

CITY NATIONAL CORP
Form SC 13D/A
September 10, 2012

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

SCHEDULE 13D

**Under the Securities Exchange Act of 1934
(Amendment No. 6)***

CITY NATIONAL CORPORATION

(Name of Issuer)

Common Stock, \$1.00 Par Value

(Title of Class of Securities)

178566-10-5

(CUSIP Number)

Michael B. Cahill, City National Corporation

555 S. Flower Street, Los Angeles, California 90071

213-673-9515

(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

August 30, 2012

(Date of Event Which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box. o

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Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See §240.13d-7 for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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CUSIP No. 178566-10-5

1. Names of Reporting Persons. I.R.S. Identification Nos. of Above Persons (Entities Only)
Bram Goldsmith
2. Check the Appropriate Box if a Member of a Group (See Instructions)
(a) x
(b) o
3. SEC Use Only
4. Source of Funds (See Instructions)
PF
5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) o
6. Citizenship or Place of Organization
U.S.
- | | | |
|---|-----|---------------------------------------|
| Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With | 7. | Sole Voting Power
90,897* |
| | 8. | Shared Voting Power
3,194,467 |
| | 9. | Sole Dispositive Power
90,897* |
| | 10. | Shared Dispositive Power
3,194,467 |
11. Aggregate Amount Beneficially Owned by Each Reporting Person
3,285,364**
12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) x
Mr. Goldsmith disclaims beneficial ownership of the shares owned by the Goldsmith Family Foundation.
13. Percent of Class Represented by Amount in Row (11)
6.1%
14. Type of Reporting Person (See Instructions)
IN

* Includes shares held in Mr. Goldsmith's account in the Company's Profit Sharing Plan, and shares held as trustee of Oak Trust A-2.

**Includes 47,161 shares held in Mr. Goldsmith's account, 2,626,478 shares held as trustee of the Bram and Elaine Goldsmith Family Trust, 567,989 shares as trustee of the Elaine Goldsmith Revocable Trust and 43,736 shares as trustee of Oak Trust A-2.

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CUSIP No. 178566-10-5

1. Names of Reporting Persons. I.R.S. Identification Nos. of Above Persons (Entities Only)
Bram and Elaine Goldsmith Family Trust
2. Check the Appropriate Box if a Member of a Group (See Instructions)
(a) x
(b) o
3. SEC Use Only
4. Source of Funds (See Instructions)
PF, OO
5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) o
6. Citizenship or Place of Organization
California
- | | | |
|---|-----|-------------------------------------|
| Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With | 7. | Sole Voting Power
2,626,478 |
| | 8. | Shared Voting Power
0 |
| | 9. | Sole Dispositive Power
2,626,478 |
| | 10. | Shared Dispositive Power
0 |
11. Aggregate Amount Beneficially Owned by Each Reporting Person
2,626,478
12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) o
13. Percent of Class Represented by Amount in Row (11)
4.9%
14. Type of Reporting Person (See Instructions)
OO

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CUSIP No. 178566-10-5

1. Names of Reporting Persons. I.R.S. Identification Nos. of Above Persons (Entities Only)
Elaine Goldsmith Revocable Trust
2. Check the Appropriate Box if a Member of a Group (See Instructions)
(a) x
(b) o
3. SEC Use Only
4. Source of Funds (See Instructions)
PF
5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) o
6. Citizenship or Place of Organization
California
- | | | |
|---|-----|-----------------------------------|
| Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With | 7. | Sole Voting Power
567,989 |
| | 8. | Shared Voting Power
0 |
| | 9. | Sole Dispositive Power
567,989 |
| | 10. | Shared Dispositive Power
0 |
11. Aggregate Amount Beneficially Owned by Each Reporting Person
567,989
12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) o
13. Percent of Class Represented by Amount in Row (11)
1.1%
14. Type of Reporting Person (See Instructions)
OO

