate that the market value of the notes will decrease; conversely, if the dividend yield decreases, we anticipate that the market value of your notes will increase.

Our Financial Condition and Creditworthiness. Our perceived creditworthiness,

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including any increases in our credit spreads and any actual or anticipated decreases in our credit ratings, may adversely affect the market value of the notes. In general, we expect the longer the amount of time that remains until maturity, the more significant the impact will be on the value of the notes. However, a decrease in our credit spreads or an improvement in our credit ratings will not necessarily increase the market value of the notes.

Time to Maturity. There may be a disparity between the market value of the notes prior to maturity and their value at maturity. This disparity is often called a time value, premium, or discount, and reflects expectations concerning the value of the Underlying Stock prior to the maturity date. As the time to maturity decreases, this disparity will likely decrease, such that the value of the notes will approach the expected payment at maturity and the interest payment to be paid at maturity.

Trading and hedging activities by us and our affiliates may affect your return on the notes and their market value. We and our affiliates, including MLPF&S, may buy or sell shares of the Underlying Stock, futures or options contracts on the Underlying Stock, or other listed or over-the counter derivative instruments linked to the Underlying Stock. We may execute such purchases or sales for our own accounts, for business reasons, or in connection with hedging our obligations under the notes. These transactions could affect the value of the Underlying Stock in a manner that could be adverse to your investment in the notes. On or before the pricing date, any purchases by us, our affiliates or others on our behalf may have increased the value of the Underlying Stock. Consequently, the value of the Underlying Stock may decrease subsequent to the pricing date, adversely affecting the market value of the notes.

We, or one or more of our affiliates, including MLPF&S, may have also engaged in hedging activities that could have increased the value of the Underlying Stock on the pricing date. In addition, these activities may decrease the market value of the notes prior to maturity, and could affect the payment at maturity.

We or one or more of our affiliates, including MLPF&S, may purchase or otherwise acquire a long or short position in the notes, and may hold or resell the notes. For example, MLPF&S may enter into these transactions in connection with any market making activities in which they engage. We cannot assure you that these activities will not adversely affect the value of the Underlying Stock, the market value of your notes prior to maturity or the payment at maturity.

Our trading, hedging and other business activities may create conflicts of interest with you. We or one or more of our affiliates, including MLPF&S, may engage in trading activities related to the Underlying Stock that are not for your account or on your behalf. We or one or more of our affiliates, including MLPF&S, also may issue or underwrite other financial instruments with returns based upon the Underlying Stock. These trading and other business activities may present a conflict of interest between your interest in the notes and the interests we and our affiliates, including MLPF&S, may have in our proprietary accounts, in facilitating transactions, including block trades, for our or their other customers, and in accounts under our or their management. These trading and other business activities, if they influence the value of the Underlying Stock or secondary trading in your notes, could be adverse to your interests as a beneficial owner of the notes.

We expect to enter into arrangements or adjust or close out existing transactions to hedge our obligations under the notes. We or our affiliates also may enter into hedging transactions relating to other notes or instruments that we issue, some of which may have returns calculated in a manner related to the notes. We may enter into such hedging arrangements with one of our subsidiaries or affiliates. Such a party may enter into additional hedging transactions with other parties relating to the notes and the Underlying Stock. This

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hedging activity is expected to result in a profit to those engaging in the hedging activity, which could be more or less than initially expected, or the hedging activity could also result in a loss. We or our affiliates will price these hedging transactions with the intent to realize a profit, regardless of whether the value of the notes increases or decreases.

There may be potential conflicts of interest involving the calculation agent. We have the right to appoint and remove the calculation agent. Our affiliate, MLPF&S, will be the calculation agent for the notes and, as such, will determine the Starting Value, the Principal Return Threshold, the Upside Participation Threshold, the Ending Value and the payment at maturity. Under some circumstances, these duties could result in a conflict of interest between MLPF&S s status as our affiliate and its responsibilities as calculation agent. These conflicts could occur, for instance, in connection with the calculation agent s determination as to whether a Market Disruption Event has occurred, or in connection with judgments that it would be required to make if certain corporate events occur with respect to the Underlying Stock. See the sections entitled Additional Terms of the Notes Market Disruption Events and Anti-Dilution Adjustments. The calculation agent will be required to carry out its duties in good faith and use its reasonable judgment. However, because we expect to control the calculation agent, potential conflicts of interest could arise.

The U.S. federal income tax consequences of an investment in the notes are uncertain, and may be adverse to a holder of the notes. No statutory provisions, regulations, published rulings, or other judicial decisions address the characterization of the notes or other instruments with terms substantially the same as the notes for U.S. federal income tax purposes. As a result, certain aspects of the U.S. federal income tax consequences of an investment in the notes are not certain. We intend to treat the notes as short-term debt instruments for U.S. federal income tax purposes. Accordingly, you should consider the tax consequences of investing in the notes, aspects of which are uncertain. See the section entitled U.S. Federal Income Tax Summary.

