BEAR STEARNS COMPANIES INC
Form 424B5
June 16, 2006

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PRICING SUPPLEMENT
(To Prospectus Dated February 2, 2005
and Prospectus Supplement Dated February 16, 2006)

The Bear Stearns Companies Inc.

$850,000 Reverse Convertible Notes
14.5% Coupon, due June 19, 2007
Linked to the Common Stock of XM Satellite Radio Holdings Inc. (XMSR)

Terms used herein are defined in the prospectus supplement. The Notes offered will have the terms described in the prospectus supplement and the prospectus, as supplemented or modified by this pricing supplement. **THE NOTES DO NOT GUARANTEE ANY RETURN OF PRINCIPAL AT MATURITY.**

Reference Asset:	Common stock, par value $0.01 per share, of XM Satellite Radio Holdings Inc. (traded on The Nasdaq Stock Market ("Nasdaq") under the symbol "XMSR").
Principal amount:	$850,000
Pricing Date:	June 14, 2006
Original Issue Date:	June 19, 2006
Calculation Date:	June 14, 2007, subject to postponement in the event of certain Market Disruption Events.
Maturity Date:	June 19, 2007
Coupon rate:	14.5% per annum, paid quarterly in arrears and calculated on the basis of a 360 day year of 12 equal 30-day months.
Interest Payment Dates:	On the 19th day of each September, December, March and June until maturity, commencing on September 19, 2006.
Initial Level:	$13.32, the Closing Price of the Reference Asset on the Pricing Date.
Final Level:	The Closing Price of the Reference Asset on the Calculation Date.
Contingent Protection Level:	70% of the Initial Level.
Contingent Protection Price:	$9.32, equal to the product of the Contingent Protection Level and the Initial Level.
Payment at maturity:	We will pay you 100% of the principal amount of your Note if *either* of the following is true: (i) the Trading Level of the Reference Asset never equals or falls below the Contingent Protection Level on any day from the Pricing Date to and including the Calculation Date; *or* (ii) the Final Level of the Reference Asset is equal to or greater than the Initial Level of the Reference Asset. However, if *both* of the following are true, the amount of principal you receive at maturity will be reduced by the percentage decrease in the Reference Asset: (i) the Trading Level of the Reference Asset ever equals or falls below the Contingent Protection Level on any day from the Pricing Date to and including the Calculation Date; *and* (ii) the Final Level of the Reference Asset is less than the Initial Level of the Reference Asset. In that event, we, at our option, will either: (i) physically deliver to you an amount of the Reference Asset equal to the Exchange Ratio plus the Fractional Share Cash Amount (which means that you will receive shares with a market value that is less than the full principal amount of your Notes); or (ii) pay you a cash amount equal to the principal amount you invested reduced by the percentage decrease in the Reference Asset. It is our intent to physically deliver the Reference Asset when applicable, but we reserve the right to settle the Note in cash.
Exchange Ratio:	75; *i.e.*, $1,000 divided by the Initial Level.

Fractional Share Cash Amount:	An amount in cash per Note equal to the Final Level multiplied by the difference between (x) $1,000 divided by the Initial Level (rounded to the nearest three decimal places), and (y) the Exchange Ratio.
CUSIP:	073902KN7
Listing:	The Notes will not be listed on any U.S. securities exchange or quotation system.

INVESTMENT IN THE NOTES INVOLVES CERTAIN RISKS. YOU SHOULD REFER TO "RISK FACTORS" BEGINNING ON PAGE PS 4 BELOW.

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%	$ 850,000.00
Agent's discount	1.765%	$ 15,002.50
Proceeds, before expenses, to us	98.235%	$ 834,997.50

We may grant the agents a 30-day option from the date of the final pricing supplement, to purchase from us up to an additional $127,000 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 the Original Issue Date, 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.

Bear, Stearns & Co. Inc.

June 14, 2006

WHERE YOU CAN FIND MORE INFORMATION

We have filed a registration statement (including a prospectus, as supplemented by a prospectus supplement) with the SEC, for the offering to which this pricing supplement relates. Before you invest, you should read the prospectus and prospectus supplement and any other documents relating to this offering that we have filed with the SEC for more complete information about us and this offering. You should carefully consider, among other things, the matters set forth in "Risk Factors" in the pricing supplement, as the Notes involve risks not associated with conventional debt securities. We urge you to consult your investment, legal, tax, accounting and other advisers before you invest in the Notes. You may get these documents without cost by visiting EDGAR on the SEC web site at www.sec.gov. Alternatively, the Agent will arrange to send you the prospectus and the prospectus supplement if you so request by calling toll-free 866-803-9204.

You may access these documents on the SEC web site at www.sec.gov as follows:

Prospectus Supplement, dated February 16, 2006, and Prospectus, dated February 2, 2005:
http://www.sec.gov/Archives/edgar/data/777001/000104746906002070/a2167609z424b2.htm

RETURN ON THE NOTES

The Notes are not principal protected and you may lose some or all of your principal.

Payment at Maturity

We will pay you 100% of the principal amount of your Notes, in cash, at maturity if *either* of the following is true: (i) the Trading Level of the Reference Asset never equals or falls below the Contingent Protection Level on any day from the Pricing Date to and including the Calculation Date; or (ii) the Final Level of the Reference Asset is equal to or greater than the Initial Level of the Reference Asset.

However, if *both* of the following are true, the amount of principal you receive at maturity will be reduced by the percentage decrease in the Reference Asset: (i) the Trading Level of the Reference Asset ever equals or falls below the Contingent Protection Level on any day from the Pricing Date to and including the Calculation Date; *and* (ii) the Final Level of the Reference Asset is less than the Initial Level of the Reference Asset.