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CUSIP No. 178566-10-5

1. Names of Reporting Persons. I.R.S. Identification Nos. of Above Persons (Entities Only)
Bram Goldsmith, as trustee of Oak Trust A-2*
2. Check the Appropriate Box if a Member of a Group (See Instructions)
(a) x
(b) o
3. SEC Use Only
4. Source of Funds (See Instructions)
AF
5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) o
6. Citizenship or Place of Organization
California
- | | | |
|---|-----|----------------------------------|
| Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With | 7. | Sole Voting Power
43,736 |
| | 8. | Shared Voting Power
0 |
| | 9. | Sole Dispositive Power
43,736 |
| | 10. | Shared Dispositive Power
0 |
11. Aggregate Amount Beneficially Owned by Each Reporting Person
43,736
12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) o
13. Percent of Class Represented by Amount in Row (11)
0.1%
14. Type of Reporting Person (See Instructions)
OO

*Beneficiary is family member

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CUSIP No. 178566-10-5

1. Names of Reporting Persons. I.R.S. Identification Nos. of Above Persons (Entities Only)
The Goldsmith Family Foundation
2. Check the Appropriate Box if a Member of a Group (See Instructions)
(a)
(b)
3. SEC Use Only
4. Source of Funds (See Instructions)
AF
5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)
6. Citizenship or Place of Organization
California
- | | | |
|---|-----|-----------------------------------|
| Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With | 7. | Sole Voting Power
227,025 |
| | 8. | Shared Voting Power
0 |
| | 9. | Sole Dispositive Power
227,025 |
| | 10. | Shared Dispositive Power
0 |
11. Aggregate Amount Beneficially Owned by Each Reporting Person
227,025
12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)
13. Percent of Class Represented by Amount in Row (11)
0.4%
14. Type of Reporting Person (See Instructions)
CO

Item 1. Security and Issuer

Common Stock, \$1.00 par value

City National Corporation, 555 South Flower Street, Los Angeles, CA 90071

Item 2. Identity and Background

This statement is filed on behalf of a group consisting of the following reporting persons:

Reporting Person	Name
1.	Bram Goldsmith, individually
2.	The Bram and Elaine Goldsmith Family Trust
3.	The Elaine Goldsmith Revocable Trust
4.	Bram Goldsmith, as trustee of Oak Trust A-2
5.	The Goldsmith Family Foundation

Membership of The Goldsmith Family Foundation (Reporting Person 5) in the group is disclosed for reporting purposes only, and Bram Goldsmith (Reporting Person 1) expressly disclaims beneficial ownership of the shares held by The Goldsmith Family Foundation.

Reporting Person 1

(a) Bram Goldsmith

(b) City National Bank, 400 North Roxbury Drive, Beverly Hills, CA 90210

(c) Chairman of City National Corporation, 555 South Flower Street, Los Angeles, CA 90071

(d) None

(e) None

(f) U.S.

Reporting Person 2

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The Bram and Elaine Goldsmith Family Trust, a revocable trust formed under the laws of the state of California. Business: investment. Address of principal business and principal office: c/o City National Bank, 400 N. Roxbury Drive, Beverly Hills California 90210. Trustees: Bram Goldsmith and Elaine Goldsmith. See Reporting Person 1 above for information regarding Bram Goldsmith, Trustee. The following information is provided with respect to Elaine Goldsmith, Trustee:

(a) Elaine Goldsmith

(b) c/o City National Bank, 400 North Roxbury Dr., Beverly Hills, CA 90210

(c) Homemaker

(d) None

(e) None

(f) U.S.

Reporting Person 3

The Elaine Goldsmith Revocable Trust, a revocable trust formed under the laws of the state of California. Business: investment. Address of principal business and principal office: c/o City National Bank, 400 N. Roxbury Drive, Beverly Hills California 90210. Trustees: Elaine Goldsmith and Bram Goldsmith. See Reporting Person 1 above for information regarding Bram Goldsmith, Trustee and Reporting Person 2 above for information regarding Elaine Goldsmith, Trustee.

