



## Information Circular 08-101

**Date:** November 3, 2008

**Re: The Bear Stearns Companies, Inc. Exchange Traded Notes**

BATS Exchange, Inc. (“BATS”) commenced operating as a national securities exchange for trading non-BATS listed securities on October 24, 2008. As a result, in the near future the the following Bear Stearns ETN will be traded by BATS as an exchange on an unlisted trading privileges (UTP) basis for the first time:

<b>Exchange-Traded Notes</b>	<b>Symbol</b>	<b>CUSIP</b>
BearLinx Alerian MLP Select Index Exchange-Traded Notes	BSR	073902835

### **Background Information on the Notes**

The Bear Stearns Companies Inc. (the “Issuer”) has issued Exchange-Traded Notes (the “Notes”) linked to the Alerian MLP Select Index (the “Index”). The Notes were priced at \$38.8915 and are not principal protected.

The Index measures the performance of energy oriented Master Limited Partnerships (“MLPs”) listed on the New York Stock Exchange and NASDAQ, and is calculated using a float-adjusted, market capitalization weighted methodology. The objective of the Index is to provide investors with an unbiased, comprehensive benchmark for the performance of the energy MLP universe. The MLPs underlying the Index are generally limited partnerships engaged in the exploration, marketing, mining, processing, production, storage or transportation of any mineral or natural resource. The Index is disseminated real-time on a price-return basis and is listed on the Chicago Mercantile Exchange.

At the Maturity Date, investors in the Notes will receive a Cash Settlement Amount. The Cash Settlement Amount is based on the change, if any, of the volume-weighted average prices of the constituents underlying the Index during the term of the Notes, and will equal an amount per Note in U.S. dollars equal to (i) the Principal Amount multiplied by the quotient of the Final VWAP Level divided by the Initial VWAP Level minus (ii) the accrued Tracking Fee, if any.

The Maturity Date is the third Business Day following the final Index Business Day in the Final Measurement Period. The Initial VWAP Level is 388.915, representing the arithmetic mean of the VWAP Levels measured each Index Business Day in the Initial Measurement Period, as determined by the Calculation Agent. The Final VWAP Level is the arithmetic mean of the VWAP Levels measured each Index Business Day in the Final Measurement Period, as determined by the Calculation Agent. The Calculation Agent is Bear, Stearns & Co. Inc.

The Tracking Fee As of any date of determination, an amount per Note equal to the product of 0.070834% (representing 0.85% per annum) multiplied by the Current NAV. The Tracking Fee will be increased by an amount equal to any Tracking Fee Shortfall, as described below. The Current NAV is, as of any date of determination, an amount per Note equal to the product of (i) the principal amount multiplied by (ii) a fraction, the numerator of which is equal to the VWAP Level as of such date and the denominator of which is equal to the Initial VWAP Level, as determined by the Calculation Agent.

The Initial Measurement Period is a specified period of Index Business Days following the Closing Date, as determined by the Calculation Agent. The Final Measurement Period is five Index Business Days from and including the Calculation Date. The Final Measurement Period is subject to adjustment as described in the pricing supplement.

A Business Day is any day other than a Saturday or Sunday, on which banking institutions in New York, New York, are not authorized or obligated by law or executive order to close. An Index Business Day is any day on which the Primary Exchange and each Related Exchange are scheduled to be open for trading. The Primary Exchange is the primary exchange or market of trading of a security within the Index. The Related Exchange is an exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to a security within the Index.

The Notes will pay a coupon, if any, on each Coupon Payment Date. For each Note an investor holds, on each Coupon Payment Date the investor will receive an amount in U.S. dollars equal to the difference between the Reference Dividend Amount minus the Tracking Fee (the "Coupon Amount"). To the extent the Reference Dividend Amount is less than the Tracking Fee on any Coupon Valuation Date, there will be no coupon payment made on the corresponding Coupon Payment Date, and an amount equal to the difference between the Tracking Fee and the Reference Dividend Amount in respect of such period (the "Tracking Fee Shortfall") will be added to the Tracking Fee deducted from the Reference Dividend Amount in respect of the next Coupon Payment Date. For the avoidance of doubt, the process will be repeated to the extent necessary until such time as the accrued Tracking Fee has been deducted from the appropriate Reference Dividend Amount in all prior months.

The Coupon Payment Date is the fifth Business Day following each Coupon Valuation Date, subject to adjustment, as described in the pricing supplement. The Coupon Valuation Date is the first Business Day of each calendar month during the term of the Notes beginning on August 1, 2007, and the last Coupon Valuation Date will be the Calculation Date, subject to adjustment, as described in the pricing supplement. The Reference Dividend Amount is an amount per Note equal to the gross cash dividends that would have been received by a Reference Holder in respect of a quantity of Index Components held by such Reference Holder on an "ex-dividend date" with respect to any Index Component, which "ex-dividend date" occurred during the period from and including the first Index Business Day following the Initial Measurement Period to and excluding the immediately preceding Coupon Valuation Date. Any non-cash dividends that would have been received by a Reference Holder during any period of determination will be valued in cash by the Calculation Agent and will be included in the gross cash dividends for purposes of this calculation.

The Calculation Date is July 9, 2027, unless such day is not an Index Business Day, in which case the Calculation Date shall be the next Index Business Day. The Calculation Date is subject to further adjustment as described in the pricing supplement. The Closing Date is July 11, 2007.

Investors may redeem the Notes as of the last Business Day of each week during the term of the Notes (each, a "Redemption Valuation Date") by delivering a Redemption Notice to the Issuer via email no later than 10:00 a.m. Eastern Time ("ET") on the Business Day prior to such Redemption Valuation Date.

Investors should be aware that there are risks associated with an investment in the Notes, including, but not limited to: possible loss of principal; limited portfolio diversification; fluctuations in the level of the Index; potential lack of liquidity; possible loss of value in the secondary market; lack of guarantee regarding coupon payments; and uncertainty regarding tax treatment.

The Trustee for the Notes is The Bank of New York.

Trading in the Notes on BATS is subject to BATS equity trading rules.

The Notes will trade on BATS between 8:00 a.m. and 4:00 p.m. ET.

Trading in the Notes on BATS will be subject to applicable suitability rules.

**This Information Circular is not a statutory prospectus. BATS members should consult the registration statement or prospectus for the Notes for additional information.**

Please contact Eric Swanson, 212.378.8523, [eswanson@batstrading.com](mailto:eswanson@batstrading.com), with any inquiries regarding this Information Circular.