In that event, we, at our option, will either: (i) physically deliver to you an amount of the Reference Asset equal to the Exchange Ratio plus the Fractional Share Cash Amount (which means that you will receive shares with a market value that is less than the full principal amount of your Notes); or (ii) pay you a cash amount equal to the principal amount you invested reduced by the percentage decrease in the Reference Asset. It is our intent to physically deliver the Reference Asset when applicable, but we reserve the right to settle the Note in cash.

We will (i) provide written notice to the Trustee and to the Depositary, on or prior to the Business Day immediately prior to the Maturity Date of the amount of cash or number of shares of the Reference Asset (and cash in respect of coupon payments and cash in respect of any fractional shares of the Reference Asset), as applicable, to be delivered, and (ii) deliver such cash or shares of the Reference Asset (and cash in respect of coupon payments and cash in respect of any fractional shares of the Reference Asset), if applicable, to the Trustee for delivery to you. The Calculation Agent shall determine the Exchange Ratio.

Interest

The interest rate, if any, is designated on the cover of this pricing supplement. The interest paid will include interest accrued from the Original Issue Date up to, but excluding, the relevant Interest Payment Date or Maturity Date. Interest will be paid to the person in whose name the Note is registered at the close of business on the Record Date before each Interest Payment Date. However, interest payable on the Maturity Date will be payable to the person to whom principal is payable. If the Interest Payment Date is also a day on which principal is due, the interest payable will include interest accrued to, but excluding, the stated Maturity Date.

RISK FACTORS

You will be subject to significant risks not associated with conventional fixed-rate or floating-rate debt securities. 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.

The following highlights some, but not all, of the risk considerations relevant to investing in the Notes. **The following must be read in conjunction with the sections "Risk Factors" and "Risk Factors Additional Risks Relating to Notes with an Equity Security or Equity Index as the Reference Asset," beginning on pages S-5 and S-12, respectively, in the Prospectus Supplement.**

Suitability of Note for Investment A person should reach a decision to invest in the Notes after carefully considering, with his or her advisors, the suitability of the Notes in light of his or her investment objectives and the information set out in the Pricing Supplement. Neither the Issuer nor any dealer participating in the offering makes any recommendation as to the suitability of the Notes for investment.

Not Principal Protected The Notes are not principal protected. If *both* of the following are true, the amount of principal you receive at maturity will be reduced by the percentage decrease in the Reference Asset: (i) the Trading Level of the Reference Asset ever equals or falls below the Contingent Protection Level on any day from the Pricing Date to and including the Calculation Date; *and* (ii) the Final Level of the Reference Asset is less than the Initial Level of the Reference Asset. In that event, we, at our option, will either: (i) physically deliver to you an amount of the Reference Asset equal to the Exchange Ratio plus the Fractional Share Cash Amount (which means that you will receive shares with a market value that is less than the full principal amount of your Notes); or (ii) pay you a cash amount equal to the principal amount you invested reduced by the percentage decrease in the Reference Asset.

Return Limited to Coupon Your return is limited to the principal amount you invested plus the coupon payments. You will not participate in any appreciation in the value of the Reference Asset.

No Secondary Market Because the Notes will not be listed on any securities exchange, a secondary trading market is not expected to develop, and, if such a market were to develop, it may not be liquid. Bear, Stearns & Co. Inc. intends under ordinary market conditions to indicate prices for the Notes on request. However, there can be no guarantee that bids for outstanding Notes will be made in the future; nor can the prices of those bids be predicted.

No Interest, Dividend or Other Payments You will not receive any interest or dividend payments or other distributions on the stock comprising the Reference Asset; nor will such payments be included in the calculation of the Cash Settlement Value you will receive at maturity.

Taxes We intend to treat each Note as a put option written by you in respect of the Reference Asset and a deposit with us of cash in an amount equal to the issue price of the Note to secure your potential obligation under the put option, and we intend to treat the deposit as a short-term obligation for U.S. federal income tax purposes. Pursuant to the terms of the Notes, you agree to treat the Notes in accordance with this characterization for all U.S. federal income tax purposes. However, because there are no regulations, published rulings or judicial decisions addressing the characterization for U.S. federal income tax purposes of securities with terms that are substantially the same as those of the Notes, other characterizations and treatments are possible. See "Certain U.S. Federal Income Tax Considerations" below.

The Notes may be Affected by Certain Corporate Events and you will have Limited Antidilution Protection Following certain corporate events relating to the underlying Reference Asset (where the underlying company is not the surviving entity), you will receive at maturity, cash or a number of shares of the common stock of a successor corporation to the underlying company, based on the Closing Price of such successor's common stock. The Calculation Agent for the Notes will adjust the amount payable at maturity by adjusting the Initial Level of the Reference Asset, Contingent Protection Level, Contingent Protection Price and Exchange Ratio for certain events affecting the Reference Asset, such as stock splits and stock dividends and certain other corporate events involving an underlying company. However, the Calculation Agent is not required to make an adjustment for every corporate event that can affect the Reference Asset. If an event occurs that is perceived by the market to dilute the Reference Asset but that does not require the Calculation Agent to adjust the amount of the Reference Asset payable at maturity, the market value of the Notes and the amount payable at maturity may be materially and adversely affected.

ILLUSTRATIVE EXAMPLES

The following are illustrative examples demonstrating the hypothetical amount payable at maturity based on the assumptions outlined below. These examples do not purport to be representative of every possible scenario concerning increases or decreases in the Reference Asset or of the movements that are likely to occur with respect to the relevant Reference Asset. You should not construe these examples or the data included in tables as an indication of the expected performance of the Notes. Some amounts are rounded and actual returns may be different.

Assumptions:

Investor purchases $1,000 principal amount of Notes on the Pricing Date at the initial offering price of 100% and holds the Notes to maturity. No Market Disruption Events or Events of Default occur during the term of the Notes.