Reporting Person 4

Bram Goldsmith, as trustee of Oak Trust A-2. Business: investment. Address of principal business and principal office: c/o City National Bank, 400 N. Roxbury Drive, Beverly Hills, California 90210. Trustee: Bram Goldsmith. See Reporting Person 1 above for information regarding Bram Goldsmith, Trustee.

Reporting Person 5

The Goldsmith Family Foundation, a California nonprofit public benefit corporation. Business: charitable donations. Address of principal business and principal office: c/o City National Bank, 400 N. Roxbury Drive, Beverly Hills, CA 90210. Directors and Officers: Bram Goldsmith, Elaine Goldsmith, Russell Goldsmith and Bruce Goldsmith. For information regarding Bram Goldsmith, see Reporting Person 1 above. For information regarding Elaine Goldsmith, see Reporting Person 2 above. The following information is provided regarding Russell Goldsmith and Bruce Goldsmith:

(a) Russell Goldsmith

(b) City National Bank, 400 North Roxbury Dr., Beverly Hills, CA 90210

(c) Chief Executive Officer and President, City National Corporation, Chairman of the Board and Chief Executive Officer, City National Bank, 555 South Flower Street, Los Angeles, CA 90071

(d) None

(e) None

(f) U.S.

(a) Bruce L. Goldsmith

(b) 9722 Oak Pass Road, Beverly Hills, CA 90210

(c) Self-employed, 9722 Oak Pass Road, Beverly Hills, CA 90210

(d) None

(e) None

(f) U.S.

Item 3. Source and Amount of Funds or Other Consideration

As part of an estate planning transaction for Bram and Elaine Goldsmith, in August 2009, the Bram and Elaine Goldsmith Family Trust (the Family Trust) transferred 900,000 shares of City National Corporation common stock to five irrevocable trusts for the benefit of their grandchildren, and 625,000 shares of common stock to four grantor retained annuity trusts.

On August 30, 2012, the grantor retained annuity trusts transferred back to the Family Trust 180,630 shares of common stock, and three of the irrevocable trusts transferred back to the Family Trust 399,190 shares of common stock. On September 5, 2012, the other two irrevocable trusts transferred back to the Family Trust 328,636 shares of common stock. All of these transfers were part of the estate planning transaction mentioned above, as were certain smaller annuity distributions to the Family Trust that were made between August 2009 and August 2012.

Item 4. Purpose of Transaction

The reporting persons have acquired the shares of City National Corporation common stock for investment purposes. Bram Goldsmith is the Chairman of the Board and Russell Goldsmith is Chief Executive Officer and President of City National Corporation.

The reporting persons may make (a) purchases and other acquisitions of securities from time to time for investment purposes, and (b) gifts and other dispositions of securities from time to time.

Item 5. Interest in Securities of the Issuer

(a) The following table sets forth the aggregate number and percentage of shares of City National Corporation common stock owned by each of the reporting persons and by the group as a whole following the transactions described in Item 3 above. For clarity, beneficial ownership is shown without duplication, notwithstanding the fact that Bram Goldsmith (Reporting Person 1) may be deemed the beneficial owner of shares held by certain of the other reporting persons. None of the shares shown are shares as to which the listed beneficial owner has the right to acquire beneficial ownership, as specified in Rule 13d-3(d)(1)(i).

Name of Beneficial Owner	Number of Shares Held	Percent of Class
Bram Goldsmith (Reporting Person 1)	47,161(1)	0.1%(1)
The Bram and Elaine Goldsmith Family Trust (Reporting Person 2)	2,626,478	4.9%
Elaine Goldsmith Revocable Trust (Reporting Person 3)	567,989	1.1%

Bram Goldsmith, as trustee of Oak Trust A-2 (Reporting Person 4)	43,736	have any responsibility or liability for the administration, management or marketing of the notes; and
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consider the needs of the notes or the owners of the notes in determining, composing or calculating the Index or

have any
obligation to
do so.

