

BEAR STEARNS COMPANIES INC
 Form 3
 April 15, 2008

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0104
 Expires: January 31, 2005
 Estimated average burden hours per response... 0.5

INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
 Section 17(a) of the Public Utility Holding Company Act of 1935 or Section
 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *			2. Date of Event Requiring Statement		3. Issuer Name and Ticker or Trading Symbol	
J P MORGAN CHASE & CO			(Month/Day/Year)		BEAR STEARNS COMPANIES INC [BSC]	
(Last)	(First)	(Middle)	04/07/2008		4. Relationship of Reporting Person(s) to Issuer	
270 PARK AVENUE					5. If Amendment, Date Original Filed(Month/Day/Year)	
(Street)					(Check all applicable)	
NEW YORK, NY 10017					6. Individual or Joint/Group Filing(Check Applicable Line)	
(City)	(State)	(Zip)			<input type="checkbox"/> Director <input checked="" type="checkbox"/> 10% Owner <input type="checkbox"/> Officer <input type="checkbox"/> Other (give title below) (specify below) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person	

Table I - Non-Derivative Securities Beneficially Owned

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
------------------------------------	--	---	--

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

SEC 1473 (7-02)

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)	4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable Expiration Date	Title Amount or Number of Shares			

Share Basket Option	Â <u>(1)</u>	12/22/2008	see footnote <u>(1)</u>	<u>(1)</u>	\$ <u>(1)</u>	I	by subsidiary
Share Basket Swap	Â <u>(2)(3)</u>	02/23/2009	see footnote <u>(2) (3)</u>	<u>(2) (3)</u>	\$ <u>(2) (3)</u>	I	by subsidiary
\$183,000 reverse exchangeable notes	Â <u>(4)</u>	05/30/2008	see footnote <u>(4)</u>	<u>(4)</u>	\$ <u>(4)</u>	I	by subsidiary
\$579,000 reverse exchangeable notes	Â <u>(5)</u>	04/30/2008	see footnote <u>(5)</u>	<u>(5)</u>	\$ <u>(5)</u>	I	by subsidiary
\$250,000 reverse exchangeable notes	Â <u>(6)</u>	04/30/2008	see footnote <u>(6)</u>	<u>(6)</u>	\$ <u>(6)</u>	I	by subsidiary
\$5 million 18% barrier reverse convertible notes	Â <u>(7)(8)</u>	09/19/2008	see footnote <u>(7) (8)</u>	<u>(7) (8)</u>	\$ <u>(7) (8)</u>	I	by subsidiary
\$1.5 million worst-of reverse convertible notes	Â <u>(9)</u>	01/20/2009	see footnote <u>(9)</u>	<u>(9)</u>	\$ <u>(9)</u>	I	by subsidiary
\$2.98 million worst-of reverse convertible notes	Â <u>(10)</u>	01/20/2009	see footnote <u>(10)</u>	<u>(10)</u>	\$ <u>(10)</u>	I	by subsidiary

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
J P MORGAN CHASE & CO 270 PARK AVENUE NEW YORK, NY 10017	Â	Â X	Â	Â

Signatures

/s/ Anthony J. Horan 04/15/2008

**Signature of
Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 5(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

- (1) The Reporting Person has entered into a Share Basket Option transaction pursuant to which the reporting person is entitled to receive on December 22, 2008 a settlement amount in cash determined in accordance with the terms of the agreement governing the option. The settlement amount will be based on the appreciation of the worst performing stock in a specified basket of 5 stocks, which currently includes Common Stock. The Reporting Person's entitlement is subject to both a floor and a ceiling on the reference stock's

Edgar Filing: BEAR STEARNS COMPANIES INC - Form 3

appreciation, and could be zero. The notional amount of the swap is \$10,000,000. The Reporting Person paid the counterparty \$245,000 at the establishment of the Share Basket Option on January 10, 2008. The initial per share price of the Common Stock included in the basket is \$71.01. The stocks in the basket may be adjusted for various merger and other reorganization events.