Initial Level: $13.32

Contingent Protection Level: 70%

Contingent Protection Price: $9.32 ($13.32 × 70%)

Exchange Ratio: 75 ($1,000/$13.32)

Coupon: 14.5% per annum, paid quarterly ($36.25 per quarter) in arrears.

The reinvestment rate on any interest payments made during the term of the Notes is assumed to be 0%. The 1-year total return on a direct investment in the Reference Asset is calculated below prior to the deduction of any brokerage fees or charges. Both a positive reinvestment rate, or if any brokerage fees or charges were incurred, would increase the total return on the Notes relative to the total return of the Reference Asset.

Maturity: 1 year

Dividend and dividend yield on the Reference Asset: $0.00 and 0.00% per annum.

Example 1 On the Calculation Date, the Final Level of $14.65 is greater than the Initial Level, resulting in a payment at maturity of $1,000, regardless of whether the Contingent Protection Price was ever reached or breached, plus four interest payments of $36.25 each, for payments totaling $1,145.00. If you had invested directly in the Reference Asset for the same one-year period, you would have received total cash payments of $1,099.84 (number of shares of the Reference Asset multiplied by the Final Level, plus the dividend payments), assuming liquidation of shares at the Final Level. You would have earned a 14.50% return with an investment in the Notes and a 9.98% return with a direct investment in the Reference Asset.

Example 2 On the Calculation Date, the Final Level of $11.99 is below the Initial Level, but the Trading Level never equaled or fell below the Contingent Protection Price. As discussed in example 1 above, an investor would receive total payments of $1,145.00, earning a 14.50% return over the term of the Notes. A direct investment in the Reference Asset during that same one-year time period would have generated a return of $900.15 (number of shares of the Reference Asset multiplied by the Final Level, plus the dividend payments), assuming liquidation of shares at the Final Level. You would have earned a 14.50% return with an investment in the Notes and incurred a loss of 9.99% with a direct investment in the Reference Asset.

Example 3 On the Calculation Date, the Final Level of $7.33 is below the Initial Level and also is below the Contingent Protection Price. At our election, an investor would receive a number of shares equal to the Exchange Ratio, plus the Fractional Share Cash Amount plus the four interest payments of $36.25, which is 75 shares (worth $7.33 each) plus $0.55 (the Fractional Share Cash Amount) plus $145.00 (four interest payments of $36.25 each). The cash equivalent equals $695.30. If you had invested directly in the Reference Asset for the same one-year period, you would have received total cash payments of $550.30 (number of shares of the Reference Asset multiplied by the Final Level, plus the dividend payments), assuming liquidation of shares at the Final Level. An investment in the Notes would have resulted in a loss of 30.47%, while a direct investment in the Reference Asset would have resulted in a loss of 44.97%.

Table of Hypothetical Cash Settlement Values

Assumes the Trading Level *Never* Equals or Falls Below the Contingent Protection Price Before the Calculation Date

		Investment in the Notes			Direct Investment in the Reference Asset		
Initial Level	**Hypothetical Final Level**	**Cash Settlement Value**	**Total Coupon Payments (in % Terms)**	**1-Year Total Return**	**Percentage Change in Value of Reference Asset**	**Dividend Yield**	**1-Year Total Return**
13.32	26.54	$ 1,000.00	14.50%	14.50%	99.24%	0.00%	99.24%
13.32	21.23	$ 1,000.00	14.50%	14.50%	59.39%	0.00%	59.39%
13.32	17.69	$ 1,000.00	14.50%	14.50%	32.83%	0.00%	32.83%
13.32	15.38	$ 1,000.00	14.50%	14.50%	15.50%	0.00%	15.50%
13.32	13.99	$ 1,000.00	14.50%	14.50%	5.00%	0.00%	5.00%
13.32	13.32	$ 1,000.00	14.50%	14.50%	0.00%	0.00%	0.00%
13.32	12.65	$ 1,000.00	14.50%	14.50%	-5.00%	0.00%	-5.00%
13.32	11.39	$ 1,000.00	14.50%	14.50%	-14.50%	0.00%	-14.50%
13.32	9.68	$ 1,000.00	14.50%	14.50%	-27.33%	0.00%	-27.33%

Table of Hypothetical Cash Settlement Values

Assumes the Trading Level *Does* Equal or Fall Below the Contingent Protection Price Before the Calculation Date

		Investment in the Notes			Direct Investment in the Reference Asset		
Initial Level	**Hypothetical Final Level**	**Cash Settlement Value**	**Total Coupon Payments (in % Terms)**	**1-Year Total Return**	**Percentage Change in Value of Reference Asset**	**Dividend Yield**	**1-Year Total Return**
13.32	26.54	$ 1,000.00	14.50%	14.50%	99.24%	0.00%	99.24%
13.32	21.23	$ 1,000.00	14.50%	14.50%	59.39%	0.00%	59.39%
13.32	17.69	$ 1,000.00	14.50%	14.50%	32.83%	0.00%	32.83%
13.32	15.38	$ 1,000.00	14.50%	14.50%	15.50%	0.00%	15.50%
13.32	13.99	$ 1,000.00	14.50%	14.50%	5.00%	0.00%	5.00%
13.32	13.32	$ 1,000.00	14.50%	14.50%	0.00%	0.00%	0.00%
13.32	12.65	$ 950.00	14.50%	9.50%	-5.00%	0.00%	-5.00%
13.32	11.39	$ 855.00	14.50%	0.00%	-14.50%	0.00%	-14.50%
13.32	9.68	$ 726.75	14.50%	-12.83%	-27.33%	0.00%	-27.33%
13.32	7.74	$ 581.40	14.50%	-27.36%	-41.86%	0.00%	-41.86%
13.32	5.81	$ 436.05	14.50%	-41.90%	-56.40%	0.00%	-56.40%
13.32	4.07	$ 305.24	14.50%	-54.98%	-69.48%	0.00%	-69.48%
13.32	2.64	$ 198.40	14.50%	-65.66%	-80.16%	0.00%	-80.16%
13.32	1.59	$ 119.04	14.50%	-73.60%	-88.10%	0.00%	-88.10%
13.32	0.87	$ 65.47	14.50%	-78.95%	-93.45%	0.00%	-93.45%
13.32	0.44	$ 32.74	14.50%	-82.23%	-96.73%	0.00%	-96.73%
13.32	0.20	$ 14.73	14.50%	-84.03%	-98.53%	0.00%	-98.53%