STOXX, Deutsche Börse Group and their licensors, research partners or data providers give no warranty, and exclude any liability (whether in negligence or otherwise) in connection with the notes or their performance.

STOXX does not assume any contractual relationship with the purchasers of the notes or any third parties.

Specifically,

The Sponsor, Deutsche Börse Group and their licensors, research partners or data providers do not make any warranty, express or implied and disclaim any and all warranty about:

- o the results to be obtained by the notes, the owner of the notes or any other person in connection with the use of the Index and the data included in the Index;
- o the accuracy, timeliness, and completeness of the Index or its data;
- o the merchantability and the fitness for a particular purpose or use of the Index or its data; and
- o the performance of the notes generally.

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STOXX, Deutsche Börse Group and their licensors, research partners or data providers give no warranty and exclude any liability, for any errors, omissions or interruptions in the Index or its data; and under no circumstances will Deutsche Börse Group and their licensors, research partners or data providers be liable (whether in negligence or otherwise) for any lost profits or indirect, punitive, special or consequential damages or losses, arising as a result of such errors, omissions or interruptions in the Index or its data or generally in relation to the notes, even in circumstances where the Sponsor Deutsche Börse Group and their licensors, research partners or data providers are aware that such loss or damage may occur.

The licensing agreement between BNS and STOXX is solely for their benefit and not for the benefit of the owners of the notes or any other third parties.

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Supplement to the Plan of Distribution

Under our distribution agreement with MLPF&S, MLPF&S will purchase the notes from us as principal at the public offering price indicated on the cover of this term sheet, less the indicated underwriting discount.

We may deliver the notes against payment therefor in New York, New York on a date that is greater than two business days following the pricing date. Under Rule 15c6-1 of the Securities Exchange Act of 1934, trades in the secondary market generally are required to settle in two business days, unless the parties to any such trade expressly agree otherwise. Accordingly, if the initial settlement of the notes occurs more than two business days from the pricing date, purchasers who wish to trade the notes more than two business days prior to the original issue date will be required to specify alternative settlement arrangements to prevent a failed settlement.

The notes will not be listed on any securities exchange. In the original offering of the notes, the notes will be sold in minimum investment amounts of 100 units. If you place an order to purchase the notes, you are consenting to MLPF&S acting as a principal in effecting the transaction for your account.

MLPF&S may repurchase and resell the notes, with repurchases and resales being made at prices related to then-prevailing market prices or at negotiated prices, and these prices will include MLPF&S's trading commissions and mark-ups. MLPF&S may act as principal or agent in these market-making transactions; however, it is not obligated to engage in any such transactions. At MLPF&S's discretion, for a short, undetermined initial period after the issuance of the notes, MLPF&S may offer to buy the notes in the secondary market at a price that may exceed the initial estimated value of the notes. Any price offered by MLPF&S for the notes will be based on then-prevailing market conditions and other considerations, including the performance of the Index and the remaining term of the notes. However, none of us, MLPF&S, or any of our respective affiliates is obligated to purchase your notes at any price or at any time, and we cannot assure you that we, MLPF&S or any of our respective affiliates will purchase your notes at a price that equals or exceeds the initial estimated value of the notes.

The value of the notes shown on your account statement produced by MLPF&S will be based on MLPF&S's estimate of the value of the notes if MLPF&S or another of its affiliates were to make a market in the notes, which it is not obligated to do. That estimate will be based upon the price that MLPF&S may pay for the notes in light of then-prevailing market conditions, and other considerations, as mentioned above, and will include transaction costs.

At certain times, this price may be higher than or lower than the initial estimated value of the notes.

The distribution of the Note Prospectus in connection with these offers or sales will be solely for the purpose of providing investors with the description of the terms of the notes that was made available to investors in connection with their initial offering. Secondary market investors should not, and will not be authorized to, rely on the Note Prospectus for information regarding BNS or for any purpose other than that described in the immediately preceding sentence.

