

COMERICA INC /NEW/  
Form S-4  
February 11, 2011  
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As filed with the Securities and Exchange Commission on February 11, 2011

Registration No. 333-

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

**Form S-4**  
**REGISTRATION STATEMENT**  
*UNDER*  
*THE SECURITIES ACT OF 1933*

**COMERICA INCORPORATED**

(Exact Name of Registrant as Specified in its Charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**6021**  
(Primary Standard Industrial  
Classification Code Number)  
**Comerica Bank Tower**

**38-1998421**  
(I.R.S. Employer  
Identification Number)

**1717 Main Street, MC 6404**

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Dallas, Texas 75201

(214) 462-6831

(Address, including Zip Code, and Telephone Number, including Area Code, of Registrant's Principal Executive Offices)

**Jon W. Bilstrom**

**Executive Vice President-Governance, Regulatory**

**Relations and Legal Affairs, and Secretary**

**Comerica Incorporated**

**Comerica Bank Tower**

**1717 Main Street, MC 6404**

**Dallas, Texas 75201**

**(214) 462-6831**

(Name, Address, including Zip Code, and Telephone Number, including Area Code, of Agent for Service)

*With copies to:*

<b>Edward D. Herlihy, Esq.</b>	<b>James W. Goolsby, Jr., Esq.</b>	<b>David F. Taylor, Esq.</b>	<b>Peter D. Lyons, Esq.</b>
<b>Nicholas G. Demmo, Esq.</b>	<b>Executive Vice President &amp;</b>	<b>Gregory C. Hill, Esq.</b>	<b>Scott Petepiece, Esq.</b>
<b>Wachtell, Lipton, Rosen</b>	<b>General Counsel</b>	<b>Locke Lord Bissell &amp;</b>	<b>Shearman &amp; Sterling LLP</b>
<b>&amp; Katz</b>	<b>Sterling Bancshares, Inc.</b>	<b>Liddell LLP</b>	<b>599 Lexington Avenue</b>
<b>51 West 52nd Street</b>	<b>2950 North Loop West</b>	<b>600 Travis Street</b>	<b>New York, New York 10022</b>
<b>New York, New York 10019</b>	<b>Suite 1200</b>	<b>Suite 2800</b>	<b>(212) 848-4000</b>
<b>(212) 403-1000</b>	<b>Houston, Texas 77092</b>	<b>Houston, Texas 77002</b>	
	<b>(713) 466-8300</b>	<b>(713) 226-1200</b>	

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**Approximate date of commencement of the proposed sale of the securities to the public:** As soon as practicable after this Registration Statement becomes effective and upon completion of the merger described in the enclosed document.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, as amended, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company

(Do not check if a smaller reporting company)

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Title of Each Class of Securities to be Registered	Amount to be Registered(1)	Proposed	Proposed Maximum Aggregate Offering Price(2)	Amount of Registration Fee(2)
		Maximum Offering Price per Share of Common Stock(1)		
Common Stock, par value \$5.00	25,321,249	N/A	\$949,108,097.88(3)	\$110,191.45
Warrants to purchase Common Stock	2,615,557	N/A	\$28,525,662.49(4)	\$3,311.83

- (1) The maximum number of shares of Comerica Incorporated, or Comerica, common stock estimated to be issuable upon completion of the Comerica/Sterling Bancshares, Inc., or Sterling, merger described herein. This number is based on the number of shares of Sterling common stock outstanding and reserved for issuance under various plans and in connection with the outstanding warrants to purchase Sterling common stock, or Sterling Warrants, as of February 9, 2011, and the exchange of each such share of Sterling common stock for 0.2365 of a share of Comerica common stock pursuant to the Agreement and Plan of Merger, dated January 16, 2011, by and among Comerica, Sterling and Comerica Bayou Acquisition Corporation attached to this proxy statement/prospectus as Annex A.
- (2) Estimated solely for the purpose of calculating the registration fee required by Section 6(b) of the Securities Act and computed pursuant to Rules 457(f)(1) and 457(c) of the Securities Act, based on a rate of \$116.10 per \$1,000,000 of the proposed maximum aggregate offering price.
- (3) The proposed maximum aggregate offering price of the registrant's common stock was calculated based upon the market value of shares of Sterling common stock (the securities to be cancelled in the merger) in accordance with Rule 457(c) under the Securities Act as follows: (A) the product of (1) \$9.09, the average of the high and low prices per share of the common stock of Sterling as reported on the NASDAQ Global Select Market on February 10, 2011 and (2) 104,412,332, the estimated maximum number of shares of Sterling common stock that may be exchanged for the Comerica common stock being registered, including shares reserved for issuance under various plans. Pursuant to Rule 457(i) under the Securities Act, there is no filing fee with respect to shares of Comerica common stock issuable upon exercise of the warrants to purchase Comerica common stock registered hereunder.
- (4) The proposed maximum aggregate offering price of the warrants to purchase the registrant's common stock was calculated based on (i) the market value of the Sterling Warrants (the securities to be cancelled in the merger) in accordance with Rule 457(c) under the Securities Act as follows: (A) the product of (1) \$3.62, the average of the high and low prices per share of the warrants to purchase Sterling common stock as reported on the NASDAQ Global Select Market on February 9, 2011 and (2) 2,615,557, the number of Sterling Warrants outstanding on February 10, 2011 and (ii) the consideration to be received by Comerica in connection with the exercise of such warrants, in accordance with Rule 457(i).

**The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such dates as the Commission, acting pursuant to said Section 8(a), may determine.**

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**Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This document shall not constitute an offer to sell or the solicitation of any offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.**

**PRELIMINARY SUBJECT TO COMPLETION DATED FEBRUARY 11, 2011**

**MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT**

Dear Shareholder:

On January 16, 2011, Sterling Bancshares, Inc. and Comerica Incorporated agreed to a strategic business combination in which Sterling will merge with a subsidiary of Comerica. If the merger is completed, Sterling shareholders will have the right to receive 0.2365 of a share of Comerica common stock for each share of Sterling common stock held immediately prior to the merger. We are sending you this proxy statement/prospectus to notify you of and invite you to the special meeting of Sterling shareholders being held to consider the Agreement and Plan of Merger, which we refer to as the merger agreement, dated as of January 16, 2011, that Sterling has entered into with Comerica and Comerica Bayou Acquisition Corporation, a wholly owned direct subsidiary of Comerica, and related matters and to ask you to vote at the special meeting in favor of the approval of the merger agreement.

The special meeting of Sterling shareholders will be held on [ ], 2011 at [ ], Houston, Texas at [ ] local time.

At the special meeting, you will be asked to approve the merger agreement. In the merger, Comerica Bayou Acquisition Corporation will merge with and into Sterling, with Sterling surviving the merger as a wholly owned subsidiary of Comerica. You will also be asked to approve the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies in favor of the approval of the merger agreement.

The market value of the merger consideration will fluctuate with the market price of Comerica common stock. The following table shows the closing sale prices of Comerica common stock as reported on the New York Stock Exchange and Sterling common stock as reported on the NASDAQ Global Select Market, on January 14, 2011, the last trading day before public announcement of the merger, and on [ ], 2011, the last practicable trading day before the distribution of this proxy statement/prospectus. This table also shows the implied value of the merger consideration proposed for each share of Sterling common stock, which we calculated by multiplying the closing price of Comerica common stock on those dates by the exchange ratio of 0.2365. **We urge you to obtain current market quotations for Comerica and Sterling.**

	COMERICA Common Stock (NYSE: CMA)	STERLING Common Stock (NASDAQ: SBIB)	Implied Value of One Share of Sterling Common Stock
At January 14, 2011	\$ 42.25	\$ 7.70	\$ 9.99
At [ ]	\$ [ ]	\$ [ ]	\$ [ ]

**Your vote is important.** We cannot complete the merger unless Sterling's shareholders approve the merger agreement. In order for the merger to be approved, the holders of at least two-thirds of the shares of Sterling common stock outstanding and entitled to vote must vote in favor of approval of the merger agreement. Regardless of whether you plan to attend the special meeting, please take the time to vote your shares in accordance with the instructions contained in this proxy statement/prospectus. Failing to vote will have the same effect as voting against the merger.

**Sterling's board of directors unanimously recommends that Sterling shareholders vote FOR approval of the merger agreement, and FOR the approval of the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies in favor of the approval of the merger agreement.**

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This proxy statement/prospectus describes the special meeting, the merger, the documents related to the merger and other related matters. **Please carefully read this entire document, including Risk Factors beginning on page 15 for a discussion of the risks relating to the proposed merger.** You also can obtain information about our companies from documents that each of us has filed with the Securities and Exchange Commission.

If you have any questions concerning the merger, please contact Sterling's proxy solicitor, MacKenzie Partners, 105 Madison Avenue, New York, New York 10016 at (212) 959-5500 (call collect) or (800) 322-2885 (toll free). I look forward to seeing you on [ ], 2011 in Houston, Texas.

J. Downey Bridgwater

Chairman, President and Chief Executive Officer

Sterling Bancshares, Inc.

**Neither the Securities and Exchange Commission nor any state securities commission or bank regulatory agency has approved or disapproved the securities to be issued in the merger or determined if this proxy statement/prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.**

**The securities to be issued in the merger are not savings or deposit accounts or other obligations of any bank or non-bank subsidiary of either Comerica or Sterling, and they are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.**

The date of this proxy statement/prospectus is [ ], 2011, and it is first being mailed or otherwise delivered to Sterling shareholders on or about [ ], 2011.

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**STERLING BANCSHARES, INC.**

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS**

To the Shareholders of Sterling Bancshares, Inc.:

Sterling Bancshares, Inc. will hold a special meeting of shareholders at [ ], local time, on [ ], 2011, at [ ], Houston, Texas, to consider and vote upon the following matters:

a proposal to approve the Agreement and Plan of Merger, dated as of January 16, 2011, by and among Comerica Incorporated, Sterling and Comerica Bayou Acquisition Corporation, pursuant to which Comerica Bayou Acquisition Corporation will merge with and into Sterling as more fully described in the attached proxy statement/prospectus; and

a proposal to approve the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies in favor of the approval of the merger agreement.

We have fixed the close of business on [ ], 2011, as the record date for the special meeting. Only Sterling shareholders of record at that time are entitled to notice of, and to vote at, the special meeting, or any adjournment or postponement of the special meeting. In order for the merger to be approved, the holders of at least two-thirds of the shares of Sterling common stock outstanding and entitled to vote must vote in favor of approval of the merger agreement.

**Your vote is very important.** We cannot complete the merger unless Sterling's common shareholders approve the merger agreement. Failure to vote will have the same effect as voting against the merger.

**Regardless of whether you plan to attend the special meeting, please vote as soon as possible. If you hold stock in your name as a shareholder of record, please complete, sign, date and return the accompanying proxy card in the enclosed postage-paid return envelope, or call the toll-free telephone number or use the Internet as described in the instructions included with your proxy card or voting instruction card. If you hold your stock in street name through a bank or broker, please follow the instructions on the voting instruction card furnished by the record holder.**

The enclosed proxy statement/prospectus provides a detailed description of the merger, the merger agreement and related matters. We urge you to read the proxy statement/prospectus, including any documents incorporated in the proxy statement/prospectus by reference, and its appendices carefully and in their entirety. If you have any questions concerning the merger or the proxy statement/prospectus, would like additional copies of the proxy statement/prospectus or need help voting your shares of Sterling common stock, please contact Sterling's proxy solicitor, MacKenzie Partners, 105 Madison Avenue, New York, New York 10016 at (212) 959-5500 (call collect) or (800) 322-2885 (toll free).

**Sterling's board of directors has unanimously approved the merger and the merger agreement and unanimously recommends that Sterling shareholders vote FOR approval of the merger agreement, and FOR the approval of the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies in favor of such approval.**

**BY ORDER OF THE BOARD OF DIRECTORS,**

James W. Goolsby, Jr.

*Secretary*

Houston, Texas

[ ], 2011



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**REFERENCES TO ADDITIONAL INFORMATION**

This proxy statement/prospectus incorporates important business and financial information about Comerica and Sterling from documents filed with or furnished to the Securities and Exchange Commission, or SEC, that are not included in or delivered with this proxy statement/prospectus. You can obtain any of the documents filed with or furnished to the SEC by Comerica or Sterling, as the case may be, at no cost from the SEC's website at <http://www.sec.gov>. You may also request copies of these documents, including documents incorporated by reference in this proxy statement/prospectus, at no cost by contacting either Comerica or Sterling, as the case may be, in writing or by telephone, at the following addresses:

**Comerica Incorporated**

Comerica Bank Tower  
1717 Main Street, MC 6404  
Dallas, Texas 75201  
Attention: Corporate Secretary  
Telephone: (214) 462-6831

**Sterling Bancshares, Inc.**

2950 North Loop West, Suite 1200  
Houston, Texas 77092  
Attention: Secretary  
Telephone: (713) 466-8300

**You will not be charged for any of these documents that you request. Sterling shareholders requesting documents must do so by [ ], 2011, in order to receive them before the special meeting.**

In addition, if you have questions about the merger or the Sterling special meeting, need additional copies of this proxy statement/prospectus or need to obtain proxy cards or other information related to the proxy solicitation, you may contact MacKenzie Partners, Sterling's proxy solicitor, at the following address and telephone numbers:

**MacKenzie Partners**

105 Madison Avenue  
New York, New York 10016  
proxy@mackenziepartners.com  
(212) 959-5500 (call collect)

or

(800) 322-2885 (toll free)

See "Where You Can Find More Information" beginning on page [ ] for more details.

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**QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE STERLING SPECIAL MEETING**

The following are some questions that you may have regarding the merger and the Sterling special meeting, and brief answers to those questions. We urge you to read carefully the remainder of this proxy statement/prospectus because the information in this section does not provide all the information that might be important to you with respect to the merger and the Sterling special meeting. Additional important information is also contained in the documents incorporated by reference into this proxy statement/prospectus. See **Where You Can Find More Information** beginning on page [     ].

References in this proxy statement/prospectus to **Sterling** refer to Sterling Bancshares, Inc., a Texas corporation, and, unless the context otherwise requires, to its affiliates. References in this proxy statement/prospectus to **Comerica** refer to Comerica Incorporated, a Delaware corporation, and, unless the context otherwise requires, to its affiliates.

**Q: What am I being asked to vote on at the Sterling special meeting?**

A: Comerica and Sterling have entered into an Agreement and Plan of Merger, dated as of January 16, 2011, which is referred to as the merger agreement, pursuant to which Comerica has agreed to acquire Sterling. Under the terms of the merger agreement, Comerica Bayou Acquisition Corporation, a wholly owned direct subsidiary of Comerica, will merge with and into Sterling, with Sterling continuing as the surviving entity and a wholly owned subsidiary of Comerica, which is referred to as the merger. Sterling shareholders are being asked to approve the merger agreement and the transactions it contemplates, including the merger.

Sterling shareholders are also being asked to approve the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies in favor of the approval of the merger agreement, which is referred to as the adjournment proposal.

**Q: How does Sterling's board of directors recommend that I vote at the special meeting?**

A: Sterling's board of directors unanimously recommends that you vote **FOR** the proposal to approve the merger agreement and **FOR** the adjournment proposal.

**Q: When and where is the Sterling special meeting?**

A: The Sterling special meeting will be held at [     ], Houston, Texas on [     ], 2011, at [     ] local time.

**Q: What do I need to do now?**

A: After you have carefully read this proxy statement/prospectus and have decided how you wish to vote your shares, please vote your shares promptly so that your shares are represented and voted at the special meeting. If you hold stock in your name as a shareholder of record, you must complete, sign, date and mail your proxy card in the enclosed postage-paid return envelope as soon as possible, or call the toll-free telephone number or use the Internet as described in the instructions included with your proxy card or voting instruction card. If you hold your stock in **street name** through a bank or broker, you must direct your bank or broker to vote in accordance with the instructions you have received from your bank or broker. **Street name** shareholders who wish to vote at the special meeting will need to obtain a proxy form from the institution that holds their shares.

If you are a participant in the Sterling Bancshares, Inc. Employee Savings Plan and you have employer matching contributions invested in Sterling common stock, you may give voting instructions by completing and returning the enclosed proxy card in the accompanying prepaid reply envelope prior to [     ], 2011. If a participant's proxy card is not received by [     ], 2011, or if such participant signs and returns his or her proxy card without instructions marked in the boxes, the trustee will vote the participant's shares of Sterling common stock in the same

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proportion as other shares of Sterling common stock held in the plan for which the trustee received timely instructions. Participants in the plan must vote through the trustee and may not vote in person at the special meeting.

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**Q: What constitutes a quorum for the special meeting?**

A: The presence at the special meeting, in person or by proxy, of holders of a majority of the outstanding shares of Sterling common stock entitled to vote at the special meeting will constitute a quorum for the transaction of business. Abstentions and broker non-votes will be included in determining the number of shares present at the meeting for the purpose of determining the presence of a quorum. A broker non-vote occurs under stock exchange rules when a broker is not permitted to vote on a matter without instructions from the beneficial owner of the shares and no instruction is given.

**Q: What is the vote required to approve each proposal at the Sterling special meeting?**

A: Approval of the merger agreement requires the affirmative vote of the holders of two-thirds of the outstanding shares of Sterling common stock as of the close of business on [ ], 2011, the record date for the special meeting. Approval of the adjournment proposal requires the affirmative vote of the holders of a majority of shares of Sterling common stock entitled to vote on, and voting for or against or expressly abstaining with respect to, such proposal at the special meeting, even if less than a quorum.

**Q: Why is my vote important?**

A: If you do not vote, it will be more difficult for us to obtain the necessary quorum to hold our special meeting. In addition, your failure to vote or failure to instruct your bank or broker how to vote will have the same effect as a vote against approval of the merger agreement. The merger agreement must be approved by the holders of two-thirds of the outstanding shares of Sterling common stock entitled to vote at the special meeting. Sterling's board of directors unanimously recommends that you vote to approve the merger agreement.

**Q: If my shares of common stock are held in street name by my bank or broker, will my bank or broker automatically vote my shares for me?**

A: No. Your bank or broker cannot vote your shares without instructions from you. You should instruct your bank or broker as to how to vote your shares in accordance with the instructions provided to you. Please check the voting form used by your bank or broker.

**Q: What if I abstain from voting or fail to instruct my bank or broker?**

A: If you fail to vote or mark **ABSTAIN** on your proxy, or fail to instruct your bank or broker with respect to the proposal to approve the merger agreement, it will have the same effect as a vote **AGAINST** the proposal. If you mark **ABSTAIN** on your proxy with respect to the adjournment proposal, it will have the same effect as a vote **AGAINST** the proposal. The failure to vote or failure to instruct your bank or broker with respect to the adjournment proposal, however, will have no effect on the adjournment proposal.

**Q: Can I attend the special meeting and vote my shares in person?**

A: Yes. All shareholders, including shareholders of record and shareholders who hold their shares through banks, brokers, nominees or any other holder of record, are invited to attend the special meeting. Holders of record of Sterling common stock can vote in person at the

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special meeting. If you are not a shareholder of record, you must obtain a proxy, executed in your favor, from the record holder of your shares, such as a broker, bank or other nominee, to be able to vote in person at the special meeting. If you plan to attend the special meeting, you must hold your shares in your own name or have a letter from the record holder of your shares confirming your ownership. In addition, you must bring a form of personal photo identification with you in order to be admitted. We reserve the right to refuse admittance to anyone without proper proof of share ownership or without proper photo identification. The use of cameras, sound recording equipment, communications devices or any similar equipment during the special meeting is prohibited without Sterling's express written consent.



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**Q: Can I change my vote?**

A: Yes. You may revoke any proxy at any time before it is voted by (1) signing and returning a proxy card with a later date, (2) delivering a written revocation letter to Sterling's corporate secretary, (3) voting again by telephone or the Internet or (4) attending the special meeting in person, notifying the corporate secretary and voting by ballot at the special meeting. Attendance at the special meeting will not automatically revoke your proxy. A revocation or later-dated proxy received by Sterling after the vote will not affect the vote. The Sterling corporate secretary's mailing address is Secretary, Sterling Bancshares, Inc., 2950 North Loop West, Suite 1200, Houston, Texas 77092. If you hold your stock in street name through a bank or broker, you should contact your bank or broker to revoke your proxy.