REFERENCE ASSET

Additional Information Regarding the Reference Asset

We urge you to read the section "Sponsors or Issuers and Reference Asset" on page S-20 in the Prospectus Supplement. Companies with securities registered under the Exchange Act are required to file periodically certain financial and other information specified by the SEC. Information provided to or filed with the SEC electronically can be accessed through a website maintained by the SEC. The address of the SEC's website is http://www.sec.gov. Information provided to or filed with the SEC pursuant to the Exchange Act by a company issuing a Reference Asset can be located by reference to the SEC file number provided below.

The summary information below regarding the company issuing the stock comprising the Reference Asset comes from the issuer's SEC filings and has not been independently verified by us. We do not make any representations as to the accuracy or completeness of such information or of any filings made by the issuer of the Reference Asset with the SEC. **Investors are urged to refer to the SEC filings made by the issuer and to other publicly available information (such as the issuer's annual report) to obtain an understanding of the issuer's business and financial prospects. The summary information contained below is not designed to be, and should not be interpreted as, an effort to present information regarding the financial prospects of the issuer or any trends, events or other factors that may have a positive or negative influence on those prospects or as an endorsement of the issuer.**

XM Satellite Radio Holdings Inc. ("XMSR")

XM Satellite Radio Holdings Inc.'s ("XM") common stock, par value $0.01 per share, trades on Nasdaq under the symbol "XMSR." XM is a satellite radio service company providing to over 6 million subscribers music, news, talk, information, entertainment and sports programming for reception by vehicle, home and portable radios nationwide and over the Internet. The full channel lineup as of January 31, 2006 includes over 160 channels, featuring 67 commercial-free music channels; 34 news, talk and entertainment channels; 39 sports channels; 21 Instant Traffic & Weather channels; and one emergency alert channel. Also included in the XM radio service, at no additional charge, are the XM customizable sports and stock tickers available to users of the latest receivers such as SkyFi 2, XM2go and Roady XT. **XM's SEC file number is 000-27441**.

Historical Performance of the Reference Asset

The following table sets forth on a per share basis the high and low closing prices during the applicable quarter, as well as end-of-quarter closing prices, for the Reference Asset during the periods indicated below. We obtained the information in the tables below from Bloomberg Financial Markets, without independent verification.

Quarter Ending	Quarterly High	Quarterly Low	Quarterly Close	Quarter Ending	Quarterly High	Quarterly Low	Quarterly Close
March 30, 2001	21.06	6.38	6.94	December 31, 2003	27.30	15.56	26.29
June 29, 2001	17.50	3.87	16.20	March 31, 2004	29.96	20.55	27.93
September 28, 2001	17.20	4.02	5.24	June 30, 2004	30.96	20.35	27.29
December 31, 2001	20.68	4.30	18.36	September 30, 2004	31.52	23.55	31.02
March 29, 2002	19.20	10.70	13.77	December 31, 2004	40.89	27.50	37.62
June 28, 2002	14.70	6.26	7.25	March 31, 2005	38.28	27.99	31.63
September 30, 2002	7.70	2.63	3.90	June 30, 2005	34.83	26.16	33.66
December 31, 2002	4.12	1.66	2.69	September 30, 2005	37.31	32.57	35.91
March 31, 2003	6.90	2.40	5.89	December 31, 2005	36.91	26.99	27.28
June 30, 2003	13.28	5.56	10.99	March 31, 2006	30.46	19.66	22.27
September 30, 2003	16.90	10.02	15.50	April 1, 2006 to May 12, 2006 only	24.21	16.81	17.09

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following discussion supercedes the discussion set forth in "Certain U.S. Federal Income Tax Considerations" in the Prospectus Supplement, but is subject to the limitations and qualifications set forth therein. In the opinion of Cadwalader, Wickersham & Taft LLP, special U.S. tax counsel to us, the following discussion summarizes certain of the material U.S. federal income tax consequences of the purchase, beneficial ownership, and disposition of the Notes.

There are no regulations, published rulings or judicial decisions addressing the characterization for U.S. federal income tax purposes of securities with terms that are substantially the same as those of the Notes. Under one approach, the Notes should be treated for federal income tax purposes as a put option written by you (the "Put Option") that permits us to sell the Reference Asset to you at the maturity date for an amount equal to the principal amount of the Note, or "cash settle" the Put Option (i.e., require you to pay us at the maturity date the difference between the principal amount of the Note and the value of the Reference Asset at such time), and a deposit with us of cash in an amount equal to the "issue price" of your Notes (the "Deposit") to secure your potential obligation under the Put Option and which is treated as a short term debt instrument. Pursuant to the terms of the Notes, you agree to treat the Notes consistent with this approach for all U.S. federal income tax purposes. The balance of this summary assumes that the Notes are so treated. Each U.S. Holder should see "Certain U.S. Federal Income Tax Considerations Alternative Characterizations and Treatments" in the Prospectus Supplement.