An investor's household, as referenced on the cover of this term sheet, will generally include accounts held by any of the following, as determined by MLPF&S in its discretion and acting in good faith based upon information then available to MLPF&S:

the investor's spouse (including a domestic partner), siblings, parents, grandparents, spouse's parents, children and grandchildren, but excluding accounts held by aunts, uncles, cousins, nieces, nephews or any other family relationship not directly above or below the individual investor;

a family investment vehicle, including foundations, limited partnerships and personal holding companies, but only if the beneficial owners of the vehicle consist solely of the investor or members of the investor's household as described above; and

a trust where the grantors and/or beneficiaries of the trust consist solely of the investor or members of the investor's household as described above; provided that, purchases of the notes by a trust generally cannot be aggregated together with any purchases made by a trustee's personal account.

Purchases in retirement accounts will not be considered part of the same household as an individual investor's personal or other non-retirement account, except for individual retirement accounts ("IRAs"), simplified employee pension plans

("SEPs"), savings incentive match plan for employees ("SIMPLEs"), and single-participant or owners only accounts (i.e., retirement accounts held by self-employed individuals, business owners or partners with no employees other than their spouses).

Please contact your Merrill Lynch financial advisor if you have any questions about the application of these provisions to your specific circumstances or think you are eligible.

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Structuring the Notes

The notes are our unsecured senior debt securities, the return on which is linked to the performance of the Index. As is the case for all of our debt securities, including our market-linked notes, the economic terms of the notes reflect our actual or perceived creditworthiness at the time of pricing. The internal funding rate we use in pricing the market-linked note is typically lower than the rate we would pay when we issue conventional fixed-rate debt securities of comparable maturity. This generally relatively lower internal funding rate, which is reflected in the economic terms of the notes, along with the fees and charges associated with market-linked notes, typically results in the initial estimated value of the notes on the pricing date being less than their public offering price.

At maturity, we are required to pay the Redemption Amount to holders of the notes, which will be calculated based on the performance of the Index and the \$10 per unit principal amount. In order to meet these payment obligations, at the time we issue the notes, we may choose to enter into certain hedging arrangements (which may include call options, put options or other derivatives) with MLPF&S or one of its affiliates. The terms of these hedging arrangements are determined by seeking bids from market participants, including MLPF&S and its affiliates, and take into account a number of factors, including our creditworthiness, interest rate movements, the volatility of the Index, the tenor of the notes and the tenor of the hedging arrangements. The economic terms of the notes and their initial estimated value depend in part on the terms of these hedging arrangements.

MLPF&S has advised us that the hedging arrangements will include a hedging related charge of approximately \$0.075 per unit, reflecting an estimated profit to be credited to MLPF&S from these transactions. Since hedging entails risk and may be influenced by unpredictable market forces, additional profits and losses from these hedging arrangements may be realized by MLPF&S or any third party hedge providers.

For further information, see “Risk Factors—General Risks Relating to LIRNs” beginning on page PS-6 and “Use of Proceeds and Hedging” on page PS-16 of product prospectus supplement EQUITY INDICES LIRN-1.

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Summary of Canadian Federal Income Tax Consequences

An investor should read carefully the description of principal Canadian federal income tax considerations under “Canadian Taxation” in the accompanying prospectus relevant to a holder (as defined on page 19 of the prospectus) owning debt securities, and the description of principal Canadian federal income tax considerations under “Supplemental Discussion of Canadian Federal Income Tax Consequences” in the applicable product prospectus supplement.