**Q: Will Sterling be required to submit the proposal to approve the merger agreement to its shareholders even if the Sterling board of directors has withdrawn, modified or qualified its recommendation?**

A: Yes. Unless the merger agreement is terminated before the Sterling special meeting, Sterling is required to submit the proposal to approve the merger agreement to its shareholders even if the Sterling board of directors has withdrawn, modified or qualified its recommendation.

**Q: What are the U.S. federal income tax consequences of the merger to Sterling shareholders?**

A: The merger is intended to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, and holders of Sterling common stock are not expected to recognize any gain or loss for United States federal income tax purposes on the exchange of shares of Sterling common stock for shares of Comerica common stock in the merger, except with respect to any cash received instead of fractional shares of Comerica common stock.

**Q: Do I have appraisal rights in connection with the merger?**

A: No. Under Texas law, holders of Sterling common stock are not entitled to any dissenters' rights of appraisal in connection with the merger. See the section entitled "The Merger: Sterling Shareholders Do Not Have Dissenters' Appraisal Rights in the Merger" beginning on page [ ].

**Q: If I am a Sterling shareholder, should I send in my Sterling stock certificates now?**

A: No. Please do not send in your Sterling stock certificates with your proxy. After the merger, an exchange agent designated by Comerica will send you instructions for exchanging Sterling stock certificates for the merger consideration. See "The Merger Agreement: Conversion of Shares; Exchange of Certificates" beginning on page [ ].

**Q: What should I do if I hold my shares of Sterling common stock in book-entry form?**

A: You are not required to take any specific actions if your shares of Sterling common stock are held in book-entry form. After the completion of the merger, shares of Sterling common stock held in book-entry form will automatically be exchanged for shares of Comerica common stock in book-entry form and cash to be paid instead of fractional shares of Comerica common stock.

**Q: May I place my Sterling stock certificate(s) into book-entry form prior to the merger?**

A: Yes, Sterling stock certificates may be placed into book-entry form prior to the merger. For more information, please contact American Stock Transfer & Trust Company, LLC at 718-921-8145.

**Q: Who may I contact if I cannot locate my Sterling stock certificate(s)?**

A: If you are unable to locate your original Sterling stock certificate(s), you should contact American Stock Transfer & Trust Company, LLC at 718-921-8145.

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**Q: When do you expect to complete the merger?**

A: We expect to complete the merger by mid-year 2011. However, we cannot assure you when or if the merger will occur. We must first obtain the approval of Sterling shareholders at the special meeting and the necessary regulatory approvals.

**Q: Whom should I call with questions?**

A: If you have any questions concerning the merger or this proxy statement/prospectus, would like additional copies of this proxy statement/prospectus or need help voting your shares of Sterling common stock, please contact: MacKenzie Partners, Sterling's proxy solicitor, at (212) 959-5500 (call collect) or (800) 322-2885 (toll free).

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**SUMMARY**

**This summary highlights selected information from this proxy statement/prospectus. It may not contain all of the information that is important to you. We urge you to carefully read the entire proxy statement/prospectus, including the appendices, and the other documents to which we refer in order to fully understand the merger. See **Where You Can Find More Information** on page [ ]. Each item in this summary refers to the page of this proxy statement/prospectus on which that subject is discussed in more detail.**

**In the Merger, Sterling Shareholders Will Have a Right to Receive 0.2365 of a Share of Comerica Common Stock Per Share of Sterling Common Stock (page [ ])**

We are proposing the merger of Comerica Bayou Acquisition Corporation, which is a wholly owned direct subsidiary of Comerica, with and into Sterling with Sterling continuing as the surviving entity and a wholly owned subsidiary of Comerica. If the merger is completed, you will have the right to receive 0.2365 of a share of Comerica common stock for each share of Sterling common stock you hold immediately prior to the merger. Comerica will not issue any fractional shares of Comerica common stock in the merger. Sterling shareholders who would otherwise be entitled to a fractional share of Comerica common stock will instead receive an amount in cash based on the closing sale price of Comerica common stock on the trading day immediately prior to the date on which the merger is completed.

*Example: If you hold 100 shares of Sterling common stock, you will have a right to receive 23 shares of Comerica common stock and a cash payment instead of the 0.65 shares of Comerica common stock that you otherwise would have received (i.e., 100 shares x 0.2365 = 23.65 shares).*

The merger agreement governs the merger. The merger agreement is included in this proxy statement/prospectus as Annex A. Please read the merger agreement carefully. All descriptions in this summary and elsewhere in this proxy statement/prospectus of the terms and conditions of the merger are qualified by reference to the merger agreement.

**Sterling's Board of Directors Unanimously Recommends that Sterling Shareholders Vote FOR Approval of the Merger Agreement (page [ ])**

Sterling's board of directors determined that the merger, the merger agreement and the transactions contemplated by the merger agreement are advisable and in the best interests of Sterling and its shareholders and has unanimously approved the merger and the merger agreement. Sterling's board of directors unanimously recommends that Sterling shareholders vote FOR approval of the merger agreement. For the factors considered by Sterling's board of directors in reaching its decision to approve the merger agreement, see the section entitled **The Merger** Sterling's Reasons for the Merger; Recommendation of the Sterling Board of Directors beginning on page [ ].

**Morgan Stanley & Co. Incorporated Has Provided an Opinion to Sterling's Board of Directors Regarding the Merger Consideration (page [ ] and Annex B)**

On January 16, 2011, Morgan Stanley & Co. Incorporated, or Morgan Stanley, Sterling's financial advisor in connection with the merger, rendered its oral opinion to Sterling's board of directors, subsequently confirmed in writing, that as of such date and based upon and subject to the assumptions, procedures, considerations, qualifications and limitations set forth in the written opinion, the exchange ratio pursuant to the merger agreement was fair, from a financial point of view, to the holders of shares of Sterling common stock.

The full text of Morgan Stanley's opinion, dated January 16, 2011, is attached as Annex B to this proxy statement/prospectus. You should read the opinion in its entirety for a discussion of the assumptions made,

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procedures followed, factors considered and limitations upon the review undertaken by Morgan Stanley in rendering its opinion.

Morgan Stanley's opinion is directed to Sterling's board of directors, addresses only the fairness of the exchange ratio pursuant to the merger agreement from a financial point of view to the holders of shares of Sterling common stock, and does not address any other aspect of the merger or constitute a recommendation as to how any shareholders of Sterling should vote at any shareholder's meeting held in connection with the merger.

For further information, please see the discussion under the caption "The Merger" Opinion of Morgan Stanley & Co. Incorporated, commencing on Page [ ] .

**What Holders of Sterling Stock Options and Other Equity-Based Awards Will Receive (page [ ] )**

Under the terms of the merger agreement, upon completion of the merger, the outstanding and unexercised stock options to acquire Sterling common stock will fully vest and will be converted into stock options to acquire Comerica common stock, adjusted to reflect the exchange ratio pursuant to the merger agreement.

With respect to Sterling phantom stock unit awards, under the terms of the merger agreement, upon completion of the merger, outstanding Sterling phantom unit awards will be converted into fully vested shares of Comerica common stock, adjusted to reflect the exchange ratio pursuant to the merger agreement. Except as otherwise agreed between Comerica and any individual award holder, phantom unit awards issued pursuant to Sterling's 2007 Long-Term Incentive Stock Performance Program will be payable at 100% of target (as defined in the applicable award agreement) and settled as described in the preceding sentence.

**What Holders of Sterling Warrants Will Receive (page [ ] )**

Under the terms of the merger agreement, upon completion of the merger, outstanding and unexercised warrants to acquire Sterling common stock will be converted into warrants to acquire Comerica common stock, adjusted to reflect the exchange ratio pursuant to the merger agreement.

**Sterling will Hold its Special Meeting on [ ], 2011 (page [ ] )**

The special meeting of Sterling shareholders will be held on [ ], 2011, at [ ] local time, at [ ] Houston, Texas. At the special meeting, Sterling shareholders will be asked to:

approve the merger agreement and the transactions it contemplates; and

approve the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies in favor of the approval of the merger agreement, which we refer to as the adjournment proposal.

Only holders of record at the close of business on [ ], 2011, will be entitled to vote at the special meeting. Each share of Sterling common stock is entitled to one vote on each proposal to be considered at the Sterling special meeting. As of the record date, there were [ ] shares of Sterling common stock entitled to vote at the special meeting. As of the record date, directors and executive officers of Sterling and their affiliates owned and were entitled to vote [ ] shares of Sterling common stock, representing approximately [ ]% of the shares of Sterling common stock outstanding on that date. Sterling currently expects that its directors and executive officers will vote their shares in favor of the merger agreement proposal and the adjournment proposal, although none of them has entered into any agreements obligating them to do so. As of the record date, Comerica beneficially held [ ] shares of Sterling common stock, representing approximately [ ]% of the shares of Sterling common stock outstanding on that date, and Comerica's directors and executive officers or their affiliates held approximately [ ] shares (or [ ]% of the outstanding shares) of Sterling common stock.

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To approve the merger agreement, holders of two-thirds of the outstanding shares of Sterling common stock entitled to vote at the special meeting must vote in favor of approving the merger agreement. Because approval is based on the affirmative vote of two-thirds of the shares outstanding, your failure to vote, failure to instruct your bank or broker with respect to the proposal to approve the merger agreement, or abstention will have the same effect as a vote against approval of the merger agreement.

Approval of the adjournment proposal requires the affirmative vote of the holders of a majority of shares of Sterling common stock entitled to vote on, and voting for or against or expressly abstaining with respect to, such proposal at the special meeting, even if less than a quorum. Because approval of the adjournment proposal is based on the affirmative vote of a majority of shares voting or expressly abstaining at the special meeting, abstentions will have the same effect as a vote against this proposal. The failure to vote or failure to instruct your bank or broker with respect to the adjournment proposal, however, will have no effect on the adjournment proposal.

**The Merger Is Intended to Be Tax-Free to Holders of Sterling Common Stock as to the Shares of Comerica Common Stock They Receive (page [     ])**

The merger is intended to be treated as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, and it is a condition to the respective obligations of Comerica and Sterling to complete the merger that each of Comerica and Sterling receive a legal opinion to that effect. Accordingly, the merger generally will be tax-free to a holder of Sterling common stock for United States federal income tax purposes as to the shares of Comerica common stock he or she receives in the merger, except for any gain or loss that may result from the receipt of cash instead of fractional shares of Comerica common stock that such holder of Sterling common stock would otherwise be entitled to receive.

*The United States federal income tax consequences described above may not apply to all holders of Sterling common stock. Your tax consequences will depend on your individual situation. Accordingly, we strongly urge you to consult your tax advisor for a full understanding of the particular tax consequences of the merger to you.*

**Sterling's Officers and Directors Have Financial Interests in the Merger That Differ From Your Interests (page [     ])**

Sterling shareholders should be aware that some of Sterling's directors and executive officers may have interests in the merger and have arrangements that may be different from, or in addition to, those of Sterling shareholders generally. These interests and arrangements may create potential conflicts of interest. The Sterling board of directors was aware of these interests and considered these interests, among other matters, when making its decision to approve the merger agreement and the merger, and in recommending that Sterling's shareholders vote in favor of adoption of the merger agreement.

For a more complete description of these interests, see "The Merger - Interests of Sterling's Directors and Executive Officers in the Merger" beginning on page [     ].

**Sterling's Shareholders Do Not Have Dissenters' Appraisal Rights in the Merger (page [     ])**

Appraisal rights are statutory rights that, if applicable under law, enable shareholders to dissent from a fundamental business transaction, such as a merger, and demand that the corporation pay the fair value for their shares as determined by a court in a judicial proceeding instead of receiving the consideration offered to shareholders in connection with the fundamental business transaction. Appraisal rights are not available in all circumstances, and exceptions to these rights are provided under the Texas Business Organizations Code, or TBOC. As a result of one of these exceptions, the holders of Sterling common stock are not entitled to dissenters' appraisal rights in the merger.

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**Conditions That Must Be Satisfied or Waived for the Merger to Occur (page [     ])**

Currently, we expect to complete the merger by mid-year 2011. As more fully described in this proxy statement/prospectus and in the merger agreement, the completion of the merger depends on a number of conditions being satisfied or, where legally permissible, waived. These conditions include, among others, approval of the merger agreement by Sterling's shareholders and the receipt of certain required regulatory approvals.

We cannot be certain when, or if, the conditions to the merger will be satisfied or waived, or that the merger will be completed.

**Termination of the Merger Agreement (page [     ])**

We may mutually agree in writing to terminate the merger agreement before completing the merger, even after receiving shareholder approval.

In addition, either of us may decide to terminate the merger agreement, even after receiving shareholder approval, if:

any regulatory authority which must grant a required regulatory approval has denied approval of the merger and this denial has become final and nonappealable or a regulatory authority has issued a final nonappealable law or order prohibiting the consummation of the merger, if the party seeking to terminate the merger agreement has used its reasonable best efforts to contest and change such denial, law or order;

the merger has not been completed by November 30, 2011, if the failure to complete the merger by that date is not caused by the terminating party's breach of the merger agreement;

the other party breaches the merger agreement in a way that would grant the party seeking to terminate the agreement the right not to consummate the merger, unless the breach is capable of being cured (and is cured) within 45 days following receipt of written notice of such breach (provided that the terminating party is not then in breach, in any material respect, of any of its material covenants or agreements contained in the merger agreement); or

the Sterling shareholders fail to approve the merger agreement at the special meeting.

In addition, Comerica may terminate the merger agreement, even after receiving shareholder approval, if Sterling's board of directors:

fails to recommend to shareholders that they approve the merger agreement;

withdraws, qualifies or modifies in a manner adverse to Comerica its recommendation of the merger (or publicly proposes to do so) or takes any action or makes any public statement inconsistent with that recommendation; or

knowingly and materially breaches (1) its non-solicitation obligations or obligations with respect to other acquisition proposals set forth in the merger agreement or (2) its obligations to call a shareholder meeting or to use reasonable best efforts to obtain the approval of its shareholders.

**Termination Fee (page [     ])**

If the merger agreement is terminated under certain circumstances, including circumstances involving a change in recommendation by Sterling's board of directors, Sterling may be required to reimburse Comerica's expenses, up to a maximum of \$3 million, or to pay Comerica a termination fee of \$40 million. The termination fee could discourage other companies from seeking to acquire or merge with Sterling.





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**Regulatory Approvals Required for the Merger (page [     ])**

We have agreed to use our reasonable best efforts to obtain all regulatory approvals required to complete the transactions contemplated by the merger agreement. These approvals include approval from the Board of Governors of the Federal Reserve, or the Federal Reserve Board, among others. Comerica and Sterling have filed, or are in the process of filing, applications and notifications to obtain the required regulatory approvals.

Although we do not know of any reason why we cannot obtain these regulatory approvals in a timely manner, we cannot be certain when or if we will obtain them.

**Board of Directors and Executive Officers of Comerica following Completion of the Merger (page [     ])**

The directors of Sterling and its subsidiaries will resign as of the effective time of the merger. The composition of Comerica's board of directors and executive officers is not anticipated to change in connection with the completion of the merger.

**The Rights of Sterling Shareholders will Change as a Result of the Merger (page [     ])**

The rights of Sterling shareholders will change as a result of the merger due to differences in Comerica's and Sterling's governing documents. The rights of Sterling shareholders are governed by Texas law, and by Sterling's restated and amended articles of incorporation and amended and restated bylaws, each as amended to date (which we refer to as Sterling's articles of incorporation and bylaws, respectively). Upon the completion of the merger, the rights of Sterling shareholders will be governed by Delaware law, Comerica's restated certificate of incorporation and amended and restated bylaws (which we refer to as Comerica's certificate of incorporation and bylaws, respectively).

This proxy statement/prospectus contains descriptions of the material differences in shareholder rights under each of the Comerica and Sterling governing documents.

**Litigation Relating to the Merger (page [     ])**

Sterling and certain of Sterling's directors and executive officers are named as defendants in two lawsuits that are pending in connection with the merger. Comerica is also named as a defendant in these lawsuits. See "The Merger Litigation Relating to the Merger" beginning on page [     ] for more information.

**Information About the Companies (page [     ])**

***Comerica***

Comerica is a financial services company incorporated under the laws of the State of Delaware and headquartered in Dallas, Texas. As of December 31, 2010, it was among the 25 largest commercial bank holding companies in the United States. Comerica was formed in 1973 to acquire the outstanding common stock of Comerica Bank, which at such time was a Michigan banking corporation and one of Michigan's oldest banks (formerly Comerica Bank-Detroit). On October 31, 2007, Comerica Bank, a Michigan banking corporation, was merged with and into Comerica Bank, a Texas banking association, which we refer to as Comerica Bank. As of December 31, 2010, Comerica owned directly or indirectly all the outstanding common stock of two active banking subsidiaries and 48 nonbanking subsidiaries. As of December 31, 2010, Comerica had total assets of approximately \$53.7 billion, total deposits of approximately \$40.5 billion and total common shareholders' equity of approximately \$5.8 billion.

Comerica's principal executive office is located at Comerica Bank Tower, 1717 Main Street, Dallas, Texas 75201, and its telephone number is (214) 462-6831.

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Additional information about Comerica and its subsidiaries is included in documents incorporated by reference in this proxy statement/prospectus. See *Where You Can Find More Information* on page [     ].

***Comerica Bayou Acquisition Corporation***

Comerica Bayou Acquisition Corporation is a Texas corporation and newly formed wholly owned direct subsidiary of Comerica. Comerica Bayou Acquisition Corporation was formed by Comerica in connection with and solely for the purpose of the merger and has not carried on any activities to date, except for activities incidental to its formation and activities undertaken in connection with the transactions contemplated by the merger agreement. Its principal executive office is located at Comerica Bank Tower, 1717 Main Street, Dallas, Texas 75201, and its telephone number is (214) 462-6831.

***Sterling Bancshares, Inc.***

Sterling is a bank holding company headquartered in Houston, Texas that has served the banking needs of small to medium-sized businesses for over 36 years. Sterling provides a broad array of financial services to Texas businesses and consumers through 57 banking centers in the greater metropolitan areas of Houston, San Antonio, Dallas and Fort Worth, Texas. Sterling was incorporated under the laws of the State of Texas in 1980 and became the parent bank holding company of Sterling Bank, a banking association chartered under the laws of the State of Texas, in 1981. Sterling Bank was chartered in 1974 under the laws of the State of Texas. At December 31, 2010, Sterling had total assets of \$5.2 billion, total loans of \$2.8 billion, total deposits of \$4.3 billion, and shareholders' equity of \$622 million. Sterling had 946 full-time-equivalent employees at December 31, 2010.

Sterling's principal executive offices are located at 2950 North Loop West, Suite 1200, Houston, Texas, 77092 and its telephone number is (713) 466-8300.

Additional information about Sterling and its subsidiaries is included in documents incorporated by reference in this proxy statement/prospectus. See *Where You Can Find More Information* on page [     ].

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**RECENT DEVELOPMENTS**

**Comerica**

***Dividend Policy and Repurchase Plan***

On November 16, 2010, Comerica issued a press release announcing that Comerica's board of directors increased the quarterly cash dividend for Comerica common stock to \$0.10 per share. The dividend was payable January 1, 2011, to common stock shareholders of record as of December 15, 2010.

In addition, Comerica's board of directors authorized Comerica to purchase up to 12,576,281 shares, or about 7% of its outstanding common stock at September 30, 2010, as well as outstanding warrants to purchase up to 11,479,592 shares of Comerica's common stock. The shares and the warrants may be purchased from time to time in the open market or otherwise. The shares may be held as treasury stock or retired. The new repurchase program supersedes Comerica's prior share repurchase programs. For more details regarding the dividend increase and repurchase authorization, please see the press release furnished as Exhibit 99.1 to Comerica's Current Report on Form 8-K relating to the dividend increase and share repurchase program furnished to the SEC on November 16, 2010.