- (2) The Reporting Person has entered into a Share Basket Swap transaction pursuant to which the Reporting Person is obligated to deliver to the counterparty on February 21, 2009 an amount determined in accordance with the terms of the agreement governing the swap based on the appreciation in the stock price of the worst performing stock in a specified basket of 5 stocks, which currently includes Common Stock. The amount the Reporting Person is obligated to deliver at settlement in cash (the "Settlement Amount") is equal to the product of the (x) Equity Notional Amount and (y) the share return of the worst performer (based on stock price) in the basket minus 1 (the "Return"). If the Return is a negative number, the counterparty will be obligated to pay the Settlement Amount to the Reporting Person. [Continued in footnote 3]

- (3) [Continued from footnote 2] The Reporting Person is entitled to receive from the counterparty periodic interest at the six-month Euribor rate on the Equity Notional Amount. The initial per share price of Common Stock included in the basket is \$82.00. The Equity Notional Amount is 2,000,000 Euro. The Reporting Person paid 52,000 Euro to the counterparty on the effective date of the swap, February 15, 2008.

- (4) On the expiration date, the Reporting Person is obligated to deliver the number of shares of Common Stock equal to \$183,000 divided by \$147.55, plus accrued unpaid interest. The Reporting Person may elect to deliver the value of such shares in cash, and will deliver the value of any fractional shares in cash.

- (5) On the expiration date, the Reporting Person is obligated to deliver the number of shares of Common Stock equal to \$579,000 divided by \$116.21, plus accrued unpaid interest. The Reporting Person may elect to deliver the value of such shares in cash, and will deliver the value of any fractional shares in cash.

- (6) On the expiration date, the Reporting Person is obligated to deliver the number of shares of Common Stock equal to \$250,000 divided by \$91.10, plus accrued unpaid interest. The Reporting Person may elect to deliver the value of such shares in cash, and will deliver the value of any fractional shares in cash.

- (7) On the expiration date, the Reporting Person is obligated to deliver either (i) if the final value, as determined pursuant to the agreement governing the notes (the "Final Value") of each of the shares in reference basket described below is equal to or greater than the initial value of such share, \$5 million, or (ii) if the Final Value of one or more of the reference stocks is less than the initial value of such share(s), the Reference Asset Amount, as defined in the agreement governing the note, for the worst performing of the reference shares. [Continued in footnote 8]

- (8) [Continued from footnote 7] The reference basket currently consists of three stocks, one of which is Common Stock, but is subject to adjustment for certain merger and other reorganization type events. The Reference Asset Amount is generally, for each \$1000 principal amount of the notes, a number of shares of the reference issuer obtained by dividing 1000 by the initial price of the reference stock. The notes bear interest at a rate of 18% per annum, payable in arrears. The initial per share price of Common Stock included in the reference basket is \$108.95.

- (9) On the expiration date, the Reporting Person is obligated to deliver either (i) if the share return, as determined pursuant to the agreement governing the notes (the "Return") of each of the shares in the reference basket described below is equal to or greater than 1, the principal amount of the notes, or (ii) if the Return of one or more of the reference stocks is less than 1, an amount determined by multiplying the principal amount of the notes by the Return of the worst performing of the reference shares, but not less than .01. The reference basket currently consists of three stocks, one of which is Common Stock, but is subject to adjustment for certain merger and other reorganization type events. The initial per share price of Common Stock included in the reference basket is \$82.00.

- (10) On the expiration date, the Reporting Person is obligated to deliver either (i) if the share return, as determined pursuant to the agreement governing the notes (the "Return") of each of the shares in the reference basket described below is equal to or greater than 1, the principal amount of the notes, or (ii) if the Return of one or more of the reference stocks is less than 1, an amount determined by multiplying the principal amount of the notes by the Return of the worst performing of the reference shares, but not less than .01. The reference basket currently consists of three stocks, one of which is Common Stock, but is subject to adjustment for certain merger and other reorganization type events. The initial per share price of Common Stock included in the reference basket is \$84.23.

Â

Remarks:

This Form 3 is the second of two Form 3s being filed to reflect Reporting Person's initial benefit as of 04/07/2008.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, See Instruction 6 for procedure.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.