The notes are not intended for purchase by any investor that is not a U.S. person, as that term is defined for U.S. federal income tax purposes, and the selling agent will not make offers of the notes to any such investor.

You are urged to consult with your own tax advisor regarding all aspects of the U.S. federal income tax consequences of investing in the notes.

Risks Relating to the Underlying Stock

You must rely on your own evaluation of the merits of an investment linked to the Underlying Stock. In the ordinary course of their businesses, our affiliates may have expressed views on expected movements in the Underlying Stock, and may do so in the future. These views or reports may be communicated to our clients and clients of our affiliates. However, these views are subject to change from time to time. Moreover, other professionals who deal in markets relating to the Underlying Stock may at any time have significantly different views from those of our affiliates. For these reasons, you are encouraged to derive information concerning the Underlying Stock from multiple sources, and you should not rely on the views expressed by our affiliates.

You will have no rights as a security holder, you will have no rights to receive shares of the Underlying Stock if your notes are paid in cash, and you will not be entitled to dividends or other distributions by the issuer of the Underlying Stock (the Underlying Company). The notes are our debt securities. They are not equity instruments, shares of stock, or securities of any other issuer. Investing in the notes will not make you a holder of the Underlying Stock. You will not have voting rights, rights to receive dividends or other distributions, or any other rights with respect to the Underlying Stock. As a result, the return

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on your notes may not reflect the return you would realize if you actually owned shares of the Underlying Stock and received the dividends paid or other distributions made in connection with them. You have no right to receive delivery of shares of the Underlying Stock, unless you elect to do so at maturity.

We do not control the Underlying Company and are not responsible for any disclosure made by the Underlying Company. We currently, or in the future, may engage in business with the Underlying Company, and we or our affiliates may from time to time own securities of the Underlying Company. However, neither we nor any of our affiliates, including the selling agent, have the ability to control the actions of the Underlying Company or have undertaken any independent review of, or made any due diligence inquiry with respect to it. You should make your own investigation into the Underlying Stock.

Our business activities relating to the Underlying Company may create conflicts of interest with you. We and our affiliates, including MLPF&S, at the time of the offering of the notes or in the future, may engage in business with the Underlying Company, including making loans to, equity investments in, or providing investment banking, asset management, or other services to the Underlying Company, its affiliates, and its competitors.

In connection with these activities, we or our affiliates may receive information about the Underlying Company that we will not divulge to you or other third parties. One or more of our affiliates have published, and in the future may publish, research reports on the Underlying Company. This research is modified from time to time without notice and may express opinions or provide recommendations that are inconsistent with purchasing or holding your notes. Any of these activities may affect the market value of your notes. We, or any of our affiliates, do not make any representation to any purchaser of the notes regarding any matters whatsoever relating to the Underlying Company. Any prospective purchaser of the notes should undertake an independent investigation of the Underlying Company to a level that, in its judgment, is appropriate to make an informed decision regarding an investment in the notes. The selection of the Underlying Stock does not reflect any investment recommendations from us or our affiliates.

The Underlying Company has no obligations relating to the notes and we will not perform any due diligence procedures with respect to the Underlying Company. The Underlying Company has no financial or legal obligation with respect to the notes or the amounts to be paid to you, including any obligation to take our needs or the needs of noteholders into consideration for any reason, including taking any corporate actions that might affect the value of the Underlying Stock or the value of the notes. The Underlying Company will not receive any of the proceeds from the offering of the notes, and will not be responsible for, or participate in, the offering of the notes. The Underlying Company will not be responsible for, or participate in, the determination or calculation of the amount receivable by the holder of the notes.

Neither we nor MLPF&S will conduct any due diligence inquiry with respect to the Underlying Stock in connection with the offering of the notes. Neither we nor the selling agent has made any independent investigation as to the completeness or accuracy of publicly available information regarding the Underlying Company or as to the future performance of the Underlying Stock. Any prospective purchaser of the notes should undertake such independent investigation of the Underlying Company as in its judgment is appropriate to make an informed decision with respect to an investment in the notes.

The payment at maturity will not be adjusted for all corporate events that could affect the Underlying Company. The Price Multiplier, Ending Value, and payment at maturity may be adjusted for the specified corporate events affecting the Underlying Stock, as described in the section entitled Additional Terms of the Notes Anti-Dilution Adjustments. However, these adjustments do not cover all corporate events that could affect the market price

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of the Underlying Stock, such as offerings of common shares for cash or in connection with certain acquisition transactions. The occurrence of any event that does not require the calculation agent to adjust the Price Multiplier or the amount paid to you at maturity may adversely affect the determination of the Closing Market Price of the Underlying Stock, the Ending Value, and the payment at maturity, and, as a result, the market value of the notes.

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USE OF PROCEEDS

We will use the net proceeds we receive from the sale of the notes for the purposes described in the accompanying prospectus under Use of Proceeds. In addition, we expect that we or our affiliates may use a portion of the net proceeds to hedge our obligations under the notes.