***Fourth Quarter and Fiscal Year 2010 Results***

On January 18, 2011, Comerica reported its unaudited preliminary financial results for the full year and quarter ended December 31, 2010. Comerica reported net income for the year ended December 31, 2010 of \$277 million, or \$0.88 per diluted common share, compared with 2009 net income of \$17 million. Comerica also reported fourth quarter 2010 net income of \$96 million, compared to \$59 million for the third quarter 2010. Comerica reported total assets of approximately \$53.7 billion, total deposits of approximately \$40.5 billion and total common shareholders equity of approximately \$5.8 billion, each as of December 31, 2010.

For more details regarding Comerica's unaudited preliminary financial results, please see the press release furnished as Exhibit 99.1 to Comerica's Current Report on Form 8-K furnished to the SEC on January 18, 2011. The audit of Comerica's results for the year ended December 31, 2010, will not be completed until immediately prior to the filing of Comerica's Annual Report on Form 10-K for the year ended December 31, 2010.

**Sterling**

***Fourth Quarter and Fiscal Year 2010 Results***

On January 18, 2011, Sterling reported its unaudited preliminary financial results for the full year and quarter ended December 31, 2010. Sterling reported net income for 2010 of \$704 thousand, or \$0.01 per diluted common share, compared to a net loss of \$13 million for 2009. Net income was \$1.9 million, or \$0.02 per diluted common share, for the fourth quarter of 2010, as compared to net income of \$4.5 million, or \$0.04 per diluted common share, for the third quarter of 2010. As of December 31, 2010, Sterling reported total assets of approximately \$5.2 billion, shareholders' equity of approximately \$622 million and total deposits of approximately \$4.3 billion.

For more details regarding Sterling's unaudited preliminary financial results, please see the press release furnished as Exhibit 99.1 to Sterling's Current Report on Form 8-K furnished to the SEC on January 18, 2011. The audit of Sterling's results for the year ended December 31, 2010, will not be completed until immediately prior to the filing of Sterling's Annual Report on Form 10-K for the year ended December 31, 2010.

**Table of Contents****SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF COMERICA**

The following table summarizes financial results achieved by Comerica for the periods and at the dates indicated and should be read in conjunction with Comerica's consolidated financial statements and the notes to the consolidated financial statements contained in reports that Comerica has previously filed with the SEC. Historical financial information for Comerica can be found in its Quarterly Report on Form 10-Q for the quarter ended September 30, 2010 and its Annual Report on Form 10-K for the year ended December 31, 2009. See "Where You Can Find More Information" on page [ ] for instructions on how to obtain the information that has been incorporated by reference. See also "Recent Developments" on page [ ].

Financial amounts as of and for the nine months ended September 30, 2010 and September 30, 2009 are unaudited (and are not necessarily indicative of the results of operations for the full year or any other interim period), but management of Comerica believes that such amounts reflect all adjustments (consisting only of normal recurring adjustments) necessary for a fair presentation of its results of operations and financial position as of the dates and for the periods indicated. You should not assume the results of operations for past periods and for the nine months ended September 30, 2010 and September 30, 2009 indicate results for any future period.

	As of or for the Nine Months Ended September 30,		As of or for the Year Ended December 31,				
	2010	2009	2009	2008	2007	2006	2005
<b>Summarized Income Statement Data:</b>							
Net interest income	\$ 1,241	\$ 1,171	\$ 1,567	\$ 1,815	\$ 2,003	\$ 1,983	\$ 1,956
Provision for credit losses	423	826	1,082	686	212	37	(47)
Noninterest income	574	836	1,050	893	888	855	819
Noninterest expense	1,203	1,225	1,650	1,751	1,691	1,674	1,613
Provision (benefit) for income taxes	25	(89)	(131)	59	306	345	393
Income from continuing operations	164	45	16	212	682	782	816
Income from discontinued operations, net of tax	17	1	1	1	4	111	45
<b>Net income</b>	<b>\$ 181</b>	<b>\$ 46</b>	<b>\$ 17</b>	<b>\$ 213</b>	<b>\$ 686</b>	<b>\$ 893</b>	<b>\$ 861</b>
Net income/(loss) available to common equity	\$ 58	\$ (56)	\$ (118)	\$ 192	\$ 680	\$ 886	\$ 858
<b>Per Common Share Data:</b>							
Basic net income/(loss) from continuing operations	\$ 0.24	\$ (0.38)	\$ (0.80)	\$ 1.28	\$ 4.43	\$ 4.85	\$ 4.88
Basic net income/(loss)	0.34	(0.37)	(0.79)	1.29	4.45	5.53	5.15
Diluted net income/(loss) from continuing operations	0.24	(0.38)	(0.80)	1.28	4.40	4.81	4.84
Diluted net income/(loss)	0.34	(0.37)	(0.79)	1.28	4.43	5.49	5.11
Book value at end of period	33.19	32.36	32.27	33.38	34.12	32.70	31.11
Cash dividends	0.15	0.15	0.20	2.31	2.56	2.36	2.20
<b>Weighted Average Number of Shares:</b>							
Basic	168	149	149	149	153	160	167
Diluted	171	149	149	149	154	161	168
<b>Average Balance Sheet Data:</b>							
Total assets	\$ 56,158	\$ 64,296	\$ 62,809	\$ 65,185	\$ 58,574	\$ 56,579	\$ 52,506
Total medium- and long-term debt	9,521	14,073	13,334	12,457	8,197	5,407	4,186
Stockholders' equity	6,134	7,124	7,099	5,442	5,070	5,176	5,097

**Table of Contents****SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF STERLING**

The following table summarizes financial results achieved by Sterling for the periods and at the dates indicated and should be read in conjunction with Sterling's consolidated financial statements and the notes to the consolidated financial statements contained in reports that Sterling has previously filed with the SEC. Historical financial information for Sterling can be found in its Quarterly Report on Form 10-Q for the quarter ended September 30, 2010, and its Annual Report on Form 10-K for the year ended December 31, 2009. See "Where You Can Find More Information" on page [ ] for instructions on how to obtain the information that has been incorporated by reference. See also "Recent Developments" on page [ ].

Financial amounts as of and for the nine months ended September 30, 2010 and 2009, are unaudited (and are not necessarily indicative of the results of operations for the full year or any other interim period), but management of Sterling believes that such amounts reflect all adjustments (consisting only of normal recurring adjustments) necessary for a fair presentation of its results of operations and financial position as of the dates and for the periods indicated. You should not assume the results of operations for past periods and for the nine months ended September 30, 2010 and 2009 indicate results for any future period.

	As of or for the Nine Months Ended		As of or for the Year Ended December 31,				
	September 30, 2010	2009	2009	2008	2007	2006	2005
<b>(In millions, except per share data)</b>							
<b>Summarized Income Statement Data:</b>							
Net interest income	\$ 129	\$ 145	\$ 192	\$ 198	\$ 186	\$ 172	\$ 150
Provision for credit losses	40	77	88	30	4	4	14
Noninterest income	25	31	36	41	36	31	27
Noninterest expense	118	124	163	153	139	131	111
Provision (benefit) for income taxes	(3)	(10)	(10)	17	26	22	16
Net income/(loss)	\$ (1)	\$ (15)	\$ (13)	\$ 39	\$ 53	\$ 46	\$ 36
Net income/(loss) available to common equity	\$ (1)	\$ (24)	\$ (22)	\$ 38	\$ 53	\$ 46	\$ 36
<b>Per Common Share Data:</b>							
Basic net income/(loss)	\$ (0.01)	\$ (0.31)	\$ (0.28)	\$ 0.52	\$ 0.73	\$ 0.67	\$ 0.53
Diluted net income/(loss)	(0.01)	(0.31)	(0.28)	0.52	0.72	0.66	0.53
Book value at end of period	6.15	6.67	6.60	7.17	6.56	5.76	4.92
Cash dividends	0.045	0.165	0.180	0.220	0.210	0.186	0.160
<b>Weighted Average Number of Shares:</b>							
Basic	97	78	79	73	73	69	68
Diluted	97	78	79	73	73	70	69
<b>Average Balance Sheet Data:</b>							
Total assets	\$ 5,019	\$ 5,013	\$ 5,005	\$ 4,853	\$ 4,334	\$ 3,880	\$ 3,559
Total medium- and long-term debt	251	251	251	199	126	110	129
Stockholders' equity	610	611	596	510	450	362	327

**Table of Contents****COMPARATIVE PER SHARE DATA****(Unaudited)**

Presented below for Comerica and Sterling is historical, unaudited pro forma combined and pro forma equivalent per share financial data for the year ended 2009 and the nine months ended September 30, 2010. The information presented below should be read together with the historical consolidated financial statements of Comerica and Sterling, including the related notes, filed by each of them with the SEC and incorporated by reference into this proxy statement/prospectus, and with the consolidated historical financial data for Comerica and Sterling appearing elsewhere in this proxy statement/prospectus. See [Where You Can Find More Information](#) on page [ ]. See also [Recent Developments](#) on page [ ].

The pro forma and pro forma per equivalent share information give effect to the merger as if the merger had been effective on the dates presented in the case of the book value data, and as if the merger had been effective as of January 1, 2009 in the case of the earnings per share and the cash dividends data. The pro forma data combine the historical results of Sterling into Comerica's consolidated statement of income and, while certain adjustments were made for the estimated impact of certain fair valuation adjustments and other acquisition-related activity, they are not indicative of what could have occurred had the acquisition taken place on January 1, 2009.

In addition, the pro forma data includes adjustments, which are preliminary and may be revised. The pro forma data, while helpful in illustrating the financial characteristics of the combined company under one set of assumptions, does not reflect the impact of factors that may result as a consequence of the merger or consider any potential impacts of current market conditions or the merger on revenues, expense efficiencies, asset dispositions, and share repurchases, among other factors, nor the impact of possible business model changes. As a result, pro forma data is presented for illustrative purposes only and does not represent an attempt to predict or suggest future results.

	Historical			SBIB Pro Forma Equivalent Per Share(2)
	CMA	SBIB	CMA Pro Forma Combined(1)	
<b>Basic Net Income (Loss) from Continuing Operations</b>				
For the nine months ended September 30, 2010	\$ 0.24	\$ (0.01)	\$ 0.53	\$ 0.13
For the year ended December 31, 2009	(0.80)	(0.28)	(0.27)	(0.06)
<b>Diluted Income (Loss) from Continuing Operations</b>				
For the nine months ended September 30, 2010	0.24	(0.01)	0.52	0.12
For the year ended December 31, 2009	(0.80)	(0.28)	(0.27)	(0.06)
<b>Cash Dividends(3)</b>				
For the nine months ended September 30, 2010	0.15	0.045	0.15	0.04
For the year ended December 31, 2009	0.20	0.18	0.20	0.05
<b>Book Value</b>				
As of September 30, 2010	33.19	6.15	34.84	8.24
As of December 31, 2009	32.27	6.60	32.34	7.65

- (1) Diluted Income (Loss) from Continuing Operations excludes the potential dilution from Sterling's stock options, nonvested share awards and warrants as a result of the merger. Estimated restructuring charges resulting directly from the merger of \$78 million, net of tax, were excluded from CMA Pro Forma Combined Income (Loss) from Continuing Operations.
- (2) The SBIB unaudited pro forma equivalent per share financial information is computed by multiplying the CMA unaudited pro forma combined amounts by the exchange ratio (0.2365 shares of Comerica common stock for each share of Sterling common stock) so that the per share amounts are equated to the respective values for one share of Sterling common stock.
- (3) CMA Pro Forma Combined cash dividend amounts are the same as historical because no change in dividend policy is expected as a result of the merger.

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**CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

Some of the statements contained or incorporated by reference in this proxy statement/prospectus contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, but not limited to, statements about the financial condition, results of operations, earnings outlook and prospects of Comerica, Sterling and the combined company following the proposed transaction and statements for the period following the completion of the merger. Words such as anticipates, believes, feels, expects, estimates, seeks, plans, intends, outlook, forecast, position, target, mission, assume, achievable, potential, strategy, goal, aspiration, maintain, trend, objective and variations of such words and similar expressions, or future or conditional verbs such as will, would, should, might, can, may or similar expressions, as they relate to Comerica, Sterling, the proposed transaction or the combined company following the transaction often identify forward-looking statements.

These forward-looking statements are predicated on the beliefs and assumptions of management based on information known to management as of the date of this proxy statement/prospectus and do not purport to speak as of any other date. Forward-looking statements may include descriptions of the expected benefits and costs of the transaction; forecasts of revenue, earnings or other measures of economic performance, including statements of profitability, business segments and subsidiaries; management plans relating to the transaction; the expected timing of the completion of the transaction; the ability to complete the transaction; the ability to obtain any required regulatory, shareholder or other approvals; any statements of the plans and objectives of management for future or past operations, products or services, including the execution of integration plans; any statements of expectation or belief; and any statements of assumptions underlying any of the foregoing.

The forward-looking statements contained or incorporated by reference in this proxy statement/prospectus reflect the view of management as of this date with respect to future events and are subject to risks and uncertainties. Should one or more of these risks materialize or should underlying beliefs or assumptions prove incorrect, actual results could differ materially from those anticipated by the forward-looking statements or historical results. Factors that could cause or contribute to such differences include, but are not limited to, (1) the matters set forth under Risk Factors beginning on page [ ]; (2) the possibility that expected benefits may not materialize in the timeframe expected or at all, or may be more costly to achieve; (3) that the transaction may not be timely completed, if at all; (4) that prior to the completion of the transaction or thereafter, Comerica's and Sterling's respective businesses may not perform as expected due to transaction-related uncertainty or other factors; (5) that the parties are unable to successfully implement integration strategies; (6) that required regulatory, shareholder or other approvals are not obtained or other closing conditions are not satisfied in a timely manner or at all; (7) reputational risks and the reaction of the companies' customers to the transaction; (8) diversion of management time on merger-related issues; and (9) those factors referenced in Comerica's and Sterling's filings with the SEC.

For any forward-looking statements made in this proxy statement/prospectus or in any documents incorporated by reference into this proxy statement/prospectus, Comerica and Sterling claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. You are cautioned not to place undue reliance on these statements, which speak only as of the date of this proxy statement/prospectus or the date of any document incorporated by reference in this proxy statement/prospectus. Comerica and Sterling do not undertake to update forward-looking statements to reflect facts, circumstances, assumptions or events that occur after the date the forward-looking statements are made. All subsequent written and oral forward-looking statements concerning the merger or other matters addressed in this proxy statement/prospectus and attributable to Comerica, Sterling or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this proxy statement/prospectus.

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**RISK FACTORS**

*In addition to general investment risks and the other information contained in or incorporated by reference into this proxy statement/prospectus, including the matters addressed under the heading **Cautionary Statement Regarding Forward-Looking Statements** commencing on page [ ] and the matters discussed under the caption **Risk Factors** in the Annual Reports on Forms 10-K filed by Comerica and Sterling, respectively, for the year ended December 31, 2009, as updated by subsequently filed Forms 10-Q and other reports filed with the SEC, you should carefully consider the following risk factors in deciding how to vote on approval of the merger agreement.*

**Because the exchange ratio is fixed and market price of Comerica common stock will fluctuate, Sterling shareholders cannot be sure of the market value of the merger consideration they will receive.**

Upon completion of the merger, each share of Sterling common stock will be converted into 0.2365 of a share of Comerica common stock, plus cash in lieu of any fractional shares. Because the exchange ratio is fixed, the value of the shares of Comerica common stock that will be issued to you in the merger will depend on the market price of Comerica common stock at the time the shares are issued. There will be no adjustment to the fixed number of shares of Comerica common stock that will be issued to you based upon changes in the market price of Comerica common stock or Sterling common stock prior to the closing. Neither Comerica nor Sterling is permitted to terminate the merger agreement or resolicit the vote of Sterling shareholders solely because of changes in the market prices of either company's stock.

The market price of Comerica common stock at the time the merger is completed may vary from the price of Comerica common stock on the date the merger agreement was executed, on the date of this proxy statement/prospectus and on the date of the Sterling special meeting as a result of various factors that are beyond the control of Comerica and Sterling, including but not limited to general market and economic conditions, changes in our respective businesses, operations and prospects, and regulatory considerations. In addition to the approval of the merger agreement by Sterling shareholders, completion of the merger is subject to receipt of required regulatory approvals and satisfaction of other conditions that may not occur until after the Sterling special meeting. Therefore, at the time of the Sterling special meeting you will not know the precise value of the consideration you will receive at the effective time of the merger. You should obtain current market quotations for shares of Comerica common stock and for shares of Sterling common stock.

**The market price of Comerica common stock after the merger may be affected by factors different from those affecting the shares of Sterling or Comerica currently.**

Upon completion of the merger, holders of Sterling common stock will become holders of Comerica common stock. Comerica's business differs from that of Sterling, and, accordingly, the results of operations of the combined company and the market price of the combined company's shares of common stock may be affected by factors different from those currently affecting the independent results of operations of each of Comerica and Sterling. For a discussion of the businesses of Comerica and Sterling and of certain factors to consider in connection with those businesses, see the documents incorporated by reference in this proxy statement/prospectus and referred to under **Where You Can Find More Information** beginning on page [ ].

**Regulatory approvals may not be received, may take longer than expected or impose conditions that are not presently anticipated.**

Before the merger may be completed, we must obtain various approvals or consents from the Federal Reserve Board and various bank regulatory and other authorities. These regulators may impose conditions on the completion of the merger or require changes to the terms of the merger. Although Comerica and Sterling do not currently expect that any such conditions or changes would be imposed, there can be no assurance that they will not be, and such conditions or changes could have the effect of delaying completion of the merger or imposing



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additional costs on or limiting the revenues of Comerica following the merger. There can be no assurance as to whether the regulatory approvals will be received, the timing of those approvals, or whether any conditions will be imposed. See *The Merger Regulatory Approvals Required for the Merger* beginning on page [ ].

### **Combining the two companies may be more difficult, costly or time-consuming than expected.**

Comerica and Sterling have operated and, until the completion of the merger, will continue to operate, independently. The success of the merger will depend, in part, on our ability to successfully combine the businesses of Comerica and Sterling. To realize these anticipated benefits, after the completion of the merger, Comerica expects to integrate Sterling's business into its own. It is possible that the integration process could result in the loss of key employees, the disruption of each company's ongoing businesses or inconsistencies in standards, controls, procedures and policies that adversely affect the combined company's ability to maintain relationships with clients, customers, depositors and employees or to achieve the anticipated benefits of the merger. The loss of key employees could adversely affect Comerica's ability to successfully conduct its business in the markets in which Sterling now operates, which could have an adverse effect on Comerica's financial results and the value of its common stock. If Comerica experiences difficulties with the integration process, the anticipated benefits of the merger may not be realized fully or at all, or may take longer to realize than expected. As with any merger of financial institutions, there also may be business disruptions that cause Sterling to lose customers or cause customers to remove their accounts from Sterling and move their business to competing financial institutions. Integration efforts between the two companies will also divert management attention and resources. These integration matters could have an adverse effect on each of Sterling and Comerica during this transition period and for an undetermined period after consummation of the merger.

### **Comerica may fail to realize the cost savings estimated for the merger.**

Comerica estimates that it will achieve cost savings from the merger when the two companies have been fully integrated. While Comerica continues to be comfortable with these expectations as of the date of this proxy statement/prospectus, it is possible that the estimates of the potential cost savings could turn out to be incorrect. The cost savings estimates also assume Comerica's ability to combine the businesses of Comerica and Sterling in a manner that permits those cost savings to be realized. If the estimates turn out to be incorrect or Comerica is not able to combine successfully the two companies, the anticipated cost savings may not be fully realized or realized at all, or may take longer to realize than expected.