A portion of any stated interest payment on a Note equal to 9%, per annum should be treated as put premium paid by us in respect of the Put Option (the "Put Premium"). The Put Premium should not be taxable to a U.S. Holder upon its receipt. If the Put Option expires unexercised (i.e., the payment at the maturity date is equal to the full principal amount of the Notes), the U.S. Holder should recognize the aggregate Put Premium received as short-term capital gain at such time.

If we exercise the Put Option and sell Reference Assets to a U.S. Holder, the U.S. Holder should not recognize any gain or loss (other than with respect to cash received in lieu of fractional shares, as described below) in respect of the Put Option. In this event, the U.S. Holder should have an adjusted tax basis in all Reference Assets received (including for this purpose any fractional shares) equal to the principal amount of the Note less the total Put Premium received. The U.S. Holder's holding period for any Reference Assets received should start on the day after the delivery of the Reference Assets. The U.S. Holder should generally recognize a short-term capital gain or loss with respect to cash received in lieu of fractional shares in an amount equal to the difference between the amount of such cash received and the U.S. Holder's basis in the fractional shares, which is equal to the U.S. Holder's basis in all of the Reference Assets (including the fractional shares), times a fraction, the numerator of which is the fractional shares and the denominator of which is all of the Reference Assets (including fractional shares).

U.S. Holders should consult the offering documents for the Reference Asset for the U.S. federal income tax treatment of acquiring, owning and selling the Reference Asset.

If we elect to cash settle the Put Option, a U.S. Holder should generally recognize a short-term capital gain or loss equal to (i) the amount of cash received on the Note less (ii) the principal amount of the Note, less the total Put Premium received.

U.S. Holders that report income for federal income tax purposes on the accrual method and certain other U.S. Holders are required to include in income original issue discount (or if the U.S. Holder elects, acquisition discount, in lieu of original issue discount) on the Deposit as it accrues.

The aggregate original issue discount that will be required to be accrued will equal the difference between all payments on the Note (other than amounts representing Put Premium) over the issue price of the Note (which is also the issue price of the Deposit), reduced to the extent that the U.S. Holder purchases a Note for more than its issue price. The issue price of a Note generally is the first price at which a substantial amount of the offering of the Notes is sold to the public for money (excluding sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). For purposes of this disclosure, we assume that the issue price of the Notes will equal 99% of the principal amount of the Notes. You may obtain the issue price of the Note by contacting The Bear Stearns Companies Inc., Bill Bamber at (212) 272-6635. A U.S. Holder that accrues original issue discount on the Note will not be taxable again upon receipt of the portion of the yield on the Note that represents a payment of accrued original issue discount.

The aggregate amount of acquisition discount that will be required to be accrued by a U.S. Holder (if a U.S. Holder elects to accrue acquisition discount in lieu of original issue discount) will equal the difference between all payments under the Note (other than amounts representing Put Premium) over the U.S. Holder's purchase price of the Deposit. A U.S. Holder that elects to accrue acquisition discount will not be taxable again upon receipt of the portion of the yield on the Note that represents a payment of accrued acquisition discount.

Original issue discount and acquisition discount on the Deposit is accrued on a straight-line basis, unless an irrevocable election is made with respect to the Deposit to accrue the original issue discount or acquisition discount under the constant yield method based on daily compounding.

In general, an individual or other cash method U.S. Holder of a Note is not required to accrue original issue discount or acquisition discount with respect to the Deposit for federal income tax purposes, unless the U.S. Holder elects to do so. If a U.S. Holder does not elect to accrue original issue discount or acquisition discount with respect to the Deposit, the U.S. Holder will be taxable on the portion of the yield on the Deposit in the taxable year it is received. An election by a cash basis U.S. Holder to accrue original issue discount on the Deposit, as well as the election to accrue acquisition discount instead of original issue discount with respect to a Deposit, applies to all short-term debt instruments acquired by the U.S. Holder during the first taxable year for which the election is made, and all subsequent taxable years of the U.S. Holder, unless the IRS consents to a revocation. Non-electing U.S. Holders that are not required to include currently original issue discount or acquisition discount with respect to a Deposit will be required to defer deductions for any interest paid on indebtedness incurred or continued to purchase or carry the Deposit in an amount not exceeding the untaxed portion of the accrued original issue discount or acquisition discount (determined on a ratable basis, unless the U.S. Holder elects to use a constant yield basis) on the Deposit, until the original issue discount or acquisition discount is recognized.

Upon the exercise or cash settlement of a Put Option, a U.S. Holder that is not required and does not elect to include original issue discount or acquisition discount in income currently will recognize ordinary income equal to the untaxed portion of the original issue discount.

Upon a sale, redemption, or other taxable disposition of a Note for cash, a U.S. Holder should allocate the cash received between the Deposit and the Put Option on the basis of their respective values on the date of sale. The U.S. Holder should generally recognize gain or loss with respect to the Deposit in an amount equal to the difference between the amount of the sales proceeds allocable to the Deposit and the U.S. Holder's adjusted tax basis in the Deposit (which will generally equal the initial purchase price of your Note increased by any accrued acquisition discount or original issue discount previously included in income on the Deposit, and reduced by the portion of your yield on the Note that does not represent Put Premium). Such gain or loss should be capital gain or loss and should be long-term capital gain or loss if a U.S. Holder is treated as having held the Deposit for more than one year at the time of such disposition. However, in the case of a U.S. Holder that is not required and does not elect to include original issue discount or acquisition discount in income currently, any gain realized on the sale, exchange or other taxable disposition of the Deposit (i.e., by selling a Note) will be treated as ordinary income to the extent of the untaxed portion of original issue discount that had accrued on a straight-line basis (or, if elected, under the constant yield method based on daily compounding) through the date of sale, exchange or other disposition. If the Put Option has a positive value on the date of a sale of a Note, the U.S. Holder should recognize short-term capital gain equal to the portion of the sale proceeds allocable to the Put Option plus any previously received Put Premium. If the Put Option has a negative value on the date of sale, the U.S. Holder should be treated as having paid the buyer an amount equal to the negative value in order to assume the U.S. Holder's rights and obligations under the Put Option. In such a case, the U.S. Holder should recognize a short-term capital gain or loss in an amount equal to the difference between the total Put Premium previously received and the amount of the payment deemed made by the U.S. Holder with respect to the assumption of the Put Option. The amount of the deemed payment will be added to the sales price allocated to the Deposit in determining the gain or loss in respect of the Deposit. The deductibility of capital losses by U.S. Holders is subject to limitations.

