




## 4 Year Global Equity Index Allocation CD

*Preliminary and Indicative Terms  
as of May 3, 2007*

THIS PRODUCT FACT SHEET IS INTENDED FOR THE CONVENIENCE OF THE INVESTOR. ANY DECISION TO PURCHASE THE CD SHOULD NOT BE BASED ON THIS PRODUCT FACT SHEET BUT ONLY UPON THE CAREFUL REVIEW OF THE DISCLOSURE STATEMENT FOR CERTIFICATES OF DEPOSIT GENERALLY AND THE SUPPLEMENT TO DISCLOSURE STATEMENT FOR GLOBAL EQUITY INDEX ALLOCATION CERTIFICATES OF DEPOSIT, THE TERMS OF WHICH GOVERN.

### Product Highlights

- 4 Year Certificate of Deposit (“CD”) issued by Custodial Trust Company (the “Bank”), an FDIC-insured New Jersey state-chartered bank.
- Expected maturity Date: [June 30, 2011].
- The CD is 100% principal protected, if held to maturity.
- The principal of this CD is  insured up to \$100,000 (\$250,000 for IRA Accounts) per depositor (subject to FDIC deposit aggregation rules).
- At maturity, a Performance Weighted Portfolio Return may be paid based upon the positive performance (if any) of three components (“Components”):
  - the S&P 500 Index (“SPX”);
  - the Dow Jones EUROSTOXX 50 Index (“SX5E”); and
  - the AMEX Hong Kong 30 Index (“HKX”).
- The performance of each Component will be determined by computing the arithmetic average of such Component’s closing levels on 16 quarterly observation dates during the term of the CD.
- The performance of the Components will be weighted as follows: 50% for the top performing Component; 30% for the middle performing Component; and 20% for the worst performing Component.
- There are no periodic interest payments.
- Bear, Stearns & Co. Inc. intends to provide liquidity under normal market conditions.
- Minimum CD purchase is \$10,000 and increments of \$1,000 thereafter.

**Selected Risk Factors:** *This is a partial list of certain risks associated with the CD. Please refer to the Supplement to Disclosure Statement for a fuller discussion of the risks.*

- Depositors may receive substantially less than the principal amount if the CD is sold or redeemed prior to maturity.
- Depositors may not receive full participation in the appreciation of the Components because the actual Component performance is based on the average of 16 quarterly observations during the term of the CD.
- Many factors may affect the Components; if the Performance Weighted Portfolio Return equals zero, no interest will be credited or paid to Depositors of the CDs.

- No periodic interest payments will be made during the term of the CD.
- The Performance Weighted Portfolio Return, if any, and any gains realized on disposition may be considered ordinary income for US taxpayers, who may also be subject to tax liability on phantom income in accordance with the OID rules. The comparable yield of the CDs is currently calculated as an annual rate of [5.06]%. **Depositors should consult their own tax advisor in determining the tax consequences of holding this CD.**
- Although the Lead Agent intends to provide a limited secondary market, they have no obligation to do so.

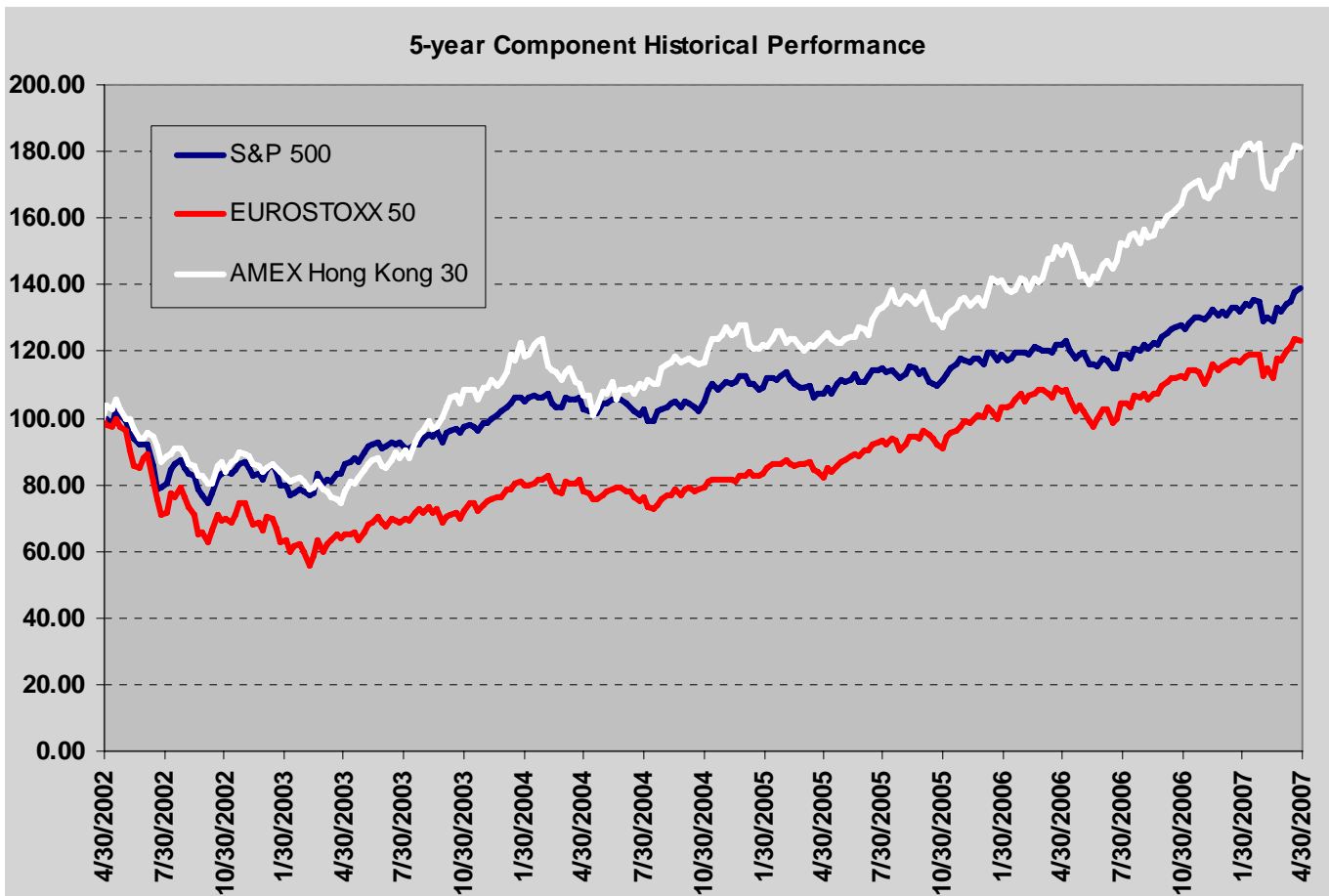
**Lead Agent:** Bear Stearns & Co, Inc.

**Initial Fixing Date:** [June 25, 2007].

**Issue Date:** [June 28, 2007].

**Averaging Dates:** [September 25, 2007, December 27, 2007, March 25, 2008, June 25, 2008, September 25, 2008, December 29, 2008, March 25, 2009, June 25, 2009, September 25, 2009, December 28, 2009, March 25, 2010, June 25, 2010, September 27, 2010, December 28, 2010, March 25, 2011 and June 27, 2011., subject to adjustment].

**CUSIP:** 23187P3X7



Source: Bloomberg