Summary of U.S. Federal Income Tax Consequences

The following is a general description of certain U.S. federal tax considerations relating to the notes. Prospective purchasers of the notes should consult their tax advisors as to the consequences under the tax laws of the country of which they are residents for tax purposes and the tax laws of the U.S. of acquiring, holding and disposing of the notes and receiving payments under the notes. This summary is based upon the law as in effect on the date of this pricing supplement and is subject to any change in law that may take effect after such date. We urge you to read the more detailed discussion in the “Supplemental Discussion of U.S. Federal Income Tax Consequences” section beginning on page PS-28 of product prospectus supplement EQUITY INDICES LIRN-1.

No statutory, regulatory, judicial or administrative authority directly discusses how the notes should be treated for U.S. federal income tax purposes. As a result, the U.S. federal income tax consequences of your investment in the notes are uncertain. Accordingly, we urge you to consult your tax advisor as to the tax consequences of your investment in the notes (and of having agreed to the required tax treatment of your notes described below) and as to the application of state, local or other tax laws to your investment in your notes and the possible effects of changes in federal or other tax laws.

We will not attempt to ascertain whether any entity the stock of which is included in the Index would be treated as a “passive foreign investment company” (a “PFIC”) within the meaning of the Internal Revenue Code of 1986, as amended (the “Code”). If any such entity were so treated, certain adverse U.S. federal income tax consequences might apply to U.S. holders upon the taxable disposition (including cash settlement) of the notes. You should refer to information filed with the SEC or an equivalent governmental authority by such entities and consult your tax advisor regarding the possible consequences to you if such entity is or becomes a PFIC.

Pursuant to the terms of the notes, BNS and you agree, in the absence of a statutory or regulatory change or administrative or judicial ruling to the contrary, to characterize your notes as a pre-paid derivative contract with respect to the Index. If your notes are so treated, you should generally recognize long-term capital gain or loss if you hold your notes for more than one year (and otherwise, short-term capital gain or loss) upon the taxable disposition of your notes in an amount equal to the difference between the amount you receive at such time and the amount you paid for your notes. The deductibility of capital losses is subject to limitations.

In the opinion of our counsel, Cadwalader, Wickersham & Taft LLP, it would be reasonable to treat your notes in the manner described above. However, because there is no authority that specifically addresses the tax treatment of the notes, it is possible that your notes could alternatively be treated for tax purposes as a single contingent payment debt instrument or pursuant to some other characterization, such that the timing and character of your income from the notes could differ materially from the treatment described above.

Possible Change in Law. In 2007, the Internal Revenue Service (the “IRS”) released a notice that may affect the taxation of holders of the notes. According to the notice, the IRS and the U.S. Treasury Department (the “Treasury”) are actively considering whether a holder of an instrument such as the notes should be required to accrue ordinary income on a current basis, and they are seeking taxpayer comments on the subject. It is not possible to determine what guidance they will ultimately issue, if any. It is possible, however, that under such guidance, holders of the notes will ultimately be required to accrue income currently and this could be applied on a retroactive basis. The IRS and the Treasury are also considering other relevant issues, including whether additional gain or loss from such instruments should be treated as ordinary or capital, whether foreign holders of such instruments should be subject to withholding tax on any deemed income accruals, and whether the special “constructive ownership rules” of Section 1260 of the Code should be applied to such instruments.

Medicare Tax on Net Investment Income. U.S. holders that are individuals or estates and certain trusts are subject to an additional 3.8% tax on all or a portion of their “net investment income,” or “undistributed net investment income” in

the case of an estate or trust, which may include any income or gain with respect to the notes, to the extent of their net investment income or undistributed net investment income (as the case may be) that, when added to their other modified adjusted gross income, exceeds \$200,000 for an unmarried individual, \$250,000 for a married taxpayer filing a joint return (or a surviving spouse), \$125,000 for a married individual filing a separate return, or the dollar amount at which the highest tax bracket begins for an estate or trust. The 3.8% Medicare tax is determined in a different manner than the regular income tax. U.S. holders should consult their advisors with respect to the 3.8% Medicare tax.