PROSPECTIVE PURCHASERS OF NOTES SHOULD CONSULT THEIR TAX ADVISORS AS TO THE FEDERAL, STATE, LOCAL, AND OTHER TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF NOTES.

ERISA CONSIDERATIONS

You should carefully consider, among other things, the matters set forth in "ERISA Considerations" in the Prospectus.

PROSPECTUS SUPPLEMENT
(To Prospectus Dated February 2, 2005)

$12,410,781,162
The Bear Stearns Companies Inc.
Prospectus Supplement - Reverse Convertible All Asset Classes
Medium-Term Notes, Series B

We may offer from time to time Notes that may pay a rate of interest during the term of the Notes and at maturity will pay an amount in U.S. dollars or, in the case of Notes relating to equity securities, entail physical delivery of shares of stock of an issuer not affiliated with us or payment of an amount in U.S. dollars. The specific terms of any such Notes that we offer will be included in the applicable pricing supplement. Set forth under Definitions are definitions of the material terms used in this prospectus supplement and in the applicable pricing supplement. If the terms described in the applicable pricing supplement are inconsistent with those described herein or in the accompanying prospectus, the terms described in the applicable pricing supplement will supersede. The Notes will have the following general terms:

No Principal Protection

As described herein, the amount of the principal payment at maturity will depend on two variables: (i) the Trading Level of the Reference Asset during the term of the Notes; and (ii) the relationship between the Final Level of the Reference Asset and the Initial Level of the Reference Asset.

The principal amount of your investment is not protected and you may receive less, and possibly significantly less, than the amount you invested.

Interest Rate and Interest Payments

The Notes may have a fixed or floating interest rate or may pay no interest, in each case as specified in the applicable pricing supplement. Any interest on the Notes will be paid on the dates set forth in the applicable pricing supplement.

Ranking

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

Reference Asset

The principal, interest or any other amounts payable on the Notes may be based on price movements in or other events relating to one or more securities, commodities, foreign currencies, interest rates, indices or baskets comprised of any of those instruments or measures, or other measures or instruments, including the occurrence or nonoccurrence of any event or circumstance.

Maturity

The applicable pricing supplement will specify the Maturity Date.

Denominations

The Notes will be issued in minimum denominations of $1,000 (or the specified currency equivalent), increased in multiples of $1,000 (or the specified currency equivalent); provided, however, that the minimum purchase for any purchaser domiciled in a Member State of the European Union shall be $100,000.

Principal Payment at Maturity

We will pay you 100% of the principal amount of your Notes, in cash, at maturity if either of the following is true: (i) the Trading Level of the Reference Asset never equals or falls below the Contingent Protection Level during the term of the Notes; or (ii) the Final Level of the

Reference Asset is equal to or greater than the Initial Level of the Reference Asset.

However, if both of the following are true, the amount of principal you receive at maturity will be reduced by the percentage decrease in the Reference Asset: (i) the Trading Level of the Reference Asset ever equals or falls below the Contingent Protection Level during the term of the Notes; and (ii) the Final Level of the Reference Asset is less than the Initial Level of the Reference Asset. In that event, the manner in which the Notes will be settled on the Maturity Date will depend on whether the Reference Asset is an equity security.

If the Reference Asset is an equity security, we, at our option, will either: (i) physically deliver to you an amount of the Reference Asset equal to the Exchange Ratio plus the Fractional Share Cash Amount (which means that you will receive shares with a market value that is less than the full principal amount of your Notes); or (ii) pay you a cash amount equal to the principal amount you invested reduced by the percentage decrease in the Reference Asset.

If the Reference Asset is not an equity security, we will pay you an amount in cash equal to the principal amount you invested reduced by the percentage decrease in the Reference Asset.

INVESTMENT IN THE NOTES INVOLVES CERTAIN RISKS. SEE RISK FACTORS BEGINNING ON PAGE S-5.

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.

The Agents may solicit offers to purchase the Notes as our agent. We may sell Notes to the Agent as principal at prices to be agreed upon at the time of sale. The Agents may resell any Notes they purchase as principal at prevailing market prices, or at other prices, as the Agents determine. The Agents may use this prospectus supplement and the accompanying prospectus in connection with offers and sales of the securities in market-making transactions.

Bear, Stearns & Co. Inc.

February 16, 2006

Offers and sales of the Notes are subject to restrictions in certain jurisdictions. The distribution of this prospectus supplement and the accompanying 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 prospectus supplement and accompanying prospectus or any Notes must inform themselves about and observe any applicable restrictions on the distribution of this prospectus supplement and the accompanying prospectus and the offer and sale of the Notes.

SUMMARY

The following summary describes the Notes in general terms only. You should read the summary together with the more detailed information contained in this prospectus supplement, in the accompanying prospectus and in the applicable pricing supplement. We also may prepare free writing prospectuses that describe particular issuances of Notes. Any free writing prospectus also should be read in connection with this prospectus supplement and the accompanying prospectus. For purposes of this prospectus supplement, any references to an applicable pricing supplement also may refer to a free writing prospectus, unless the context otherwise requires.