### **The fairness opinion obtained by Sterling from its financial advisor will not reflect changes in circumstances between signing the merger agreement and the completion of the merger.**

Sterling has not obtained an updated fairness opinion as of the date of this proxy statement/prospectus from Morgan Stanley, Sterling's financial advisor. Changes in the operations and prospects of Sterling or Comerica, general market and economic conditions and other factors that may be beyond the control of Sterling and Comerica, and on which the fairness opinion was based, may alter the value of Sterling or Comerica or the prices of shares of Sterling common stock or Comerica common stock by the time the merger is completed. The opinion does not speak as of the time the merger will be completed or as of any date other than the date of such opinion. Because Sterling does not anticipate asking its financial advisor to update its opinion, the January 16, 2011 opinion does not address the fairness of the merger consideration, from a financial point of view, at the time the merger is completed. The opinion is included as Annex B to this proxy statement/prospectus. For a description of the opinion that Sterling received from its financial advisor, please refer to *The Merger Opinion of Morgan Stanley & Co. Incorporated* on page [ ]. For a description of the other factors considered by Sterling's board of directors in determining to approve the merger, please refer to *The Merger Sterling's Reasons for the Merger; Recommendation of the Sterling Board of Directors* on page [ ].

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### **Some of the directors and executive officers of Sterling may have interests and arrangements that may have influenced their decisions to support or recommend that you approve the merger agreement.**

The interests of some of the directors and executive officers of Sterling may be different from those of Sterling common shareholders, and directors and officers of Sterling may be participants in arrangements that are different from, or in addition to, those of Sterling common shareholders. These interests are described in more detail in the section of this proxy statement/prospectus entitled "The Merger Interests of Sterling's Directors and Executive Officers in the Merger" beginning on page [ ].

### **The shares of Comerica common stock to be received by Sterling shareholders as a result of the merger will have different rights from the shares of Sterling common stock they currently hold.**

Following completion of the merger, holders of Sterling common stock will no longer be shareholders of Sterling, a Texas corporation, but will instead be shareholders of Comerica, a Delaware corporation. The rights associated with Sterling common stock are different from the rights associated with Comerica. See the section of this proxy statement/prospectus entitled "Comparison of Shareholders' Rights" beginning on page [ ].

### **Sterling shareholders will have a reduced ownership and voting interest after the merger and will exercise less influence over management.**

Sterling shareholders currently have the right to vote in the election of the Sterling board of directors and on other matters affecting Sterling. When the merger occurs, each Sterling shareholder that receives shares of Comerica common stock will become a shareholder of Comerica with a percentage ownership of the combined organization that is much smaller than the shareholder's percentage ownership of Sterling. Because of this, Sterling shareholders will have less influence on the management and policies of Comerica than they now have on the management and policies of Sterling.

### **Termination of the merger agreement could negatively impact Sterling.**

If the merger agreement is terminated, there may be various consequences. For example, Sterling's businesses may have been impacted adversely by the failure to pursue other beneficial opportunities due to the focus of management on the merger, without realizing any of the anticipated benefits of completing the merger, or the market price of Sterling common stock could decline to the extent that the current market price reflects a market assumption that the merger will be completed. In addition, termination of the merger agreement would increase the possibility of downgrades by Sterling's credit rating agencies or adverse regulatory actions which could adversely affect Sterling's businesses. If the merger agreement is terminated and Sterling's board of directors seeks another merger or business combination, Sterling shareholders cannot be certain that Sterling will be able to find a party willing to pay the equivalent or greater consideration than that which Comerica has agreed to pay in the merger. In addition, if the merger agreement is terminated under certain circumstances, including circumstances involving a change in recommendation by Sterling's board of directors, Sterling may be required to reimburse Comerica's expenses, up to a maximum of \$3 million, or to pay Comerica a termination fee of \$40 million.

### **Pending litigation against Sterling, certain of Sterling's directors and executive officers, and Comerica could result in an injunction preventing completion of the merger, the payment of damages in the event the merger is completed and/or may adversely affect the combined company's business, financial condition or results of operations following the merger.**

In connection with the merger, purported shareholders of Sterling filed lawsuits against Sterling, certain of Sterling's directors and executive officers, and Comerica. Among other relief, the plaintiffs seek to enjoin the merger. One of the conditions to the closing of the merger is that no law or order by any court or governmental or regulatory authority is in effect that prohibits the completion of the merger. If any of the plaintiffs are successful

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in obtaining an injunction prohibiting the defendants from completing the merger, then such injunction may prevent the merger from becoming effective, or from becoming effective within the expected time frame. If completion of the merger is prevented or delayed, it could result in substantial costs to Comerica and Sterling. In addition, Comerica and Sterling could incur costs associated with the indemnification of their respective directors and officers. See *The Merger Litigation Relating to the Merger* beginning on page [ ].

**Recent legislation regarding the financial services industry may have a significant adverse effect on Comerica's operations.**

On July 21, 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act, which we refer to as the Dodd-Frank Act, was signed into law. The Dodd-Frank Act implements a variety of far-reaching changes and has been called the most sweeping reform of the financial services industry since the 1930s. Many of the provisions of the Dodd-Frank Act will directly affect Comerica's ability to conduct its business, including, but not limited to:

Creation of a financial stability oversight council that may recommend to the Federal Reserve Board increasingly strict rules for capital, leverage, liquidity, risk management and other requirements as companies grow in size and complexity;

Application of the same leverage and risk-based capital requirements that apply to insured depository institutions to most bank holding companies, such as Comerica, which, among other things, will, after a three-year phase-in period which begins January 1, 2013, remove trust preferred securities as a permitted component of a holding company's Tier 1 capital;

Increase in the Federal Deposit Insurance Corporation, or FDIC, assessment for depository institutions with assets of \$10 billion or more, such as Comerica Bank, and increases the minimum reserve ratio for the FDIC's Deposit Insurance Fund from 1.15% to 1.35%;

Repeal of the federal prohibitions on the payment of interest on demand deposits, thereby permitting depository institutions to pay interest on business transaction and other accounts;

Establishment of a consumer financial protection bureau with broad authority to implement new consumer protection regulations and, for bank holding companies with \$10 billion or more in assets, to examine and enforce compliance with federal consumer laws; and

Amendment of the Electronic Fund Transfer Act (EFTA) to, among other things, give the Federal Reserve Board the authority to issue rules which are expected to limit debit-card interchange fees.

Many provisions in the Dodd-Frank Act remain subject to regulatory rule-making and implementation, the effects of which are not yet known. The provisions of the Dodd-Frank Act and any rules adopted to implement those provisions as well as any additional legislative or regulatory changes may impact the profitability of Comerica's business activities, may require that Comerica change certain of its business practices, may materially affect its business model or affect retention of key personnel, may require Comerica to raise additional capital and could expose Comerica to additional costs (including increased compliance costs). These and other changes may also require Comerica to invest significant management attention and resources to make any necessary changes and may adversely affect Comerica's ability to conduct its business as previously conducted or its results of operations or financial condition.

**Comerica may be subject to more stringent capital and liquidity requirements.**

As discussed above, the Dodd-Frank Act creates a financial stability oversight council that may recommend to the Federal Reserve increasingly strict rules for capital requirements as companies grow in size and complexity and applies the same leverage and risk-based capital requirements that apply to insured depository institutions to most bank holding companies, which, among other things, will, after a three-year phase-in period

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which begins January 1, 2013, remove trust preferred securities as a permitted component of a holding company's Tier 1 capital. These requirements, and any other new regulations, could adversely affect Comerica's ability to pay dividends, or could require Comerica to reduce business levels or to raise capital, including in ways that may adversely affect its results of operations or financial condition.

In addition, on September 12, 2010, the Group of Governors and Heads of Supervision, the oversight body of the Basel Committee on Banking Supervision, announced agreement on the calibration and phase-in arrangements for a strengthened set of capital requirements, known as Basel III. When fully phased in, Basel III will introduce a minimum Tier 1 common equity ratio of 4.5%, net of regulatory deductions, and establish a capital conservation buffer of an additional 2.5% of common equity to risk-weighted assets above the regulatory minimum capital requirement, establishing a minimum common equity ratio plus capital conservation buffer at 7%. This capital conservation buffer will impose capital distribution constraints when the Tier 1 capital ratio falls under 8.5% and the total capital ratio falls under 10.5%. In addition, Basel III introduces a countercyclical capital buffer of up to 2.5% of common equity or other loss absorbing capital above the regulatory capital minimum plus the capital conservation buffer for periods of excess credit growth. Basel III also introduces a non-risk adjusted Tier 1 leverage ratio based on a measure of total exposure rather than total assets, and new liquidity standards. The Basel III capital and liquidity standards will be phased in over a period of several years. The text of the final Basel III capital and liquidity rules was published on December 16, 2010, and is now subject to individual adoption by member nations, including the United States.

Banking regulators could implement changes to the capital adequacy standards applicable to Comerica and Comerica Bank in light of Basel III. The ultimate impact of the new capital and liquidity standards cannot be determined at this time and will depend on a number of factors, including treatment and implementation by the U.S. banking regulators.

***Sterling shareholders do not have dissenters' appraisal rights in the merger.***

Appraisal rights are statutory rights that, if applicable under law, enable shareholders to dissent from an extraordinary transaction, such as a merger, and to demand that the corporation pay the fair value for their shares as determined by a court in a judicial proceeding instead of receiving the consideration offered to shareholders in connection with the extraordinary transaction. Appraisal rights are not available in all circumstances, and exceptions to these rights are provided under the TBOC. In this circumstance, because Comerica's common stock is listed on the NYSE and Sterling's common stock is listed on the NASDAQ, Sterling's shareholders do not have dissenters' appraisal rights in the merger with respect to their shares of Sterling common stock. See the sections of this proxy statement/prospectus entitled "The Merger: Sterling Shareholders Do Not Have Dissenters' Appraisal Rights in the Merger" beginning on page [ ] and "Comparison of Shareholders' Rights: Rights of Dissenting Shareholders" beginning on page [ ].

***Sterling will be subject to business uncertainties and contractual restrictions while the merger is pending.***

Uncertainty about the effect of the merger on employees and customers may have an adverse effect on Sterling. These uncertainties may impair Sterling's ability to attract, retain and motivate key personnel until the merger is completed, and could cause customers and others that deal with Sterling to seek to change existing business relationships with Sterling. Retention of certain employees by Sterling may be challenging while the merger is pending, as certain employees may experience uncertainty about their future roles with Sterling. If key employees depart because of issues relating to the uncertainty and difficulty of integration or a desire not to remain with Sterling, Sterling's business following the merger could be harmed. In addition, subject to certain exceptions, Sterling has agreed to operate its business in the ordinary course prior to closing. See the section entitled "The Merger Agreement: Covenants and Agreements" beginning on page [ ] of this proxy statement/prospectus for a description of the restrictive covenants applicable to Sterling.

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**THE STERLING SPECIAL MEETING**

This section contains information for Sterling shareholders about the special meeting that Sterling has called to allow its shareholders to consider and approve the merger agreement. We are mailing this proxy statement/prospectus to you, as a Sterling shareholder, on or about [     ]. Together with this proxy statement/prospectus, we are also sending to you a notice of the special meeting of Sterling shareholders and a form of proxy card that Sterling's board of directors is soliciting for use at the special meeting and at any adjournments or postponements of the special meeting.

This proxy statement/prospectus is also being furnished by Comerica to Sterling shareholders as a prospectus in connection with the issuance of shares of Comerica common stock upon completion of the merger.

**Date, Time and Place of Meeting**

The special meeting will be held at [     ], Houston, Texas on [     ], 2011, at [     ] local time.

**Matters to Be Considered**

At the special meeting of shareholders, you will be asked to consider and vote upon the following matters:

a proposal to approve the merger agreement and the transactions it contemplates; and

a proposal to approve the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies in favor of the approval of the merger agreement, which we refer to as the adjournment proposal.

**Recommendation of the Sterling Board of Directors**

Sterling's board of directors determined that the merger, the merger agreement and the transactions contemplated by the merger agreement are advisable and in the best interests of Sterling and its shareholders and has unanimously approved the merger and the merger agreement. Sterling's board of directors unanimously recommends that Sterling shareholders vote **FOR** approval of the merger agreement and **FOR** the adjournment proposal. See "The Merger" Sterling's Reasons for the Merger; Recommendation of the Sterling Board of Directors on page [     ] for a more detailed discussion of the Sterling board of directors' recommendation.

**Record Date and Quorum**

Sterling's board of directors has fixed the close of business on [     ], 2011, as the record date for determining the holders of Sterling common stock entitled to receive notice of and to vote at the Sterling special meeting.

As of the record date, there were [     ] shares of Sterling common stock outstanding and entitled to vote at the Sterling special meeting held by approximately [     ] holders of record. Each share of Sterling common stock entitles the holder to one vote at the Sterling special meeting on each proposal to be considered at the Sterling special meeting.

The presence at the special meeting, in person or by proxy, of holders of a majority of the outstanding shares of Sterling common stock entitled to vote at the special meeting will constitute a quorum for the transaction of business. All shares of Sterling common stock, whether present in person or represented by proxy, including abstentions and broker non-votes, will be treated as present for purposes of determining the presence or absence of a quorum for all matters voted on at the Sterling special meeting. A broker non-vote occurs under stock

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exchange rules when a broker is not permitted to vote on a matter without instructions from the beneficial owner of the shares and no instruction is given.

**Vote Required; Treatment of Abstentions and Failure to Vote**

Approval of the merger agreement requires the affirmative vote of the holders of two-thirds of the outstanding shares of Sterling common stock entitled to vote at the special meeting. You are entitled to one vote for each share of Sterling common stock you held as of the record date. Because approval is based on the affirmative vote of two-thirds of shares outstanding, your failure to vote, failure to instruct your bank or broker with respect to the proposal to approve the merger agreement, or an abstention will have the same effect as a vote against approval of the merger agreement.

Approval of the adjournment proposal requires the affirmative vote of the holders of a majority of shares of Sterling common stock entitled to vote on, and voting for or against or expressly abstaining with respect to, such proposal at the special meeting, even if less than a quorum. Because approval of the adjournment proposal is based on the affirmative vote of a majority of shares voting or expressly abstaining at the special meeting, abstentions will have the same effect as a vote against this proposal. The failure to vote or failure to instruct your bank or broker with respect to the adjournment proposal, however, will have no effect on the adjournment proposal.

**Shares Held by Officers and Directors**

As of the record date, directors and executive officers of Sterling and their affiliates owned and were entitled to vote [ ] shares of Sterling common stock, representing approximately [ ]% of the shares of Sterling common stock outstanding on that date. Sterling currently expects that its directors and executive officers will vote their shares in favor of the merger agreement proposal and the adjournment proposal, although none of them has entered into any agreements obligating them to do so. As of the record date, Comerica beneficially held [ ] shares of Sterling s common stock, representing approximately [ ]% of the shares of Sterling common stock outstanding on that date, and Comerica s directors and executive officers or their affiliates held approximately [ ] shares (or [ ]% of the outstanding shares) of Sterling common stock. See The Merger Interests of Sterling s Directors and Executive Officers in the Merger beginning on page [ ].

**Voting of Proxies; Incomplete Proxies**

Each copy of this proxy statement/prospectus mailed to holders of Sterling common stock is accompanied by a form of proxy with instructions for voting. If you hold stock in your name as a shareholder of record, you should complete and return the proxy card accompanying this proxy statement/prospectus, or call the toll-free telephone number or use the Internet as described in the instructions included with your proxy card or voting instruction card, regardless of whether you plan to attend the special meeting.

If you hold your stock in street name through a bank or broker, you must direct your bank or broker to vote in accordance with the instructions you have received from your bank or broker.

Sterling shareholders should **not** send Sterling stock certificates with their proxy cards. After the merger is completed, holders of Sterling common stock will be mailed a transmittal form with instructions on how to exchange their Sterling stock certificates for the merger consideration.

All shares represented by valid proxies (including those given by telephone or the Internet) that we receive through this solicitation, and that are not revoked, will be voted in accordance with your instructions on the proxy card. If you make no specification on your proxy card as to how you want your shares voted before signing and returning it, your proxy will be voted **FOR** approval of the merger agreement and **FOR** approval of the adjournment proposal. No matters other than the matters described in this proxy statement/prospectus are

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anticipated to be presented for action at the special meeting or at any adjournment or postponement of the special meeting.

**Shares Held in Street Name; Broker Non-Votes**

Under stock exchange rules, banks, brokers and other nominees who hold shares of Sterling common stock in street name for a beneficial owner of those shares typically have the authority to vote in their discretion on routine proposals when they have not received instructions from beneficial owners. However, banks, brokers and other nominees are not allowed to exercise their voting discretion with respect to the approval of matters determined to be non-routine, such as approval of the merger agreement proposal, without specific instructions from the beneficial owner. Broker non-votes are shares held by a broker, bank or other nominee that are represented at the Sterling special meeting, but with respect to which the broker or nominee is not instructed by the beneficial owner of such shares to vote on the particular proposal and the broker does not have discretionary voting power on such proposal. It is expected that brokers, banks and other nominees will not have discretionary authority to vote on either proposal and, as a result, Sterling anticipates that there will not be any broker non-votes cast in connection with either proposal. Therefore, if your broker, bank or other nominee holds your shares of Sterling common stock in street name, your broker, bank or other nominee will vote your shares of Sterling common stock only if you provide instructions on how to vote by filling out the voter instruction form sent to you by your broker, bank or other nominee with this proxy statement/prospectus.

**Revocability of Proxies and Changes to a Sterling Shareholder's Vote**

If you hold stock in your name as a shareholder of record, you may revoke any proxy at any time before it is voted by (1) signing and returning a proxy card with a later date, (2) delivering a written revocation letter to Sterling's corporate secretary, (3) voting again by telephone or the Internet, or (4) attending the special meeting in person, notifying the corporate secretary, and voting by ballot at the special meeting.

Any shareholder entitled to vote in person at the special meeting may vote in person regardless of whether a proxy has been previously given, but the mere presence (without notifying Sterling's corporate secretary) of a shareholder at the special meeting will not constitute revocation of a previously given proxy.

Written notices of revocation and other communications about revoking your proxy should be addressed to:

Sterling Bancshares, Inc.

2950 North Loop West, Suite 1200

Houston, Texas 77092

Attention: Secretary

If your shares are held in street name by a bank or broker, you should follow the instructions of your bank or broker regarding the revocation of proxies.

**Participants in Sterling Employee Savings Plan**

If you hold shares of Sterling common stock through the Sterling Bancshares, Inc. Employee Savings Plan, you may give voting instructions by completing and returning the enclosed proxy card in the accompanying prepaid reply envelope prior to [ ], 2011. If a participant's proxy card is not received by [ ], 2011 or if such participant signs and returns his or her proxy card without instructions marked in the boxes, the trustee will vote the participant's shares of Sterling common stock in the same proportion as other shares of Sterling common stock held in the plan for which the trustee received timely instructions. Participants in the plan must vote through the trustee and may not vote in person at the special meeting.

With respect to shares of Sterling common stock held by the Sterling Bancshares, Inc. Employee Savings Plan, Charles Schwab Trust Company, the plan's trustee, is responsible for ensuring that procedures are in place

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to safeguard the confidentiality of your proxy directions to the trustee and that those procedures are being followed.

### **Solicitation of Proxies**

Sterling will bear the entire cost of soliciting proxies from you. In addition to solicitation of proxies by mail, Sterling will request that banks, brokers, and other record holders send proxies and proxy material to the beneficial owners of Sterling common stock and secure their voting instructions. Sterling will reimburse the record holders for their reasonable expenses in taking those actions. Sterling has also made arrangements with MacKenzie Partners to assist it in soliciting proxies and has agreed to pay them \$[ ] plus reasonable expenses for these services. If necessary, Sterling may use several of its regular employees, who will not be specially compensated, to solicit proxies from the Sterling shareholders, either personally or by telephone, facsimile, letter or other electronic means.