Specified Foreign Financial Assets. U.S. holders may be subject to reporting obligations with respect to their notes if they do not hold their notes in an account maintained by a financial institution and the aggregate value of their notes and certain other “specified foreign financial assets” (applying certain attribution rules) exceeds an applicable threshold. Significant penalties can apply if a U.S. holder is required to disclose its notes and fails to do so.

Backup Withholding and Information Reporting. The proceeds received from a sale, exchange, redemption or maturity of the notes will be subject to information reporting unless you are an “exempt recipient” and may also be subject to backup withholding at the rate

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specified in the Code if you fail to provide certain identifying information (such as an accurate taxpayer number, if you are a U.S. holder) or meet certain other conditions.

Amounts withheld under the backup withholding rules are not additional taxes and may be refunded or credited against your U.S. federal income tax liability, provided the required information is furnished to the IRS.

Non-U.S. Holders. This section applies only if you are a non-U.S. holder. For these purposes, you are a non-U.S. holder if you are the beneficial owner of the notes and are, for U.S. federal income tax purposes:

· a non-resident alien individual;

· a foreign corporation; or

· an estate or trust that, in either case, is not subject to U.S. federal income tax on a net income basis on income or gain from the notes.

If you are a non-U.S. holder, subject to Section 871(m) of the Code and FATCA, discussed below, you should generally not be subject to generally applicable information reporting and backup withholding requirements with respect to payments on your notes if you comply with certain certification and identification requirements as to your foreign status including providing us (and/or the applicable withholding agent) a properly executed and fully completed applicable IRS Form W-8. Subject to Section 871(m) of the Code, discussed below, gain from the taxable disposition generally will not be subject to U.S. tax unless (i) such gain is effectively connected with a trade or business conducted by you in the U.S. or (ii) you are a non-resident alien individual and are present in the U.S. for 183 days or more during the taxable year of such taxable disposition and certain other conditions are satisfied, (iii) you fail to provide the relevant correct, completed and executed IRS Form W-8, or (iv) you have certain other present or former connections with the U.S.

Section 871 (m). A 30% withholding tax (which may be reduced by an applicable income tax treaty) is imposed under Section 871(m) of the Code on certain “dividend equivalents” paid or deemed paid to a non-U.S. holder with respect to a “specified equity-linked instrument” that references one or more dividend-paying U.S. equity securities or indices containing U.S. equity securities. The withholding tax can apply even if the instrument does not provide for payments that reference dividends. Treasury regulations provide that the withholding tax applies to all dividend equivalents paid or deemed paid on specified equity-linked instruments that have a delta of one (“delta one specified equity-linked instruments”) issued after 2016 and to all dividend equivalents paid or deemed paid on all other specified equity-linked instruments issued after 2018.

Based on our determination that the notes are not “delta-one” with respect to the Index or any U.S. Index components, our counsel is of the opinion that the notes should not be delta-one specified equity-linked instruments and thus should not be subject to withholding on dividend equivalents. Our determination is not binding on the IRS, and the IRS may disagree with this determination. Furthermore, the application of Section 871(m) of the Code will depend on our determinations made upon issuance of the notes. If withholding is required, we will not make payments of any additional amounts.

Nevertheless, after issuance, it is possible that your notes could be deemed to be reissued for tax purposes upon the occurrence of certain events affecting the Index or Index components or your notes, and following such occurrence your notes could be treated as delta-one specified equity-linked instruments that are subject to withholding on dividend equivalents. It is also possible that withholding tax or other tax under Section 871(m) of the Code could apply to the notes under these rules if a non-U.S. holder enters, or has entered, into certain other transactions in respect of the Index or Index components or the notes. A non-U.S. holder that enters, or has entered, into other transactions in respect of the Index or Index components or the notes should consult its tax advisor regarding the application of Section 871(m) of the Code to its notes in the context of its other transactions.

Because of the uncertainty regarding the application of the 30% withholding tax on dividend equivalents to the notes, you are urged to consult your tax advisor regarding the potential application of Section 871(m) of the Code and the 30% withholding tax to an investment in the notes.