Are the Notes principal protected?

The Notes are not principal protected and you may lose some or all of your principal. The amount of the principal payment at maturity will depend on two variables: (i) the Trading Level of the Reference Asset during the term of the Notes; and (ii) the relationship between the Final Level of the Reference Asset and the Initial Level of the Reference Asset.

You will receive 100% of the principal amount of your Notes, in cash, at maturity if either of the following is true: (i) the Trading Level of the Reference Asset never equals or falls below the Contingent Protection Level from the period beginning with the Original Issue Date up to and including the Calculation Date; or (ii) the Final Level of the Reference Asset is equal to or greater than the Initial Level of the Reference Asset.

However, the Notes will not be principal protected if both of the following are true: (i) the Trading Level of the Reference Asset ever equals or falls below the Contingent Protection Level from the period beginning with the Original Issue Date up to and including the Calculation Date, and (ii) the Final Level of the Reference Asset is less than the Initial Level of the Reference Asset. If both of those conditions are true, the principal amount of your investment will not be protected and you will receive less, and possibly significantly less, than the amount you invested.

What payments will be received at maturity?

We will pay you 100% of the principal amount of your Notes, in cash, at maturity if either of the following is true: (i) the Trading Level of the Reference Asset never equals or falls below the Contingent Protection Level from the period beginning with the Original Issue Date up to and including the Calculation Date; or (ii) the Final Level of the Reference Asset is equal to or greater than the Initial Level of the Reference Asset.

However, if both of the following are true, the amount of principal you receive at maturity will be reduced by the percentage decrease in the Reference Asset: (i) the Trading Level of the Reference Asset ever equals or falls below the Contingent Protection Level from the period beginning with the Original Issue Date up to and including the Calculation Date; and (ii) the Final Level of the Reference Asset is less than the Initial Level of the Reference Asset. In that event, the manner in which the Notes will be settled on the Maturity Date will depend on whether the Reference Asset is an equity security.

If the Reference Asset is an equity security, we, at our option, will either: (i) physically deliver to you an amount of the Reference Asset equal to the Exchange Ratio plus the Fractional Share Cash Amount (which means that you will receive shares with a market value that is less than the full principal amount of your Notes); or (ii) pay you a cash amount equal to the principal amount you invested reduced by the percentage decrease in the Reference Asset.

If the Reference Asset is not an equity security, we will pay you an amount in cash equal to the principal amount you invested reduced by the percentage decrease in the Reference Asset.

We will (i) provide written notice to the Trustee and to the Depositary, on or prior to the Business Day immediately prior to the Maturity Date of the amount of cash or number of shares of the Reference Asset (and cash in respect of coupon and cash in respect of any fractional shares of the Reference Asset), as applicable, to be delivered, and (ii) deliver such cash or shares of the Reference Asset (and cash in respect of coupon and cash in respect of any fractional shares of the Reference Asset), if applicable, to the Trustee for delivery to you. The Calculation Agent shall determine the Exchange Ratio.

What is the coupon rate and will interest payment be received during the term of the Notes?

The interest rate, if any, on the Notes will be either fixed or floating, as designated by the applicable pricing supplement. No interest may be payable with respect to certain Notes.

The interest paid, if any, will include interest accrued from the Original Issue Date to, but excluding, the relevant Interest Payment Date or Maturity Date. Interest will be paid to the person in whose name the Note is registered at the close of business on the Record Date before each Interest Payment Date. However, interest payable on the Maturity Date will be payable to the person to whom principal is payable. If the Interest Payment Date is also a day on which principal is due, the interest payable will include interest accrued to, but excluding, the stated Maturity Date.

Will the Notes be affected by various corporate events?

Yes. Following certain corporate events relating to the underlying Reference Asset, if that Reference Asset is one or more equity securities, such as a stock-for-stock merger where the underlying company is not the surviving entity, you will receive at maturity, cash or a number of shares of the common stock of a successor corporation to the underlying company, based on the Closing Price of such successor s common stock. The occurrence of such corporate events and the consequent adjustments may materially and adversely affect the value of the Notes. We describe the specific corporate events that can lead to these adjustments in the section Antidilution Adjustments for Equity Securities. You should read this section to understand these and other adjustments that may be made to the Notes.

ILLUSTRATIVE EXAMPLES

Reference Asset Is an Equity Security

The following are illustrative examples demonstrating the hypothetical amount payable at maturity based on the assumptions outlined below. Some amounts are rounded and actual returns may be different.

Assumptions:

Investor purchases $1,000 principal amount of Notes on the Pricing Date at the initial offering price of $1,000 and holds the Notes to maturity. No Market Disruption Events or Events of Default occur during the term of the Notes.

Reference Asset: common stock, par value $0.01, of a company traded on the NYSE.

Initial Level: $27.18

Contingent Protection Level: 80%

Contingent Protection Price: $21.74 ($27.18 x 80%)

Exchange Ratio: 36 ($1,000/$27.18)

Coupon: 9.00% per annum, paid semiannually ($45 per semiannual period) in arrears

The reinvestment rate is assumed to be 0.00%. A positive reinvestment rate would increase the total return on the Notes relative to the total return of the Reference Asset.