### **Attending the Meeting**

All holders of Sterling common stock, including shareholders of record and shareholders who hold their shares through banks, brokers, nominees or any other holder of record, are invited to attend the special meeting. Shareholders of record can vote in person at the special meeting. If you are not a shareholder of record, you must obtain a proxy executed in your favor, from the record holder of your shares, such as a broker, bank or other nominee, to be able to vote in person at the special meeting. If you plan to attend the special meeting, you must hold your shares in your own name or have a letter from the record holder of your shares confirming your ownership. In addition, you must bring a form of personal photo identification with you in order to be admitted. We reserve the right to refuse admittance to anyone without proper proof of share ownership and without proper photo identification. The use of cameras, sound recording equipment, communications devices or any similar equipment during the special meeting is prohibited without Sterling's express written consent.

### **Assistance**

If you have any questions concerning the merger or this proxy statement/prospectus, would like additional copies of this proxy statement/prospectus or need help voting your shares of Sterling common stock, please contact MacKenzie Partners, Sterling's proxy solicitor:

MacKenzie Partners

105 Madison Avenue

New York, New York 10016

[proxy@mackenziepartners.com](mailto:proxy@mackenziepartners.com)

(212) 929-5500 (call collect)

or

(800) 322-2885 (toll free)



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**INFORMATION ABOUT THE COMPANIES**

**Comerica**

Comerica is a financial services company incorporated under the laws of the State of Delaware and headquartered in Dallas, Texas. As of December 31, 2010, it was among the 25 largest commercial bank holding companies in the United States. Comerica was formed in 1973 to acquire the outstanding common stock of Comerica Bank, which at such time was a Michigan banking corporation and one of Michigan's oldest banks (formerly Comerica Bank-Detroit). On October 31, 2007, Comerica Bank, a Michigan banking corporation, was merged with and into Comerica Bank, a Texas banking association, which we refer to as Comerica Bank. As of December 31, 2010, Comerica owned directly or indirectly all the outstanding common stock of two active banking subsidiaries and 48 nonbanking subsidiaries. As of December 31, 2010, Comerica had total assets of approximately \$53.7 billion, total deposits of approximately \$40.5 billion and total common shareholders' equity of approximately \$5.8 billion.

Comerica has strategically aligned its operations into three major business segments (the Business Bank, the Retail Bank, and Wealth & Institutional Management) across four primary geographic markets (the Midwest (Michigan, Ohio and Illinois), Western (California, Arizona, Nevada, Colorado and Washington), Texas and Florida markets). In addition to the three major business segments, the Finance Division is also reported as a segment.

The Business Bank is primarily comprised of the following businesses: Middle Market, Commercial Real Estate, National Dealer Services, International Finance, Global Corporate, Leasing, Financial Services, and Technology and Life Sciences. This business segment meets the needs of medium-size businesses, multinational corporations and governmental entities by offering various products and services, including commercial loans and lines of credit, deposits, cash management, capital market products, international trade finance, letters of credit, foreign exchange management services and loan syndication services.

The Retail Bank includes small business banking and personal financial services, consisting of consumer lending, consumer deposit gathering and mortgage loan origination. In addition to a full range of financial services provided to small business customers, this business segment offers a variety of consumer products, including deposit accounts, installment loans, credit cards, student loans, home equity lines of credit and residential mortgage loans.

Wealth & Institutional Management offers products and services consisting of fiduciary services, private banking, retirement services, investment management and advisory services, investment banking and discount securities brokerage services. This business segment also offers the sale of annuity products, as well as life, disability and long-term care insurance products.

The Finance segment includes Comerica's securities portfolio and asset and liability management activities. This segment is responsible for managing Comerica's funding, liquidity and capital needs, performing interest sensitivity analysis and executing various strategies to manage Comerica's exposure to liquidity, interest rate risk and foreign exchange risk.

Comerica has two active banking subsidiaries, Comerica Bank and Comerica Bank & Trust, National Association. Comerica has consolidated most of its banking business into Comerica Bank, which is chartered by the State of Texas, and at the state level is supervised and regulated by the Texas Department of Banking. Comerica Bank is a member of the Federal Reserve System and supervised and regulated by the Federal Reserve Bank of Dallas, and has branches in Texas, Michigan, California, Florida and Arizona. Comerica Bank & Trust, National Association is chartered under federal law and is subject to supervision and regulation by the Office of the Comptroller of the Currency. Comerica Bank & Trust, National Association is also a member of the Federal Reserve System. The deposits of Comerica Bank and Comerica Bank & Trust, National Association are insured by the Deposit Insurance Fund of the FDIC to the extent provided by law. Comerica is a bank holding company under the Bank Holding Company Act of 1956, as amended, and has elected to become a financial holding company under the provisions of the Gramm-Leach-Bliley Act. Accordingly, Comerica is subject to supervision and regulation at the federal level by the Federal Reserve Board.

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Comerica's principal executive office is located at Comerica Bank Tower, 1717 Main Street, Dallas, Texas 75201, and its telephone number is (214) 462-6831. Comerica's website can be accessed at <http://www.comerica.com>. Information contained in Comerica's website does not constitute part of, and is not incorporated into, this proxy statement/prospectus.

**Additional information about Comerica and its subsidiaries is included in documents incorporated by reference in this proxy statement/prospectus. See Where You Can Find More Information on page [ ].**

**Comerica Bayou Acquisition Corporation**

Comerica Bayou Acquisition Corporation is a Texas corporation and newly formed wholly owned direct subsidiary of Comerica. Comerica Bayou Acquisition Corporation was formed by Comerica in connection with and solely for the purpose of the merger and has not carried on any activities to date, except for activities incidental to its formation and activities undertaken in connection with the transactions contemplated by the merger agreement. Its principal executive office is located at Comerica Bank Tower, 1717 Main Street, Dallas, Texas 75201, and its telephone number is (214) 462-6831.

**Sterling Bancshares, Inc.**

Sterling is a bank holding company headquartered in Houston, Texas that has served the banking needs of small to medium-sized businesses for over 36 years. Sterling provides a broad array of financial services to Texas businesses and consumers through 57 banking centers in the greater metropolitan areas of Houston, San Antonio, Dallas and Fort Worth, Texas.

Sterling was incorporated under the laws of the State of Texas in 1980 and became the parent bank holding company of Sterling Bank, a banking association chartered under the laws of the State of Texas, or Sterling Bank, in 1981. Sterling Bank was chartered in 1974 under the laws of the State of Texas. Sterling's principal executive offices are located at 2950 North Loop West, Suite 1200, Houston, Texas, 77092 and Sterling's telephone number is (713) 466-8300. Sterling's website can be accessed at <http://www.banksterling.com>. Information contained in Sterling's website does not constitute part of, and is not incorporated into, this proxy statement/prospectus.

At December 31, 2010, Sterling had consolidated total assets of \$5.2 billion, total loans of \$2.8 billion, total deposits of \$4.3 billion, and shareholders' equity of \$622 million.

**Additional information about Sterling and its subsidiaries is included in documents incorporated by reference in this proxy statement/prospectus. See Where You Can Find More Information on page [ ].**

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**THE MERGER**

*The following discussion contains material information about the merger. The discussion is subject, and qualified in its entirety by reference, to the merger agreement included as Annex A to this proxy statement/prospectus. We urge you to read carefully this entire proxy statement/prospectus, including the merger agreement included as Annex A, for a more complete understanding of the merger.*

**Terms of the Merger**

Comerica's and Sterling's boards of directors have approved the merger agreement. The merger agreement provides for the acquisition of Sterling by Comerica through the merger of Comerica Bayou Acquisition Corporation, a wholly owned direct subsidiary of Comerica, with and into Sterling, with Sterling continuing as the surviving entity and a wholly owned subsidiary of Comerica. In the merger, each share of Sterling common stock, par value \$1.00 per share, issued and outstanding immediately prior to the completion of the merger, except for specified shares of Sterling common stock held by Sterling or Comerica, will be converted into the right to receive 0.2365 of a share of Comerica common stock. No fractional shares of Comerica common stock will be issued in connection with the merger, and holders of Sterling common stock will be entitled to receive cash in lieu thereof.

Sterling shareholders are being asked to approve the merger agreement. See the section entitled "The Merger Agreement" beginning on page [ ] for additional and more detailed information regarding the legal documents that govern the merger, including information about the conditions to the completion of the merger and the provisions for terminating or amending the merger agreement.

**Background of the Merger**

The board of directors and management of Sterling periodically review the company's long term strategy.

On November 4, 2010, TAC Capital LLC publicly announced its intention to nominate five directors to Sterling's board of directors. Following this announcement, Sterling was contacted by certain entities expressing interest in Sterling.

The board believed that TAC Capital LLC's announcement warranted discussion and consideration. Thus, in connection with such announcement, and in view of general developments in the banking industry, including compression of net interest margins, competition, and the increased publicly-expressed interest by a number of banking firms in expansion in Texas, the board met for a preliminary discussion of its alternatives on November 9, 2010. The meeting was attended by all directors, certain members of management and the company's in-house and outside counsel. At this meeting, the directors reviewed the company's situation and discussed the various inquiries that the company had received from certain entities following TAC Capital LLC's announcement, the implications of such announcement, and possible responses.

On November 29, 2010, the board met for an extended discussion, attended by all directors, certain members of management and the company's in-house and outside counsel. Management provided an update on the company's business and prospects. The board of directors discussed in detail the implications of TAC Capital LLC's announcement and considered its alternatives, including remaining independent or engaging in a strategic transaction.

To facilitate its review of these alternatives, the board formed two special committees on November 29, 2010. One special committee was authorized to retain an investment banking firm, and to explore the possibility of entering into a strategic transaction. The strategic transaction committee was comprised of the following directors: Bernard Harris, David Hatcher, Joe Koshkin, Bruce LaBoon, and Dan Tutcher. The second special committee was authorized to evaluate the advisability of Sterling remaining independent. The strategic review committee was comprised of the following directors: Ed Bardgett, George Beatty, Anat Bird, David Hatcher and Raimundo Riojas.

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The strategic transaction committee held its initial meeting on November 30, 2010, and discussed alternatives for hiring a financial advisor. At the end of the meeting, the strategic transaction committee authorized the company to formally retain Morgan Stanley in this capacity.

The strategic transaction committee met on December 1, 2010. At this meeting, Morgan Stanley discussed with the committee the company's strategic options, including remaining independent or exploring a strategic transaction. The strategic transaction committee decided to explore the possibility of a merger with a larger banking organization, and discussed with Morgan Stanley such a process while maintaining the option of remaining as an independent entity. The committee discussed with Morgan Stanley a number of potential merger partners, including those that Morgan Stanley viewed as having sufficient financial strength to consummate a strategic transaction, those that had expressed a desire to expand their presence in the state of Texas, and those institutions that had expressed interest in Sterling following TAC Capital LLC's publicly-stated intention to nominate directors to the board. After extensive discussion of the financial institutions that the committee believed would potentially be interested in a combination with Sterling, would be able to complete and integrate an acquisition, and would likely provide the best possible price for Sterling, the strategic transaction committee authorized Morgan Stanley to contact five banking institutions and one other entity that the committee believed may have an interest in a strategic transaction with Sterling. Shortly thereafter, five entities, including Comerica, signed confidentiality agreements with Sterling to commence preliminary due diligence with respect to Sterling, and one institution indicated it had no interest in a potential transaction at that time.

During the following week, Morgan Stanley was contacted on an unsolicited basis by a banking institution that was not among the initial six parties contacted by Morgan Stanley with respect to a potential strategic transaction involving Sterling. This banking institution expressed an interest in Sterling and, after Sterling's consultation with the strategic transaction committee, entered into a confidentiality agreement with Sterling and commenced a preliminary due diligence review of Sterling.

The strategic transaction committee met again telephonically on December 10, 2010. At the meeting, representatives of Morgan Stanley provided an update on the strategic process and their expectations regarding preliminary proposals.

On December 15, 2010, five banking institutions, including Comerica, submitted written preliminary proposals. One of the institutions that had signed a confidentiality agreement chose not to submit a preliminary proposal. The proposals received were based on publicly available information and certain nonpublic information that had been made available by Sterling.

On December 17, 2010, the strategic transaction committee met to consider the five preliminary proposals. The committee analyzed the consideration to shareholders reflected in the preliminary proposals, the pricing structure, Sterling's financial status, Sterling's stock price performance, and certain financial information relating to the potential partners in a strategic transaction, among other factors. The committee decided that it should continue to pursue the possibility of a strategic transaction while continuing to consider the merits of remaining independent. The committee further decided that it would present to the full board its analysis of the proposals which it believed were worthy of further consideration.

Separately, from November 30, 2010 through December 19, 2010, the strategic review committee held several telephonic meetings. During these deliberations the committee analyzed the advisability of Sterling remaining independent. The committee considered certain actions that could be taken to potentially improve performance, including modifications to Sterling's strategic plan, changes in management and cost cutting measures.

On December 20, 2010, the board of directors met and received an extensive update on Sterling's strategic process from the strategic transaction committee and Morgan Stanley. The board also received the report of the strategic review committee, and discussed extensively the prospect of staying independent and undertaking

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certain business changes to enhance Sterling's value. Morgan Stanley gave a financial review of the proposals discussed by both committees.

After discussion, the board determined, based on the values implied by the initial proposals, to permit Comerica and two other institutions to continue to pursue a potential strategic transaction, while maintaining the possibility of remaining independent if the three proposals were to be revised downward materially. The board then authorized each of the three remaining banking institutions to conduct additional due diligence on Sterling in order to facilitate the submission of final proposals in January. In addition, each of the three institutions was provided with a draft merger agreement and asked to submit, at the time of its final proposal, a marked copy of the merger agreement indicating the form in which it would be prepared to execute a definitive merger agreement.

From December 27, 2010, through January 12, 2011, the three institutions conducted extensive on-site due diligence and interviews with management of Sterling. They also submitted comments to the draft of the merger agreement initially provided by Sterling and had some discussions with Sterling's outside counsel prior to January 12, 2011. Also during this time, Sterling undertook its due diligence of the potential partners based on publicly available information.

On January 12, 2011, all three institutions submitted to Morgan Stanley and Sterling final proposals and revised drafts of the merger agreement. Under the terms of Comerica's proposal, Comerica would acquire Sterling in a merger transaction with each outstanding share of Sterling common stock receiving 0.2365 shares of Comerica common stock (valued at a price per share of approximately \$10.00 based on the closing price of Comerica common stock on the NYSE on January 14, 2011). Based on the then current trading prices, Comerica's offer price was higher than the values proposed by the other two banking institutions.

On January 13, 2011, the strategic transaction committee met to review the final proposals. At this meeting, the strategic transaction committee received presentations from, and engaged in discussions with, its legal and financial advisors. With respect to each proposal, the strategic transaction committee considered the offer price, the form of consideration, the liquidity of the consideration to be paid to Sterling shareholders, the financial condition of the banking institutions submitting offers, conditions to closing, and other relevant factors. Following extended discussion, the strategic transaction committee determined that it was in the best interests of Sterling's shareholders to pursue a transaction with Comerica, and determined to recommend this course of action to the full board of directors.

Prior to the meeting of the board of directors on January 14, 2011, Locke Lord Bissell & Liddell LLP and Shearman & Sterling LLP, Sterling's legal counsel, worked with Wachtell, Lipton, Rosen & Katz, Comerica's legal counsel, towards finalizing the draft merger agreement submitted by Comerica.

On January 14, 2011, the board of directors met to review the final proposals. At this meeting, the board engaged in discussions with its legal and financial advisors. With respect to each proposal, the board considered the offer price, the form of consideration, the liquidity of the consideration to be paid to Sterling shareholders, the financial condition of the banking institutions submitting offers, conditions to closing, and other relevant factors. After extended discussion, the board of directors concluded that the final proposal from Comerica was superior to the other proposals, would deliver compelling shareholder value, and represented a superior alternative to a strategy of independence, and the board authorized management to work towards finalizing a merger agreement with Comerica. The meeting was recessed until Sunday night, January 16.

Following the meeting, on January 14, 2011, Sterling entered into a confidentiality agreement with Comerica so that Sterling could continue its due diligence review of Comerica based on nonpublic information provided by Comerica. From January 14th through the early evening of January 16th, Sterling and its legal advisors engaged in discussions with Comerica and its legal advisors to finalize the terms of the definitive transaction documentation, and to complete Sterling's due diligence review of Comerica.

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On the evening of January 16, 2011, the board of directors continued its meeting from January 14, to consider further the Comerica proposal and the material terms and conditions of the proposed merger agreement. Morgan Stanley reviewed for the board of directors the financial considerations relating to the potential merger, including valuations of Sterling common stock, comparisons to other comparable transactions in the banking sector, and a summary of the financial condition of Comerica. In addition, Morgan Stanley delivered its oral opinion (subsequently confirmed in writing), as described under "Opinion of Morgan Stanley & Co. Incorporated," that as of such date and based upon and subject to the assumptions, procedures, considerations, qualifications and limitations to be set forth in its written opinion, the exchange ratio pursuant to the merger agreement was fair, from a financial point of view, to the holders of shares of Sterling common stock. The board also received a report regarding due diligence on Comerica from management and a brief overview of the integration process. The board also engaged in discussion with its legal advisors as to certain legal and contractual issues related to the proposed transaction. Following extensive discussion, the board decided, by unanimous vote, to proceed with the Comerica merger proposal rather than pursue a continued strategy of independence. After considering the foregoing and the proposed terms of the transaction documents, and taking into consideration the factors described under

"Sterling's Reasons for the Merger; Recommendation of the Sterling Board of Directors," the board of directors, having determined that the terms of Comerica's proposal, the related merger agreement and the transactions contemplated thereby, including the merger, were fair to and in the best interests of Sterling and its shareholders, unanimously approved and declared advisable the merger agreement and the transactions contemplated thereby, including the merger, directed that the merger agreement be submitted to its shareholders for approval, and recommended that shareholders vote in favor of the approval of the merger agreement and the transactions contemplated thereby, including the merger.

The merger agreement between Sterling and Comerica was executed by the parties later that evening on January 16, 2011.

The transaction was announced on the morning of Tuesday, January 18, 2011, the first business day following the execution of the merger agreement, by a press release issued jointly by Sterling and Comerica.

### **Sterling's Reasons for the Merger; Recommendation of the Sterling Board of Directors**

**After careful consideration, at its meetings on January 14, 2011 and January 16, 2011, Sterling's board determined that the plan of merger contained in the merger agreement is in the best interests of Sterling and its shareholders and that the consideration to be received in the merger is fair to the common shareholders of Sterling. Accordingly, Sterling's board, by a unanimous vote, adopted the merger agreement and the plan of merger and unanimously recommends that Sterling shareholders vote FOR approval of the plan of merger.**

In reaching its decision to adopt and approve the plan of merger and recommend the merger to its shareholders, Sterling's board of directors consulted with Sterling's management, as well as its legal and financial advisors, and considered a number of factors, including:

Its knowledge of Sterling's business, operations, financial condition, earnings and prospects and of Comerica's business, operations, financial condition, earnings and prospects, taking into account the results of Sterling's due diligence review of Comerica.

Its knowledge of the current environment in the financial services industry, including national and regional economic conditions, continued consolidation, increased regulatory burdens, evolving trends in technology and increasing nationwide and global competition, the current financial market conditions and the likely effects of these factors on the companies' potential growth, development, productivity, profitability and strategic options, and the historical market prices of Sterling's common stock.

The careful review undertaken by Sterling's board of directors and management, with the assistance of Sterling's legal and financial advisors, with respect to the strategic alternatives available to Sterling.

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The complementary aspects of the Sterling and Comerica businesses, including customer focus, geographic coverage and business orientation and compatibility of the companies' management and operating styles.

Comerica's commitment to enhancing its strategic position in the state of Texas.

The potential expense saving opportunities in connection with the merger, the related potential impact on the combined company's earnings, and the fact that the all stock nature of the merger consideration would allow former Sterling shareholders to participate as Comerica shareholders in the benefits of such savings opportunities and the future performance of the combined company generally.

The respective presentations by Sterling management and its financial advisors concerning the operations, financial condition and prospects of Sterling and the expected financial impact of the merger on the combined company, including pro forma assets, earnings and deposits.