U.S. Federal Estate Tax Treatment of Non-U.S. Holders. A note may be subject to U.S. federal estate tax if an individual non-U.S. holder holds the note at the time of his or her death. The gross estate of a non-U.S. holder

domiciled outside the U.S. includes only property situated in the U.S. Individual non-U.S. holders should consult their tax advisors regarding the U.S. federal estate tax consequences of holding the notes at death.

FATCA. The Foreign Account Tax Compliance Act (“FATCA”) was enacted on March 18, 2010, and imposes a 30% U.S. withholding tax on “withholdable payments” (i.e., certain U.S.-source payments, including interest (and original issue discount), dividends, other fixed or determinable annual or periodical gain, profits, and income, and on the gross proceeds from a disposition of property of a type which can produce U.S.-source interest or dividends) and “passthru payments” (i.e., certain payments attributable to withholdable payments) made to certain foreign financial institutions (and certain of their affiliates) unless the payee foreign financial institution agrees (or is required), among other things, to disclose the identity of any U.S. individual with an account at the institution (or the relevant affiliate) and to annually report certain information about such account. FATCA also requires withholding agents making withholdable payments to certain foreign entities that do not disclose the name, address, and taxpayer identification number of any substantial U.S. owners (or do not certify that they do not have any substantial U.S. owners) to withhold tax at a rate of 30%. Under certain circumstances, a holder may be eligible for refunds or credits of such taxes.

Pursuant to final and temporary Treasury regulations and other IRS guidance, the withholding and reporting requirements under FATCA will generally apply to certain “withholdable payments” made on or after July 1, 2014, certain gross proceeds on a sale or disposition occurring after December 31, 2018, and certain foreign passthru payments made after December 31, 2018 (or, if later, the date that

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final regulations defining the term “foreign passthru payment” are published). If withholding is required, we (or the applicable paying agent) will not be required to pay additional amounts with respect to the amounts so withheld. Foreign financial institutions and non-financial foreign entities located in jurisdictions that have an intergovernmental agreement with the U.S. governing FATCA may be subject to different rules.

Investors should consult their own advisors about the application of FATCA, in particular if they may be classified as financial institutions (or if they hold their notes through a non-U.S. entity) under the FATCA rules.

Both U.S. and non-U.S. holders should consult their tax advisors regarding the U.S. federal income tax consequences of an investment in the notes, as well as any tax consequences arising under the laws of any state, local or non-U.S. taxing jurisdiction (including that of the issuers of the stocks included in the Index and BNS).

Where You Can Find More Information

We have filed a registration statement (including a product prospectus supplement, a prospectus supplement, a prospectus addendum and a prospectus) with the SEC for the offering to which this term sheet relates. Before you invest, you should read the Note Prospectus, including this term sheet, and the other documents that we have filed with the SEC, for more complete information about us and this offering. You may get these documents without cost by visiting EDGAR on the SEC website at www.sec.gov. Alternatively, we, any agent, or any dealer participating in this offering will arrange to send you these documents if you so request by calling MLPF&S toll-free at 1-800-294-1322.

Market-Linked Investments Classification

MLPF&S classifies certain market-linked investments (the “Market-Linked Investments”) into categories, each with different investment characteristics. The following description is meant solely for informational purposes and is not intended to represent any particular Enhanced Return Market-Linked Investment or guarantee any performance.

Enhanced Return Market-Linked Investments are short- to medium-term investments that offer you a way to enhance exposure to a particular market view without taking on a similarly enhanced level of market downside risk. They can be especially effective in a flat to moderately positive market (or, in the case of bearish investments, a flat to moderately negative market). In exchange for the potential to receive better-than market returns on the linked asset, you must generally accept market downside risk and capped upside potential. As these investments are not market downside protected, and do not assure full repayment of principal at maturity, you need to be prepared for the possibility that you may lose all or part of your investment.

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