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BEAR STEARNS COMPANIES INC

Form 8-K

December 26, 2002

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K
CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): December 20, 2002

THE BEAR STEARNS COMPANIES INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware	1-8989	13-3286161
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(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)
383 Madison Avenue, New York, New York		10179
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(Address of Principal Executive Offices)		(Zip Code)

Registrant's telephone number, including area code: (212) 272-2000

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

ITEM 5. OTHER EVENTS

On December 20, 2002, Bear, Stearns & Co. Inc. ("Bear Stearns"), a subsidiary of The Bear Stearns Companies Inc., reached an agreement in principle with the United States Securities and Exchange Commission; the National Association of Securities Dealers; the New York Stock Exchange; the Offices of the Attorneys General of New York, New Jersey, Delaware, Vermont, and Hawaii; and the North American Securities Administrators Association to resolve their investigations of Bear Stearns relating to research analyst independence. Pursuant to the agreement in principle, Bear Stearns agreed, among other things, to: (i) pay \$50 million in retrospective relief; (ii) adopt internal structural and operational reforms that will further augment the steps it has already taken to ensure research analyst independence and promote investor confidence; (iii) contribute \$25 million spread over five years to provide independent, third-party research to clients; (iv) contribute \$5 million for investor education programs; and (v) in connection with the agreement in principle, adopt

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restrictions on the allocation of shares in initial public offerings to corporate executives and directors of public companies.

-2-

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

THE BEAR STEARNS COMPANIES INC.

Date: December 24, 2002

/s/ Mark E. Lehman

Name: Mark E. Lehman
Title: Executive Vice President and
General Counsel

-3-