The terms of the merger agreement, and the respective presentations by Sterling's in-house and outside legal advisors regarding the merger and the merger agreement.

Comerica's successful track record and Sterling's board's belief that the combined enterprise would benefit from application of Comerica's asset and liability management techniques to Sterling's operations.

The oral opinion delivered to Sterling by Morgan Stanley on January 16, 2011, which was subsequently confirmed in a written opinion delivered to Sterling by Morgan Stanley, to the effect that, as of January 16, 2011, and based upon and subject to the assumptions, procedures, considerations, qualifications and limitations set forth in the opinion, the exchange ratio pursuant to the merger agreement was fair, from a financial point of view, to the holders of shares of Sterling common stock.

The financial terms of the merger, including the fact that, based on the closing price of Comerica common stock on the NYSE as of market close on the trading day prior to the public announcement of the merger, the implied value of the per share merger consideration represented an approximate 48% premium to the closing price of Sterling common stock on the NASDAQ on January 7, 2011 (the last trading day prior to market rumors regarding a transaction involving Sterling), and an approximate 84% premium to the closing price of Sterling common stock on the NASDAQ on November 4, 2010 (the last trading day prior to the announcement by Sterling's shareholder TAC Capital LLC that it was seeking seats on Sterling's board of directors); and the fact that any increase in the market price of Comerica common stock prior to the completion of the merger will increase the value of the merger consideration that Sterling shareholders will receive upon completion of the merger.

The fact that the other two bidders who submitted final proposals to Sterling on January 12, 2011, were given the opportunity to exceed Comerica's offer price, and declined to do so.

Sterling's board of directors' belief that a merger with Comerica would allow Sterling shareholders to participate in the future performance of a combined company that would have better future prospects than Sterling was likely to achieve on a stand-alone basis or through other strategic alternatives, including a combination with other potential merger partners.

Sterling's board of directors' belief that Sterling and Comerica shared a similar strategic vision, as compared to the other bidders.

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The regulatory and other approvals required in connection with the merger and the likelihood that the approvals needed to complete the merger will be obtained without unacceptable conditions.

The expected treatment of the merger as a reorganization for United States federal income tax purposes, which would generally not be taxable to Sterling shareholders exchanging their shares of Sterling common stock for shares of Comerica common stock.

The challenges of combining the businesses, assets and workforces of two major financial institutions.



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The potential risk of diverting management focus and resources from other strategic opportunities and from operational matters while working to implement the merger.

The provisions of the merger restricting Sterling's solicitation of third party acquisition proposals, requiring Sterling to hold a special meeting of its shareholders to vote on approval of the merger agreement and providing for the payment of a termination fee of \$40 million in certain events, which Sterling's board of directors understood, while potentially limiting the willingness of a third party to propose a competing business combination transaction with Sterling, were a condition to Comerica's willingness to enter into the merger agreement.

The fact that some of Sterling's directors and executive officers have other interests in the merger that are different from, or in addition to, their interests as Sterling shareholders. See **Interests of Sterling Directors and Executive Officers in the Merger** beginning on page [ ] of this proxy statement/prospectus.

The factors listed above under **Background of the Merger** relating to the other merger proposals that Sterling had received. The foregoing discussion of the factors considered by Sterling's board is not intended to be exhaustive, but is believed to include all material factors considered by Sterling's board. In view of the wide variety of the factors considered in connection with its evaluation of the merger and the complexity of these matters, Sterling's board of directors did not find it useful, and did not attempt, to quantify, rank or otherwise assign relative weights to these factors. In considering the factors described above, the individual members of Sterling's board may have given different weight to different factors. Sterling's board of directors conducted an overall analysis of the factors described above including thorough discussions with, and questioning of, Sterling management and Sterling's legal and financial advisors, and considered the factors overall to be favorable to, and to support, its determination.

It should be noted that this explanation of Sterling's board of directors' reasoning and all other information presented in this section is forward-looking in nature and, therefore, should be read in light of the factors discussed under the heading **Cautionary Statement Concerning Forward-Looking Statements** on page [ ].

### **Opinion of Morgan Stanley & Co. Incorporated**

Pursuant to an engagement letter dated December 2, 2010, Sterling retained Morgan Stanley to provide it with financial advisory services and a financial opinion in connection with the merger. The Sterling board of directors selected its financial advisor based on Morgan Stanley's qualifications, expertise and reputation and its knowledge of the business and affairs of Sterling. At the meeting of the Sterling board of directors on January 16, 2011, Morgan Stanley rendered its oral opinion, subsequently confirmed in writing, that as of such date and based upon and subject to the assumptions, procedures, considerations, qualifications and limitations set forth therein, the exchange ratio pursuant to the merger agreement was fair, from a financial point of view, to the holders of shares of Sterling common stock.

**The full text of Morgan Stanley's opinion, dated January 16, 2011, is attached as Annex B to this proxy statement/prospectus. You should read the opinion in its entirety for a discussion of the assumptions made, procedures followed, factors considered and limitations upon the review undertaken by Morgan Stanley in rendering its opinion. This summary is qualified in its entirety by reference to the full text of such opinion.**

**Morgan Stanley's opinion is directed to Sterling's board of directors, addresses only the fairness of the exchange ratio pursuant to the merger agreement from a financial point of view to the holders of shares of Sterling common stock, and does not address any other aspect of the merger. Morgan Stanley's opinion did not in any manner address the prices at which Comerica common stock will trade following consummation of the merger or at any time and does not constitute a recommendation as to how any**

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**shareholders of Sterling should vote at any shareholders meeting in connection with the merger or take any other actions held in connection with the merger.**

In arriving at its opinion, Morgan Stanley, among other things:

reviewed certain publicly available financial statements and other business and financial information of Sterling and Comerica, respectively;

reviewed certain internal financial statements and other financial and operating data concerning Sterling and Comerica, respectively;

reviewed certain financial projections prepared by the managements of Sterling and Comerica, respectively;

reviewed information relating to certain strategic, financial and operational benefits anticipated from the merger, prepared by the managements of Sterling and Comerica, respectively;

discussed the past and current operations and financial condition and the prospects of Sterling, including information relating to certain strategic, financial and operational benefits anticipated from the merger, with senior executives of Sterling;

discussed the past and current operations and financial condition and the prospects of Comerica, including information relating to certain strategic, financial and operational benefits anticipated from the merger, with senior executives of Comerica;

reviewed the pro forma impact of the merger on Comerica's earnings per share, consolidated capitalization and financial ratios;

reviewed the reported prices and trading activity for Sterling common stock and Comerica common stock;

compared the financial performance of Sterling and Comerica and the prices and trading activity of Sterling common stock and Comerica common stock with that of certain other publicly-traded companies comparable with Sterling and Comerica, respectively, and their securities;

reviewed the financial terms, to the extent publicly available, of certain precedent acquisition transactions;

participated in discussions and negotiations among representatives of Sterling and Comerica and their financial and legal advisors;

reviewed the merger agreement and certain related documents; and

performed such other analyses, reviewed such other information and considered such other factors as it deemed appropriate.

In arriving at its opinion, Morgan Stanley assumed and relied upon, without independent verification, the accuracy and completeness of the information that was publicly available or supplied or otherwise made available to it by Sterling and Comerica, and formed a substantial basis

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for its opinion. With respect to the financial projections, including information relating to certain strategic, financial and operational benefits anticipated from the merger, Morgan Stanley assumed that they had been reasonably prepared on bases reflecting the best currently available estimates and judgments of the respective managements of Sterling and Comerica of the future financial performance of Sterling and Comerica. In addition, Morgan Stanley assumed that the merger would be consummated in accordance with the terms set forth in the merger agreement without any waiver, amendment or delay of any terms or conditions including, among other things, that the merger will be treated as a tax-free reorganization, pursuant to the Internal Revenue Code of 1986, as amended. Morgan Stanley assumed that in connection with the receipt of all the necessary governmental, regulatory or other approvals and consents required for the proposed merger, no delays, limitations, conditions or restrictions would be imposed that would have a material adverse effect on the contemplated benefits expected to be derived in the proposed merger.

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In addition, in arriving at its opinion, Morgan Stanley relied upon, without independent verification, the assessment by the managements of Sterling and Comerica, respectively, of: (i) the timing and risks associated with the integration of Sterling and Comerica; (ii) their ability to retain key employees of Sterling and Comerica, respectively and (iii) the validity of, and risks associated with, Sterling's and Comerica's existing and future technologies, intellectual property, products, services and business models. Morgan Stanley is not an expert in the evaluation of allowance for loan losses, and did not make an independent evaluation of the adequacy of the allowance for loan losses at Sterling, nor did it examine any individual loan credit files of Sterling nor was it requested to conduct such a review. Morgan Stanley relied upon, without independent verification, the assessment by the management of Sterling of the estimated loan losses of Sterling.

Morgan Stanley is not a legal, tax or regulatory advisor. Morgan Stanley is a financial advisor only and relied upon, without independent verification, the assessment of Comerica and Sterling and their legal, tax or regulatory advisors with respect to legal, tax or regulatory matters. Morgan Stanley expressed no opinion with respect to the fairness of the amount or nature of the compensation to any of Sterling's officers, directors or employees, or any class of such persons, relative to the consideration to be received by the holders of shares of Sterling's common stock in the transaction. Morgan Stanley did not make any independent valuation or appraisal of the assets or liabilities of Sterling or Comerica, nor was it furnished with any such appraisals.

Morgan Stanley's opinion was necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to it as of, the date of its opinion. Events occurring after the date thereof may affect its opinion and the assumptions used in preparing it, and Morgan Stanley has not assumed any obligation to update, revise or reaffirm its opinion.

### ***Summary of Financial Analyses***

#### ***Introduction***

The following is a summary of the material financial analyses performed by Morgan Stanley in connection with preparing its oral opinion and its written opinion letter, dated January 16, 2011, to Sterling's board of directors. The various analyses summarized below were based on closing prices for Sterling common stock and Comerica common stock as of January 14, 2011, the last full trading day preceding the day of the meeting of the Sterling board of directors to consider and authorize the merger agreement. Some of these summaries of financial analyses include information presented in tabular format. In order to understand fully the financial analyses used by Morgan Stanley, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses.

#### ***Relative Stock Price and Valuation Performance***

Morgan Stanley reviewed the relative historic stock price performance of Sterling common stock, Comerica common stock, the common stock of certain publicly traded companies that share certain characteristics with Sterling, and the common stock of certain publicly traded companies that share certain characteristics with Comerica. The group of certain publicly traded companies identified by Morgan Stanley that share certain characteristics with Sterling was the KRX Index of 50 largest regional banks, which we refer to as the Sterling Peer Group. The group of certain publicly traded companies identified by Morgan Stanley that share certain characteristics with Comerica was the BKX Index of 21 largest banks (excluding State Street Corp., Bank of New York Mellon Corp. and Northern Trust Corp.), which we refer to as the Comerica Peer Group. During the 5-year period commencing January 14, 2006 and ending on January 14, 2011, Morgan Stanley noted that the price of Sterling common stock decreased 27%, the price of Comerica common stock decreased 27%, the price of the common stock of the Sterling Peer Group decreased 43%, and the price of the common stock of the Comerica Peer Group decreased 48%.

In addition, Morgan Stanley reviewed the relative historic price performance of Sterling common stock, Comerica common stock, the common stock of the Sterling Peer Group, and the common stock of the Comerica

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Peer Group during the period commencing on November 4, 2010 (the last trading day prior to the announcement by Sterling's shareholder TAC Capital LLC that it was seeking seats on Sterling's board of directors) and ending on January 14, 2011. Morgan Stanley noted that the price of Sterling common stock increased 42%, the price of Comerica common stock increased 11%, the price of the common stock of the Sterling Peer Group increased 15%, and the price of the common stock of the Comerica Peer Group increased 15%.

Morgan Stanley also reviewed the relative historic prices of Sterling common stock, Comerica common stock, the common stock of the Sterling Peer Group, and the common stock of the Comerica Peer Group as of January 14, 2011, and the 1-year, 3-year, 5-year ex-crisis (which excludes data from the period beginning July 1, 2008 and ending December 31, 2009) and 5-year periods prior to January 14, 2011 relative to historic tangible book value.

	Price / Tangible Book Value Per Share			
	Sterling	Comerica	Sterling Peer Group (median)	Comerica Peer Group (median)
5 Year	2.2x	1.3x	2.2x	2.1x
5 Year Ex-Crisis	2.5x	1.5x	2.4x	2.4x
3 Year	1.6x	1.0x	1.7x	1.5x
1 Year	1.3x	1.2x	1.5x	1.5x
Current	1.8x	1.3x	1.6x	1.6x

*Comparable Public Companies Analysis*

Morgan Stanley reviewed and compared certain publicly available information, ratios and market multiples of Sterling to corresponding financial data of the Sterling Peer Group and of Comerica to corresponding financial data of the Comerica Peer Group to derive an implied valuation range for each company. Based on publicly available financial data as of September 30, 2010 (with respect to the Sterling Peer Group and the Comerica Peer Group) and unannounced fourth quarter results of Sterling and Comerica, Morgan Stanley calculated, among other things:

multiple of price to 2012 estimated earnings per share; and

multiple of price to tangible book value per share.

The results of this comparison are set forth below:

	Sterling	Comerica	Sterling Peer Group (median)	Comerica Peer Group (median)
Price/estimated 2012 earnings per share	23.8x	14.6x	13.7x	12.0x
Price/tangible book value per share	1.8x	1.3x	1.6x	1.6x

Based on the financial information reviewed above, and based on Wall Street consensus estimates of Sterling's 2012 earnings per share of \$0.32 and Sterling's tangible book value of \$4.31 per share as of December 31, 2010, Morgan Stanley derived a range of implied equity values per share of Sterling common stock.

The following table reflects the results of this analysis:

**Range indicated by Sterling financial data**

	Selected range	(rounded to nearest \$.25)
Price/estimated 2012 earnings per share	11x - 13x	\$3.50 - \$4.25

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Price/tangible book value per share      1.2x   1.5x      \$5.25 - \$6.50

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In addition, based on the financial information reviewed above, and based on Wall Street consensus estimates of Comerica's earnings per share of \$2.90 and Comerica's tangible book value of \$31.97 per share as of December 31, 2010, Morgan Stanley derived a range of implied equity values per share of Comerica common stock.

The following table reflects the results of this analysis:

	<b><u>Range indicated by Comerica financial data</u></b>	
	<b>Selected range</b>	<b>(rounded to nearest \$.25)</b>
Price/estimated 2012 earnings per share	11x - 13x	\$32.00 - \$37.75
Price/tangible book value per share	1.2x - 1.8x	\$38.25 - \$57.50

No company utilized in the comparable public company analysis is identical to Sterling or Comerica. In evaluating comparable companies, Morgan Stanley made judgments and assumptions with regard to industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of Sterling or Comerica, such as the impact of competition on the businesses of Sterling or Comerica and the industry generally, industry growth and the absence of any adverse material change in the financial condition and prospects of Sterling, Comerica or the industry or in the financial markets in general. Mathematical analysis (such as determining the average or median) is not in itself a meaningful method of using comparable company data.

*Sterling Dividend Discount Analysis*

Morgan Stanley performed a dividend discount analysis to determine a range of implied present values of Sterling common stock, both on a standalone basis and including certain potential cost savings and related expenses projected by management to result from the merger. The range was determined by adding:

the present value of an estimated future dividend stream for Sterling over the 5-year period from 2011 to 2015; and

the present value of an estimated terminal value of Sterling common stock at the end of the year 2015.

In performing its analysis, Morgan Stanley utilized the following assumptions:

annual net income for 2011 to 2012 based on Wall Street consensus estimates;

annual return on average assets for 2013 to 2015 of 0.70%, 0.85% and 1.00%, respectively;

annual asset reduction of 3.5% in 2011, and annual asset growth of 3.0% in 2012 and 5.0% in 2013 to 2015;

a 7.0% target tangible common equity ratio;

a valuation date of December 31, 2010;

a terminal value of Sterling common stock based on a price to earnings multiple range of 11.0x to 13.0x; and

discount rates from 9.0% to 11.0% to calculate the present value of the dividend stream and the terminal values. Based on the above assumptions, this analysis implied a fully diluted equity value of \$5.25 to \$6.50 (rounded to the nearest \$0.25) per share of Sterling common stock.

To calculate certain potential cost savings and related expenses projected by management to result from the merger, Morgan Stanley utilized the following additional assumptions:

pre-tax cost savings of 15% to 35% of Sterling's non-interest operating expenses (approximately \$24 million to \$56 million annually);  
and

one-time merger costs of \$80 million after-tax.



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The following table reflects the results of this analysis:

	<b>Range (rounded to nearest \$0.25)</b>
Per share value with 50% of synergies	\$5.50 - \$8.00
Per share value with 100% of synergies	\$6.00 - \$9.25

*Comerica Dividend Discount Analysis*

Morgan Stanley performed a dividend discount analysis to determine a range of implied present values of Comerica common stock. The range was determined by adding:

the present value of an estimated future dividend stream for Comerica over the 5-year period from 2011 to 2015; and

the present value of an estimated terminal value of Comerica common stock at the end of the year 2015.

In performing its analysis, Morgan Stanley utilized the following assumptions:

annual net income for 2011 to 2012 based on Wall Street consensus estimates and annual earnings growth of 7.1% in 2013 to 2015;

annual asset growth of 6.0%;

a 7.0% target tangible common equity ratio;

a valuation date of December 31, 2010;

a terminal value of Comerica common stock based on a price to earnings multiple range of 11.0x to 13.0x; and

discount rates from 9.0% to 11.0% to calculate the present value of the dividend stream and the terminal values.

Based on the above assumptions, this analysis implied a fully diluted equity value of \$39.00 to \$46.00 (rounded to the nearest \$0.25) per share of Comerica common stock.

*Precedent Transactions Analysis*

Morgan Stanley performed an analysis of precedent transactions announced since January 1, 2010 with transaction values of over \$95 million involving U.S. bank or thrift target companies, excluding mergers of equals. The ten transactions constituting the precedent transactions were:

<b>Acquiror</b>	<b>Target</b>
TD Bank Financial Group	The South Financial Group
Eastern Bank Corp.	Wainwright Bank & Trust Co.

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People's United Financial, Inc.  
First Niagara Financial Group Inc.  
Community Bank System, Inc.  
M&T Bank Corp.  
United Bankshares Inc.  
BMO Financial Group  
Hancock Holding Corporation  
Berkshire Hills Bancorp, Inc.

LSB Corporation  
NewAlliance Bancshares Inc.  
The Wilber Corporation  
Wilmington Trust Corp.  
Centra Financial Holdings Inc.  
Marshall & Ilsley Corporation  
Whitney Holding Corporation  
Legacy Bancorp, Inc.

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For each of these transactions, Morgan Stanley derived and compared, among other things:

the premium to the market price thirty days prior to announcement (Sterling/Comerica merger based on Sterling's closing stock price on November 4, 2010, prior to the announcement by Sterling shareholder TAC Capital LLC that it was seeking seats on Sterling's board of directors) (which we refer to in the below table as Market premium); and

price as a multiple to the target company's tangible book value per share.

The following table reflects the results of the analysis:

	Low/High Range	Median	Sterling/Comerica merger
Market premium	(68)% - 107%	58%	84%
Price/tangible book value per share	0.2x - 2.0x	1.4x	2.3x

Based on the financial information reviewed above, and based on Sterling's closing stock price on November 4, 2010 of \$5.44 and Sterling's tangible book value of \$4.31 per share as of December 31, 2010, Morgan Stanley derived a range of implied equity values per share of Sterling common stock. The following table reflects the results of this analysis:

	Selected range	Range indicated by Sterling financial data (rounded to nearest \$.25)
Market premium	25% - 40%	\$7.00 - \$8.50
Price/tangible book value per share	1.4x - 1.7x	\$6.00 - \$7.25

Based on Comerica's closing stock price on January 14, 2011 of \$42.25 and the exchange ratio of 0.2365 in the merger, Morgan Stanley calculated an implied value of the merger consideration of approximately \$9.99 per share of Sterling common stock.