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ADDITIONAL TERMS OF THE NOTES

General

The notes will be part of a series of medium-term notes entitled Medium-Term Notes, Series L issued under the Senior Indenture, as amended and supplemented from time to time. The Senior Indenture is described more fully in the accompanying prospectus supplement and prospectus. The following description of the notes supplements and, to the extent it is inconsistent with, supersedes the description of the general terms and provisions of the notes and debt securities set forth under the headings Description of the Notes in the prospectus supplement and Description of Debt Securities in the prospectus. These documents should be read in connection with this pricing supplement.

Prior to the maturity date, the notes are not redeemable by us, except under the limited circumstances set forth below, or repayable at the option of any holder. The notes are not subject to any sinking fund.

Interest

The notes will bear monthly interest payments at the fixed rate of 8% per annum over the term of the notes. The interest will be paid monthly in cash in arrears on each interest payment date specified in the Summary section. Interest payable on the notes will be computed on the basis of a 360-day year of twelve 30-day months.

Each interest payment will include interest accrued from, and including, the issue date or the most recent interest payment date to, but excluding, the next interest payment date. For so long as the notes are held in book-entry form only, we will pay interest to the persons in whose names the notes are registered at the close of business one business day prior to each interest payment date. If an interest payment date falls on a day that is not a business day, that interest payment will be made on the next succeeding business day and no additional interest will accrue as a result of the delayed payment. If the notes are issued at any time in a form that is other than book-entry only, the regular record date for an interest payment date will be the last day of the calendar month preceding the interest payment date.

A **business day** means any day other than a day on which banking institutions in New York, New York are authorized or required by law, regulation, or executive order to close or a day on which transactions in U.S. dollars are not conducted.

Notwithstanding the foregoing, the final payment of interest and the payment at maturity will be paid to the person in whose names the notes are registered on the maturity date.

Closing Market Price

The **Closing Market Price** for one share of the Underlying Stock (or one unit of any other security for which a Closing Market Price must be determined) on any trading day means any of the following:

- if the Underlying Stock (or such other security) is listed or admitted to trading on a national securities exchange, the last reported sale price, regular way (or, in the case of The NASDAQ Stock Market, the official closing price), of the principal trading session on that day on the principal U.S. securities exchange registered under the Exchange Act on which the Underlying Stock (or such other security) is listed or admitted to trading;

if the Underlying Stock (or such other security) is not listed or admitted to trading on any national securities exchange but is included in the OTC Bulletin Board, the last reported sale price of the principal trading session on the OTC Bulletin Board on that day;

if the Underlying Stock (or such other security) is issued by a foreign issuer and its closing price cannot be determined as set forth in the two bullet points above, and the Underlying Stock (or such other security) is listed or admitted to trading on a non-U.S. securities exchange or market, the last reported sale price, regular way, of the principal trading session on that day on the primary non-U.S. securities exchange or market on which the Underlying Stock (or such other security) is listed or admitted to trading (converted to U.S. dollars using such exchange rate as the calculation agent, in its sole discretion, determines to be commercially reasonable); or

if the Closing Market Price cannot be determined as set forth in the prior bullets, the mean, as determined by the calculation agent, of the bid prices for the Underlying Stock (or such other security) obtained from as many dealers in that security (which may include us, MLPF&S and/or any of our other affiliates), but not exceeding three, as will make the bid prices available to the calculation agent. If no such bid price can be obtained, the Closing Market Price will be determined (or, if not determinable, estimated) by the calculation agent in its sole discretion in a commercially reasonable manner.

A **trading day** means a day on which trading is generally conducted (or was scheduled to have been generally conducted, but for the occurrence of a Market Disruption Event) on the New York Stock Exchange (the **NYSE**), the NASDAQ Stock Market, the Chicago Board Options Exchange, and in the over-the-counter market for equity securities in the United States, or any successor exchange or market, or in the case of a security traded on one or more non-U.S. securities exchanges or markets, on the principal non-U.S. securities exchange or market for such security.

Market Disruption Events

If the scheduled calculation day is not a trading day or if there is a Market Disruption Event on that day, the calculation day will be the immediately succeeding trading day during which no Market Disruption Event occurs or is continuing; provided that the Closing Market Price of the Underlying Stock will be determined (or, if not determinable, estimated) by the calculation agent in a commercially reasonable manner on a date no later than the second scheduled trading day prior to the maturity date, regardless of the occurrence of a Market Disruption Event on that day.

A **Market Disruption Event** means any of the following events, as determined by the calculation agent in its sole discretion:

(A) the suspension of or material limitation of trading, in each case, for more than two consecutive hours of trading, or during the one-half hour period preceding the close of trading, of the shares of the Underlying Stock (or the successor to the Underlying Stock) on the primary exchange where such shares trade, as determined by the calculation agent (without taking into account any extended or after-hours trading session); or

(B) the suspension of or material limitation of trading, in each case, for more than two consecutive hours of trading, or during the one-half hour period preceding the close of trading, on the primary exchange that trades options contracts or futures contracts related to the shares of the Underlying Stock (or successor to the