

BANK BRADESCO
Form 6-K
May 11, 2010

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

FORM 6-K

**REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16 UNDER THE
SECURITIES EXCHANGE ACT OF 1934**

For the month of May, 2010

Commission File Number 1-15250

BANCO BRADESCO S.A.
(Exact name of registrant as specified in its charter)

BANK BRADESCO
(Translation of Registrant's name into English)

**Cidade de Deus, s/n, Vila Yara
06029-900 - Osasco - SP
Federative Republic of Brazil
(Address of principal executive office)**

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

Publicly-Held Company

CNPJ # 60.746.948/0001-12

Notice to Shareholders

Banco Bradesco S.A. announces to the Market, its shareholders and clients that the Company's Board of Directors, in a meeting held on May 10th, 2010, resolved to submit to the Special Shareholders' Meetings to be held on June 10, 2010, at 5 p.m, proposals to:

To increase the Capital Stock: increasing the capital stock from R\$26,500,000,000.00 to R\$28,500,000,000.00, by means of:

1. **Reserves Capitalization:** the capital stock will be increased by R\$2,000,000,000.00, by means of capitalization of part of the balance of the Profit Reserves' Statutory Reserve' account, pursuant to the provisions of Article 169 of Law #6,404/76, with bonus shares;

2. **Bonus Shares (10%):** already considered the cancellation of the 6,676,340 non-par, registered, book-entry shares, of which 3,338,170 are common shares and 3,338,170 are preferred shares, resolved at the Special Shareholders' Meeting held on March 3, 2010, in process of ratification by the Central Bank of Brazil, 342,040,948 new non-par, book-entry, registered shares will be issued, of which 171,020,483 are common shares and 171,020,465 are preferred shares, which will be conferred, free of charge to shareholders, as bonus share, at the ratio of 1 (one) new share for each 10 (ten) shares of the same type held thereby on the record date, observing:

2.1. Objective: the bonus share operation aims at: a) improving the liquidity of the shares on the Market, taking into account that a higher quantity of outstanding shares, potentially, improves business; b) to allow an adjustment to share prices, making them more attractive and accessible to a greater number of investors.

2.2. Record Date: the record date of bonus entitlement will be notified to the Market after the approval of the respective process by the Central Bank of Brazil.

2.3. Trading: current shares will continue to be traded entitled to bonus and new shares will be available for trading after the approval of the respective process by the Central Bank of Brazil and their inclusion in the shareholders position to be notified to the Market.

2.4. Bonus Shares Entitlement: They will be entitled to dividends and/or interest on own capital to be declared as of the date of their inclusion in the shareholders position. They are also fully entitled to eventual advantages conferred to other shares as of the aforementioned date.

2.5. Monthly Dividends: monthly dividends will be maintained at R\$0.013219250 per common share and R\$0.014541175 per preferred share, so as the amount monthly paid to shareholders will be increased by 10% after the inclusion of new shares in the shareholders positions.

2.6. Fractions of Shares: the bonus share will always occur in whole numbers. The remainig shares resulting from fractions of shares will be separated, grouped into whole numbers and sold in an Auction to be held at BM&FBOVESPA S.A. Bolsa de Valores, Mercadorias e Futuros (Securities, Commodities and Futures Exchange), after the period of thirty (30) days set forth in Article 169, paragraph 3, of Law # 6,404/76, which will be determined after the process is duly approved by the Central Bank of Brazil, and the respective amounts will be available to shareholders entitled thereto.

2.7. Cost of Bonus Shares: the cost attributed to the bonus shares is R\$5.847253119 per share, regardless of the type, pursuant to the provisions in Paragraph One of Article 25 of the Normative Ruling of the Brazilian Internal Revenue Service #25 of March 6th, 2001.

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2.8. Additional Procedures Fractions of Shares

For the holders of rights, the Company will:

- a) assign credit for those registered as checking account holders with a Financial Institution; and
- b) pay to BM&FBOVESPA S.A. Bolsa de Valores, Mercadorias e Futuros (Securities, Commodities and Futures Exchange), which will transfer the respective amounts to the holders of rights registered, by means of its Custody Agents.

Those who do not hold a checking account with a Financial Institution, but their records are regularly registered at Bradesco, will be notified and with their identity card must go to any Bradesco branch to receive the amount they are entitled to.

For unidentified or not located shareholders, the respective amounts will remain available at the Company.

2.9. Holders of Depositary Receipts (DRs), Traded in the United States and Spain

Simultaneously to the Brazilian Market operation, and in the same proportion, bonus will be paid in the form of ADRs - American Depositary Receipts in the U.S. Market (NYSE) and in the form of GDRs - Global Depositary Receipts in the European Market (Latibex) and investors will receive 1 (one) new DR for each 10 (ten) DRs held on the record date.

- the resulting fractions, similarly to the operations in Brazil, will be separated, grouped into whole numbers and sold on the respective Stock Exchanges, and the amounts will be credited to the holders of fractions;

- once concluded the operation, DRs - Depositary Receipts will continue to be traded at the ratio of 1 (one) preferred share to 1 (one) DR, in the aforementioned Markets.

Documents Available to Shareholders: this Notice to Shareholders, the Call Notice and the Proposals of the Board of Directors will be available to shareholders at Bradesco's Shares and Custody Department, the Company's Depositary Financial Institution, Cidade de Deus, Prédio Amarelo, Vila Yara, Osasco, SP, and they may also be viewed on the website www.bradesco.com.br Corporate Governance Shareholders section, being also available at BM&FBovespa and CVM websites.

Further needed clarifications may be obtained through the e-mail investidores@bradesco.com.br, in the Investor Relations Website www.bradesco.com.br/ri or in Bradesco Branch Network

Cidade de Deus, Osasco, SP, May 10th, 2010

Banco Bradesco S.A.

Domingos Figueiredo de Abreu

Executive Vice President and

Investor Relations Officer

/s/

SIGNATURES

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

Date: May 11, 2010

BANCO BRADESCO S.A.

By: /s/ Domingos Figueiredo
de Abreu

**Domingos Figueiredo de
Abreu
Executive Vice-President
and
Investor Relations
Officer**

FORWARD-LOOKING STATEMENTS

This press release may contain forward-looking statements. These statements are statements that are not historical facts, and are based on management's current view and estimates of future economic circumstances, industry conditions, company performance and financial results. The words "anticipates", "believes", "estimates", "expects", "plans" and similar expressions, as they relate to the company, are intended to identify forward-looking statements. Statements regarding the declaration or payment of dividends, the implementation of principal operating and financing strategies and capital expenditure plans, the direction of future operations and the factors or trends affecting financial condition, liquidity or results of operations are examples of forward-looking statements. Such statements reflect the current views of management and are subject to a number of risks and uncertainties. There is no guarantee that the expected events, trends or results will actually occur. The statements are based on many assumptions and factors, including general economic and market conditions, industry conditions, and operating factors. Any changes in such assumptions or factors could cause actual results to differ materially from current expectations.