Because market conditions, transaction rationale and circumstances surrounding each of the selected comparable transactions were specific to each transaction, and because of the inherent differences between the businesses, operations and prospects of Comerica and Sterling and the businesses, operations and prospects of the target companies included in the precedent transaction analysis, Morgan Stanley believed that it was inappropriate to, and therefore did not, rely solely on the quantitative results of the precedent transactions analysis and accordingly made qualitative judgments concerning differences between the financial and operating characteristics and prospects of Comerica, Sterling and the target companies included in the precedent transactions analysis that would affect the transaction value of each.

No company or transaction utilized in the precedent transaction analyses is identical to Sterling, Comerica or the merger. In evaluating the precedent transactions, Morgan Stanley made judgments and assumptions with regard to general business, market and financial conditions and other matters, which are beyond the control of Sterling and Comerica, such as the impact of competition on the business of Sterling, Comerica or the industry generally, industry growth and the absence of any adverse material change in the financial condition of Sterling, Comerica or the industry or in the financial markets in general, which could affect the public trading value of the companies and the aggregate value of the transactions to which they are being compared.

In connection with the review of the merger by Sterling's board of directors, Morgan Stanley performed a variety of financial and comparative analyses for purposes of rendering its opinion. The preparation of a financial opinion is a complex process and is not necessarily susceptible to a partial analysis or summary description. In arriving at its opinion, Morgan Stanley considered the results of all of its analyses as a whole and did not attribute any particular weight to any analysis or factor it considered. Morgan Stanley believes that selecting any portion of its analyses, without considering all analyses as a whole, would create an incomplete view of the process underlying its analyses and opinion. In addition, Morgan Stanley may have given various analyses and

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factors more or less weight than other analyses and factors, and may have deemed various assumptions more or less probable than other assumptions. As a result, the ranges of valuations resulting from any particular analysis described above should not be taken to be Morgan Stanley's view of the actual value of Comerica common stock or Sterling common stock.

In performing its analyses, Morgan Stanley made numerous assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond the control of Sterling or Comerica. Any estimates contained in Morgan Stanley's analyses are not necessarily indicative of future results or actual values, which may be significantly more or less favorable than those suggested by such estimates. The analyses performed were performed solely as part of Morgan Stanley's analysis of the fairness of the exchange ratio pursuant to the merger agreement from a financial point of view to holders of shares of Sterling common stock and were conducted in connection with the delivery of Morgan Stanley's opinion dated January 16, 2011 to the Sterling board of directors. The analyses do not purport to be appraisals or to reflect the prices at which Sterling common stock or Comerica common stock might actually trade. The exchange ratio under the merger agreement and other terms of the merger agreement were determined through arm's length negotiations between Sterling and Comerica and approved by the Sterling board of directors. Morgan Stanley provided advice to Sterling during these negotiations, but did not, however, recommend any specific merger consideration to Sterling, or that any specific merger consideration constituted the only appropriate merger consideration for the transaction.

Morgan Stanley's opinion and its presentation to Sterling's board of directors was one of many factors taken into consideration by Sterling's board of directors in deciding to approve the merger agreement. Consequently, the analyses as described above should not be viewed as determinative of the view of Sterling's board of directors with respect to the exchange ratio or of whether Sterling's board of directors would have been willing to agree to a different exchange ratio. See the section entitled "Sterling's Reasons for the Merger; Recommendation of Sterling's Board of Directors" beginning on page [ ]. Morgan Stanley's opinion was approved by a committee of Morgan Stanley investment banking and other professionals in accordance with its customary practice.

Morgan Stanley acted as financial advisor to the board of directors of Sterling in connection with the merger and will receive a fee for its services, a significant portion of which is contingent upon the closing of the merger. In the two years prior to the date of its opinion, Morgan Stanley provided financial advisory and financing services for each of Sterling and Comerica and has received fees in connection with such services. Morgan Stanley may also seek to provide such services to Comerica in the future and expects to receive fees for the rendering of these services.

Morgan Stanley is a global financial services firm engaged in the securities, investment management and individual wealth management businesses. Its securities business is engaged in securities underwriting, trading and brokerage activities, foreign exchange, commodities and derivatives trading, prime brokerage, as well as providing investment banking, financing and financial advisory services. Morgan Stanley, its affiliates, directors and officers may at any time invest on a principal basis or manage funds that invest, hold long or short positions, finance positions, and may trade or otherwise structure and effect transactions, for their own account or the accounts of its customers, in debt or equity securities or loans of Comerica, Sterling, or any other company, or any currency or commodity, that may be involved in this transaction, or any related derivative instrument.

In addition to the fee that Morgan Stanley is entitled to receive for its services pursuant to the engagement letter, Sterling agreed to reimburse Morgan Stanley for expenses incurred by Morgan Stanley in performing its services. In addition, Sterling also has agreed to indemnify Morgan Stanley and its affiliates, their respective directors, officers, agents and employees and each person, if any, controlling Morgan Stanley or any of its affiliates against certain liabilities and expenses, including liabilities under the federal securities laws, related to or arising out of Morgan Stanley's engagement and any related transactions.

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**Comerica's Reasons for the Merger**

Comerica believes that the acquisition of Sterling will complement Comerica's footprint and its strategy of growth and balance. In particular, Comerica believes it will accelerate Comerica's growth in Texas, as the acquisition of Sterling's branch network will increase Comerica's presence in Houston, provide an entry into the San Antonio market, and complement Comerica's current Dallas-Fort Worth network. The board of directors of Comerica approved the merger agreement after Comerica's senior management discussed with the board of directors a number of factors, including those described above and the business, assets, liabilities, results of operations, financial performance, strategic direction and prospects of Sterling. Comerica's board of directors did not consider it practicable to, and did not attempt to, quantify or otherwise assign relative weights to the specific factors it considered in reaching its determination. Comerica's board of directors viewed its position as being based on all the information and the factors presented to and considered by it. In addition, individual directors may have given different weights to different information and factors.

**Management and Board of Directors of Comerica After the Merger**

Upon completion of the merger, the current directors and officers of Comerica are expected to continue in their current positions. In addition, upon completion of the merger, J. Downey Bridgwater, who is currently Chairman, President and CEO of Sterling, is expected to become Comerica Bank's Houston market president. Information about the current Comerica directors and executive officers can be found in the documents listed under "Where You Can Find More Information" beginning on page [ ].

**Interests of Sterling's Directors and Executive Officers in the Merger**

When considering the recommendation of Sterling's board of directors that Sterling shareholders vote for the adoption of the merger agreement, Sterling shareholders should be aware that some of Sterling's directors and executive officers may have interests in the merger and have arrangements that may be different from, or in addition to, those of Sterling shareholders generally. These interests and arrangements may create potential conflicts of interest. Sterling's board of directors was aware of these interests and considered them, among other matters, when making its decision to approve the merger agreement and the merger and recommend that Sterling shareholders vote in favor of adoption of the merger agreement. For purposes of all of the Sterling agreements and plans described below, the completion of the transactions contemplated by the merger agreement will constitute a change of control.

***Awards under Sterling's Amended and Restated 2003 Stock Incentive and Compensation Plan***

The merger agreement provides that all unvested outstanding Sterling stock options will fully vest at the effective time of the merger and, at that time, all outstanding Sterling stock options granted under Sterling's stock incentive plans will be converted into the right to purchase shares of Comerica common stock (with the number of shares and the per share exercise price appropriately adjusted based on the merger exchange ratio), as discussed in more detail in the section entitled "The Merger Agreement Treatment of Sterling Stock Options and Other Equity-Based Awards."

The merger agreement also provides that all unvested outstanding Sterling phantom units will fully vest at the effective time of the merger, with performance based Sterling phantom units vesting at 100% of target (as defined in the applicable award agreements), and, at that time, all outstanding phantom units will be converted into the right to receive shares of Comerica common stock (with the number of shares appropriately adjusted based on the merger exchange ratio), as discussed in more detail in the section entitled "The Merger Agreement Treatment of Sterling Stock Options and Other Equity-Based Awards."

The following table sets forth with respect to each Sterling named executive officer as well as the other six executive officers as a group, as of February [ ], 2011, assuming completion of the merger on June 30, 2011, (1) the number of shares of Sterling common stock underlying outstanding Sterling unvested stock options,

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(2) the estimated aggregate spread value of the outstanding stock options that will vest as a result of the merger, (3) the number of shares of Sterling common stock underlying phantom units that will vest as a result of the merger, and (4) the estimated aggregate value of the outstanding phantom units that will vest as a result of the merger.

Executive Officers	Number of Shares Underlying Unvested Sterling Stock Options	Aggregate Spread	Number of Shares	Aggregate Value
		of Unvested	Underlying Unvested	of Unvested
		Sterling Stock	Sterling	Sterling
		Options (1)	Phantom Units	Phantom
				Units (1)
J. Downey Bridgwater	96,975	\$ [ ]	243,270 (2)	\$ [ ]
Zach L. Wasson	37,585	\$ [ ]	21,384	\$ [ ]
James W. Goolsby, Jr.	31,698	\$ [ ]	18,409	\$ [ ]
Robert S. Smith	38,117	\$ [ ]	20,721	\$ [ ]
All Other Executive Officers as a Group	152,192	\$ [ ]	91,803	\$ [ ]
<b>TOTAL</b>	<b>356,567</b>	<b>\$ [ ]</b>	<b>395,587</b>	<b>\$ [ ]</b>

(1) Estimated aggregate spread and estimated aggregate value are based on the closing price of Comerica's common stock as of [ ], 2011.

(2) Includes 187,500 performance restricted share units, which are equivalent to phantom units, per Mr. Bridgwater's employment contract. *Employment Contract, Letter Agreement and Change of Control Agreements*

Sterling previously entered into an employment contract with J. Downey Bridgwater and severance/non-compete agreements with nine of Sterling's other executive officers that, among other things, provide for certain payments and benefits upon a qualifying termination of employment, including in connection with a change of control transaction. In connection with entering into the merger agreement, Mr. Bridgwater entered into a letter agreement with Comerica that, subject to the completion of the merger, substantially supersedes his Sterling employment contract and provides for his continued employment with Comerica Bank. It is possible that some of Sterling's other executive officers could be presented with proposed terms for continuing employment with Comerica in a similar or different capacity following the effective time of the merger and terminating his or her severance/non-compete agreement. It is also possible that certain of Sterling's executive officers may have the right to elect to terminate their employment in connection with completion of the merger, and if any such executive officer elects to terminate employment upon completion of the merger, the right to severance payments and benefits under his or her severance/non-compete agreements may be triggered.

*Employment Contract between J. Downey Bridgwater and Sterling*

The following is a summary of the material terms of Mr. Bridgwater's existing employment contract with Sterling. Mr. Bridgwater's employment contract with Sterling became effective on July 1, 2010 and has a three-year term. The contract provides for a base salary of at least \$610,500 per year, subject to annual review, and the opportunity to receive an annual performance bonus, payable in cash, equity, or a combination thereof, upon the achievement of certain performance results. Under the contract, in July 2010, Mr. Bridgwater was awarded 187,500 performance vesting restricted share units which will vest based on Sterling's performance compared to its peers for the period July 1, 2010 through June 30, 2013, or, if earlier, upon a change of control of Sterling.

Under the employment contract, if, following a change of control, Mr. Bridgwater's employment is terminated without cause or Mr. Bridgwater voluntarily resigns for good reason (each as defined in the contract), Mr. Bridgwater would be entitled to receive the following payments and benefits: (1) a lump sum cash payment equal to the product of three times his base salary plus the average of the annual performance bonuses paid to him during the term of the employment contract; (2) continued health, welfare and life insurance benefits, car allowance, club dues and banking services for the greater of the remainder of the employment term or three years after the change of control; and (3) payment of up to \$50,000 in job placement fees. In addition, the 187,500 performance restricted share units will automatically accelerate upon a change of control and be settled.



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in shares of common stock. The employment contract prohibits Mr. Bridgwater from competing within a defined territory or soliciting customers and/or employees from Sterling, in each case while Mr. Bridgwater is employed and for a period of two years after the termination of his employment for any reason, and contains a perpetual confidentiality covenant.

*Letter Agreement between J. Downey Bridgwater and Comerica*

On January 17, 2011, Mr. Bridgwater entered into a letter agreement with Comerica whereby Mr. Bridgwater agreed to accept at will employment with Comerica Bank effective on the closing date of the merger. Mr. Bridgwater's letter agreement provides that, during his employment with Comerica, he will serve as a senior officer of Comerica Bank, receive a base salary of at least \$620,000 per year, subject to annual review, and be eligible to receive employee benefits comparable to those received by similarly situated senior officers of Comerica Bank. In addition, Mr. Bridgwater will be eligible to participate in Comerica's management incentive plan and to be awarded stock awards under Comerica's long term incentive plan.

The letter agreement further provides that, in full satisfaction of the cash severance obligations under Mr. Bridgwater's employment contract with Sterling, Comerica will credit \$1,831,500 to a fully vested and non-forfeitable account in his name under one of Comerica's deferred compensation plans immediately following the closing date of the merger. This amount will be paid to Mr. Bridgwater when he terminates employment with Comerica upon execution of a mutual release agreement. Further, the letter agreement provides that Mr. Bridgwater will receive the continuation of certain benefits set forth in his employment contract with Sterling during the 36-month period following the closing date of the merger.

Under the letter agreement, Mr. Bridgwater waives his right to any tax gross-up payments with respect to taxes under Section 4999 of the Internal Revenue Code, as provided under Sterling's stock incentive plans.

The letter agreement with Comerica will supersede Mr. Bridgwater's employment contract with Sterling, effective on the closing date of the merger, except with respect to the survival of certain specified terms of the employment contract, including the restrictive covenants summarized above in the description of Mr. Bridgwater's employment contract. If the merger agreement is terminated prior to the consummation of the merger for any reason, the letter agreement with Comerica will not become effective, and Mr. Bridgwater will have no rights thereunder.

*Severance and Non-Compete Agreements*

Sterling also is a party to individual severance and non-compete agreements with certain named executive officers not otherwise party to an employment agreement, including Zach L. Wasson, James W. Goolsby, Jr. and Robert S. Smith (and the six other executive officers Allen D. Brown, Wanda S. Dalton, Deborah A. Dinsmore, Travis L. Jagers, Michelle Mahfouz and Graham B. Painter), which we refer to herein as severance agreements. In general, the severance agreements prohibit the executive officers from working for a competitor within a defined territory or soliciting customers and/or employees from Sterling, in each case while the executive officer is employed and for a period of 12 months after leaving the employment of Sterling, and bind the executive officers to protect Sterling's confidential information in perpetuity.

Under the severance agreements, the executive officer will be entitled to severance benefits only if either (a) the officer's employment is involuntarily terminated for any reason other than cause (as defined in the severance agreements), disability or death, or (b) within two years after a change of control, the officer elects to terminate his or her employment for good reason (as defined in the severance agreements). The severance agreements provide for the following severance payments and benefits upon a termination of employment following a change of control: (1) up to two years' depending on the date of termination of employment (but not less than one year's) base pay payable in equal installments in accordance with Sterling's regular pay periods; (2) an annual bonus for up to two years depending on the date of termination of employment (but not less than one year) in an amount equal to the highest annual bonus paid to the respective officer during the three years



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preceding termination or change of control; (3) continued eligibility for Sterling perquisites, welfare and life insurance benefit plans, to the extent permitted by law and the terms of the plan; (4) payment of up to \$20,000 in job placement fees; and (5) to the extent permitted by law or the applicable plan, accelerated vesting and termination of all forfeiture provisions under all benefit plans, options, stock grants or other similar awards. The severance payments and benefits under the severance agreements, the transition/retention agreements described below and other compensatory arrangements will be limited to the maximum amount payable without resulting in a loss of deductions under Section 280G of the Internal Revenue Service Code.

The following table summarizes the estimated payout to Sterling's named executive officers and the six other executive officers as a group in the context of an involuntary termination of employment immediately following a change of control transaction (excluding the effects of full vesting of Sterling stock options and phantom units discussed above and the transition/retention bonuses described below, and without taking into account the limit to the maximum amount payable without resulting in a loss of deductions under Section 280G of the Code).

Executive Officers	Severance Base Payment	Severance Bonus	COBRA Benefits Continuation	Outplacement Assistance	Auto Allowance	Club Membership	Life Insurance	TOTAL
J. Downey Bridgwater	\$ 1,831,500	\$ 0	\$ 63,203	\$ 50,000	\$ 6,063	\$ 34,319	\$ 2,178	\$ 1,987,263
Zach L. Wasson	\$ 712,250	\$ 303,750	\$ 42,135	\$ 20,000	\$ 10,594	\$ 12,080	\$ 1,452	\$ 1,102,261
James W. Goolsby, Jr.	\$ 559,626	\$ 339,750	\$ 42,135	\$ 20,000	\$ 3,723	\$ 18,928	\$ 1,220	\$ 985,382
Robert S. Smith	\$ 550,000	\$ 188,692	\$ 2,208	\$ 20,000	\$ 0	\$ 8,751	\$ 1,200	\$ 770,851
All Other Executive Officers as a Group	\$ 2,916,100	\$ 1,043,560	\$ 174,853	\$ 120,000	\$ 24,047	\$ 36,141	\$ 6,362	\$ 4,321,063
<b>TOTAL</b>	\$ 6,569,476	\$ 1,875,752	\$ 324,534	\$ 230,000	\$ 44,427	\$ 110,219	\$ 12,412	\$ 9,166,820

*Sterling Transition/Retention Agreements*

On January 17, 2011, Sterling entered into transition/retention incentive agreements, which we refer to herein as the transition agreements, with each of its named executive officers, among other executive officers, to provide an incentive for the executive officers to remain employed with Sterling for a certain period of time following the announcement of the merger.

The transition agreements provide for the payment of cash bonuses if the executive officers remain employed with Sterling for a period commencing on the effective date of the transition agreement and ending on the earlier of: (1) 30 days after the merger-related system conversion has been completed, (2) six months after the date of closing of the merger, or (3) the date such officer is terminated from employment without cause (as defined in the transition agreement). Under the transition agreements, Sterling agreed to pay each executive officer an amount equal to 50% of his or her respective base salary payable one-half upon the closing date of the merger and one-half upon conclusion of the aforementioned transition period.

The amount of cash bonus payable to each named executive officer in accordance with their respective transition agreement is as follows: \$305,250 to Mr. Bridgwater, \$178,063 to Mr. Wasson, \$139,907 to Mr. Goolsby, and \$137,500 to Mr. Smith. An aggregate of \$692,462 is payable to the other six executive officers.

*Director and Officer Indemnification and Insurance*

For a period of six years after closing of the merger, to the fullest extent permitted by applicable law and Sterling's governing documents, Comerica will indemnify and advance expenses to each present and former director and officer of Sterling against liabilities arising out of that person's services for Sterling whether occurring before or after the effective time of the merger. Comerica will use its reasonable best efforts to maintain Sterling's directors' and officers' liability insurance for a period of six years after closing of the merger or substitute policies of at least the same coverage and amounts containing terms and conditions which are substantially no less advantageous with respect to claims arising from facts or events which occurred prior to the effective time and covering persons who are currently covered by such insurance. In lieu of the insurance

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described in the preceding sentence, prior to the completion of the merger, Comerica, or Sterling, with Comerica's consent, may obtain a six-year tail prepaid policy providing coverage equivalent to such insurance. See The Merger Agreement Covenants and Agreements D&O Indemnification and Insurance.

### **Public Trading Markets**

Comerica common stock is listed and traded on the NYSE under the symbol CMA. Sterling common stock is listed and traded on the NASDAQ Global Select Market, which we refer to as the NASDAQ, under the symbol SBIB. Upon completion of the merger, the Sterling common stock will be delisted from the NASDAQ and deregistered under the Securities Exchange Act of 1934, as amended, which we refer to as the Exchange Act. The newly issued Comerica common stock issuable pursuant to the merger agreement will be listed on the NYSE and freely transferable under the Securities Act of 1933, as amended, which we refer to as the Securities Act.

