

BEAR STEARNS COMPANIES INC

Form 424B5

October 10, 2006

| Title of Each Class of Securities Offered | Maximum Aggregate Offering Price | Amount of Registration Fee(1) |
|--|---|--|
| Medium-Term Notes, Series B | \$50,000,000 | \$5,350 |

(1) Calculated in accordance with Rule 457(r) of the Securities Act of 1933, as amended. The filing fee of \$5,350 is being paid in connection with the registration of these Medium-Term Notes, Series B.

PRICING SUPPLEMENT NO. 3

Rule 424(b)(5)

DATED: October 4, 2006

File No. 333-136666

(To Prospectus dated August 16, 2006,
and Prospectus Supplement dated August 16, 2006)

THE BEAR STEARNS COMPANIES INC.
Medium-Term Notes, Series B

Principal Amount: \$50,000,000 Floating Rate Notes Book Entry Notes
Original Issue Date: 10/10/2006 Fixed Rate Notes Certificated Notes
Maturity Date: 10/10/2008 CUSIP#: 073928R70
Option to Extend Maturity: No
Yes Final Maturity Date:

| <u>Redeemable On</u> | <u>Redemption Price(s)</u> | <u>Optional Repayment Date(s)</u> | <u>Optional Repayment Price(s)</u> |
|----------------------|----------------------------|-----------------------------------|------------------------------------|
| N/A | N/A | N/A | N/A |

Applicable Only to Fixed Rate Notes:

Interest Rate:

Interest Payment Dates:

Applicable Only to Floating Rate Notes:

| | |
|---|---|
| Interest Rate Basis: | Maximum Interest Rate: N/A |
| <input type="checkbox"/> Commercial Paper Rate | Minimum Interest Rate: N/A |
| <input type="checkbox"/> Federal Funds Effective Rate | |
| <input checked="" type="checkbox"/> Federal Funds Open Rate | Interest Reset Date(s): Daily |
| <input type="checkbox"/> Treasury Rate | Interest Reset Period: On the same business day as each Interest Reset Date |
| <input type="checkbox"/> LIBOR Reuters | Interest Payment Date(s): * |
| <input type="checkbox"/> LIBOR Telerate | |
| <input type="checkbox"/> Prime Rate | |
| <input type="checkbox"/> CMT Rate | |
| Initial Interest Rate: 5.36% | Interest Payment Period: Quarterly |
| Index Maturity: N/A | |
| Spread (plus or minus): +0.11% | |

* Commencing January 10, 2007 and on the 10th of each July, October, January and April thereafter, up to and including the maturity date.

The distribution of Notes will conform to the requirements set forth in Rule 2720 of the NASD Conduct Rules.