Maturity: 1 year

Fractional Share Cash Amount: $21.52

Dividend and dividend yield on the Reference Asset: $0.20 and 0.74% per annum

Example 1 On the Calculation Date, the Final Level of $29.90 is greater than the Initial Level, resulting in a payment at maturity of $1,000, regardless of whether the Contingent Protection Price was ever reached or breached. You would also have received two interest payments of $45, for a total of $1,090. If you had invested directly in the Reference Asset for the same one-year period, you would have received total cash payments of $1,100.27 (number of shares of the Reference Asset multiplied by the Final Level, plus the dividend payments), assuming liquidation of shares at the Final Level. You would have earned a 9.00% return with an investment in the Notes and a 10.03% return with a direct investment in the Reference Asset prior to the deduction of any brokerage fees or charges.

Example 2 On the Calculation Date, the Final Level of $24.46 is below the Initial Level, but the Trading Level never equaled or fell below the Contingent Protection Price. As discussed in example 1 above, an investor would receive total payments of $1,090, earning a 9.00% return over the term of the Notes. A direct investment in the Reference Asset for that same one-year time period would have generated a return of $900.12 (number of shares of the Reference Asset multiplied by the Final Level, plus the dividend payments), assuming liquidation of shares at the Final Level. You would have earned a 9.00% return with an investment in the Notes and incurred a loss of -9.99% with a direct investment in the Reference Asset prior to the deduction of any brokerage fees or charges.

Example 3 On the Calculation Date, the Final Level of $17.67 is below the Initial Level and also is below the Contingent Protection Price. At our election, an investor would receive a number of shares equal to the Exchange Ratio, plus the Fractional Share Cash Amount, plus the two interest payments of $45.00; or, 36 shares plus $111.52. The cash equivalent equals $747.64. If you had invested directly in the Reference Asset for the same one-year period, you would have received total cash payments of $650.31 (number of shares of the Reference Asset multiplied by the Final Level, plus the dividend payments), assuming liquidation of shares at the Final Level. An investment in the Notes would have resulted in a loss of -25.24%, while a direct investment in the Reference Asset would have resulted in a loss of -34.97% prior to the deduction of any brokerage fees or charges.

Reference Asset Is Not an Equity Security

The following are illustrative examples demonstrating the hypothetical amount payable at maturity based on the assumptions outlined below. Some amounts are rounded and actual returns may be different.

Assumptions:

Investor purchases $1,000 principal amount of Notes on the Pricing Date at the initial offering price of $1,000 and holds the Notes to maturity. No Market Disruption Events or Events of Default occur during the term of the Notes.

Reference Asset: U.S. equity index, such as the Dow Jones Industrial Average^{SM}

Initial Level: 10,237.18

Contingent Protection Level: 80%

Contingent Protection Price: 8,189.74 (10,237.18 x 80%)

Coupon: 9.00% per annum, paid semiannually ($45 per semiannual period) in arrears

Maturity: 1 year

Because the Reference Asset is an equity index (and not an equity security), regardless of the performance of the Reference Asset, any payment on the Maturity Date will be in cash.

Dividend and dividend yield on the Reference Asset: $0.00 and 0.00% per annum

Example 1 On the Calculation Date, the Final Level of 11,260.90 is greater than the Initial Level, resulting in a payment at maturity of $1,000, regardless of whether the Contingent Protection Price was ever reached or breached. You also would have received two interest payments of $45, for a total of $1,090. With a direct investment in an instrument indexed on a one-for-one basis to the Reference Asset during that same one-year time period, you would have received total cash payments over the term of the Notes of $1,100.00 (the sum of the principal amount, plus the product of the principal amount and the percentage increase in the Reference Asset) upon liquidation of such instrument at the Final Level. You would have earned a return of 9.00% with an investment in the Notes and a return of 10.00% with a direct investment in the Reference Asset prior to the deduction of any brokerage fees or charges.

Example 2 On the Calculation Date, the Final Level of 9,213.46 is below the Initial Level, but the Trading Level never equaled or fell below the Contingent Protection Price. As discussed in example 1 above, an investor would receive total payments of $1,090, earning 9.00% over the term of the Notes. With a direct investment in an instrument indexed on a one-for-one basis to the Reference Asset during that same one-year time period, you would have received total cash payments of $900.00 (the sum of the principal amount plus or minus the product of the principal amount and the percentage decrease in the Reference Asset) upon liquidation of such instrument at the Final Level. You would have earned a return of 9.00% with an investment in the Notes and incurred a loss of -10.00% with a direct investment in the Reference Asset prior to the deduction of any brokerage fees or charges.

Example 3 On the Calculation Date, the Final Level of 6,654.17 is below the Initial Level and is also below the Contingent Protection Price. As discussed in example 1 above, an investor would receive total payments of $1,090, earning 9.00% over the term of the Notes. With a direct investment in an instrument indexed on a one-for-one basis to the Reference Asset during that same one-year time period, you would have received total cash payments of $650.00 (the sum of the principal amount plus or minus the product of the principal amount and the percentage decrease in the Reference Asset) upon liquidation of such instrument at the Final Level. You would have earned a return of 9.00% with an investment in the Notes and incurred a loss of -35.00% with a direct investment in the Reference Asset prior to the deduction of any brokerage fees or charges.

RISK FACTORS

You will be subject to significant risks not associated with conventional fixed-rate or floating-rate debt securities. 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 advisors, of the suitability of the Notes in light of their particular financial circumstances, the following risk factors and the other information included or incorporated by reference in the applicable pricing supplement, this prospectus supplement and the accompanying prospectus. **Please note that this Risk Factors section has various subcomponents addressing certain additional risk factors relating to specific categories of Reference Assets. For example, certain additional risk factors relating to Reference Assets comprised of one or more equity securities can be found in the section Additional risks relating to Notes with an equity security or equity index as the Reference Asset.** We have no control over a number of matters, including economic, financial, regulatory, geographic, judicial and political events, that are important in determining the existence, magnitude, and longevity of these risks and their influence on the value of, or the payments made on, the Notes. You should not purchase the Notes unless you understand and can bear these investment risks.