The Sterling Warrants are listed and traded on the NASDAQ under the symbol SBIBW. Under the terms of the merger agreement, upon completion of the merger, the Sterling warrants will be converted into warrants to acquire Comerica common stock, adjusted to reflect the exchange ratio pursuant to the merger agreement, which we expect to be listed on the NYSE upon completion of the merger under a new name and will be traded under a new symbol.

### **Comerica's Dividend Policy**

Comerica's common stock dividend policy reflects Comerica's earnings outlook, desired dividend payout ratios, need to maintain an adequate capital level, alternative investment opportunities, legal and regulatory considerations and other factors. In the fourth quarter of 2010, Comerica's board of directors increased the quarterly dividend on its common stock to \$0.10 per share. Comerica's board of directors may change this dividend policy at any time, and the payment of dividends by financial holding companies is generally subject to legal and regulatory limitations.

For further information, please see Comparative Market Prices and Dividends on page [ ] and Recent Developments on page [ ].

### **Sterling Shareholders Do Not Have Dissenters Appraisal Rights in the Merger**

Appraisal rights are statutory rights that, if applicable under law, enable shareholders to dissent from an extraordinary transaction, such as a merger, and to demand that the corporation pay the fair value for their shares as determined by a court in a judicial proceeding instead of receiving the consideration offered to shareholders in connection with the extraordinary transaction. Appraisal rights are not available in all circumstances, and exceptions to these rights are provided under the TBOC.

Under the TBOC, a shareholder generally has the right to dissent from any merger to which the corporation is a party, from any sale of all or substantially all assets of the corporation, or from any plan of exchange and to receive fair value for his or her shares. However, rights of dissent and appraisal are not available with respect to a plan of merger in which there is a single surviving corporation, or with respect to any plan of exchange, if: (1) the shares held by the shareholder are part of a class or series that are, on the record date set for purposes of determining which owners are entitled to vote on the plan of merger or exchange, (a) listed on a national securities exchange, (b) designated as a national market security on an interdealer quotation system by the National Association of Securities Dealers, Inc. or (c) held of record by not less than 2,000 holders on the record date fixed to determine the shareholders entitled to vote on the plan of merger or the plan of exchange; (2) the shareholder is not required by the terms of the plan of merger or plan of exchange to accept for the shareholder's shares any consideration that is different than the consideration (other than cash in lieu of fractional shares) to be provided to any other holder of shares of the same class or series held by such shareholder; and (3) the shareholder is not required by the terms of the plan of merger or plan of exchange to accept for his or her shares any consideration other than (a) shares of a corporation that, immediately after the effective time of the merger or

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exchange, will be part of a class or series of shares that are (i) listed, or authorized for listing upon official notice of issuance, on a national securities exchange, (ii) approved for quotation as a national market security on an interdealer quotation system by the National Association of Securities Dealers, Inc., or (iii) held of record by not less than 2,000 holders and (b) cash in lieu of fractional shares otherwise entitled to be received.

Consequently, because Comerica's common stock is listed on the NYSE and Sterling's common stock is listed on the NASDAQ, Sterling's shareholders do not have dissenters' appraisal rights in the merger with respect to their shares of Sterling common stock.

### **Regulatory Approvals Required for the Merger**

Comerica and Sterling have agreed to use their reasonable best efforts to obtain all regulatory approvals required to complete the transactions contemplated by the merger agreement. These approvals include approval from the Federal Reserve Board, among others. Comerica and Sterling have filed, or are in the process of filing, applications and notifications to obtain the required regulatory approvals.

*Federal Reserve Board.* The transactions contemplated by the merger agreement are subject to approval by the Federal Reserve Board pursuant to Section 3 of the Bank Holding Company Act of 1956, as amended.

*Additional Regulatory Approvals and Notices.* A copy of the application submitted to the Federal Reserve Board in connection with the merger must be submitted to the Texas Department of Banking. Notifications and/or applications requesting approval may be submitted to various other federal and state regulatory authorities and self-regulatory organizations.

*Timing.* We cannot assure you that all of the regulatory approvals described above will be obtained and, if obtained, we cannot assure you as to the timing of any such approvals, our ability to obtain the approvals on satisfactory terms or the absence of any litigation challenging such approvals. We also cannot assure you that any third party will not attempt to challenge the merger on antitrust grounds, and, if such a challenge is made, we cannot assure you as to its result.

Comerica and Sterling believe that the merger does not raise substantial antitrust or other significant regulatory concerns and that we will be able to obtain all requisite regulatory approvals on a timely basis without the imposition of any condition that would have a material adverse effect on Comerica or Sterling. The parties' obligation to complete the merger is conditioned upon the receipt of all required regulatory approvals.

We are not aware of any material governmental approvals or actions that are required for completion of the merger other than those described above. It is presently contemplated that if any such additional governmental approvals or actions are required, those approvals or actions will be sought. There can be no assurance, however, that any additional approvals or actions will be obtained.

### **Litigation Relating to the Merger**

On January 18, 2011, a purported shareholder of Sterling filed a putative class action complaint relating to the merger in the District Court of Harris County, Texas, captioned *Bailey v. Sterling Bancshares, Inc. et al.*, Cause No. 201103205. On February 2, 2011, a purported shareholder of Sterling filed a derivative complaint on behalf of Sterling in the same court captioned *Stockton v. Bird et al.*, Cause No. 201107148. Both complaints name as defendants Sterling, certain of its directors and officers, and Comerica. The complaints allege that the director and officer defendants breached their fiduciary duties to Sterling shareholders and that Sterling and Comerica aided and abetted those alleged breaches. Both complaints generally seek, among other relief, to enjoin the consummation of the merger and an award of costs and attorneys' fees. In addition, the *Bailey* complaint seeks a constructive trust over any benefits improperly received by defendants, and the *Stockton* complaint seeks an accounting for damages resulting from the alleged fiduciary breaches.

Each of the defendants believes the claims asserted are without merit and intends to vigorously defend against these lawsuits.

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**THE MERGER AGREEMENT**

*The following describes certain aspects of the merger, including certain material provisions of the merger agreement. The following description of the merger agreement is subject to, and qualified in its entirety by reference to, the merger agreement, which is attached to this proxy statement/prospectus as Annex A and is incorporated by reference into this proxy statement/prospectus. We urge you to read the merger agreement carefully and in its entirety, as it is the legal document governing this merger.*

**Structure of the Merger**

Each of the Sterling board of directors and the Comerica board of directors has approved the merger agreement, which provides for the merger of Comerica Bayou Acquisition Corporation, a wholly owned direct subsidiary of Comerica, with and into Sterling. Sterling will be the surviving entity in the merger and will remain as a wholly owned subsidiary of Comerica.

*Merger Consideration*

Each share of Sterling common stock issued and outstanding immediately prior to the completion of the merger, except for specified shares of Sterling common stock held by Sterling, Comerica or Comerica Bayou Acquisition Corporation, will be converted into the right to receive 0.2365 of a share of Comerica common stock. If the number of shares of common stock of Comerica changes before the merger is completed as a result of a stock split, stock dividend, or similar recapitalization with respect to such stock, and the record or effective date with respect to such change is prior to the completion of the merger, then the exchange ratio will be proportionately adjusted.

*Fractional Shares*

Comerica will not issue any fractional shares of Comerica common stock in the merger. Instead, a Sterling shareholder who otherwise would have received a fraction of a share of Comerica common stock will receive an amount in cash rounded to the nearest cent. This cash amount will be determined by multiplying the fraction of a share of Comerica common stock to which the holder would otherwise be entitled by the closing price of Comerica common stock on the NYSE on the last trading day prior to the date on which the merger is completed.

*Surviving Corporation, Governing Documents and Directors*

At the effective time of the merger, Comerica Bayou Acquisition Corporation's certificate of formation and bylaws in effect immediately prior to the effective time will be the articles of incorporation and bylaws of the surviving corporation after completion of the merger until thereafter amended in accordance with their respective terms and applicable law. At the effective time of the merger, the board of directors of Comerica Bayou Acquisition Corporation immediately prior to the effective time of the merger will be the board of directors of Sterling as the surviving corporation of the merger.

**Treatment of Sterling Stock Options and Other Equity-Based Awards**

*Options*

At the effective time of the merger, each outstanding option to acquire Sterling common stock granted under Sterling's stock incentive plans will be converted automatically into an option to purchase a number of shares of Comerica common stock equal to the product (rounded down to the nearest whole share) of (1) the number of shares of Sterling common stock subject to the option and (2) the exchange ratio of 0.2365. Each converted stock option will be subject to the same terms and conditions (including expiration date and exercise provisions) as were applicable immediately prior to the effective time of the merger, including vesting in full at the effective time. The per share exercise price for each converted stock option will equal the quotient (rounded up to the nearest whole cent) of (x) the per share exercise price of the option in effect immediately prior to the effective time of the merger and (y) the exchange ratio of 0.2365.

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Comerica has agreed to file a registration statement with the SEC on an appropriate form to the extent necessary to register Comerica common stock subject to the converted stock options.

### *Phantom Stock Unit Awards*

At the effective time of the merger, each Sterling phantom stock unit award outstanding under Sterling's stock incentive plans will be assumed by Comerica and converted into a number of fully vested shares of Comerica common stock equal to the product (rounded down to the nearest whole share) of (1) the number of shares of Sterling common stock underlying or subject to the Sterling phantom stock unit award and (2) the exchange ratio of 0.2365.

Except as otherwise agreed between Comerica and any individual award holder, phantom unit awards issued pursuant to Sterling's 2007 Long-Term Incentive Stock Performance Program shall be payable at 100% of target (as defined in the applicable award agreement) and settled in the same manner as described in the prior paragraph.

### *Employee Stock Purchase Plan*

Sterling will terminate its Employee Stock Purchase Plan immediately prior to the effective time of the merger.

## **Treatment of Sterling Warrants**

At the effective time of the merger, the warrants issued by Sterling pursuant to the Warrant Agreement, dated June 9, 2010, between Sterling and American Stock Transfer & Trust Company, LLC, or Sterling Warrants, shall be converted automatically into warrants to purchase Comerica common stock, which we refer to as the New Comerica Warrants (and cash in lieu of any fractional shares). The New Comerica Warrants will be subject to the same terms and conditions as were applicable to the Sterling Warrants immediately prior to the effective time, except that:

the number of shares of Comerica common stock purchasable upon exercise of each New Comerica Warrant will equal the product of (1) the number of shares of Sterling common stock that were purchasable under such Sterling Warrant immediately prior to the effective time of the merger and (2) the exchange ratio of 0.2365 (rounded to the nearest one-hundredth of a share); and

the per share exercise price for each New Comerica Warrant will equal the quotient of (1) the per share exercise price of the Sterling Warrant immediately prior to the effective time of the merger and (2) the exchange ratio of 0.2365 (rounded to the nearest one-tenth of a cent).

## **Closing and Effective Time of the Merger**

The merger will be completed only if all conditions to the merger discussed in this proxy statement/prospectus and set forth in the merger agreement are either satisfied or waived. See "Conditions to Complete the Merger" beginning on page [ ].

The merger will become effective when the certificate of merger is filed with the Secretary of State of the State of Texas. However, we may agree to a later time for completion of the merger and specify that time in accordance with Texas law. In the merger agreement, we have agreed to cause the completion of the merger to occur no later than the fifth business day following the satisfaction or waiver of the last of the conditions specified in the merger agreement, or on another mutually agreed date. It currently is anticipated that the completion of the merger will occur by mid-year 2011, subject to the receipt of regulatory approvals and other customary closing conditions, but we cannot guarantee when or if the merger will be completed.

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### **Conversion of Shares; Exchange of Certificates**

The conversion of Sterling common stock into the right to receive the merger consideration will occur automatically at the effective time of the merger. Promptly after completion of the merger, the exchange agent will exchange certificates or book-entry shares representing shares of Sterling common stock for the merger consideration to be received pursuant to the terms of the merger agreement.

#### *Letter of Transmittal*

Promptly after the completion of the merger, the exchange agent will mail appropriate transmittal materials and instructions to those persons who were holders of Sterling common stock immediately prior to the completion of the merger. These materials will contain instructions on how to surrender shares of Sterling common stock in exchange for the merger consideration the holder is entitled to receive under the merger agreement.

If a certificate for Sterling common stock has been lost, stolen, mislaid or destroyed, the exchange agent will issue the consideration properly payable under the merger agreement upon receipt of (1) an affidavit of that fact by the claimant, (2) such bond, security or indemnification as Comerica and the exchange agent may reasonably require, and (3) any other documents necessary to evidence and effect the exchange.

After completion of the merger, there will be no further transfers on the stock transfer books of Sterling.

#### *Withholding*

Comerica, the surviving corporation and the exchange agent will be entitled to deduct and withhold from the consideration otherwise payable to any Sterling shareholder the amounts it is required to deduct and withhold under any applicable federal, state, local or foreign tax law. If any such amounts are withheld, these amounts will be treated for all purposes of the merger agreement as having been paid to the shareholders from whom they were withheld.

#### *Dividends and Distributions*

Whenever a dividend or other distribution is declared by Comerica on Comerica common stock, the record date for which is at or after the effective time of the merger, the declaration will include dividends or other distributions on all shares of Comerica common stock issuable pursuant to the merger agreement, but such dividends or other distributions will not be paid to the holder thereof until such holder has duly surrendered its Sterling stock certificates or book-entry shares.

Prior to the effective time of the merger, neither Sterling nor its subsidiaries may, except with Comerica's prior written consent, declare or pay any dividend or distribution on its capital stock or repurchase any shares of its capital stock, other than regular quarterly dividends on Sterling common stock at a rate no greater than \$0.015 per share. The declaration and payment of the last quarterly dividend by Sterling prior to the effective time of the merger must be coordinated with Comerica so that holders of Sterling common stock do not receive dividends on both, or fail to receive a dividend on either, Sterling common stock and the Comerica common stock received in the merger in such quarter.

### **Representations and Warranties**

The merger agreement contains representations and warranties of Sterling and Comerica relating to their respective businesses. With the exception of (i) certain representations that must be true and correct in all material respects, (ii) representations concerning the absence of a material adverse effect and of undisclosed liabilities reasonably likely to have a material adverse effect, which must be true and correct in all respects and (iii) certain of Sterling's representations concerning capitalization, which must be true and correct in all respects except for inaccuracies that are de minimis in amount, no representation or warranty will be deemed untrue or

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incorrect, and no party will be deemed to have breached a representation or warranty as a consequence of the existence or absence of any fact, circumstance, change or event unless that fact, circumstance, change or event, individually or when taken together with all other facts, circumstances, changes or events inconsistent with any representation, has had or is reasonably likely to have a material adverse effect.

For the purposes of the merger agreement, a material adverse effect with respect to Comerica or Sterling, as the case may be, means any fact, circumstance, event, change, effect, development or occurrence that, individually or in the aggregate, together with all other facts, circumstances, events, changes, effects, developments or occurrences, directly or indirectly has had or would reasonably be expected to result in a material adverse effect on the financial condition, results of operations or business of such party and its subsidiaries taken as a whole, other than to the extent resulting from:

changes after the date of the merger agreement in U.S. generally accepted accounting principles, or GAAP, or regulatory accounting requirements;

changes after the date of the merger agreement in laws, regulations or rules of general applicability to companies in the financial services industry;

changes after the date of the merger agreement in global, national or regional political conditions or general economic or market conditions in the United States or any state or territory thereof, including changes in prevailing interest rates, credit availability and liquidity, currency exchange rates, and price levels or trading volumes in the United States or foreign securities markets affecting other companies in the financial services industry;

after the date of the merger agreement, general changes in the credit markets or general downgrades in the credit markets; or

any outbreak or escalation of hostilities, declared or undeclared acts of war or terrorism; except, in each case listed above, to the extent that the effects of such change disproportionately affect such party and its subsidiaries, taken as a whole, as compared to other companies in the industry in which such party and its subsidiaries operate; or

the public disclosure of the merger agreement and the impact thereof on relationships with customers or employees; or

actions or omissions taken with the prior written consent of the other party or expressly required by the merger agreement; or

failure, in and of itself, to meet earnings projections or internal financial forecasts, but not including any underlying causes thereof unless separately excluded by one of the preceding clauses, or changes in the trading price of a party's common stock, in and of itself, but not including any underlying causes unless separately excluded by one of the preceding clauses.

The representations and warranties in the merger agreement do not survive the effective time of the merger and, as described below under Effect of Termination, if the merger agreement is validly terminated, there will be no liability under the representations and warranties of the parties, or otherwise under the merger agreement (except with respect to designated provisions of the merger agreement, including those related to payment of fees and expenses and the confidential treatment of information), unless a party knowingly breached the merger agreement.

The merger agreement contains representations and warranties made by Sterling to Comerica relating to a number of matters, including the following:

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corporate matters, including due organization and qualification, standing and power;

authority relative to execution and delivery of the merger agreement and the absence of conflicts with, or violations of, organizational documents, material agreements or other obligations, or applicable law or regulation as a result of the merger;



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capitalization;

required governmental and other regulatory filings and consents in connection with the merger;

subsidiaries;

proper filing of documents with the SEC and the accuracy of information contained in the documents filed with the SEC; the conformity with GAAP and SEC requirements of Sterling's financial statements filed with the SEC; and internal controls;

the absence of undisclosed liabilities;

the absence of a material adverse effect since December 31, 2009;

tax matters;

title to assets;

intellectual property;

environmental matters;

compliance with applicable law;

labor relations;

employee compensation and benefits matters;

material contracts;

derivative instruments and transactions;

legal proceedings;

proper filing and accuracy of documents filed with regulatory agencies;

loans and loan matters;

non-applicability of state takeover laws;

accuracy of Sterling information provided in this proxy statement/prospectus; and

absence of agreement, plan or circumstance to impede the merger from qualifying as a reorganization or materially impede or delay receipt of required regulatory approvals.

The merger agreement contains representations and warranties made by Comerica to Sterling relating to a number of matters, including the following:

corporate matters, including due organization and qualification, standing and power;

authority relative to execution and delivery of the merger agreement and the absence of conflicts with, or violations of, organizational documents, material agreements or other obligations, or applicable law or regulation as a result of the merger;

capitalization;

required governmental and other regulatory filings and consents in connection with the merger;

proper filing of documents with the SEC and the accuracy of information contained in the documents filed with the SEC; the conformity with GAAP and SEC requirements of Comerica's financial statements filed with the SEC; and internal controls;

the absence of undisclosed liabilities;

the absence of a material adverse effect since December 31, 2009;

tax matters;

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compliance with applicable law;

material contracts;

legal proceedings;

accuracy of Comerica information provided in this proxy statement/prospectus;

absence of agreement, plan or circumstance to impede the merger from qualifying as a reorganization or materially impede or delay receipt of required regulatory approvals; and

proper filing and accuracy of documents filed with regulatory agencies.

This summary, and the copy of the merger agreement attached to this proxy statement/prospectus as Annex A, are included solely to provide investors with information regarding the terms of the merger agreement. They are not intended to provide factual information about the parties or any of their respective subsidiaries or affiliates. The representations, warranties and covenants of each party as set forth in the merger agreement were made only for purposes of that agreement and as of specific dates, are solely for the benefit of the parties to the merger agreement, may be subject to limitations, qualifications and exceptions agreed upon or to be agreed upon by the parties (including being qualified by confidential disclosures), may have been made for the purposes of allocating contractual risk between the parties to the merger agreement instead of establishing these matters as facts, and may be subject to standards of materiality applicable to the parties that differ from those applicable to investors. Investors should not rely on the representations, warranties, or covenants or any description thereof as characterizations of the actual state of facts or condition of the parties or any of their respective subsidiaries or affiliates. Moreover, information concerning the subject matter of the representations, warranties, and covenants may change after the date of the merger agreement, which subsequent information may or may not be fully reflected in public disclosures by Comerica or Sterling. The representations and warranties, covenants and other provisions of the merger agreement should not be read alone, but instead should be read only in conjunction with the information provided elsewhere in this proxy statement/prosp